

**DECLARATION OF PROTECTIVE COVENANTS**

**FOR**

**CREEK RANCH**

**A Subdivision within Routt County, Colorado**

**Creek Ranch, LLP**, a Colorado limited liability partnership (hereinafter called the "Declarant"), is the owner of all that real property in the Routt County, Colorado which is platted as a subdivision called CREEK RANCH, the plat of which is filed as File No. \_\_\_\_\_ of the Routt County real property records (the "Plat"). Such real property is described in the Certificate of Dedication and Ownership on the Plat and on Exhibit A. All of the real property described in Exhibit A is referred to in this Declaration as the "Property." Declarant desires to establish on the Property a Planned Community under the Colorado Common Interest Ownership Act, C.R.S. §§38-33.3-1-101, et seq. (the "Act"), and has caused to be incorporated the Creek Ranch Owners Association (hereinafter called the "Association"), a Colorado nonprofit corporation, for the purpose of exercising the functions of an association under the Act and this Declaration and for the purposes described in its Articles of Incorporation. A description of the easements to which the Property is presently subject is set forth on Exhibit B.

Declarant hereby submits the Property to the provisions of the Act as it may be amended from time to time, as a Planned Community under such Act. In the event the Act is repealed, the Act as written on the date this Declaration is first recorded in the Routt County real property records shall remain applicable. The name of the common interest community is CREEK RANCH, which is a planned community. The name of the Association is the CREEK RANCH OWNERS ASSOCIATION.

Declarant hereby makes and declares the following limitations, restrictions, easements, requirements, burdens, benefits, limitations and uses upon and of the Property and all parts thereof and upon the Owners of Lots within and Structures erected in the Subdivision, and upon the Owner(s) of the Remainder Parcels and Open Space Areas as shown on the Plat, as restrictive and protective covenants running with the land binding upon Declarant, its successors and assigns and all persons acquiring or owning an interest in the Subdivision, and as contractual obligations and restrictions upon all current and future Owners of any part of the Subdivision.

1. Definitions. Each capitalized term in this Declaration not otherwise defined in this Declaration or in the Plat shall have the meanings specified or used in the Act. As used herein the following words and terms shall have the following meanings:

1.01 "Additional Property" shall mean the real property described on Exhibit C.

1.02 "Association" shall mean the Creek Ranch Owners Association, a Colorado nonprofit corporation, the Members of which shall consist of all of the Owners of Lots. The Board of Directors of the Association is referred to as the "Executive Board."

1.03 "Association Bargain and Sale Deed" shall mean the Bargain and Sale Deed made, executed, and delivered by Declarant to the Association and recorded contemporaneously with this Declaration in Book \_\_\_\_\_ at Page \_\_\_\_\_ of the Routt County real property records. The Association Bargain and Sale Deed conveys certain easements and property interests to the Association and reserves certain easements and property interests to the Declarant, its successors and assigns and others, all as more particularly set forth therein.

1.04 "Association Control Period" means the time period from the initial recording of this Declaration in the real property records of Routt County to the date of recording of an instrument executed and acknowledged by Declarant voluntarily surrendering the Special Declarant Right reserved to Declarant described in Section 22.06, but in all events such Association Control Period will expire not later than either sixty (60) days after conveyance of seventy-five percent (75%) of the Lots that may be created under this Declaration to Owners other than Declarant, two (2) years after the last conveyance of a Lot by the Declarant in the ordinary course of business, or two (2) years after any right to add new Lots under this Declaration to the Common Interest Community was last exercised.

1.05 "Building Envelope" shall mean the area within each Lot, Remainder Parcel B and Remainder Parcel C shown or labeled as a Building Envelope on the Plat. Building Envelopes may be adjusted as provided in Section 17.

1.06 "Caretaker Unit" shall mean a portion of a Dwelling or Outbuilding designed to be occupied as self-contained living quarters separate from the remainder of the Structure. A Caretaker Unit may not exceed the maximum permitted size of a secondary unit in the designated zone of the Subdivision as established by County law (with respect to the Lots, 800 square feet at the time this Declaration was recorded), or in the absence of such designation of maximum size by County law, a Caretaker Unit on a Lot may not exceed one thousand (1,000) square feet in area. Each Caretaker Unit shall comply with requirements, if any, of the County zoning or subdivision laws for caretaker units or secondary units. County zoning and subdivision laws at the time this Declaration was recorded require that Caretaker Units on Lots be attached to the Dwelling.

1.07 "Committee" shall mean the committee of persons appointed by the Executive Board of the Association to constitute the Architectural Control Committee for the Subdivision, as more particularly described in Section 4.

1.08 "Common Property" shall mean all real and personal property and interests in property which are at any time owned, leased or otherwise held or possessed by the Association for the use and benefit of some or all of the Owners. Included within the definition of "Common Property" are the real property, easements and leases described in Section 24, together with any other property or property interest now or hereafter conveyed to and accepted by the Association. Common Property may consist of any interests in real property, including easements, leases, and

licenses, and other interests less than fee simple ownership. Real property shall not become vested and owned by the Association unless deeded to and accepted by the Association by written instrument executed on behalf of the Association and recorded in the real property records of Routt County, Colorado. Common Property of the Association is subject to the restrictions, conditions, limitations and easements established by or referenced in this Declaration, the Plat and the Association Bargain and Sale Deed.

1.09 "Common Expenses" means (a) all expenses expressly declared to be Common Expenses by the Act, this Declaration or the Bylaws of the Association, together with all funds assessed for or allocated to the creation, funding or maintenance of reserves; (b) all expenses of administering, insuring, operating, improving, conserving, managing, cleaning, maintaining, repairing and replacing Common Property owned or leased by the Association; (c) real and personal property taxes and assessments on Common Property owned or leased by the Association; (d) the Association's legal and accounting and other professional fees, operating expenses, taxes and assessments; and (e) all other expenses determined to be Common Expenses by the Association's Executive Board acting in good faith.

1.10 "County" shall mean Routt County, Colorado.

1.11 "Declaration" shall mean this instrument, being the Declaration of Protective Covenants for Creek Ranch, and all amendments and supplements to this instrument subsequently recorded in Routt County, Colorado, together with the Plat and amendments or supplements to the Plat.

1.12 "Deerwood Water System" shall mean all of the facilities and elements of the private system for water diversion, treatment, pumping, storage, and distribution within or outside of the Property, whether now existing or hereafter constructed, by which a potable central water supply is diverted, treated, stored and delivered to all or some portion of the Lots and Remainder Parcel and to consumers on other properties. The elements of the Deerwood Water System include, but are not limited to, wells and/or infiltration galleries and other water supply sources, raw water pumps and raw water delivery lines, chlorine contact chambers and other treatment and filtration facilities, water storage tanks, raw water trunk lines, distribution trunk lines, fireplugs, and ancillary valving, pumps, water meters, water meter pits, curb valves, and all other water supply facilities, OTHER THAN Owner Service Lines, together with the water rights (other than water rights conveyed to Owners or the Association), well permits, water delivery or supply contracts, easements, licenses, and other property used in or related to the provision of potable water to Owners and others, whether now existing or hereafter acquired. The Deerwood Water System within the Subdivision will be constructed by Declarant and will be owned by Deerwood Service Company, LLC, a Colorado limited liability company, its successors and assigns ("Water System Owner").

1.13 "Development Agreement" shall mean the Development Agreement between the Declarant and the County made, executed, and recorded contemporaneously with this Declaration, by which the Lots, Remainder Parcels and Open Space Areas are subjected to certain limitations and restrictions more particularly set forth therein.

1.14 "Dwelling" shall mean either (i) a single building constructed for residential purposes and occupied by one family as a single-family residence, or (ii) a single building constructed for residential purposes and containing a Caretaker Unit, the Caretaker Unit being occupied by not more than one family as a residential unit, and the remainder of the Dwelling outside of the Caretaker Unit being occupied by a different family as a residential unit.

1.15 "Family" shall mean a single individual or a collective body of persons in a domestic relationship based upon blood, marriage, adoption or fostering, living as a separate, independent housekeeping unit, or a group of not more than five (5) unrelated persons, all living together as a separate housekeeping unit.

1.16 "First Lienor" means the Person who is the beneficiary of or holds the first-lien Mortgage on a Lot, other than the Association with respect to its lien under the Act or as described in this Declaration. "Mortgage" shall include a deed of trust and "mortgagee" shall include the beneficiary of a deed of trust.

1.17 "Lot" means a separately described and subdivided part of the Subdivision designated as a Lot by number on the Plat or on any replat of any part of the Subdivision or on any plat adding all or any portion of the Additional Property to the Subdivision, including all Structures and improvements thereon. Each of the Lots is a "Unit" within the Subdivision or Planned Community, as such term "Unit" is defined and used in the Act. Allocated to each Lot is the 2.56% Common Expense liability of each such Lot and its one vote in the Association. The term "Lot" does not include the Remainder Parcels or Open Space Areas shown on the Plat, subject to Section 18 herein. The boundaries of each Lot are shown on the Plat, subject to adjustment as provided in Section 18.

1.18 "Open Space Areas" shall mean the parcels within the Subdivision as shown and described on the Plat and labeled as "Open Space A," "Open Space B," "Open Space C," "Open Space D," "Open Space E," "Open Space F" and "Open Space G" on the Plat. The boundaries of the Open Space Areas are shown on the Plat, subject to adjustment as provided in Section 18. Declarant has contemporaneously with the execution of this Declaration conveyed the Open Space Areas to the Association by the Association Bargain and Sale Deed, subject to the reservations in Declarant described in such Deed.

1.19 "Outbuilding" shall mean a barn, garage, storage building, shed or similar Structure not attached to a Dwelling on a Lot or a barn, garage, storage building, shed or similar Structure on a Remainder Parcel. An Outbuilding may contain a Caretaker Unit except and unless either (i) the Dwelling on the Lot on which the Outbuilding is located also contains a Caretaker Unit, or (ii) location of a Caretaker Unit in the Outbuilding is prohibited by County law.

1.20 "Owner" shall be any Person that is the record owner of an undivided fee simple interest in any Lot, including a contract seller and all co-owners of any such real property, but excluding those having such interest merely as security for the performance of an obligation. With respect to Remainder Parcels and Open Space Areas, the "Owner" of such parcels shall be the Association.

1.21 "Owner Service Line" shall mean any water service line between 3/4" and 2" in size within a Lot which taps onto the Deerwood Water System from the curb valve or water meter for connection to a Dwelling or Outbuilding on such Lot, which service line shall be owned, operated, maintained, and repaired by the Lot Owner. The Owner Service Lines will, however, be subject to the rules and regulations of the Association and the Water System Owner in order to preserve and protect the integrity and safety of the Deerwood Water System.

1.22 "Person" shall mean any individual, group, corporation, partnership, limited liability company, limited liability partnership, association, trust, or other legal entity.

1.23 "Plat" shall mean the land survey plat recorded at the Routt County Clerk and Recorder's file number set forth in the opening paragraph of this Declaration, and any amendment or supplement to such plat or any part thereof, which is a land survey plat as set forth in C.R.S. §38-51-102, which depicts all or any portion of the Subdivision in two dimensions, which is executed by a Person that is authorized by the Act to execute the Declaration or amendment to the Declaration for the Subdivision, and which is recorded in the real property records of the County.

1.24 "Property" shall mean all the property described on Exhibit A, which is also described in the Certificate of Dedication and Ownership on the Plat. The term "Property" shall also include any portion of the Additional Property that is added to the Creek Ranch common interest community and made subject to this Declaration pursuant to Section 22.09.

1.25 "Ranch Roads" shall mean the private road easements and utility easements within the Subdivision shown and described on the Plat and labeled as "Headquarters Road," "Barn Lane," "Creek Ranch Road," "Rainbow Ridge," "Bench Lane," "Judge's View," "Mack Lane," and "Whetstone Lane" on the Plat, including the circular cul-de-sac areas shown on the Plat and including all roadway and related improvements (including drainage channels) now existing or hereafter constructed within such easements. Declarant has, contemporaneously with the execution of this Declaration, conveyed the Ranch Roads to the Association in and by the Association Bargain and Sale Deed, subject to the reservations in Declarant as described in such Deed. The Ranch Roads shall also mean such easements as each may hereafter be relocated or altered by or with the consent of the Association and the underlying servient owners, as more particularly provided in Section 6.05.

1.26 "Remainder Parcels" shall mean the parcels as shown and described on the Plat and labeled as "Remainder Parcel A," "Remainder Parcel B," "Remainder Parcel C" and "Remainder Parcel D" on the Plat. The boundaries of the Remainder Parcels are shown on the Plat, subject to adjustment as provided in Section 18. Declarant has contemporaneously with execution of this Declaration conveyed the Remainder Parcels to the Association in and by the Association Bargain and Sale Deed, subject to the reservations in Declarant as described in such Deed.

1.27 "Single-family Residence" shall mean a single building designed and constructed for use by one family for residential purposes. A single-family residence may incorporate one Caretaker Unit if otherwise allowed under County law.

1.28 "Subdivision" shall mean all of the Lots, the Remainder Parcels and the Open Space Areas and, as long as the leases described in Section 24.01.05 are held by or for the benefit of the Association, the lands subject to such leases ("Leased Lands"). The term "Subdivision" shall also include any portion of the Additional Property that is added to the Creek Ranch common interest community and made subject to this Declaration pursuant to Section 22.09. The term "Subdivision" shall have the same meaning as the term "Planned Community" as defined by the Act.

1.29 "Structure" shall mean a dwelling, building, Outbuilding, driveway, common or private drive, parking area, fence, improvement, wall, foundation, walkway, gazebo, patio, deck, pool, landscaping, utility line, well, ditch, pond, dam, appurtenance or other fixture, structure or improvement affixed and situated on a Lot with the intent that it remain indefinitely.

2. Purpose and Intent.

2.01 Intent. This Declaration of Protective Covenants is made and declared for the purpose of creating a low density rural residential area of exceptional quality and desirability that incorporates and is compatible with ranching and agricultural activities and lifestyles, wildlife preservation, preservation and protection of wetlands, preservation of the environment and the natural beauty of the Property to the greatest extent possible, and promotion of the health, welfare, benefit and enjoyment of the Owners. The intent of this Declaration is to provide a common scheme and framework of mutual rights and obligations for the benefit of the Subdivision and all residents of the Subdivision; to provide guidelines for the orderly development of the Subdivision consistent with the purposes set forth herein; to achieve compatibility of architectural and landscape design within the Subdivision; to establish procedures and processes by which a broad design and development philosophy acceptable to the future residents of the Subdivision may be created, developed and implemented; and to establish remedies for the violation or threatened violation of this Declaration.

2.02 Purposes. The purposes of this Declaration are:

2.02.01 To provide direction and establish efficient and appropriate guidelines for landscape and architectural creativity without unduly restricting design freedom or development of Dwellings in the Subdivision;

2.02.02 To protect the quality of life, amenities and aesthetic and environmental values of residents of the Subdivision including, without limitation, natural resources, architectural design, views, noise protection and land values;

2.02.03 To provide for the collective maintenance, preservation, care, upkeep, repair, management, operation and improvement of Ranch Roads and other Common Property of the Association;

2.02.04 To protect and enhance wildlife, riparian and fish habitat and wetlands while allowing fishing and hunting in designated areas;

2.02.05 To provide for ongoing ranching and agricultural operations and activities

within the Subdivision consistent with good agricultural and conservation practices, including the raising of livestock, the grazing of livestock and the production of hay;

2.02.06 To provide opportunities and facilities for a variety of outdoor recreational activities; and

2.02.07 To establish procedures, processes, restrictions, limitations, rights, obligations and enforcement remedies that will further the intent and purposes of this Declaration for the mutual benefit of all Owners and residents of the Subdivision.

3. Uses, Restrictions and Obligations.

3.01 Uses of Lots 1 through 39. Each of Lots 1 through 39 within the Subdivision may be used and occupied for residential and agricultural purposes consistent with the provisions of this Declaration. Only one Dwelling and one Outbuilding may be constructed on each such Lot. The Dwelling on a Lot may contain a Caretaker Unit or the Outbuilding on a Lot may contain a Caretaker Unit if the Dwelling on such Lot does not contain a Caretaker Unit and a detached Caretaker Unit on the Lot is otherwise permitted under County law. County zoning and subdivision laws at the date of recording of this Declaration require that Caretaker Units on Lots be attached to the Dwelling. Not more than one Caretaker Unit may be constructed or occupied on a Lot. The Dwelling and Outbuilding on a Lot (including associated decks, porches and similar Structures) must be located wholly within the Building Envelope on such Lot. The location of all Dwellings and Outbuildings on Lots must be approved by the Committee. All uses of the Lot shall be in conformance with this Declaration and all zoning, subdivision, and other applicable laws, orders, ordinances, rules and regulations of governments having jurisdiction or authority within the Subdivision. This Declaration shall be independent of and in addition to all laws governing the design, development and construction of subdivisions, building sites and Structures. All building and related activities within the Subdivision are subject to this Declaration and all applicable laws.

3.02 Uses of Remainder Parcels, Open Space Areas and Leased Lands – General Provisions. Subject to the specific restrictions provided in this Declaration with respect to particular Remainder Parcels, Open Space Areas or Leased Lands, and subject to rules and regulations established by the Association from time to time for use of Remainder Parcels, Open Space Areas and Leased Lands, Remainder Parcels, Open Space Areas and Leased Lands may be used for open space, access and recreational purposes by Owners (Members of the Association), their family members, tenants, guests and invitees and other parties authorized by the Association. Remainder Parcels, Open Space Areas and Leased Lands may be used by the Association and parties authorized by the Association for Association purposes including, without limitation, access, utilities, maintenance, construction, security, recreation, farming, livestock rearing and other agricultural purposes. Subject to the provisions of this Declaration, the specific restrictions with respect to Remainder Parcels, Open Space Areas and Leased Lands provided herein and the rules and regulations of the Association in effect from time to time, recreational and open space uses of Remainder Parcels, Open Space Areas and Leased Lands shall include, without limitation, pedestrian and equestrian access, fishing, hiking, horseback riding, bicycle riding, cross-country skiing, and snowshoeing by Owners, their family members, tenants, guests and invitees and other parties

authorized by the Association. Hunting or the discharge of firearms within the Subdivision is restricted and is permitted only to the extent and within the areas provided in Section 3.03.11. The use of passenger vehicles (cars, trucks, jeeps, etc.), snowmobiles and recreational motor vehicles (including without limitation off-road motorcycles and four-wheelers) is restricted and is permitted only to the extent and within the areas provided in Section 3.03.10. Trails within Remainder Parcels shall be unimproved (i.e., not paved) and, except for trails crossing streams, shall be located a minimum of 50 feet from wetlands and streams, consistent with the recommendations of the Colorado Division of Wildlife in its April 12, 1999 letter to the County regarding the Subdivision, a copy of which is attached as an exhibit to the Development Agreement. The Association shall coordinate with the Colorado Division of Wildlife regarding the use of Remainder Parcels in an effort to avoid disturbance of existing or future sandhill crane nest sites. Remainder Parcels, Open Space Areas and Leased Lands shall be Common Property of the Association, and shall be held, maintained, insured and improved by the Association, and the expenses associated therewith shall be Common Expenses. Subject to rules and regulations of the Association in effect from time to time and without limiting any other provisions of this Declaration, the following specific uses and restrictions shall be applicable with respect to the indicated Open Space Areas, the Remainder Parcel(s) and Leased Lands:

3.02.01 Remainder Parcel A. No Dwellings shall be constructed on Remainder Parcel A. Structures such as fences, trails and bridges and other improvements for agricultural uses and for utilities may be constructed on Remainder Parcel A.

3.02.02 Remainder Parcel B. A ranch headquarters may be constructed within the Building Envelope shown on the Plat for Remainder Parcel B which may include a Dwelling-type building with attached or detached Caretaker Unit and one or more Outbuildings, fences, arenas, corrals, drives and other structures for recreational, open space and agricultural uses and for utilities. Structures such as fences, trails and bridges and other improvements for agricultural uses and for utilities may be constructed on Remainder Parcel B.

3.02.03 Remainder Parcel C. No Dwellings shall be constructed on Remainder Parcel C. Structures such as fences, trails and bridges and other improvements for agricultural uses and for utilities may be constructed on Remainder Parcel C. A common barn may be constructed on Remainder Parcel C within the Building Envelope shown on the Plat for Remainder Parcel C. A portion of Remainder Parcel C is subject to that certain Easement Deed for Perpetual Conservation Easement in Gross dated June 27, 1994 and recorded July 13, 1994 in Book 698 at Page 2693 of the Routt County real property records (the "DOW Easement"), and all activities within that portion of Remainder Parcel C subject to the DOW Easement are subject to the provisions and restrictions contained in the DOW Easement. In order to protect elk calving areas, the DOW Easement area shall be closed to all recreational activities between April 1 and June 30 of each year, with the exception of a posted pedestrian/equestrian trail corridor approved by the Colorado Division of Wildlife (the "DOW"). If conflicts between trail use and elk calving are reported to either of DOW or the Association, the Executive Board shall appoint a committee of two Owners with wildlife experience (or if there are no such Owners, such committee shall be appointed from the Executive Board) who shall meet with the DOW to discuss mutually agreeable solutions to the conflicts, which may include temporary short-term closures of the pedestrian/equestrian trail. Closure of the



trail for pedestrian/equestrian purposes shall not prohibit historical non-recreational based uses and ongoing agricultural uses allowed pursuant to the DOW Easement.

3.02.04 Remainder Parcel D. No Dwellings shall be constructed on Remainder Parcel D. Structures such as fences, trails and bridges and other improvements for agricultural uses and for utilities may be constructed on Remainder Parcel D.

3.02.05 Open Space Areas. Open Space Areas may be used for open space, trails, utilities and access between and among Lots, Ranch Roads, Remainder Parcels, Leased Lands and public lands adjacent to the Subdivision.

3.02.06 Leased Lands. The use of Leased Lands shall be subject to the provisions of all applicable leases or similar agreements with the owners of such lands.

3.03 Prohibited Activities and Affirmative Obligations. Without limiting other provisions of this Declaration, all Owners of Lots and all occupants or users of Dwellings and other Structures within the Subdivision, their families, tenants, guests and invitees, shall comply with and be subject to the following:

3.03.01 Offensive Activities. No noxious or offensive activities shall be conducted or carried on within the Subdivision or within any Structure, nor shall anything be done within the Subdivision which is or may become an unreasonable annoyance, disturbance or nuisance to others.

3.03.02 Refuse Burning. There shall be no burning or disposal of refuse out of doors. Each Owner shall provide suitable receptacles for the temporary storage and collection of refuse, and all such receptacles shall be screened from the public view and protected from disturbance. Refuse containers may be placed outside at such times as may be necessary to permit pick up.

3.03.03 Parking and Trailers. No automobiles, trucks, motorcycles, campers, mobile homes, recreational vehicles, snowmobiles, boats, boat trailers, trailers, commercial vehicles, equipment, machinery or similar items shall be parked or stored on county roads or Ranch Roads. No trailer, camper, camping trailer, tent, mobile home, or similar item shall be installed or used within the Subdivision for residential or commercial purposes, except that a temporary construction trailer may be located and occupied during the daytime for construction business purposes during construction periods. Tents or pavilions may be installed and used for special events when approved in advance by the Committee. No inoperable, wrecked or unsightly vehicles or equipment shall be parked or stored within the Subdivision unless wholly enclosed in a garage or other Outbuilding.

3.03.04 Dogs and Cats. Dogs and cats are permitted in the Subdivision subject to the conditions and restrictions set forth herein. All dogs and cats shall at all times be kept within a Dwelling or enclosed fenced area, or otherwise appropriately restrained or accompanied and controlled by an Owner or family member, tenant, guest or invitee of an Owner. Due to agricultural operations and the sensitive nature of the wildlife that live and migrate on the Property, all dogs and cats must be under control at all times. Dogs or cats shall not be permitted to roam free and

unattended or to run at large on any portion of the Subdivision except within 100 feet of the Owner's Dwelling or Outbuilding. A dog or cat is considered to be running at large when off or away from within 100 feet of the Dwelling or Outbuilding of the Owner and not under control of the Owner or the custodian of the dog or cat, either by voice control or by leash. Any dog or cat found to be running at large may be taken up and impounded in any appropriate facility available for such purposes by any other Owner or family member, tenant, guest or invitee of another Owner, by any authorized agent of the Association or by the animal control officer of County. Any dog or cat taken up for running at large three (3) or more times shall not be permitted to return or remain at the Subdivision. Dogs shall not be permitted to bark or create any noise or other noxious activity that may be heard in any Dwelling on another Lot, or to become a public nuisance. No dog shall be placed in an outdoor cage, kennel, pen or similar facility while the custodian is away unless the dog is wearing a fully functioning bark-arresting device as approved by the Association. All Owners and occupants of the Subdivision are entitled to be free from listening to incessant barking of dogs belonging to others. The County animal control officer is authorized to enter onto the Subdivision to seize any dog or cat in violation of the provisions of these restrictions. The Association is empowered to levy fines of no less than \$100 per occurrence upon the owner or custodian of any dog or cat found to be violating the provisions of these restrictions, or any rules and regulations of the Association adopted to elaborate on these restrictions, and in the case of violations by animals under the custody of family members, tenants, guests and invitees, a similar fine may be assessed on the Owner of the Lot involved. Any dog seen running cattle, game or wildlife on the Property, except within a designated Building Envelope, should be reported to the Association, the Colorado Department of Wildlife and/or the County animal control officer for immediate removal from the Property.

3.03.05 Hazardous Activities. No activity shall be conducted and no Structure shall be constructed or maintained within the Subdivision which is unsafe or hazardous. However, barbecues and open fires are permitted within the Subdivision unless prohibited by the law of a governmental entity having jurisdiction.

3.03.06 Light and Sound. No sound, odor or light shall be emitted from any Lot or Structure which is noxious or offensive to others. Without limiting the generality of the foregoing, all exterior lighting shall be designed to prevent lighting nuisance to other lands within the Subdivision or to nearby properties, and all exterior lighting shall be directed downward and shall be shielded from direct view from adjacent properties. Street lighting shall not be permitted.. Further and without limiting the generality of the foregoing, no speakers, horns, whistles, radios, bells or other sound devices, other than sound security devices used exclusively for security purposes, shall be located or used upon any Lot except with the prior approval of the Committee. Construction activities or the operation of equipment on Lots producing noise that may be heard on other Lots shall be ceased from 12 o'clock noon on Saturdays to 7 o'clock a.m. on the following Monday, and from 6 o'clock p.m. each night until 7 o'clock a.m. the following morning.

3.03.07 Maintenance. Each Owner shall maintain such Owner's Lot and all Structures and landscaping thereon in a safe, clean and attractive condition, free of trash, rubbish, dead plants, shrubs and trees. Landscaping and vegetation shall be maintained in a healthy condition and shall be treated as necessary to prevent plant diseases.

3.03.08 Rentals. No Structure within the Subdivision shall be rented on a nightly or short-term basis. For purposes of this Section, short-term rental shall include any lease or rental for fewer than thirty (30) consecutive days. The Association may establish rules and regulations applicable to rentals, including without limitation, rules and regulations limiting the number of occupants of rental properties.

3.03.09 Completion of Construction. Construction of Structures approved by the Committee shall proceed diligently to completion. Construction of each Structure shall be completed within eighteen (18) months following commencement unless such period is extended by the Committee.

3.03.10 Passenger Vehicles, Recreational Motor Vehicles and Snowmobiles. The use of passenger vehicles, recreational motor vehicles and snowmobiles within the Subdivision shall be limited as provided in this Section. For purposes of this Section, passenger vehicles include cars, trucks, jeeps and similar vehicles, and recreational motor vehicles include off-road motorcycles, on/off-road motorcycles, four- and three-wheeled motorized off-road vehicles and similar vehicles. All passenger vehicles, recreational motor vehicles and snowmobiles utilized within the Subdivision shall be muffled to suppress engine noise at least as efficiently as the manufacturer's original equipment for the vehicle in question. The operation of passenger vehicles, snowmobiles and recreational motor vehicles by the Association and Persons authorized by the Association is permitted on Ranch Roads, Remainder Parcels, Open Space Areas and Leased Lands for Association purposes and agricultural purposes including, without limitation, fence maintenance, trail construction, feeding of livestock, wildlife management, management of fish and riparian habitat and security. The operation of passenger vehicles, snowmobiles and recreational motor vehicles by the Declarant and Persons authorized by the Declarant is permitted on Ranch Roads, Remainder Parcels, Open Space Areas and Leased Lands for purposes related to the constructing of utilities and other improvements within the Subdivision and for purposes of exhibiting the Subdivision and Lots within the Subdivision to potential purchasers. Subject to the foregoing:

(a) The use of passenger vehicles within Remainder Parcels, Open Space Areas and Leased Lands shall be restricted and limited to those roads (including two-track trails) specified for passenger vehicle use from time to time in the Association's rules and regulations.

(b) The use of recreational motor vehicles within the Subdivision shall be subject to and limited by the following:

(i) Use of recreational motor vehicles on Lots for recreational purposes is allowed provided the noise of the vehicle does not exceed the decibel level specified in the Association's rules and regulations when monitored from any point on the boundary of such Lot.

(ii) Use of recreational motor vehicles on Lots for construction, maintenance and agricultural purposes is permitted.

(iii) Use of recreational motor vehicles by Owners, their family members, tenants, guests and invitees is not permitted on Ranch Roads, Remainder Parcels, Open Space Areas or Leased Lands except recreational motor vehicles may be used on Ranch Roads, Remainder Parcels and Open Space Areas for purposes of transportation to and from Lots, Remainder Parcels, Leased Lands and public lands adjacent to the Subdivision, provided the Association's rules and regulations may limit such transportation to specific paths and trails and may require recreational motor vehicles be parked in designated areas. Recreational motor vehicles may also be used for the recovery of game on Remainder Parcels where hunting is allowed. Notwithstanding the foregoing, Owners, their family members, tenants, guests and invitees may not use recreational motor vehicles for any purpose on Remainder Parcel A and may not use recreational motor vehicles on any Remainder Parcel for hunting.

(c) The use of snowmobiles within the Subdivision shall be subject to and limited by the following:

(i) The use of snowmobiles on Lots for recreational purposes is prohibited, provided that if all or any portion of the Additional Property is added to the Creek Ranch common interest community and made subject to this Declaration, the use of snowmobiles on such portion of the Additional Property for recreational purposes shall be permitted unless expressly prohibited in the amendment to this Declaration adding such Additional Property to the Creek Ranch common interest community.

(ii) Owners, their family members, tenants, guests and invitees shall not operate snowmobiles within the Subdivision earlier than 8:00 a.m. or later than 6:00 p.m., Monday through Friday, or earlier than 10:00 a.m. or later than 6:00 p.m. on Saturdays and Sundays.

(iii) Use of snowmobiles by Owners, their family members, tenants, guests and invitees is subject to and limited by the following:

(A) Use of snowmobiles is not permitted on Remainder Parcel A.

(B) Snowmobiles may be used on that portion of Remainder Parcel B located north of the ranch headquarters access road and outside of the Building Envelope on Remainder Parcel B, and on that portion of Remainder Parcel C located east of Trout Creek and south of the southern boundary of Lots 37 and 39, provided that except as otherwise permitted in (C), (D) and (E) below, snowmobiles shall not be used within 650 feet of the boundary line of any Lot.

(C) Owners of Lots 21, 37, 38 and 39, their family members, tenants, guests and invitees may use snowmobiles on that portion of Remainder Parcel C north of Trout Creek and south and west of Lots 21 and 37, only for purposes of transportation to and from the balance of Remainder Parcel C.

(D) Snowmobiles may be used on Remainder Parcel D only for purposes of transportation to and from adjacent public ground.

(E) Snowmobiles may be used on Ranch Roads and Open Space Areas only for purposes of transportation to and from areas where the use of snowmobiles is permitted.

(F) Notwithstanding (C) through (E) above, the Association's rules and regulations may limit use of snowmobiles for transportation purposes to specific paths and trails and may require that snowmobiles be parked in designated areas.

3.03.11 Hunting and Firearms. Hunting or the discharge of firearms of any type is not permitted on any Lot, Open Space Area or on Remainder Parcel A or Remainder Parcel D. Subject to the Association's rules and regulations in effect from time to time, hunting of birds utilizing shotguns firing shot is permitted in that portion of Remainder Parcel B north of the ranch headquarters access road and outside of Building Envelope on Remainder Parcel B and on Remainder Parcel C. Subject to the Association's rules and regulations, big game hunting is permitted on Remainder Parcel C.

3.03.12 Antennas and Satellite Dishes. No exterior radio antenna, television antenna, satellite dish larger than three (3) feet in diameter or other antenna of any type shall be erected or maintained on any Lot that can be seen from any other Dwelling in the Subdivision, except with the prior written consent of the Committee.

3.03.13 Storage Tanks. All storage tanks for water (excluding reasonably sized stock watering tanks) shall be buried underground or contained entirely within a Structure, except for such portions of piping that are required to be above ground for a buried tank. A chlorine contact chamber may be located above ground. All propane tanks shall be buried underground.

3.03.14 Livestock Operations. Except for raising of commercial livestock by the Association on the Common Property and except for horses which may be kept and maintained on Lots and Remainder Parcels as elsewhere herein provided, no animals shall be commercially raised, bred or kept in quantity within the Subdivision. Horse boarding and training operations and commercial poultry, feedlot and swine operations are prohibited. FFA or 4-H projects by minors shall not be deemed to be the "commercial" raising of animals within the meaning of the preceding two sentences. The keeping of elk, llamas, alpacas and other exotic livestock within the Subdivision is not permitted.

3.03.15 Mining. No oil drilling, oil development operations, oil refining, quarrying, coal mining, or other mining operations shall be permitted within the Property.

3.03.16 Water Diversion. Diversion of water from surface creeks, streams, springs or other channels, or through underground wells is expressly prohibited on Lots unless all Structures for such purpose have been approved by the Committee and a valid well permit has been obtained by the Owner from the State Water Engineer or a valid water right is adjudicated by a court of competent jurisdiction.

4. Architectural Control Committee and Approval of Construction Plans. The Executive Board of the Association may from time to time appoint at least two (2) persons to constitute the Architectural Control Committee (the "Committee") of the Association, and may remove and replace any and all members of the Committee from time to time. If a Committee has not been appointed, or if at any time there are not at least two (2) persons serving as the Committee, the Association's Executive Board shall constitute the Committee. Except as otherwise provided below, no Structure of any kind shall be erected, constructed, placed, expanded, or maintained upon any Lot unless the plans, elevations and specifications for such Structure, including landscaping and the proposed location of such Structure, and any changes after approval thereof, and any remodeling, reconstruction, alteration, or addition to the exterior of any Structure, is approved in advance by the Committee in writing. All such plans and specifications must be prepared in accordance with the requirements of this Section. No Lot may be graded, cleared, marred, changed or altered in any way unless in strict compliance with the plans and specifications for the development of the Lot that have been approved by the Committee. All Structures on Lots shall be erected, constructed and placed on the Lot only in full compliance with the approved plans and specifications. No material changes in or deviations from the approved plans and specifications shall be made without prior written consent of the Committee.

Two complete sets of design plans and general specifications for the proposed construction and Structure, including in the case of Dwellings and Outbuildings, front, side, and rear elevations, general floor plans for each floor and basement, exterior color schemes, exterior material types, and two site plans indicating the anticipated location of such Structure or altered Structure on the Lot, shall be furnished to the Committee. Lot Owners are encouraged to submit general structural designs and site plans for the Dwelling and Outbuildings, rather than completed architectural building plans, so that the Owners will not have unduly borne architectural expenses prior to a determination of the approval or disapproval of the anticipated Structures. IT IS RECOMMENDED THAT A LOT OWNER AND SUCH OWNER'S ARCHITECT MEET AT LEAST A MAJORITY OF MEMBERS OF THE COMMITTEE PRIOR TO COMMENCEMENT OF WORK ON THE PLANS AND SPECIFICATIONS. The site plan shall include but not be limited to the following information:

- (a) 2' contour intervals.
- (b) Location of major vegetation and landscaping features, including trees and shrubs to be retained or removed).
- (c) Location of major rock outcroppings.
- (d) Location of existing Deerwood Water System trunk lines, service stub, facilities, and easements within or adjoining the Lot,
- (e) Building setback lines.
- (f) Approximate location of proposed utility lines, appurtenances and easements, and wastewater disposal facilities for Dwellings.

- (g) Approximate grading plan of the entire area to be affected by the construction, including spot elevations in critical drainage areas.
- (h) Approximate location of driveway, parking areas, and Structures.
- (i) Building Envelope for the Lot, or proposed relocation of such Building Envelope.

In passing upon any plans and specifications submitted to it, the Committee may consider any factors it deems relevant, in its sole discretion, including the following (the inclusion of this listing does not preclude the Committee from considering other factors it deems relevant though not in this listing):

- (a) The purposes, limitations and provisions of this Declaration, any architectural control guidelines adopted by the Executive Board, and applicable law;
- (b) Suitability of the Structure and the materials of which it is to be constructed to the site upon which it is to be located;
- (c) The nature of neighboring improvements and Structures as compared to the nature and design and materials of the proposed Structure;
- (d) The quality and safety of the materials to be used in any proposed Structure, the quality of materials and design must be premier and first-class, with discriminating taste, complementing the natural setting in which the materials are to be used;
- (e) The effect any proposed Structure on the outlook and views from neighboring property;
- (f) The health, welfare, and protection of the Owners of Lots;
- (g) Whether the Structure will be so similar or so dissimilar to others in the vicinity that monetary or aesthetic values may be impaired; and
- (h) Whether the proposed Structure will maintain, insofar as feasible, the natural character of the land and whether the Structure will blend into the natural background rather than stand out against it.

The Committee may charge a reasonable uniform fee, not to exceed \$250 (which may be adjusted for increases in the CPI after 1999), for the review of plans and specifications, which fee shall be paid in advance.

**APPROVAL OR DISAPPROVAL, OR APPROVAL WITH CONDITIONS, OF PLANS AND SPECIFICATIONS BY THE COMMITTEE SHALL BE IN WRITING AND SIGNED OR INITIALED BY A MAJORITY OF THE COMMITTEE. No plans or specifications shall be**

deemed approved unless such approval has been so made in writing. Any changes or modifications requested by the Committee shall be performed and revised plans and specifications submitted and approved by the Committee before commencement of construction. If the Committee does not approve or disapprove, or approve with conditions, the plans and specifications within thirty (30) days after submission of the plans and specifications, such plans and specifications shall be deemed approved without conditions. The decision of the Committee to approve, disapprove or approve with conditions, any plans and specifications submitted to it pursuant to this Section may be appealed to the Executive Board of the Association by written notice, but such decision shall be deemed final unless reversed within thirty (30) days by the affirmative vote of a majority of all of the members of the Executive Board. The approval or disapproval of plans and specifications shall in no way be deemed to be a precedent requiring the Committee to approve or disapprove, as applicable, any subsequently filed plans and specifications which are identical or similar to those first approved or disapproved. Each set of plans and specifications is deemed unique, and the decisions of the Committee on any such plans and specifications shall not bind the Committee to any course of conduct in the future which is not a part of the plans and specifications and Lot to which the prior decision related.

The Association may from time to time, by the affirmative vote of a majority of the Executive Board, adopt and from time to time amend architectural control guidelines consistent with and supplementing the provisions of this Declaration, and shall deliver a copy of such guidelines or amendments thereto to the Lot Owners at the time of such adoption. Thereafter, the Association and the Committee and all Lot Owners shall comply with such guidelines until and unless they are revoked or amended. Such architectural control guidelines may establish categories of structures that may be installed without prior approval of the Committee pursuant to this Section, but any such structure shall remain subject to all other provisions of this Declaration. Unless otherwise specified by the Executive Board in architectural control guidelines, fences meeting the criteria set forth in Section 9 and Section 10 may be installed without prior approval of the Committee (except as otherwise provided in Section 9), provided that the location of corrals, arenas and similar Structures must be approved by the Committee.

No review or approval by the Committee of plans, specifications or other matters shall constitute an express or implied warranty of any nature as to the plans, specifications or other matter in question, including whether such plans and specifications are complete or correct or whether any Structure to be built pursuant thereto is properly designed or engineered or satisfies the requirements of applicable law. No member of the Committee shall have any liability whatsoever for failure or refusal to approve plans, specifications or other matters provided such person acts in good faith.

Notwithstanding any other provision hereof, the construction, replacement, repair, modification or expansion of facilities and improvements which are a part of or become a part of the Deerwood Water System, including any enlargement or expansion of Whetstone Reservoir or any extension of such Deerwood Water System to provide potable water service to consumers outside of the Subdivision, shall not require the prior approval of the Committee or the application of this Section. In addition, the construction, replacement, repair, modification or expansion of roads, utilities and other improvements within the Subdivision (including enlargements or improvements to



Whetstone Reservoir) by Declarant shall not require the prior approval of the Committee or the application of this Section.

5. Horses and Trails; Fishing Facilities; Agricultural Operations; BLM and State Leases.

5.01 Horses and Trails. Without limiting other provisions of this Declaration, the Association or the Declarant may construct, operate, repair, and maintain on Remainder Parcels and Open Space Areas Outbuildings, trails and other Structures for equestrian purposes and for the purpose of stabling, feeding, and otherwise caring for horses and storing equestrian equipment. Horses of Owners, family members of Owners, tenants of Owners and other Persons authorized by the Association (including agricultural lessees of the Association) and horses leased by the Association may be used, kept and stabled in such facilities; subject, however, to the Association's rules and regulations and the supervision, direction and control by a designated agent or employee of the Association, and subject to the equal right of co-use of such facilities for such purposes by other authorized Persons. If any such Person is dissatisfied with the supervision, direction or control of equestrian matters by the designated agent or employee of the Association, such Person shall first communicate with such agent or employee to seek to resolve such dissatisfaction, and only thereafter may such issue be appealed to the Executive Board. All expenses incurred by the Association to construct, operate, maintain and repair such trails, equestrian Structures and other facilities shall be Common Expenses.

Horses may be ridden by (i) Owners and tenants of Owners and their family members, (ii) guests and invitees of Owners and tenants of Owners and their family members when accompanied by an Owner, tenant or family member of an Owner or Tenant, and (iii) other Persons authorized by the Association (including agricultural lessees of the Association) on Ranch Roads, Remainder Parcels, Open Space Areas and Leased Lands, subject to the restrictions in Section 3.02.03. During the winter and spring, however, horses shall not be ridden on trails prepared for cross country skiing.

A reasonable number of horses of Owners, tenants of Owners and their family members may be stabled or kept for non-commercial purposes on such Owner's Lot(s). Horses shall be limited to that number that can reasonably be grazed on the Owner's Lot without destroying adequate ground cover. In the event of a dispute, the criteria utilized by the Routt County Agricultural Extension Agent for similar property shall be controlling and considered a final determination as to the reasonable number of horses which may be grazed on a given acreage. Owners, tenants of Owners and their family members are required to keep their horses on their Lots rather than on Remainder Parcels, except that the Association may establish common barn(s) and/or pasture areas for such horses from time to time (provided such stabling or pasturing shall not unreasonably interfere with agricultural lessees or agricultural operations), and the Association may impose fees for the use of such barns and pastures. Horses may be stabled or pastured on Remainder Parcels only under the supervision and control of the Association and its designated agent or employee and subject to restrictions imposed in the Association's rules and regulations or by agricultural leases.

5.02 Fishing Facilities. Improvements and facilities to provide for and enhance fishing

and riparian habitat within the Subdivision have been constructed by Declarant in Remainder Parcel A, Remainder Parcel B and Remainder Parcel C. Subject to the provisions of the Development Agreement, additional fishing facilities and improvements may be constructed by Declarant or the Association within the Remainder Parcels. In managing riparian habitat and fishing facilities and constructing improvements for fishing activities, the Association shall take appropriate action to protect stream banks, riparian areas and wetlands. All expenses incurred by the Association to construct, operate, maintain and repair fishing facilities (including trails and bridges) shall be Common Expenses. Fishing facilities may be used by (i) Owners and tenants of Owners and their family members, (ii) guests and invitees of Owners and tenants of Owners and their family members when accompanied by an Owner, tenant or family member of an Owner or Tenant, and (iii) persons authorized by the Association, subject to rules and regulations of the Association and the supervision and control of the designated agent or employee of the Association.

5.03 Agricultural Operations. It is the intent and a purpose of this Declaration that ranching and agricultural activities shall be continued within the Subdivision. The Association shall manage ranching and agricultural activities within the Remainder Parcels, Open Space Areas and Leased Lands and is specifically authorized to enter into ranching and agricultural leases, grazing leases, crop-sharing leases and similar arrangements for agricultural purposes for all or any portion of such lands with any Person (including Declarant or any affiliate of Declarant) on such terms and conditions as the Executive Board may determine in its discretion. Agricultural activities that may be conducted by the Association or Persons authorized by the Association include, without limitation, the raising and grazing of cattle, growing and harvesting of hay, maintaining and repairing Outbuildings, fences, corrals, ditches and other Structures and other activities generally associated with ranching and agricultural operations, including the use of fertilizers and other chemicals and the control of predatory animals. The Association shall manage agricultural operations in accordance with sound agricultural practices and to prevent overgrazing, significant damage to the land and pollution of surface and subsurface waters. Ranching and agricultural operations may from time to time conflict with recreational uses of Remainder Parcels, Open Space Areas and Leased Lands, and the Association may establish rules and regulations to govern such conflicts. All expenses incurred by the Association to construct, operate, maintain and repair agricultural facilities shall be Common Expenses.

6. Ranch Roads. The Declarant has granted and conveyed to the Association in the Association Bargain and Sale Deed perpetual and non-exclusive easements for purposes of ingress and egress of vehicles, pedestrians, equipment and livestock, for the construction, installation, maintenance, repair, reconstruction, removal, replacement, relocation, operation and use of roadways and related improvements (including draining channels) for ingress and egress of persons, vehicles, equipment and livestock, for drainage and for the construction, installation, maintenance, repair, reconstruction, removal, replacement, relocation, operation and use of underground utilities and appurtenant surface facilities on, under, over and across the Ranch Roads. In connection with and in furtherance of such easements, the following rights, reservations, responsibilities, limitations and covenants will be applicable to the Ranch Roads and be binding upon the Association and the Owners of Lots:

6.01 Reserved Use. Declarant has reserved and retained rights and easements of co-use

of the Ranch Roads as provided in the Association Bargain and Sale Deed, but without obligation to pay or reimburse any of the costs and expenses of maintaining, repairing, constructing, relocating or reconstructing roadways or utilities within the Ranch Roads.

6.02 Water System Easement. Declarant has reserved in the Association Bargain and Sale Deed and has granted to Deerwood Service Company, LLC perpetual non-exclusive easements for access and for the construction, installation, maintenance, reconstruction, removal, replacement, relocation, operation and use of the Deerwood Water System on, under, over and across the Ranch Roads, Remainder Parcels and Open Space Areas.

6.03 Licenses. The Declarant or the Association may, in its discretion, license and permit electric, gas, water, sewage disposal, telephone and cable television utility companies which propose to provide any such utility service to and within the Subdivision to use and occupy the Ranch Roads, Remainder Parcels and Open Space Areas only for the purposes specified in easements granted by the Declarant or the Association to such utility suppliers, but any such use shall not interfere with the use of Ranch Roads and Open Space Areas for ingress and egress by Lot Owners and Declarant, except during periods of construction, repair, or reconstruction of such utilities.

6.04 Vacation. The Association may vacate and release the easements constituting any Ranch Road, or any part thereof, if (i) the part proposed to be so vacated has been dedicated to and accepted by a governmental body as a public road in accordance with Section 6.09, or (ii) such vacation is necessary or proper to relocate or move all or any part of the easements constituting such Ranch Road, and such relocated easements continue to provide access and utility easements equal to or better than previously existed, and such relocation or move is determined by the Executive Board of the Association to be in the best interests of the Association. A Ranch Road, or part thereof, shall be deemed to have been so vacated and released from the easements granted therein to the Association and the Owners if the Association either: (i) executes and records in the real property records of Routt County, Colorado, a quitclaim deed conveying to the then fee owners of the real property which is burdened by the Ranch Road the portion proposed to be vacated and releasing all of the Association's right, title and interest in and to the Association easements located within the portion of the Ranch Road so vacated, or (ii) executes and records in the real property records of Routt County, Colorado, a document stating that the portion of the Ranch Road to be vacated and released is so vacated and released from the Association easements located therein. Except as otherwise provided in Section 6.09, neither the consent, joinder nor execution of any instrument by any Owner shall be required to effect the Association's vacation or release of a Ranch Road or any portion thereof pursuant to this Section. Notwithstanding the foregoing, no portion of any Ranch Road including easements for the Deerwood Water System may be vacated or released without the written consent and joinder of the Water System Owner, and no portion of any Ranch Road including easements granted to or retained by Declarant may be vacated or released without the written consent and joinder of the Declarant.

6.05 Relocation. Subject to the provisions of the Development Agreement, the Association shall have the right, at its sole cost and expense, to relocate any Ranch Road, or any part thereof, provided that the relocated Ranch Road or part thereof continues to provide access and

utility easements to the adjacent Lots equal to or better than previously existed, and such relocation has been determined by the Executive Board of the Association to be in the best interests of the Association, and provided further that the Association has first obtained from the servient owner of the relocated portion of the Ranch Road a recorded easement for such relocated portion which is of the same nature as that which is to be vacated and released. The consent, joinder or approval of any Owner shall not otherwise be required to accomplish such relocation. Such relocated Ranch Road shall be deemed covered and encumbered by the easements reserved in Declarant as described in the Association Bargain and Sale Deed. Notwithstanding the foregoing, no portion of any Ranch Road including easements for the Deerwood Water System may be relocated without the written consent and joinder of the Water System Owner, and no portion of any Ranch Road including easements granted to or retained by Declarant may be relocated without the written consent and joinder of the Declarant.

6.06 Title. The easements and property interests as granted and conveyed to the Association in the Association Bargain and Sale Deed are subject to existing deeds of trust, mortgages, liens, reservations and restrictions of record.

6.07 Restoration of Surface. Completion of construction or reconstruction of any road or underground utility line and appurtenances within the Ranch Roads shall be made with reasonable promptness after commencement. The Association or utility supplier shall place and fully compact backfill over the utility line after installation, repair or replacement and restore to its previous condition the surface of the Ranch Road and any landscaping thereon to the reasonable satisfaction of the Association. Notwithstanding the foregoing, neither the Declarant nor the Association has any obligation to pave any of the Ranch Roads, except to replace paving damaged by the Declarant or the Association, respectively.

6.08 Maintenance. The Association shall insure, maintain, snowplow, repair and renovate as necessary the roadway improvements within the Ranch Roads, and all of the expenses thereof shall be Common Expenses. Except for Common Expense assessments on Lots owned by Declarant, Declarant shall have no liability for such expenses, notwithstanding the reservation of certain easements on, over, and under the Ranch Roads as contained in the Association Bargain and Sale Deed. Driveways, culverts or other Structures shall not be constructed through or within the Ranch Roads without the prior written consent of the Committee, except as otherwise provided in Section 4. The Owner constructing any such Structure shall be obligated to restore and revegetate, as required by the Committee, areas within the easements adjacent to any such Structure which are disturbed as a result of such construction.

6.09 Public Dedication. The Association may dedicate to the County the easements for access and roadway purposes within all or any part of the Ranch Roads, but only if such dedication has first been approved by Owners holding sixty-seven percent (67%) or more of all the votes of Members in the Association. A written certificate executed by the president, any vice president, the secretary or any assistant secretary of the Association stating that a dedication has been approved by Owners holding sixty-seven (67%) or more of all the votes of Members in the Association and recorded in the real property records of the County shall be conclusive evidence that the dedication has been approved by the Members as required by this Section.

7. Access and Drainage. All driveways or other vehicular accesses and entrances to Lots shall connect with adjacent Ranch Roads only at the locations approved by the Committee. There shall be no interference with the established drainage patterns within the Subdivision except as approved in writing by the Committee. Approval shall not be granted unless provision is made for adequate alternate drainage. Each Owner shall be responsible for the preservation and maintenance of the established drainage pattern across such Owner's Lot. The "established drainage pattern" shall mean (i) the drainage pattern which exists at the time grading of any Lot is commenced or any alternative drainage pattern for such Lot shown on any plans approved by the Committee, and (ii) the established drainage patterns on boundary lines between Lots or the alternative drainage ways approved by the Committee resulting from construction and development on nearby Lots. Driveways or other vehicular access to any Lot shall not be constructed across any ditch or drainage channel unless a drainage culvert of a size and length approved by the Committee is installed. Fill or temporary stockpiles of excavated materials shall not be placed within 10 feet of natural drainage channels, and if temporary stockpiles are located within 20 feet of a natural drainage channel, a silt fence shall be constructed around the stockpiled materials.

8. Easements. The Subdivision is subject to various easements, including the easements described in this Declaration, easements established pursuant to the Association Bargain and Sale Deed, the easements shown or noted on the Plat and the easements referenced on Exhibit B. All such easements are perpetual unless it is expressly provided otherwise in the instrument establishing a particular easement. Without limiting the foregoing, the following easements are hereby established within the Subdivision:

8.01.01 A perpetual 30 foot wide pedestrian, equestrian and recreational access easement is located on the boundary between Lots 37 and 39 as indicated on the Plat, which easement benefits and is appurtenant to Lots 21, 37, 38 and 39. The boundary between Lots 37 and 39 is also a 30 foot wide underground utility easement (and access easement for such purposes) for the benefit of Declarant, the Association and the Water System Owner.

8.01.02 A 15 foot wide pedestrian, equestrian and recreational access easement is located westerly of the east boundary of Lot 14 as indicated on the Plat, which easement benefits and is appurtenant to Lot 15.

8.01.03 The boundary between Lot 14 and Lot 16 is the centerline of a 30 foot wide underground utility easement (and access easement for such purposes) as shown on the Plat for the benefit of Declarant, the Association and the Water System Owner.

8.01.04 Remainder Parcels A through D and Open Space Areas A through G as shown on the Plat are also access underground utility easements for the benefit of Declarant, the Association and the Water System Owner.

8.01.05 The Ranch Roads located within Remainder Parcel B, Remainder Parcel C and Lots 1, 18, 21, 30, 32, 33 and 36 are also Entry Feature Easement Areas and easements are established for the benefit of Declarant and the Association for purposes of the construction, installation, maintenance, repair and replacement of entry features and ancillary structures, including fences and cattle guards, and access for such purposes.

8.01.06 Ranch Roads are also emergency service vehicle access easements.

8.01.07 A 30 foot wide vehicular, pedestrian, equestrian and recreational access easement is located easterly of the west boundary of Lot 36 as indicated on the Plat for the benefit of Declarant and the Association.

8.01.08 A 30 foot wide easement for the construction, installation and maintenance of underground utilities (and access easement for such purposes) is located within Lot 1 as shown on the Plat for the benefit of Declarant, the Association and the Water System Owner.

8.01.09 Remainder Parcels may be subject to easements benefiting third parties for ditches and access for maintenance of ditches and ditch structures.

8.02 Vacation and Release of Easements. Easements within the Subdivision that are now or hereafter dedicated to the public or the County and that are located within any Lot shall be released and vacated to and in favor of the record fee simple Owner of such Lot immediately upon the recording in the real property records of the County of a certified copy of a resolution of the Board of Commissioners of the County vacating such easement or portion thereof, and the written consent of the Declarant to such vacation. No approval of the Association, Lot Owner or any utility company shall be required prior to such vacation, but the County Commissioners may consider the desires of the Committee or any Lot Owner or appropriate utility companies operating in the County prior to adoption of a vacation resolution. Easements constituting part of the Common Property (including easements conveyed to the Association in the Association Bargain and Sale Deed) may be released or vacated, in whole or in part, by action of the Association's Executive Board and with the written consent of the Declarant, by recording in the real property records of Routt County, Colorado, of a deed of conveyance of such easement or portion thereof or an instrument to that effect executed on behalf of the Association, together with the written consent of the Declarant. No approval of any Owner shall be required for any such release or vacation. Termination or vacation of an easement granted to the Association shall be in favor of the record fee simple Owner of the Lot previously burdened by such easement. Notwithstanding the foregoing, no easements for the Deerwood Water System may be vacated without the written consent and joinder of the Water System Owner, and no easements benefiting the Declarant may be vacated without the written consent and joinder of the Declarant.

9. Lanscaping and Fences.

9.01 Landscaping. The landscaping plan for any Lot, including location and type of all major trees, shrubs and other plantings and landscape features, must be approved in advance by the Committee. Areas within a Lot disturbed by construction activity shall be landscaped no later than the end of the growing season after the disturbing construction on such Lot. Adequate underground irrigation of landscape improvements shall be installed in landscaped areas. Irrigated areas on Lots shall not exceed 4,000 square feet in the aggregate. Existing native vegetation over 4 inches in diameter (measured 2 feet above the ground) should be preserved to the extent reasonably possible. Owners of Lots along Trout Creek are encouraged to plant native species, such as chokecherry, service berry, hawthorne, woods rose, buckwheat, flax, lupine, globe mallow, bluebunch, wheatgrass, Sherman big bluegrass and Idaho fescue to replace lost grouse habitat. Owners of Lots along the east side of Trout Creek will comply with the recommendations made by the Colorado State Forester and the Wildfire Protection in the Wildland Urban Interface booklet (pamphlet No. 143691) or similar publication if 143691 is no longer published. Owners are obligated to control the spread of noxious weeds into adjoining properties and to comply with the Colorado Noxious Weed Act, the Routt County Weed Management Plan and the recommendations of the Routt County Weed Advisory Board.

9.02 Fences. Fences may not be installed on Lots outside of Building Envelopes except as necessary for agricultural (including equestrian) purposes. Solid fences of any type are prohibited except with the prior consent of the Committee; provided, however, that solid privacy fencing no more than 6 feet high around hot tubs are permitted. Owners may also construct fencing no more than 6 feet high to enclose barn areas, to provide shelter for animals in barn areas, and for contained dog run areas. All fences on Lots shall be regularly maintained in an attractive and functional condition in accordance with the requirements and provisions of this Declaration. Without limitation, each Owner shall install and maintain adequate fences to keep such Owner's livestock on that Owner's Lot. The following provisions shall be applicable to fences installed within the Subdivision:

(a) For purposes of this Declaration, perimeter fences are fences along the boundaries of Lots, including fences along Ranch Roads and County roads, fences between Lots, fences between Lots and Remainder Parcels or Open Space Areas, and fences between Lots or Remainder Parcels and adjacent properties. Interior fences are fences wholly within a Lot that are not perimeter fences.

(b) For purposes of this Declaration, "approved wood fencing" shall mean fences meeting the specifications set forth in paragraph 1 of Exhibit D. "Approved wire fencing" shall mean fences meeting the specifications set forth in paragraph 2 of Exhibit D.

(c) Perimeter fences shall be constructed and maintained in accordance with the following:

(i) Except as otherwise provided in the following sentence or in (ii) below, all new perimeter fences shall be approved wire fencing or approved wood fencing. Perimeter

fences between Lots or between Lots and Open Space Areas and perimeter fences fronting on Ranch Roads shall be approved wooden fencing, provided that with the approval of the Committee, such perimeter fences in areas of dense vegetation or steep slopes where construction of approved wooden fencing would be impractical may be approved wire fencing.

(ii) Perimeter fences between Lots or Remainder Parcels and lands not included within the Subdivision shall be a type of fence traditionally used in accordance with Colorado Fence Law and designed and built so as to not prohibit the passage of wildlife, provided that all new fencing shall be approved wire fencing.

(iii) Except as hereinafter provided, perimeter fences between Lots or between Lots and Remainder Parcels or between Lots and Open Space Areas shall be installed on the boundary line. Notwithstanding the foregoing

(A) Perimeter fences along Ranch Roads or County roads shall be set back at least 50 feet from the centerline of the road,

(B) Perimeter fences within the Entry Feature Easement Areas described in Section 8 shall be installed in locations approved by the Committee, and

(C) Perimeter fences along the 30 foot wide pedestrian, equestrian and recreational access easement in Lots 37 and 39, along the 15 foot wide pedestrian, equestrian and recreational access easement located in Lot 14 and the 30 foot wide vehicular, equestrian and recreational access easement in Lot 36 shall be installed on the boundary of the easement.

(iv) Perimeter fences may be installed at any time by the Owner of the Lot on which such fence is to be located, without the consent of any adjoining Owner. Except as otherwise provided in this paragraph with respect to the Declarant, each Owner shall be obligated to pay fifty percent (50%) of the actual and reasonable costs of the labor and materials used to construct and maintain perimeter fences between Lots. Perimeter fences between Lots and Remainder Parcels or Open Space Areas, perimeter fences along Ranch Roads or County roads, and perimeter fences along the easements referred to in (iii) (C) above shall be constructed and maintained at the sole expense of the Owner of the Lot on which such fence is located. The Declarant shall not be obligated to contribute to the cost of constructing or maintaining perimeter fences. At the time any Lot is first conveyed by the Declarant to an Owner other than the Declarant, the transferee of such Lot shall reimburse to the Owner of any adjacent Lot who has constructed such perimeter fence between the Lots one-half (1/2) of the adjacent Owner's actual and reasonable costs of labor and materials for the initial construction of the perimeter fence between the Lots. As a condition to the receipt of any payment for the initial construction of such perimeter fence by an adjacent party, such adjacent party shall be obligated to provide the Owner obligated for payment reasonable evidence of actual labor and material costs incurred.

(d) Interior fences shall be constructed and maintained at the sole expense of the Owner of the Lot on which such fence is located. All new interior fences shall be approved



wire fencing or approved wood fencing.

(e) Except as otherwise provided herein with respect to perimeter fences between Lots or between Lots and Remainder Parcels or Open Space Areas, nothing herein is intended to expand, modify or limit any Owner's rights or obligations pursuant to the Colorado Fence Law, C.R.S. §§35-46-101, et seq. Lots and Remainder Parcels shall be considered "agriculture or grazing lands" for purposes of such law regardless of whether they are used as such.

(f) The Executive Board shall appoint at least two (2) persons to constitute the Association's fence maintenance and control committee (the "Fence Committee") which shall consist of the President of the Association and one other designated individual who shall be a Lot Owner who resides in the Subdivision. Each member of the Fence Committee is responsible for thoroughly knowing and understanding the Colorado Fence Law. Each member of the Fence Committee shall have the authority to take corrective action to resolve fence problems as described in this paragraph (f). Annually the Fence Committee shall mail a notice to the Owner of each Lot, Remainder Parcel and adjacent property specifying the names, addresses and phone numbers of all individuals on the Fence Committee. The notice shall also include this paragraph describing the authority of the Fence Committee.

(i) A fence maintenance fund shall be established which shall be kept separate from the general fund of the Association. Initially the Declarant shall contribute a total of \$500 to the fund to establish it. From time to time more money may be added to the fence fund from the Association's regular or special assessments if deemed necessary by the Executive Board.

(ii) Every year at the annual meeting of the Members of the Association, fence maintenance shall be a topic of discussion. The President shall remind all Members of their fence maintenance responsibilities and describe the requirements of Colorado Fence Law to those new Members who are not familiar with the law. This covenant section shall also be explained to all Members. Abbreviated descriptions of how the Colorado Fence Law works and this section of the covenants shall be included in the minutes of the annual meeting and distributed to all members.

(iii) The responsibility for maintenance of fences between Lots or Remainder Parcels and lands not included in the Subdivision shall be in accordance with Colorado Fence Law. An adjacent property owner who has a problem with any perimeter fence, which is the responsibility of the Association or an Owner to maintain, shall first contact the Association or appropriate Owner to resolve the problem. If the Association or responsible Owner does not promptly correct a fence problem, the adjacent property owner shall contact a member of the Fence Committee. The Fence Committee shall immediately go to the field to inspect the problem to ascertain the extent of the problem and confirm whether the Association or Owner is complying with Colorado Fence Law. If not in compliance, the Fence Committee shall contact the Association or the responsible Owner and instruct them to correct the problem within three (3) days. If the problem is not corrected within three (3) days, the Fence Committee shall take action to correct the problem within four (4) days. This may include

asking the adjacent landowner to correct the problem and billing the Association for the cost of the corrective action or hiring another party to correct the problem. The cost of such corrective action shall be paid for out of the fence maintenance fund. All costs incurred to correct fence problems as described in this paragraph, and paid out of the fence maintenance fund, shall be assessed to the Owner of the Lot who was responsible for the fence maintenance in accordance with Colorado Fence Law or shall be a Common Expense if the Association was responsible for the fence maintenance. When the assessment is collected it shall be deposited in the fence fund to keep an ongoing balance in the fund. The Association shall have the same rights of collection of assessments for the fence fund, including lien rights, attorney's fees and interest, as other general assessments as provided for in this Declaration. If an Owner is repeatedly negligent of his responsibility for fence maintenance and requires the Fence Committee to intervene, fines shall be assessed as follows: The first time the Fence Committee has to intervene, the assessment shall be equal to the actual cost of the corrective action. The second time the Fence Committee has to intervene in a five-year period, the assessment shall be double the actual cost of the corrective action. The third time the Fence Committee has to intervene in a six-year period, the assessment shall be triple the actual cost of the corrective action. Quadruple for four times in seven years, etc. All such added assessments (fines) shall also be deposited in the Fence Maintenance Fund. For the purposes of interpreting the Colorado Fence Law as between the Property and all surrounding lands, each Lot and Remainder Parcel shall be considered to be "agriculture or grazing lands" regardless of whether they are used as such.

(iv) Any fence disputes involving a member of the Fence Committee shall be resolved by action of the Executive Board, and such decision shall be deemed final. Nothing herein shall be construed to impose upon the Fence Committee or Association any responsibility or liability resulting from a failure to provide proper fence maintenance.

10. Entry Features and Signs. The Entry Feature Easement Areas referenced in Section 8 are easements granted to the Association and retained by the Declarant in the Association Bargain and Sale Deed to construct and maintain entry features and ancillary structures including fences and cattle guards for the Subdivision. Any fences within the Entry Feature Easement Areas must be constructed and located as specified by the Committee to coordinate with the entry features. Other than the entry features within Entry Feature Easement Areas, and except for Declarant's signs as provided in Section 22, signs, billboards, or other advertising Structures of any kind shall not be erected, constructed, or maintained on any Lot for any purpose, except signs approved by the Committee for identification of residences and except one (1) sign with a surface area not to exceed 1,000 square inches may be placed on each Lot advertising the sale of such Lot and any Structures thereon.

11. Utilities. Each Owner connecting to the Deerwood Water System shall install, at its expense, a meter vault, water meter and valves in the location specified by Declarant and in accordance with the specifications of Declarant and the Water System Owner. Each Dwelling shall connect with a sewage disposal system situated entirely within the Owner's Lot and approved by the County sanitarian, in accordance with the ordinances and regulations of the County. Pipes and lines for gas, sewer, electric, telephone, drainage or other purposes and wires, antennae and other

facilities for the transmission or reception of audio or visual signals or electricity and utility meters or other utility facilities anywhere within the Subdivision shall be kept and maintained underground or attached to or within a Structure or otherwise appropriately screened from view, except for existing above-ground utility lines. Any connections to the existing above-ground utility lines shall be through the use of risers attached to poles, with lines buried underground at the base of the pole. All utility lines provided service to Lots from distribution lines shall be installed and maintained by the Owner of the Lot served by such utilities. Connections to utilities shall be made only with the consent of the utility in question, and shall be subject to all applicable requirements and the payment of applicable fees and charges. Utility connections, meters, meter boxes, vaults, valves and similar facilities must be installed in locations allowing utility companies adequate access to such facilities. All costs of connecting, including costs for backfill, compaction and repair of damage resulting from the connection shall be paid by the Owner of the Lot involved. See Section 25 for additional provisions regarding the Deerwood Water System.

12. Elevations, Floor Space and Garage Space; No Modulares. Each Dwelling on a Lot shall have a minimum fully enclosed habitable floor area (as measured by reference to exterior walls) devoted to living purposes, exclusive of porches, garages, balconies, decks, terraces, cellars, basements, carports, and lofts, of 2,000 square feet. In addition, each Dwelling shall have at all times a fully enclosed attached or detached garage of a size sufficient to accommodate at least two ordinary size automobiles. No garage space shall be converted to Dwelling or other uses without the prior approval of the Committee and County, and no permanent conversion of garage space shall be permitted unless there will remain or will be constructed a fully enclosed attached or detached garage space sufficient to accommodate at least two ordinary size automobiles. No Dwelling shall have more than three (3) garage doors in a row. Caretaker Units shall not exceed the maximum size permitted by the County law for secondary units in the zone designation for the Subdivision (with respect to the Lots, 800 square feet at the time this Declaration was recorded), or in the absence of any such maximum size under County law, then Caretaker Units shall not exceed 1,000 square feet. No modular home, pre-fabricated home or component home construction is permitted within the Subdivision. No Structure shall be higher than two (2) stories above the ground, unless otherwise approved in advance by the Committee. Any building permit application for a Dwelling or Outbuilding on Lots 12, 13, 14, 15, 16, 17 and 19 must include a certification by a Colorado licensed architect that the improvements on such Lot shall not project above the top of the ridge as seen from Routt County Roads 29 or 179. In lieu of such certification building heights shall be limited to 25 feet on Lots 16, 17 and 19 and 27 feet on Lots 12, 13, 14 and 15, and all of such Lots shall be subject to additional design and landscaping requirements as specified by the Committee to mitigate the visual impact of the improvements on such Lots from Routt County Roads 29 and 179. The additional requirements may include the use of topography and vegetation to minimize visual impact, the use of natural-appearing materials and the consideration of the form and size of improvements. Owners are encouraged to construct low profile buildings to lessen the impact of the Structure on the landscape and to not create visual obstructions for other Lots.

13. Building Setback. All Dwellings and Outbuildings shall be set back 50 feet or more from any Lot boundary line which adjoins another Lot, unless a variance from such setback limitation is granted by the Committee and County. Lots are also subject to any setback requirements of the County from time to time. Except for habitat improvement projects, trails and bridges, there shall

be no disturbance, including no septic systems, within 50 feet of Trout Creek or Whetstone Creek.

14. Building Exteriors, Roofs, Walls and Flues. The exterior walls of each Dwelling and Outbuilding on a Lot shall be constructed of stucco or natural materials, such as approved wood siding, logs and natural stone. The style and colors of all Dwellings and Outbuildings, including roofs and chimneys, shall harmonize with the natural surroundings, and Outbuildings on Lots must be design coordinated with the Dwelling on the Lot. The appearance of any flues and the materials out of which flues shall be constructed must be approved in writing by the Committee. All roofs shall be covered with wooden shake shingles, tile, high-quality asphalt shingles, or other materials approved in writing by the Committee, and the color of roofing materials must be approved in writing by the Committee. Garishly colored or reflective roofing material shall not be permitted or installed on any Structure. Three-fourths (3/4) of exterior walls of Dwellings on Lots shall have at least one break in the vertical plane.

15. Parking. Each Dwelling must have available off-street parking sufficient for all occupants of the Dwelling and any Caretaker Unit. Automobiles, trucks, or other vehicles shall not be parked or permitted to remain outside of a fully enclosed garage for more than seven (7) consecutive days, unless totally screened from public view and from view from other Units. The Committee may require that screening be in the form of landscaping with earth berms or vegetation. Construction equipment shall not be kept or stored on any Lot except during construction on the Lot. In reviewing and considering plans and specifications for Dwellings, the Committee shall encourage, and may in appropriate circumstances require, the construction of guest parking spaces on the Lot.

16. Revegetation. Surface scars, cut and filled slopes, and all other excavated or graded areas shall be filled with topsoil and replanted with vegetative cover or otherwise landscaped to prevent erosion and settling. Vegetation outside of lawn areas shall approximate native plant material affected by the excavation or grading and shall be installed no later than the next planting season following the end of construction.

17. Building Envelopes; Relocation. The location of the boundary lines of all Building Envelopes are subject to relocation and adjustment by amendment of the Plat at the request of the Owner of the Lot or Remainder Parcel containing such Building Envelope but only with the joint written approval of the Executive Board of the Association, the Declarant and the County, pursuant to paragraph 9 of the Development Agreement.

18. Resubdivision and Boundary Adjustments. The provisions of C.R.S. §§38-33.3-212 and 38-33.3-213 shall apply within the Property with respect to any resubdivision or relocation of boundaries of any part of the Property. In addition, the following limitations and provisions shall apply:

18.01 No Resubdivision of Lots. For only so long as the Development Agreement with the County is in full force and effect, and except as otherwise permitted in this Section 18, no Lot within the Subdivision shall be resubdivided or further subdivided, nor shall a divided interest in any Lot be separately conveyed, mortgaged, or encumbered, except in connection with a partition pursuant to Colorado law. However, nothing in this Section 18.01 shall prohibit ownership or conveyance of Lots in undivided interests as tenants in common, joint tenants or otherwise, the creation of future interests and remainder interests, or grants or reservations of easements.

18.02 Adjusting Subdivision Boundary Lines. Notwithstanding any other provision of this Declaration to the contrary, subject to the provisions of the Development Agreement the Association may alter, adjust, and change the exterior boundary lines of the Remainder Parcels and Open Space Areas for the purpose of adjusting an exterior boundary line of the Property with the owner or owners of property outside of but contiguous to the Property, whether such change increases or decreases the size of the Property and whether such change is accomplished by amendment to the Plat, by boundary agreement, by exchange of deeds or otherwise. In connection therewith, the Association may grant and convey portions of the Remainder Parcels and Open Space Areas and may release the conveyed portion from the limitations, covenants, easements, reservations, restrictions and provisions of this Declaration, except that any land which is encumbered by any Ranch Road, easements for the Deerwood Water System, easements for any utility in place or easements benefiting the Declarant shall not be so released (i) except with the written consent and joinder of the benefited Person, and (ii) unless and until replacement easements of equal or better quality are obtained by the Association and the physical facilities are in fact relocated into the replacement easement to the reasonable satisfaction of the benefited Person. Any such conveyance or replatting and release shall be by an instrument executed and acknowledged by the Association and recorded in the real property records of Routt County, Colorado. Any plat describing every such alteration, adjustment, and change shall be first approved by the governmental body having subdivision approval jurisdiction of the Subdivision.

18.03 Relocation of Boundaries. Pursuant to the Act and subject to the provisions of the Development Agreement, the boundaries between adjoining parcels (Lots, Remainder Parcels and/or Open Space Areas) within the Subdivision may be relocated by an amendment to the Plat approved by the Declarant and the Executive Board. In order to relocate the boundaries between adjoining parcels, the Owners of such parcels shall submit to the Executive Board and the Declarant an application which includes matters required by the Act and such other information as may be reasonably requested by the Executive Board or the Declarant. The Executive Board and the Declarant shall approve, approve upon reasonable conditions, or disapprove such application within a reasonable period of time, and shall communicate promptly to the applying Owners the conditions of approval or all of the reasons for disapproval, as applicable. Relocation of the boundaries between such parcels shall be accomplished by an amendment to the Plat, prepared in accordance with this Declaration and the Act, executed by the Owners of the parcels whose boundaries are relocated, the Association and the Declarant, and recorded in the Routt County real property records. Any boundary relocation plat must also be first approved by the governmental body having subdivision approval jurisdiction over the Subdivision.

19. Leases. The Owner of each Dwelling or Caretaker Unit leased to another Person shall

include in every lease a reference to this Declaration and an obligation on the part of the lessee or tenant to abide by all the terms, conditions and restrictions contained herein or in the Association's rules and regulations. No Lot may be leased separately from the Dwelling on such Lot, except that portions of Lots utilized for agricultural purposes may be leased to the Association or the Association's agricultural lessee for agricultural purposes.

20. The Association: Administration, Management and Voting.

20.01 Association Authority. The affairs of the Subdivision shall be administered and managed by the Association pursuant to the Act and this Declaration, and pursuant to the Articles of Incorporation, Bylaws, and rules and regulations of the Association. The Association has among its purposes and powers the protection of the Property, the acquisition of, maintenance, care and improvement of Common Property for the collective benefit of the Owners, and the enforcement on behalf of the Owners of this Declaration and the Association's Articles of Incorporation, Bylaws and rules and regulations. The Association shall have the power generally to do everything necessary or proper for the health, welfare, safety, benefit or enjoyment of the Owners. If at any time the Association shall be dissolved or shall become defunct and inoperative, all Owners of Lots shall jointly be responsible for maintenance of the Common Property which had been owned by the Association, and any and all costs of maintenance thereof in such event shall be borne by the Owners in proportion to the total number of Lots within the Subdivision.

20.02 Powers. The Association shall have all of the powers, authority and duties necessary and proper to manage the business and affairs of the Subdivision, as specified in or permitted pursuant to this Declaration, the Act or other applicable law and the Association's Articles of Incorporation, Bylaws or rules and regulations. The Association may assign its future income, including its rights to receive Common Expense assessments, only by the affirmative vote of the Owners of Lots to which at least fifty-one percent (51%) of the votes in the Association are allocated.

20.03 Declarant Control. The Declarant hereby reserves, and shall have, the Special Declarant Right for Declarant or any Person designated by Declarant in a writing delivered to the Executive Board, to appoint and remove the members of the Executive Board and the officers of the Association at any time and from time to time, in the sole discretion of the Declarant or the designee of Declarant, with or without cause, but only during the Association Control Period. Declarant may voluntarily surrender and waive the right to appoint and remove the members of the Executive Board and the officers of the Association before termination of the Association Control Period, in a recorded instrument executed by Declarant, but in that event the Declarant may require, for the duration of the Association Control Period, that specified actions of the Association or the Executive Board, as described in such recorded instrument, must first be approved by the Declarant before such actions become effective.

20.04 Managing Agent. The Executive Board of the Association may contract with or employ any managing agent for the Association (including Declarant or any affiliate of Declarant), to perform inter alia any of the duties, services, powers and responsibilities of the Association set forth in the Act or in this Declaration or in its Articles of Incorporation or Bylaws.

20.05 Membership in Association. Each Owner of a Lot in the Subdivision (including Declarant with respect to Lots from time to time owned by Declarant) shall be a Member of the Association and shall remain a Member until he ceases to be an Owner. The Association as owner of the Remainder Parcels and Open Space Areas shall not be a Member of the Association by reason of such ownership. Each Owner of an undivided fee interest in a Lot amounting to less than the entire fee interest in such Lot, including a co-owner as tenant in common or in joint tenancy, shall be a Member of the Association. Each Member shall comply strictly with the provisions of this Declaration and of the Articles of Incorporation and Bylaws and rules and regulations of the Association.

20.06 Votes. Each Lot shall be allocated one (1) vote on all and any matters to be voted on by the Members of the Association. No votes shall be allocated to any Remainder Parcels or the Open Space Areas. The Association shall not be entitled to vote with respect to any Lot owned by the Association, and no Lot owned by the Association or by any governmental entity shall be allocated any votes during the period of such ownership. If the boundaries of two or more adjoining Lots are relocated pursuant to Section 18.02, then each resulting altered Lot shall nevertheless have one (1) vote on all and any matters to be voted on by the Members of the Association. Division of the vote allocated to a Lot among multiple Owners of such Lot shall not be allowed; rather, the vote allotted to a Lot shall be voted entirely and undivided for or against or in abstention of an issue or matter put to vote among the Members of the Association.

20.07 Rules and Regulations; Fines. Each Member (Owner) and its guests, invitees and tenants shall be bound by and shall comply with the rules and regulations of the Association in effect from time to time. After notice and an opportunity to be heard, the Association may levy reasonable fines for violations of this Declaration or the Association's Articles of Incorporation, Bylaws or rules and regulations. Any fine levied against an Owner, or against any Person occupying such Owner's Lot with the consent of such Owner, shall be a special Common Expense assessment to such Owner's Lot.

20.08 Enforcement. Each Member (Owner) and such Member's family, tenants, guests and invitees shall be bound by and shall comply with this Declaration and the Association's Articles of Incorporation, Bylaws and rules and regulations. This Declaration and the Association's Articles of Incorporation, Bylaws and rules and regulations may be enforced by the Association in appropriate proceedings at law or in equity, including without limitations an action to restrain or enjoin any violation or threatened violation or to recover damages. In any such action or proceeding in which the Association is the primarily prevailing party, the Association shall be awarded its costs and expenses of the action, including reasonable attorneys' fees. Nothing herein shall be deemed to limit or restrict the right of Owners to enforce in appropriate cases this Declaration or the Association's Articles of Incorporation, Bylaws, or rules and regulations. During any period that a violation of this Declaration or the Association's Articles of Incorporation, Bylaws, or rules and regulations is continuing, the Association may (i) prohibit the Owner of the Lot with respect to which such violation has occurred, and such Owner's family, tenants, guests and invitees, from using Common Property and/or (ii) suspend the voting privileges of the Owner of the Lot with respect to which such violation has occurred. Suspension of voting privileges may be imposed only after the

Association has given at least three (3) days' prior written notice of such suspension to the Owner and any registered First Lienor of the affected Lot. No suspension of voting privileges shall affect the rights of any First Lienor pursuant to a proxy granted to such lienor prior to the suspension and of which the Association has received notice pursuant to the Association's Bylaws or rules and regulations.

20.09 Ratification of Budget by Members. Within thirty (30) days after adoption by the Executive Board of any proposed budget for the Association, the Executive Board shall mail, by ordinary, first-class mail, a copy of the budget as adopted, or a summary thereof, to all Members at the last-known mailing addresses of the Members, and shall set a date for a meeting of Members, which may be the annual meeting of Members, to consider ratification of the budget. Any such meeting shall be held no less than fourteen (14) nor more than sixty (60) days after mailing of the copy or summary of the budget to the Members. Unless at that meeting Owners having a majority of the votes of all Members vote to reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected by the affirmative vote of Owners having a majority of the votes of all Members, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Executive Board.

20.10 Administration and Maintenance of Common Property. The Declarant has contemporaneously with this Declaration conveyed certain Common Property to the Association by the Association Bargain and Sale Deed. The Association may hereafter acquire additional Common Property. The Association may, without any obligation to do so, grant and convey easements, licenses, and leasehold interests in and to the Common Property, on such terms and conditions as the Executive Board of the Association may determine in its sole discretion, without approval from any Owner. The Association shall be responsible for administering, insuring, conserving, managing, maintaining, operating, and improving the Common Property and all improvements thereon, and all costs and expenses incurred in connection therewith shall be a Common Expense. Notwithstanding the previous sentence, each Owner shall pay all costs of repairing and replacing Common Property or Deerwood Water System improvements which are incurred as a result of damage caused by the willful and wanton act or the negligence of such Owner, or such Owner's family, tenants, guests and invitees (including contractors), which costs (and interest thereon at 3% per month) shall be a special assessment by the Association against such Owner and such Owner's Lot only.

21. Association Assessments for Common Expenses; Lien; Collection of Assessments; Remedies of Association; Estoppel Certificates and Related Matters.

21.01 Association to Levy Assessments. The Association shall fix, determine, levy, assess and collect general assessments from the Owners of all Lots on an annual basis for payment of Common Expenses of the Association, based upon the Association's advance budget of the cash requirements needed by it to provide for the management of the Subdivision and the administration and performance of the Association's duties during such assessment year, and to fund and contribute to any reserves deemed appropriate by the Executive Board. The Association may also fix, determine, levy, assess and collect special Common Expense assessments authorized by the



Act, this Declaration or the Articles of Incorporation or Bylaws of the Association, subject to any limitations provided therein. Assessments shall begin to be assessed by the Association on the first day of the next calendar quarter after conveyance of the first Lot to an Owner other than Declarant or an Affiliate of Declarant.

21.02 Obligation to Pay Assessments. Declarant covenants and agrees with the Association for each Lot from time to time owned by Declarant, and each Owner of a Lot, by acceptance of a deed of conveyance for such Lot, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree with the Association, to personally pay to the Association all of the assessments for Common Expenses levied and made with respect to such Lot by the Association, and all and any special assessments and fines levied by the Association against the Owner or any Person occupying any part of the Lot with the consent of the Owner.

21.03 Apportionment and Allocated Interests. Common Expenses shall be assessed against all Lots in accordance with the Allocated Interest of each Lot, which is a fraction, the numerator of which is one and the denominator of which is the total number of Lots within the Property (currently 2.56% per Lot or 2.50% per Lot if all or any portion of the Additional Property is added to the Creek Ranch common interest community and made subject to this Declaration and an additional Lot is created thereon), except that (i) if any Common Expense is caused by the misconduct of any Lot Owner or of any Person occupying such Owner's Lot with the consent of such Owner, then the Association may assess that expense exclusively against such Owner's Lot as a special Common Expense assessment, and (ii) if any fine is levied by the Association for violation of this Declaration or the Bylaws or rules and regulations of the Association against an Owner, or against any Person occupying such Owner's Lot with the consent of such Owner, such fine shall be a special Common Expense assessment to such Owner's Lot only.

21.04 Liability of Co-Owners. If a Lot is owned at any time by two or more Persons in undivided interests pursuant to a form of concurrent co-ownership recognized by Colorado law, then each co-owner of such Lot is jointly and severally personally liable, with all other co-owners of such Lot, to the Association for payment of all Common Expenses, assessments, fees (including attorneys' fees), interest and charges levied against or with respect to such Lot, and for the performance and observance of all of the duties and responsibilities of an "Owner" with respect to the Lot.

21.05 Procedures for Payment. The Bylaws of the Association shall establish the procedures by which the general and special Common Expense assessments shall be made known to and paid by the Owners. Such procedures may include the determination and levying of such assessments as a periodic installment billing of the annual general Common Expense assessment based upon the annual budget of the Association.

21.06 Suit. An action may be brought by the Association in any court of competent jurisdiction to recover unpaid general and special Common Expense assessments, fines, late payment charges and accrued interest from the Owner or Owners liable for payment thereof, with or without foreclosing the lien of the Association described in Section 21.09. In any such action in which the Association is the substantially prevailing party, the Association shall be

awarded judgment against such Owner or Owners for all of the Association's attorney's fees, costs of discovery and court costs incurred in connection with such suit. All of such attorney's fees and costs incurred after delinquency of general or special Common Expense assessments shall be a special assessment to the Lot of the delinquent Owner in any event.

21.07 Interest; Late Charges. Unpaid general and special Common Expense assessments and fines shall bear interest from and after the date the same are due until paid at the rate set by the Executive Board, not exceeding three percent (3%) per month, compounded monthly. The Bylaws of the Association may also empower the Association to levy reasonable late charges against a delinquent Owner and such Owner's Lot for late payment of any general or special Common Expense assessment.

21.08 Suspension of Voting Rights. The Association may, during the period any general or special Common Expense assessment or fine is past due and unpaid by an Owner, suspend the voting rights and privileges in the Association allotted to such Lot; provided, however, that such suspension may be imposed only after at least three (3) days' advance written notice given by the Association to the delinquent Owner. No suspension of voting privileges shall affect the rights of any First Lienor pursuant to a proxy granted to such lienor prior to the suspension and of which the Association has received notice pursuant to the Association's Bylaws or rules and regulations.

21.09 Lien. All unpaid general and special Common Expense assessments, fines for violations of this Declaration or the Association's Articles of Incorporation, Bylaws or rules and regulations, interest, late charges or other amounts levied against an Owner or an Owner's Lot pursuant to this Declaration and all attorney's fees, costs of discovery and suit incurred in connection with enforcement of this Declaration, the Association's Articles of Incorporation, Bylaws or rules and regulations or to collect any amount owing to the Association (whether or not suit is brought), shall each and all constitute a continuing lien on such Lot pursuant to and as granted by C.R.S. §38-33.3-316 in favor of the Association, as secured party. Such lien of the Association on the Lot shall be prior and superior to all other Security Interests and non-consensual liens and encumbrances on the Lot EXCEPT as provided in C.R.S. §38-33.3-316(2), as amended from time to time, and except that such lien shall not be superior to the easements referenced on Exhibit B.

No recordation of any claim of lien by the Association after the initial recordation of this Declaration is required. However, the Association may in its sole discretion determine to record in the real property records of Routt County a notice of such claim of lien, setting forth therein (i) the amount of the unpaid sums (itemized showing general and special Common Expense assessments, fines, interest, fees and charges), (ii) the name of the Owner or reputed Owner and the legal description of the Lot against which such lien is asserted, and (iii) a statement that such lien extends to attorney's fees and costs of the Association incurred in enforcing such lien. Failure of the Association to record any such notice shall not, however, defeat such lien nor affect its priority.

If an assessment is payable in installments, and if an Owner shall default and fail to pay any installment, then unless the Act requires otherwise, the Executive Board may elect, by notice to the defaulting Lot Owner, to accelerate payment of the full amount of the assessment and to require the full amount of such assessment to be immediately due and payable. In the event of such acceleration, the full amount of the assessment is a lien from the time of the acceleration of the assessment by the Executive Board.

21.10 Foreclosure. The Association's lien against a Lot as described in Subsection 21.09 above may be foreclosed by the Association in like manner as foreclosure of a mortgage on real estate under Colorado law. The Association shall be entitled to purchase the Lot at the foreclosure sale, and thereafter to acquire, hold, lease, mortgage or convey the same. By accepting a deed to an interest in a Lot, each Owner shall conclusively be deemed to have waived any homestead or similar exemption that may otherwise be applicable with respect to the Association's lien pursuant to this Declaration.

21.11 Liability of Transferee. In case of sale or other voluntary transfer of a Lot (or any interest therein) with respect to which general or special Common Expense assessments, interest, fines, late charges, costs or fees are accrued and unpaid to the Association as of the date of transfer, the purchaser or other transferee shall be jointly and severally liable with the seller or transferor for such unpaid sums and shall be deemed to have personally assumed the obligation for payment of same. Therefore, if any lienor (including the First Lienor) of a Lot obtains title to such Lot by a voluntary deed in lieu of foreclosure, such lienor shall be jointly and severally liable for all unpaid general and special Common Expense assessments, late charges, fines, interest, costs, and fees accrued against such Lot as of the date of transfer, and such lienor shall be deemed an Owner for all purposes from and after such transfer. However, if the First Lienor obtains title to a Lot by sheriff's deed or public trustee's deed upon foreclosure of the first-lien Security Interest against a Lot, then such First lienor is not liable for any unpaid assessments, late charges, fines, interest, costs or fees which accrued against such Lot prior to the vesting of title in such beneficiary, EXCEPT as provided in C.R.S. §38-33.3-316(2)(b).

21.12 Estoppel Certificate. Within ten (10) days after receipt of a written request from any Owner or mortgagee of a Lot or from any prospective mortgagee, purchaser or other prospective transferee of a Lot, or from any title insurer insuring or proposing to insure such Lot together with receipt of a fee as may be established for such purposes by the Association from time to time, the Association or its managing agent shall issue a written itemized statement to the requesting party setting forth, along with any other information the Association may choose to include, the amount of any unpaid general or special assessments, interest, late payment charges, fines, fees and collection costs due with respect to the Lot in question. If the Association fails to issue and mail such statement to the Person requesting same within fifteen (15) days after the Association's actual receipt of such request, the Association's lien for unpaid general and special assessments, interest, late charges, fines, fees and collection costs which become due prior to the date such request was actually received by the Association shall be subordinated to the lien or other interest in the Lot of the Person requesting such statement or whose interest in the Lot was insured by such insurer.

21.13 Lienor Right to Pay. Any First Lienor of a Lot may (but shall not be required to) pay any unpaid general or special assessments, accrued interest, late payment charges, fines, fees, interest or collection costs due with respect to such Lot, and upon such payment such First Lienor shall have a lien on such Lot for the amount so paid of the same rank as the lien described in Subsection 21.09 above and shall be subrogated to the rights and remedies of the Association to collect such amount.

22. Development Rights; Special Declarant Rights and Other Reserved Rights. Declarant hereby reserves the right to perform from time to time each and all of the acts and to exercise each and all of the Development Rights and Special Declarant Rights hereinbelow specified, without necessity of the prior consent or approval of any Lot Owner or the Association. The Development Rights and Special Declarant Rights hereby reserved by Declarant are the following:

22.01 Completion of Improvements. The right to complete or make improvements within the Property indicated or shown on the Plat, if any.

22.02 Exercise of Development Rights. The right to exercise any Development Right.

22.03 Sales and Marketing. The right to utilize the ranch headquarters building as a sales and marketing office and to maintain other sales and marketing offices of any size on any of the Lots owned by Declarant, without limitation as to number, and the right to maintain sales and marketing offices of any size within the Building Envelope for Remainder Parcel B. Any sales and marketing office may be relocated to any Lot owned by Declarant. If a Lot on which a sales and marketing office is located is sold by Declarant, Declarant reserves the right to remove the sales and marketing office from the Lot at any time before or after closing of such sale.

22.04 Signs. The right to place and maintain signs complying with the County zoning resolution pertaining to signs of any size on the Property advertising the Subdivision, and to relocate and remove such signs. Such signs may be located within the right-of-way of any Ranch Road, within any Remainder Parcel or Open Space Area, and within any Lot owned by Declarant.

22.05 Easements. The right to use easements within the Subdivision for the purpose of making improvements within the Subdivision or the Additional Property.

22.06 Control of Association and Executive Board. The right for Declarant, or any Person designated by Declarant in a writing delivered to the Executive Board, to appoint and remove the officers and members of the Executive Board at any time and from time to time, in the sole discretion of the Declarant or the designee of Declarant with or without cause, during the Association Control Period. Declarant may voluntarily surrender the foregoing reserved right to appoint and remove officers and members of the Executive Board before termination of the Association Control Period, and in the event of such surrender, the Declarant may require, for the duration of the Association Control Period, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

22.07 Warranty Work. The right to perform warranty work, and repairs and construction work and to store materials in secure areas, within Lots, the Remainder Parcels and Open Space Areas, and the future right to control such work and repairs, and the right of access thereto, until its completion. All work may be performed by Declarant without the consent or approval of any Lot Owner or the Association.

22.08 Amending or Supplementing Declaration. The right to amend this Declaration and the Plat from time to time, without necessity of the consent of any Owner, Member, First Lienor, or the Association, (i) if necessary to bring the Declaration and/or the Plat and/or the Subdivision into compliance with any amendments to the Act hereafter adopted, (ii) pursuant to Section 28 below, or (iii) pursuant to a right to do so provided elsewhere in this Declaration or the Act.

22.09 Add Additional Property. The right to add all or any part of the Additional Property to the Creek Ranch common interest community and to subject all or any part of such Additional Property to the provisions of this Declaration. Nothing herein or in the Act shall require Declarant or any owner of the Additional Property to add any part of such Additional Property to the Creek Ranch common interest community or to subject any part of such Additional Property to this Declaration, nor shall this Declaration or the Plat be deemed or construed to be an encumbrance, detriment or burden on any part of such Additional Property until and unless actually added to the Creek Ranch common interest community and made subject to this Declaration. If all or any portion of the Additional Property is added to the Creek Ranch common interest community and made subject to this Declaration, Declarant further reserves the right to create one additional Lot on such Additional Property and to create additional Common Property on such Additional Property. Nothing herein shall require the Declarant or any owner of the Additional Property to create additional Common Property on the Additional Property.

22.10 Agricultural Lessees. During the ten (10) year period commencing on the date this Declaration is initially recorded, any agricultural lessee of all or any portion of the Common Property must be approved in advance by Declarant and Declarant shall have a right of first refusal to become the Association's agricultural lessee on the same terms and conditions offered by any other Person. The rights reserved to Declarant pursuant to this Section may not be transferred by Declarant.

22.11 Other Rights. The right to exercise any other reserved right created by any other provision of this Declaration or permitted by the Act.

23. Provisions Applicable to Development Rights; Special Declarant Rights and Other Reserved Rights. Unless sooner terminated or relinquished as provided in this Declaration, all Development Rights, Special Declarant Rights and other reserved rights may be exercised by the Declarant at any time prior to January 1, 2025. Except as otherwise provided in Section 22.09, all Development Rights and Special Declarant Rights shall apply with respect to all of the real estate described on Exhibit A and the Additional Property. Except as otherwise provided in Section 22.10, any Development Right, Special Declarant Right or other reserved right reserved under Section 22

above may be transferred to any Person or the Association by an instrument describing the right transferred and recorded in the real property records of Routt County. Each such instrument of transfer shall be executed by the transferor Declarant and the transferee. After transfer, the transferee shall be deemed to be the "Declarant" for purposes of exercising the transferred Development Right or Special Declarant Right.

24. Common Property of the Association.

24.01 Initial Common Property. Declarant has contemporaneously granted and conveyed to the Association the following property and easements in the Association Bargain and Sale Deed, subject to the reservations in Declarant set forth and described in such Association Bargain and Sale Deed:

24.01.01 Remainder Parcel A, Remainder Parcel B, Remainder Parcel C and Remainder Parcel D in Creek Ranch, as shown and described on the Plat.

24.01.02 The Open Space Areas, in Creek Ranch, as shown and described on the Plat.

24.01.03 Perpetual and non-exclusive easements for purposes of ingress and egress of vehicles, equipment, pedestrians and livestock and for construction, installation, maintenance, repair, reconstruction, removal, replacement, operation and use of roadways and related improvements (including drainage channels) for ingress and egress of persons, vehicles, equipment, and livestock, for drainage and for construction, installation maintenance, repair, operation and replacement of underground utilities and appurtenant surface facilities including the Deerwood Water System and dry utilities, on, over, under and across private road easements and utility easements labeled as "Headquarters Road," "Barn Lane," "Creek Ranch Road," "Rainbow Ridge," "Bench Lane," "Judge's View," "Mack Lane" and "Whetstone Lane" on the Plat, including the circular cul-de-sac areas shown on the Plat. Such Ranch Roads may be relocated pursuant to the provisions of Section 6.05.

24.01.04 The Entry Feature Easement Areas within Remainder Parcel B, Remainder Parcel C and Lots 1, 18, 21, 30, 32, 33 and 36 as shown on the Plat, together with the Entry Feature Improvements therein, including signs, poles, gates, cattle guards and associated landscaping. Notwithstanding the foregoing or any other provision of this Declaration, perimeter or interior fences within Entry Feature Easement Areas located on Lots are not Common Property.

24.01.05 Declarant's beneficial rights and interests pursuant to State of Colorado State Board of Land Commissioners Agricultural Lease of State Trust Lands No. S-41145, the Bureau of Land Management Lease for approximately 166 acres in Section 19, T5N, R85W, 6<sup>th</sup> P.M. adjacent to the southwest boundary of the Subdivision (provided Declarant is permitted to assign such lease to the Association by the Bureau of Land Management) ("Leased Lands").

24.01.06 Other easements granted to the Association as shown, noted or otherwise described in this Declaration, the Association Bargain and Sale Deed or on the Plat.

24.02 Maintenance and Use of Common Property. The Association shall maintain the Common Property and all of the improvements owned by the Association thereon in good condition and repair at the Association's cost and expense as a Common Expense. Additionally, the Association shall maintain and keep in full force and effect public liability insurance coverage of all Common Property, as a Common Expense, with limits and terms acceptable to the Executive Board of the Association. Finally, the Association shall pay and discharge all real property taxes and special assessments levied against the Common Property owned in fee simple by the Association, all before such taxes or assessments become delinquent. The payment of such taxes and assessments shall be a Common Expense.

Subject to and limited by (i) the rights reserved to Declarant in this Declaration, in the Association Bargain and Sale Deed and/or on the Plat, (ii) the provisions of this Declaration and the Association's Articles of Incorporation, Bylaws or rules and regulations, and (iii) provisions of existing or future agricultural or other leases of Common Property, each Owner, during the period of ownership of their Lot, shall have a non-exclusive easement and right to use the Common Property in accordance with the purposes for which it is intended, without hindering, impeding or imposing upon the rights of others to use the Common Property, and provided that such use shall be in accordance with this Declaration and the Association's rules and regulations in effect from time to time.

25. Deerwood Water System.

25.01 Construction of Deerwood Water System. Declarant will construct at its expense those improvements for the Deerwood Water System necessary to provide a potable water supply to the Lots and Remainder Parcel B. Each Owner shall be responsible for connecting to the Deerwood Water System to provide service from the Deerwood Water System service stub for such Owner's Lot to the Dwelling and Outbuildings on such Owner's Lot, including the cost of installing a meter vault, valves and water meter in accordance with the specifications of the Declarant and Water System Owner. Declarant and the Water System Owner shall have the right to approve contractors used to make connection to the Deerwood Water System.

25.02 Expansion of Deerwood Water System. Subject to the special use permit issued for the Deerwood Water System, the Declarant or Water System Owner may, without necessity of the consent of any Lot Owner or the Association, construct at their expense additional water system improvements within and outside of the Subdivision that are connected to or integrated in the Deerwood Water System and permit and allow the delivery of potable water from the Deerwood Water System to property, improvements, and consumers located outside of the Subdivision. The Declarant or Water System Owner may assess and collect from such consumers tap-on fees, connection charges, infrastructure charges or other consideration as may be determined by Declarant or the Water System Owner in their sole discretion which will inure solely to the benefit of and be retained by Declarant or the Water System Owner and not the Association or any Lot Owners.

25.03 Ownership and Maintenance. The Water System Owner shall be responsible for the management, operation, maintenance, repair, improvement and replacement of the Deerwood Water System for the Subdivision (which does not include Owner Service Lines) and shall have the right to utilize the water system easements referenced in Exhibit B for such purposes. Anytime after January 1, 2005, the Water System Owner may in its sole discretion grant and convey to the Association all or any part of the Deerwood Water System located within the Subdivision or which serves the Subdivision exclusively, without additional consideration, by bargain and sale deed in "AS IS" condition and without warranty or representation. The Association shall accept any such conveyance and thereafter shall manage and operate the conveyed portion of the Deerwood Water System and shall be responsible for the maintenance, repair, improvement and replacement thereof, and all costs and expenses of the Association incurred for such purposes shall be Common Expenses.

25.04 Owner Service Lines. In connection with the construction of a Dwelling on a Lot, each Owner shall construct a water meter pit and water meter with remote read-out and a separate curb valve connecting with the water trunk line, all at the location and in accordance with specifications and requirements of Declarant and the Water System Owner, and all of which shall be part of the Deerwood Water System but shall be maintained and repaired at the cost and expense of the Lot Owner. Any Owner Service Line shall be located by the Lot Owner at a location approved in advance by the Committee. Such Owner Service Line and the water meter pit, water meter and remote read-out and curb valve, shall all be maintained and repaired by the Lot Owner and not by the Association or the Water System Owner, but if the Owner fails to do so, then the Association may maintain and repair such facilities and the cost in doing so shall be a special assessment against the Owner and the Owner's Lot. The consent of the Water System Owner and Declarant must be obtained to install any Owner Service Line with a diameter larger than one (1) inch.

25.05 Rules and Regulations. The Water System Owner is empowered and shall have the authority to make and adopt rules and regulations for the management, operation, use and repair of the Deerwood Water System, and the Association and all Owners shall be subject to and abide by such rules and regulations.

25.06 No Fire Pressure. Although fire hydrants and tanks will be installed as part of the Deerwood Water System, neither the Declarant, the Water System Owner or the Association represent that adequate fire-flow pressure will exist at any time from the Deerwood Water System.

26. Variances. Waivers, variances from or exceptions to the requirements or restrictions contained in Sections 1 through 17 and Sections 19 and 27 of this Declaration may be granted in writing by the Committee or the Executive Board, as long as such waiver, variance or exception does not violate the Act, applicable law or the Development Agreement. Any waiver, variance or exception granted shall apply only with respect to the specific Lot and/or transaction for which the waiver, variance or exception was requested. The granting of a waiver, variance or exception in any particular case shall not obligate the Committee or the Executive Board to grant a similar waiver, variance or exception in any other case involving the same or different Lots and/or Owners.



27. Registration of Owners and First Lienors. Each Owner and each First Lienor shall register his mailing address with the Association as provided in the Association's Bylaws. Periodic statements for general assessments, notices of special assessments, notices of meetings, and other routine notices from the Association to an Owner shall be sent by regular mail, postage prepaid, addressed to the name of the Owner at such registered mailing address. Any Owner may give written notice to other Owners in the same manner. All other notices or demands intended to be served by the Association upon an Owner shall be sent by certified mail, postage prepaid, addressed to the name of the Owner at such registered mailing address or at the address of such Owner as shown in the records of the Routt County Assessor. All notices, demands or other communications intended to be served upon the Association shall be sent by certified mail, postage prepaid, to the address of the Association as designated by the Bylaws of the Association. The Association shall at all times keep and maintain up-to-date records of the names and addresses of all Owners and First Lienors of Lots subject to this Declaration.

28. Amendments.

28.01 Amendments in General. Subject to subsection 28.02 below, this Declaration may be amended upon the written approval in recordable form by the Owners entitled to cast at least sixty-seven percent (67%) or more of all the votes in the Association entitled to be cast at that time on Association questions; provided, however, that the provisions of subsection 21.03 relating to the method of prorating assessments among the Owners, the provisions of subsection 21.09 relating to the priority of a First Lienor over the lien of the Association, provisions of this Section 28, and the provisions of subsection 20.03 and Sections 22, 23, 29 and 32, may be amended only if such amendment has first been approved in writing by all of the Owners of all Lots and Remainder Parcels then subject to this Declaration and (unless it has released or conveyed all of its Development Rights and Special Declarant Rights) the Declarant.

28.02 Amendments by Declarant. Declarant hereby reserves and is granted the right and power, but not the obligation, to amend the Declaration and the Plat at any time and from time to time without necessity of the consent of any Owner or lienor or the Association, to correct surveying errors or omissions, typographical errors, technical errors or omissions, granting further easements within the Subdivision for utility or roadway purposes or in the best interests of the Association or exercising any Special Declarant Right as reserved in Section 22. In addition, until December 31, 2024, Declarant hereby reserves and is granted the right and power, but not the obligation, to amend or supplement this Declaration without necessity of the consent or approval of any Owner, lienor or the Association, for the purposes of adding all or any part of the Additional Property to the Subdivision, as contemplated by Section 22. Further, Declarant hereby reserves and is granted the right and power, but not the obligation, to amend or supplement this Declaration without necessity of the consent or approval of any Owner, lienor, or the Association, for the purpose of (i) bringing this Declaration and the Association documents into compliance with the requirements of the Federal Home Loan Mortgage Corporation, the Federal Housing Association, the Government National Mortgage Association, the Veterans Administration, or any other governmental agency or any other public, quasi-public, or private entity, which performs first-lien residential housing mortgage financing functions similar to those currently performed by such entities, and (ii) inducing any of such agencies or entities to make, purchase, sell, insure or guarantee

first-lien mortgages covering Lots, provided that no such amendment or supplement shall impair the lien of a First Lienor upon a Lot or shall impair any warranties made by an Owner or mortgagee in order to induce any of the above agencies or entities to make, purchase, insure or guarantee a mortgage on an Owner's Lot. In furtherance of the foregoing, a power coupled with an interest is hereby reserved to Declarant to make or consent to such amendments or supplements to the Declaration, on behalf of each Owner. Each deed, mortgage, or other evidence of obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to, the reservation of the power of Declarant to make or consent to such amendments or supplements to the Declaration.

29. Duration. This Declaration shall run with and bind the Property and shall inure to the benefit of the Association and Owners of any real property subject to this Declaration, their respective legal representatives, heirs, successors and assigns. This Declaration shall be effective for a term of forty (40) years after and from the date this Declaration is recorded in the real property records of Routt County, Colorado, and thereafter this Declaration shall automatically be extended for successive periods of ten (10) years each, unless there has been recorded prior to the commencement of any such ten-year period, an instrument terminating this Declaration, executed and acknowledged in recordable form by the then Owners entitled to cast at least sixty-seven percent (67%) or more of all the votes in the Association, and in addition by the Declarant, if at the time of such proposed termination the Declarant is an Owner of any Lot.

30. Limitation on Liability. The Declarant, the Association and the Committee shall exercise their own judgment in administering, enforcing and interpreting the provisions of this Declaration. The Declarant, Association or Committee and their respective employees, officers, directors, shareholders, members and agents shall not be liable to any Owner, Member, or other Person for actual or alleged acts or omissions, failures, mistakes in, judgments or non-enforcement in connection with actions taken or admitted to be taken pursuant to this Declaration, unless such acts or omissions constitute acts not in good faith, gross negligence or a willful abuse of discretion.

31. Limitation on Declarant's Obligations. Nothing contained in this Declaration or in the Articles of Incorporation, Bylaws or rules and regulations of the Association shall be deemed to impose upon Declarant or its successors or assigns any obligation to build, construct or provide any Structures or improvements or to warrant any Structures or improvements which are in fact constructed. Any such obligation on the part of Declarant shall be set forth only in the Lot purchase agreements between Declarant and Lot purchasers.

32. Transfer and Termination of Declarant Status. Unless otherwise relinquished or terminated as provided herein, the status of Declarant hereunder shall continue for as long as Declarant owns any Lots in the Subdivision. The status as Declarant and all rights and obligations of Declarant pursuant to this Declaration and the Articles of Incorporation, Bylaws and rules and regulations of the Association, including any or all Development Rights, Special Declarant Rights and other reserved rights (except as otherwise provided in Section 22.10), may be transferred, without the consent of any Owner, Member, or the Association, in the manner described in Section 23 and in accordance with the Act, effective upon the recording in Routt County, Colorado, of written notice of such transfer. In addition, the status of Declarant and any or all Development

Rights, Special Declarant Rights or other reserved rights may be relinquished, waived and terminated, in whole or in part, without the consent of any Owners, Members, or the Association effective upon recording of a notice to that effect in the real property records of Routt County, executed by the Declarant or its successor.

33. Number of Lots. No more than thirty-nine (39) Lots may be created or exist within the Property, provided that if all or any portion of the Additional Property is added to the Creek Ranch common interest community and made subject to this Declaration, one additional Lot may be created on such portion of the Additional Property. The maximum number of Lots which Declarant reserves the right to create is forty (40).

34. Enforcement. If any Person shall violate or threaten to violate any of the provisions of this Declaration or the Association's Articles of Incorporation, Bylaws or rules and regulations, then the Executive Board or the Association, the Declarant or any Owner may institute proceedings at law or in equity to enforce the provisions of this Declaration, the Association's Articles of Incorporation, Bylaws or rules and regulations, to restrain or enjoin the Person violating or threatening to violate them, and to recover damages, actual and punitive, for such violation or threatened violation. In any suit or arbitration arising under or involving any violation or threat or claim of violation of the provisions of this Declaration or the Association's Articles of Incorporation, Bylaws or rules and regulations, the party substantially prevailing in such suit or arbitration shall recover from the other party all of the first party's reasonable attorney's fees and costs of suit and discovery.

35. Miscellaneous.

35.01 If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance shall be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby. Each provision in this Declaration is independent and cumulative and should be construed and interpreted without implied reference to any other provision, unless cross-reference is specifically made.

35.02 Whenever used herein, unless the context otherwise requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders and the neuter, as appropriate.

35.03 The provisions of this Declaration shall be in addition and supplemental to all applicable provisions of the Act and of Colorado or federal law. This Declaration shall be governed and construed in accordance with the laws of the state of Colorado.

35.04 The Exhibits attached hereto are incorporated herein by reference.

EXECUTED by Declarant this \_\_\_\_\_ day of September, 1999.

CREEK RANCH, LLP, a Colorado  
limited liability partnership

By: Romick & Associates, Inc., a Colorado  
Corporation, Managing Partner

By \_\_\_\_\_  
Brent A. Romick, President

**JOINDER AND SUBORDINATION OF LENDER**

Vectra Bank Colorado – Steamboat Springs, a National Banking Association (“Lender”),  
the beneficiary under certain Deeds of Trust as follows:

- (i) recorded at Reception No. 505085 in Book 754 at Page 713; and
- (ii) recorded at Reception No. 505947 in Book 755 at Page 440

in the office of the Clerk and Recorder of Routt County, Colorado. Lender, for itself and its successors and assigns, approves the foregoing Declaration of Protective Covenants for Creek Ranch (“Declaration”), which affects the property encumbered by the above Deeds of Trust, and, for good and valuable consideration, agrees that no foreclosure or other enforcement of any remedy pursuant to any of the Deeds of Trust of which Lender is a beneficiary shall impair, invalidate, supersede or otherwise affect the covenants, conditions, restrictions and easements established by the Declaration or any amendment or supplement thereto and further agrees that any and all of its rights and interest under the Deeds of Trust shall be and hereby are declared to be junior and subordinate to the provisions of the Declaration.

VECTRA BANK COLORADO –  
STEAMBOAT SPRINGS

By \_\_\_\_\_  
Chandler M. Church, Vice President

