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AMENDED AND RESTATED
MASTER DECLARATION
OF
PROTECTIVE COVENANTS
FOR
RIVER VALLEY RANCH

March __, 1998

Return to:

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*AMENDED AND RESTATED
MASTER DECLARATION
OF
PROTECTIVE COVENANTS
FOR
RIVER VALLEY RANCH*

THIS AMENDED AND RESTATED MASTER DECLARATION OF PROTECTIVE COVENANTS FOR RIVER VALLEY RANCH (the "Master Declaration"), is made and entered into this _____ day of _____, 1998 by CRYSTAL RIVER LIMITED PARTNERSHIP, a Delaware limited partnership duly authorized to transact business in the State of Colorado, (the "Declarant").

AMENDMENT AND RESTATEMENT

WHEREAS, the Master Declaration of Protective Covenants for River Valley Ranch was recorded September 27, 1996 in Book 994 at Page 024, and has been amended and supplemented by First Supplemental Declaration recorded December 6, 1996 in Book 1002 at Page 548, by First Amendment recorded January 28, 1997 in Book 1007 at Page 509, by Second Supplemental Declaration recorded August 12, 1997 in Book 1029 at Page 843, and by Reallocation Amendment recorded December 5, 1997 in Book 1045 at Page 237, all in the Office of the Clerk and Recorder of Garfield County, Colorado (collectively the "Existing Master Declaration"); and

WHEREAS, Section 13.3 of said Existing Master Declaration provides that the Master Declaration may be amended by the vote or agreement of Lot Owners to which at least 67 percent of the votes in the Master Association are allocated; and

WHEREAS, Crystal River Limited Partnership, a Delaware limited partnership, is the owner of more than 67 percent of the Lots presently in the River Valley Ranch Common Interest Community; and has agreed that the Existing Master Declaration shall be amended and restated in its entirety as hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Existing Master Declaration is hereby amended and restated in its entirety to read as follows:

RECITALS

1. Declarant is the record owner of that certain real property situated in Garfield County, Colorado, known as River Valley Ranch (Phases I, II and III), as more particularly described on Exhibit A attached hereto and by reference made a part hereof (the "Common Interest Community").
2. Declarant is also the record owner of that certain adjoining real property described on Exhibit B attached hereto and by reference made a part hereof (the "Annexable Property").
3. The Common Interest Community and a portion of the Annexable Property have been approved for development pursuant to a Planned Unit Development Plan for River Valley Ranch (formerly Gray Ranch) adopted by the Town of Carbondale, Colorado (the "P.U.D. for River Valley Ranch").

4. Declarant intends to develop the Common Interest Community as a planned community under the Colorado Common Interest Ownership Act. Declarant reserves the right, but shall have no obligation, to annex to the Common Interest Community from time to time some or all of (i) the Annexable Property, and/or (ii) additional unspecified real estate, and to develop such property as part of the planned community. Each such annexation shall be accomplished by the recording of a Supplemental Declaration, together with a Supplemental Plat or Map, which describe and depict any new Lots, Units, Master Common Areas and/or Subassociation Common Areas thereby added to the Common Interest Community, and which describe any Common Elements or Limited Common Elements thereby created. The Supplemental Declaration shall incorporate this Master Declaration by reference and shall set forth such amendments to the Master Declaration and such additional covenants, conditions, uses, restrictions, and reserved development rights as may be applicable to the annexed property.

5. Under the present P.U.D. for River Valley Ranch, five hundred fifty-five (555) legally separate Lots and Units are permitted to be created and developed. This number does not include the forty (40) Accessory Dwelling Units and the thirty (30) Caretaker Apartments that are permitted under the P.U.D., as they are not classified as Lots or Units hereunder. Furthermore, this number does not include the sixty (60) Affordable Housing Units that are permitted under the P.U.D., as they will not be part of the Common Interest Community. With the potential addition to the Common Interest Community of (i) the portion of the Annexable Property not included in the P.U.D. for River Valley Ranch, and (ii) additional unspecified real estate, the maximum number of Lots and Units that may realistically be created and that Declarant reserves the right to create within the Common Interest Community is six hundred ten (610) Lots and Units.

6. River Valley Ranch Master Association, a Colorado non-profit corporation, has been formed as a master association to exercise the functions set forth herein and to own, lease, hold, operate, care for and manage certain property for the common benefit of Owners and Occupants of Lots and Units within, and of any other person acquiring an interest in, the Common Interest Community, and to pay for the maintenance of the Public Parks.

7. Declarant desires to establish covenants, conditions and restrictions upon the Common Interest Community and all properties that may hereafter be annexed thereto, and certain mutually beneficial restrictions and limitations with respect to the proper use, occupancy, improvement and enjoyment thereof, all for the purposes of enhancing and protecting the value, desirability and attractiveness of the Common Interest Community and enhancing the quality of life within the Common Interest Community.

8. Declarant desires and intends that the Owners, Mortgagees, Occupants and all other Persons hereafter acquiring any interest in the Common Interest Community shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements contained in this Master Declaration, as it may be amended from time to time by Supplemental Declaration or otherwise.

ARTICLE 1 DECLARATION

NOW, THEREFORE, for the purposes set forth above and herein, Declarant for itself and its successors and assigns hereby declares that the Common Interest Community and all other property which becomes subject to this Master Declaration in the manner hereinafter provided, and each part thereof, shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, improved, altered, maintained and enjoyed subject to the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations, exceptions, easements, privileges, rights and other provisions hereinafter set forth, for the duration hereof, all of which are

declared to be part of, pursuant to, and in furtherance of a common and general plan of development, improvement, enhancement, use, occupancy and enjoyment of the Common Interest Community, and all of which shall run with the land and be binding upon and inure to the benefit of (i) the Common Interest Community and every part thereof, (ii) Declarant and its successors and assigns, (iii) the Master Association and its successors and assigns, (iv) every Member of the Master Association, and (v) all Owners, Occupants and other Persons having or acquiring any right, title or interest in or to the Common Interest Community or any part thereof, or any Improvement thereon, and their respective heirs, personal representatives, successors and assigns. Provided always, that to the extent this Master Declaration provides that Declarant shall not be bound by or is exempt from the application of certain covenants, conditions and restrictions contained herein, Declarant shall not be considered subject to such covenants, conditions or restrictions.

Notwithstanding the foregoing, in no event shall the Annexable Property or any portion thereof be burdened or benefited by or otherwise subject to any of the terms or provisions of this Master Declaration until such property has been annexed to the Common Interest Community, at Declarant's sole option and discretion, and expressly subjected to the terms and provisions hereof (and any amendments hereof affecting the annexed property as may be contained in the Supplemental Declaration therefor), all as more particularly provided herein. This Declaration shall be recorded in Garfield County, Colorado and shall be indexed in the Grantee's index in the name of River Valley Ranch and the Master Association and in the Grantor's Index in the name of Crystal River Limited Partnership.

ARTICLE 2 DEFINITIONS

Unless otherwise expressly provided herein, the following words and phrases when used in this Master Declaration shall have the meanings hereinafter specified.

2.1 Accessory Dwelling Unit. "Accessory Dwelling Unit" means any separately occupiable apartment (containing a separate kitchen and outside entrance) that may be attached to a Unit or attached to or detached from a residence constructed on a Lot, if such Lot or Unit has been designated for a Accessory Dwelling Unit by the P.U.D. for River Valley Ranch and on the applicable Plat or Map. For purposes of this Master Declaration, a Accessory Dwelling Unit shall be considered a legally undivided part of the Lot or Unit upon or in which said Accessory Dwelling Unit is located, and all references to a Lot or Unit shall be deemed to include any Accessory Dwelling Unit located thereon or therein.

2.2 Act. "Act" shall mean the Colorado Common Interest Ownership Act as provided in C.R.S. 38-33.3-101, et seq., as the same may be amended from time to time.

2.3 Allocated Interests. "Allocated Interests" means the Common Expenses liability and the votes in the Master Association allocated to each Lot or Unit, which interests are allocated as follows:

(a) The Common Expenses liability for each Lot or Unit is calculated on the basis of a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots and Units in the Common Interest Community as of the date of the calculation. The denominator may be increased from time to time by the Declarant upon the addition of Lots or Units to the Common Interest Community which can be conveyed to third parties. Such fraction is then multiplied by the Common Expenses or the Assessment in question to determine that Lot's or Unit's share thereof. The Common Expenses liability of a Lot or Unit is determined without reference to the size, location, value or use of the Lot or Unit.

(b) One (1) vote in the Master Association is allocated to each Lot and Unit in the Common Interest Community.

(c) The foregoing allocations may not discriminate in favor of Lots or Units owned by Declarant or an affiliate of Declarant.

(d) If Lots or Units are added to or withdrawn from the Common Interest Community or converted to Master Common Area, (i) the Common Expenses liability for each Lot or Unit shall be reallocated on the basis of a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots and Units in the Common Interest Community following the addition, withdrawal or conversion of such Lots or Units, and (ii) one vote in the Master Association shall continue to be allocated to each Lot or Unit in the Common Interest Community following the addition, withdrawal or conversion of such Lots or Units.

The Allocated Interests for the Common Interest Community are specifically set forth on Exhibit C attached hereto and made a part hereof by this reference, as said Exhibit C may be amended from time to time.

2.4 Annexable Property. "Annexable Property" means that certain real property described on attached Exhibit B, which property may or may not be included in the P.U.D. for River Valley Ranch but has not yet been annexed to the Common Interest Community or made subject to the terms and provisions of this Master Declaration. In the sole discretion of Declarant, all or a portion of the Annexable Property may from time to time be annexed to, and made a part of, the Common Interest Community in the manner provided in this Master Declaration.

2.5 Application for Certificate of Compliance. "Application for Certificate of Compliance" means a written application submitted by a Lot or Unit Owner to the Development Review Committee requesting the issuance of a Certificate of Compliance to the effect that the Improvements constructed by the Owner on its Lot or Unit have been completed in compliance with the development approvals granted therefor by the Development Review Committee. The procedures pertaining to such Applications are more particularly set forth in Section 4.17 below.

2.6 Articles of Incorporation. "Articles of Incorporation" or "Articles" means the Articles of Incorporation of River Valley Ranch Master Association, which have been or will be filed in the office of the Secretary of State of the State of Colorado, as the same may be amended from time to time.

2.7 Assessment. "Assessment" means a Regular Assessment, Special Assessment or Reimbursement Assessment.

2.8 Budget. "Budget" means a written itemized estimate of the Common Expenses to be incurred by the Master Association in performing its functions under this Master Declaration and adopted by the Executive Board pursuant to Section 10.7 of this Master Declaration.

2.9 Building Envelope. "Building Envelope" means that portion of each Lot which is depicted and designated as the Building Envelope on a Plat. All structural Improvements, including roof overhangs, shall be located within the Building Envelope on a Lot, except that with prior Development Review Committee approval in each instance, driveways, walks, pathways, other similar features, fences, underground utilities, irrigation and drainage systems, and landscaping may be located outside the Building Envelope.

2.10 Bylaws. "Bylaws" means the Bylaws of the Master Association which have been or will be adopted by the Executive Board of the Master Association, as the same may be amended from time to time.

2.11 Caretaker Apartment. "Caretaker Apartment" means any separately occupiable apartment (containing a separate kitchen and outside entrance) that may be attached to a Unit or attached to or detached from a residence constructed on a Lot, if such Lot or Unit has been designated for a Caretaker Apartment by the Declarant. Declarant will designate a Lot or Unit as eligible for a Caretaker Apartment by including the designation in the deed to the Lot or Unit or on a Supplemental Plat. Caretaker Apartments may not contain more than 1,200 square feet and will only be permitted on Lots containing 16,000 square feet or more. For purposes of this Master Declaration and any Supplemental Declaration, a Caretaker Apartment shall be considered a legally undivided part of the Lot or Unit upon or in which said Caretaker Apartment is located, and all references to a Lot or Unit shall be deemed to include any Caretaker Apartment located thereon or therein.

2.12 Common Elements. "Common Elements" means all portions of any Condominium that may be created within the Common Interest Community, other than the Units within that Condominium. "General Common Elements" means all Common Elements except Limited Common Elements.

2.13 Common Expenses. "Common Expenses" means any expenditures made or liabilities incurred by or on behalf of the Master Association, together with any allocations to reserves, including, but not limited to the following:

(a) The costs of maintenance, management, operation, repair and replacement of the Master Common Areas and the Limited Common Areas, and of all other parts of the Common Interest Community which are managed or maintained by the Master Association, but excluding any areas being managed or maintained at the expense of a Subassociation;

(b) The costs of Improvements constructed from time to time by the Master Association upon or in connection with Master Common Areas or Limited Common Areas, if such costs were included within a duly adopted Budget.

(c) Unpaid Assessments;

(d) The costs of maintaining the Public Parks and the costs of making capital repairs and replacements therein;

(e) The costs of management and administration of the Master Association, including, but not limited to, compensation paid by the Master Association to managers, accountants, attorneys and employees;

(f) The costs of utilities and services (including, but not limited to, treated or untreated water, electricity, gas, sewer, trash pick-up and disposal and recycling), which are provided to the Master Association or the Common Interest Community and not individually metered or assessed to Lots or Units; landscaping maintenance, and other services which generally benefit and enhance the value and desirability of the Common Interest Community and which are provided by or on behalf of the Master Association, but excluding any such utilities or services that may be provided by a Subassociation;

(g) The costs of insurance maintained by the Master Association as required or permitted herein, but excluding any insurance maintained by a Subassociation;

(h) Reasonable reserves for contingencies, replacements and other proper purposes as deemed appropriate by the Executive Board to meet anticipated costs and expenses including, but not limited to, maintenance, repair and replacement of those Master Common Areas or Limited Common Areas which must be maintained, repaired or replaced on a periodic basis.

(i) The costs of maintaining the front yards of Lots in Block F in the Common Interest Community, and of repainting the exterior of residences constructed on Lots in said Block F and of repairing and replacing the roofs on such residences, and reasonable reserves for such repainting and roof replacement. The costs of maintaining the front yards, and those portions of the side and rear yards not enclosed by privacy fences, of Lots in Block A in the Common Interest Community and of repainting the exterior of residences constructed on Lots in Block A and of repairing and replacing the roofs on such residences, and reasonable reserves for such repainting and roof replacement.

(j) The costs of maintaining the front yards, and those portions of the side and rear yards not enclosed by privacy fences, of the five (5) deed restricted affordable housing lots that will comprise Block BB of Phase IV of River Valley Ranch (notwithstanding that said Block BB will be annexed to and be a part of the Thompson Corner Common Interest Community), upon and following the recording of the Final Plat of said Phase IV in the Office of the Clerk and Recorder of Garfield County, Colorado. These Common Expenses shall be deemed to be for the general benefit of the entire Common Interest Community.

(k) The costs of bonding the members of the Executive Board, the officers of the Master Association, any professional managing agent or any other Person handling the funds of the Master Association;

(l) Taxes paid by the Master Association;

(m) Amounts paid by the Master Association for discharge of any lien or encumbrance levied against the Master Common Areas or Limited Common Areas or portions thereof;

(n) The costs incurred by the Development Review Committee, and by any other committees that may be established from time to time by the Executive Board;

(o) The costs of any security systems or services that may be installed, operated or contracted for by the Master Association for the benefit of the Common Interest Community;

(p) The costs of maintaining, operating and replacing recreational, cultural, health-related or similar facilities or enterprises available to or for the benefit of all or a portion of the Common Interest Community and such other users as may be authorized by this Master Declaration or by the Executive Board from time to time; and

(q) Other expenses incurred by the Master Association for any reason whatsoever in connection with the Master Common Areas or the Limited Common Areas or the Public Parks, or the costs of any other item or service provided or performed by the Master Association pursuant to this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, or Master Development Guidelines, or in furtherance of the purposes of the Master Association or in the discharge of any duties or powers of the Master Association.

2.14 Common Interest Community. "Common Interest Community" means the Common Interest Community described on attached Exhibit A and any additional real property which may from time to time be annexed to the Common Interest Community and made subject to this Master Declaration by Supplemental Declaration and Supplemental Plat or Map, including all Lots, Units, Master Common Areas, Subassociation Common Areas, Common Elements and Limited Common Elements, if any, together with all Improvements and other amenities now or hereafter located thereon, and together with all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto. If any property is subsequently withdrawn from the Common Interest Community pursuant to the provisions of this Master Declaration, the term "Common Interest Community" shall thereafter not include said withdrawn property.

2.15 Condominium. "Condominium" means any part of the Common Interest Community in which portions of the real estate (i.e., Units) are designated for separate ownership and the remaining real estate is designated for common ownership in undivided interests solely by the Owners of said Units.

2.16 County. "County" means Garfield County, Colorado.

2.17 Declarant. "Declarant" means Crystal River Limited Partnership, a Delaware limited partnership, its successors, assigns, and affiliates. A Person shall be deemed to be a "successor and assign" of Declarant if specifically designated in a duly Recorded instrument as a successor or assign of Declarant under this Master Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Master Declaration which are specifically designated in that written instrument. The term "affiliate of Declarant" shall have the meaning set forth in Section 38-33.3-103(l) of the Act.

2.18 Deed of Trust. "Deed of Trust" means a Mortgage.

2.19 Development Review Committee. "Development Review Committee" means the Committee provided for in Article 4 of this Master Declaration.

2.20 Executive Board. "Executive Board" or "Board" means the Executive Board of the Master Association.

2.21 Golf Course Play and Operational Easement. "Golf Course Play and Operational Easement" means that certain declaration by Declarant in favor of the Golf Owner recorded September 27, 1996 in Book 994 at Page 13 in the Office of the Clerk and Recorder of Garfield County, Colorado, which instrument reserves, creates and establishes for the benefit of the Golf Owner and the Golf Land, certain easement rights over and across and restrictions upon portions of the Common Interest Community, all as more particularly described therein.

2.22 Golf Land. "Golf Land" means that certain property adjacent to the Common Interest Community which is owned by the Golf Owner and which is more particularly described on Exhibit D attached hereto and made a part hereof by this reference. In no event shall the Golf Land be deemed to be a part of the Common Interest Community, or be burdened by this Master Declaration. No Owner or Occupant of a Lot or Unit in the Common Interest Community shall have any greater or different rights or privileges than a resident of the Town has in or with respect to the golf course and facilities constructed upon the Golf Land.

2.23 Golf Owner. "Golf Owner" means the record owner from time to time of the Golf Land, and its successors and assigns.

2.24 Household Pets. "Household Pets" means generally recognized household pets such as dogs, cats, fish, birds, rodents, and non-poisonous reptiles.

2.25 Improvements. "Improvements" means any improvements, structural or otherwise, alterations, additions, repairs, excavation, grading, landscaping or other work which in any way alter any property within the Common Interest Community, or the improvements located thereon, from its natural or improved state existing on the date this Master Declaration or a Supplemental Declaration for such property was first Recorded, including, but not limited to, dwelling units, buildings, outbuildings, additions, swimming pools, patio covers, awnings, the painting or other change of any exterior surfaces of any visible structure, walkways, outdoor sculptures or artwork, sprinkler or irrigation systems, garages, carports, roads, driveways, parking areas, ponds, ditches, fences, screening walls, retaining walls, stairs, decks, flag poles, fixtures, landscaping (including the addition, alteration or removal of any tree, shrub or other vegetation), hedges, windbreaks, plantings, planted trees and shrubs, gardens, poles, signs, tanks, solar equipment, wind harnessing or other energy generating equipment, exterior air conditioning, water softener fixtures, utilities, antennae and satellite dishes or receivers. Once an Improvement has been constructed or accomplished on a property within the Common Interest Community, any subsequent alteration of or addition to or removal of that Improvement shall also constitute an "Improvement" hereunder.

2.26 Lease. "Lease" means and refers to any agreement for the leasing, rental, use or occupancy of a Unit, a residential dwelling located on a Lot, all or one side of a duplex, or an Accessory Dwelling Unit, within the Common Interest Community. The required terms and procedures for Leases are more particularly set forth in Section 3.35 below.

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2.27 Limited Common Area. "Limited Common Area" means a Master Common Area that is designated by this Master Declaration, by a Supplemental Declaration, on the Plat, or on a Supplemental Plat, for the exclusive use of one or more Lots in the Common Interest Community but fewer than all of the Lots. Without limiting the generality of the foregoing, the following areas shall be Limited Common Areas: (i) The private greenbelt park in Block F, as depicted on the Plat, which is hereby designated for the exclusive use of all of the Lots in Block F; and ~~(ii) the private access and parking area in Block I, as depicted on the Plat, which area is hereby designated for the exclusive use of all of the Lots in Block I.~~

2.28 Limited Common Elements. "Limited Common Elements" means a portion of the Common Elements in a Condominium allocated by the Supplemental Declaration or the amendment or the Map by which said Condominium is created for the exclusive use of one or more Units in the Condominium but fewer than all of the Units.

2.29 Lot. "Lot" means any part of the Common Interest Community which is designated as a Lot upon a Plat or any Supplemental Plat or amendment, together with all improvements thereon and appurtenances thereto. The term "Lot" shall not include Units.

2.30 Map. "Map" means any map that is incorporated in a Supplemental Declaration or amendment and that depicts a portion of the Common Interest Community in three dimensions. A Map is required for any portion of the Common Interest Community with Units having a horizontal boundary. A Map and a Plat may be combined in one instrument.

2.31 Master Association. "Master Association" means the River Valley Ranch Master Association, a Colorado nonprofit corporation, its successors and assigns.

2.32 Master Common Areas. "Master Common Areas" means all real property interests (not just fee title and leasehold interests) within the Common Interest Community and the Improvements and amenities and personal property thereon or therein or associated therewith which

may from time to time be owned, leased or maintained by the Master Association or otherwise held by the Master Association for the use, enjoyment and benefit of the Owners and Occupants and such other users as may be authorized by this Master Declaration or by the Executive Board from time to time. The Master Common Areas include, but are not limited to, (i) all portions of the Common Interest Community designated in this Master Declaration, or any Supplemental Declaration or on a Plat or any Supplemental Plat as Master Common Area, including M.C.A. Parks, (ii) all Limited Common Areas, (iii) all easements created or reserved on any Plat, Map, or Supplemental Plat or Map, or in this Master Declaration or in any Supplemental Declaration, or in any separate agreement, for the use and benefit of the Master Association, and (iv) any water rights, ditch rights and/or water facilities (or interests therein) that may be owned or leased by the Master Association or which the Master Association may be entitled to use. With the exception of easements which are Master Common Areas, the Master Common Areas do not include the Lots, Units, or Public Parks, or the improvements constructed thereon, and are subject always to all Permitted Exceptions. Notwithstanding that yards, residence exteriors and roofs on certain Lots in the Common Interest Community are maintained by the Master Association, such yards, exteriors and roofs are not Master Common Areas.

2.33 Master Declaration. "Master Declaration" means this instrument and all Supplemental Declarations, as this instrument and such Supplemental Declarations may be amended from time to time.

2.34 Master Development Guidelines. "Master Development Guidelines" means the rules, procedures, standards, guidelines and requirements promulgated from time to time by the Development Review Committee, and all amendments thereto, governing the review and approval or disapproval of proposed improvements within the Common Interest Community, the registration of Builders, and such other matters as the Development Review Committee considers necessary or appropriate.

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See Amended
pg. 2, # 3

2.35 Master Rules and Regulations. "Master Rules and Regulations" or "Rules and Regulations" means rules and regulations adopted from time to time by the Executive Board, as provided in Section 9.9 and in other Sections of this Master Declaration.

2.36 Member. "Member" means each Lot or Unit Owner, including the Declarant. Membership in the Master Association shall be appurtenant to, and may not be separated from, ownership of a Lot or Unit.

2.37 Mortgage. "Mortgage" means any mortgage, deed of trust or other security instrument, given voluntarily by the Owner of a Lot or Unit, creating a real property security interest in a Lot or Unit and Recorded in the records of the Clerk and Recorder of the County. "First Mortgage" means a mortgage which is the first and most senior of the Mortgages on the same Lot or Unit. The term "Mortgage" does not mean a statutory, tax or judicial lien. The term "Deed of Trust" when used herein shall be synonymous with the term "Mortgage."

2.38 Mortgagee. "Mortgagee" means a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee.

2.39 Mortgagor. "Mortgagor" means the maker, obligor or grantor of a Mortgage. The term "Mortgagor" includes a trustor or grantor under a Deed of Trust.

2.40 Notice and Hearing. "Notice and Hearing" means a written notice and public hearing before the Executive Board, or a panel appointed by the Executive Board, as set forth in the Bylaws

2.41 Occupant. "Occupant" means any Person who is a tenant in a Unit, a residence on a Lot, one or both sides of a duplex on a Lot, an Accessory Dwelling Unit or a Caretaker Apartment, pursuant to a Lease with the Owner thereof. "Occupant" also means any Person who is present within

the Common Interest Community as a family member, guest or invitee of an Owner, an Occupant, the Declarant, or the Master Association.

2.42 Owner. "Owner" means the Person, including Declarant, or, if more than one, all Persons collectively, who hold fee simple title of Record to a Lot or Unit, including sellers under executory contracts of sale and excluding buyers thereunder. The term "Owner" shall be analogous to the term "Unit Owner", as that term is defined in the Act.

2.43 Permitted Exceptions. "Permitted Exceptions" means all liens, encumbrances, reservations, restrictions, conditions, easements and other matters of record which encumber the title to all or any part of the Common Interest Community, as of the date this Master Declaration or a Supplemental Declaration is Recorded. This Master Declaration and any Supplemental Declaration shall be subject to such Permitted Exceptions.

2.44 Person. "Person" means a natural person, a corporation, a partnership, an association, a trust, or any other entity or any combination thereof.

2.45 Plat. "Plat" means the Final Plat of River Valley Ranch (Phase I), as recorded September 27, 1996 at Reception No. 498928, the Final Plat of River Valley Ranch (Phase II) as recorded December 6, 1996 at Reception No. 502059, the Amended Plat of Golf Course Parcel No. 2 as recorded August 12, 1997 at Reception No. 512237, the Final Plat of River Valley Ranch (Phase III) as recorded August 12, 1997 at Reception No. 512240, the Boundary Line Adjustment Plat Consolidated Lot 4/5, Block L, River Valley Ranch Phase I, as recorded December 5, 1997 at Reception No. 517449, and the Amended Plat Lots 1-9, Block M, and Lots 1-4, Block Q, River Valley Ranch Phase III, as recorded January 30, 1998 at Reception No. 519806, all in the Office of the Clerk and Recorder of Garfield County, Colorado, as said Plats may be amended from time to time. By this reference, said Plats are incorporated in this Master Declaration. The term "Plat" also means each Supplemental Plat Recorded by Declarant and all Recorded amendments thereto. As provided in the Act, a Plat and a Map may be combined in one instrument. Wherever used in this Master Declaration or in any Supplemental Declaration, the term "Plat" also means any Map that may be so combined with a Plat, or any Map that may be Recorded instead of a Plat in order to depict a portion of the Common Interest Community in three dimensions as provided in the Act.

2.46 P.U.D. for River Valley Ranch. "P.U.D. for River Valley Ranch" means the Town of Carbondale Ordinance No. 20, Series of 1994, for River Valley Ranch recorded January 16, 1995 in Book 928 at Page 911 in the Office of the Clerk and Recorder of Garfield County, Colorado, as said P.U.D. for River Valley Ranch may be amended from time to time.

2.47 Public Park. "Public Park" means any of the following Parks designated on the Plat or on any Supplemental Plat, together with all improvements thereon and appurtenances thereto, to wit: Triangle Park, Orchard Park, River Front Park Nos. 1-6, and Crystal River Corridor. In no event shall the Public Parks be deemed to be a part of the Common Interest Community or be burdened by this Master Declaration.

2.48 Registered Builder. "Registered Builder" means a general contractor that has been registered to perform work within River Valley Ranch with the Development Review Committee pursuant to the guidelines and procedures set forth herein and in the Master Development Guidelines.

2.49 Record or Recorded. "Record" or "Recorded" means an instrument of record in, or the act of recording an instrument with, the office of the Clerk and Recorder of the County.

2.50 Regular Assessment. "Regular Assessment" means a charge against an Owner and the Owner's Lot or Unit for purposes of covering the annual costs of operating and administering the

Master Association and all other Common Expenses. Regular Assessments are based on a Budget adopted by the Executive Board in accordance with Section 10.7 below, and are allocated to the Lots and Units in accordance with the Allocated Interests, except that Common Expenses that benefit fewer than all of the Lots or Units shall be allocated exclusively to the Lots or Units benefited.

2.51 Reimbursement Assessment. "Reimbursement Assessment" means a charge against a particular Owner and the Owner's Lot or Unit for purpose of reimbursing the Master Association for costs and expenses incurred by the Master Association in connection with the enforcement of any provision hereof or the remedying of any violation by the Owner or an Occupant of this Master Declaration or any amendment hereto or any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, or Master Development Guidelines, or any approvals granted by the Development Review Committee, or for other purposes set forth in the Master Declaration, pursuant to Section 10.10 hereof, together with late charges and interest as provided for herein. Reimbursement Assessment shall include without limitation any Common Expense caused by the misconduct of any Lot or Unit Owner or of such Owner's Occupants.

2.52 Resident Village Area. "Resident Village Area" means the portion of the Common Interest Community designated as the "Resident Village Area" on the Plat or on any Supplemental Plat, and shall include all improvements constructed or existing thereon from time to time. The Resident Village Area may contain, without limitation, a post office, a general store, swimming pools (including locker rooms and rest rooms), a committee room, park areas, private tennis courts, and exercise rooms and/or facilities. The Resident Village Area shall be considered a Master Common Area.

2.53 Special Assessment. "Special Assessment" means a charge against an Owner and the Owner's Lot or Unit for purposes of reimbursing the Master Association for costs and expenses incurred or to be incurred by the Master Association for the purpose of paying for the construction, reconstruction, repair or replacement of capital Improvements to the Common Interest Community, the costs of which were not included in a Regular Assessment, or for excess reconstruction costs or other extraordinary expenses, as authorized by the Executive Board from time to time as provided herein.

2.54 Subassociation. "Subassociation" means any Colorado nonprofit corporation, and its successors and assigns, organized and established by Declarant pursuant to or in connection with any Supplemental Declaration.

2.55 Subassociation Common Area. "Subassociation Common Area" means all real property interests (not just fee title and leasehold interests) and the Improvements or amenities and personal property thereon which may from time to time be owned, leased or maintained by a Subassociation or otherwise held by a Subassociation for the use, enjoyment and benefit of the members of such Subassociation.

2.56 Supplemental Declaration. "Supplemental Declaration" means an amendment to this Master Declaration which annexes real property to the Common Interest Community, subjects such real property to this Master Declaration, and sets forth such amendments to the Master Declaration and such additional covenants, conditions, uses and restrictions as may be applicable to the annexed property, executed by Declarant and Recorded in the Office of the Clerk and Recorder of the County, and any Recorded amendments thereto.

2.57 Supplemental Plat. "Supplemental Plat" means any land survey plat which is Recorded by Declarant for the purpose of annexing the real property described therein to the Common Interest Community, and any Recorded amendments to such Supplemental Plat. Supplemental Plats shall include, without limitation, those Final Plats of subsequent phases of River Valley Ranch, or

those portions of such Final Plats, as are made subject to this Master Declaration from time to time by Supplemental Declaration.

2.58 Town. "Town" means the Town of Carbondale, Colorado.

2.59 Unit. "Unit" means any part of the Common Interest Community which is designated as a Unit on any Supplemental Plat or Map (including each individual unit within a condominiumized duplex, triplex or townhome structure), together with all improvements therein and appurtenances thereto. A Unit shall include such Common Elements and Limited Common Elements as may be appurtenant thereto as reflected in the Supplemental Declaration and the Supplemental Plat or Map by which such Unit is created. The term "Unit" shall not include Lots.

ARTICLE 3

GENERAL RESTRICTIONS APPLICABLE TO THE COMMON INTEREST COMMUNITY

It is the intention of Declarant to establish and impose a common and general plan for the improvement, development, use and occupancy of the Common Interest Community, all in order to enhance the value, desirability, and attractiveness of the Common Interest Community and to promote the marketing, development and enjoyment thereof. Accordingly, Declarant hereby declares that the entire Common Interest Community, including but not limited to all Lots and Units, shall be owned, held, used, occupied, improved, altered, maintained, conveyed, leased, encumbered and enjoyed subject to the following covenants, conditions, restrictions, reservations, easements, rights and other provisions, and to the further requirements and restrictions set forth in the Master Development Guidelines.

3.1 Master Development Control. Except as otherwise expressly provided in this Master Declaration or in any Supplemental Declaration, (i) no Improvements shall be made, done, permitted, located, altered or removed within the Common Interest Community without the prior written approval of the Development Review Committee, (ii) no residence, building, structure, fence, wall, landscaping or other Improvement shall be commenced, erected, improved, altered, made or removed without the prior written approval of the Development Review Committee, and (iii) all subsequent additions to or changes or alterations in any residence, building, structure, fence, wall, landscaping or other Improvement, including exterior color scheme, and all changes in the grade of Lots, shall also be subject to the prior written approval of the Development Review Committee. No modifications from the approvals granted by the Development Review Committee shall be made without the prior written approval of the Development Review Committee. Notwithstanding the foregoing, in the event of an emergency or the sudden occurrence of unanticipated conditions which threaten the health, safety or physical well-being of Persons or property within the Common Interest Community, the Executive Board and/or the Development Review Committee shall have the authority (without the prior approvals described above), to take whatever remedial action may be necessary anywhere in the Common Interest Community to protect Persons and property until such time as applicable notice and/or approval procedures can reasonably be utilized. Further notwithstanding the foregoing, Development Review Committee approval shall not be required for Improvements made by Declarant.

3.2 Violation of Law, Insurance, Etc. No Owner, Occupant or Person shall do any act or cause or permit anything to be done or kept in or upon a Lot, Unit or the Master Common Areas which would result in the increase of, or cancellation of, insurance maintained by the Master Association or would be in violation of any federal, state, town or other law, ordinance, regulation or code of any governmental body having jurisdiction, or of any Master Rule or Regulation promulgated by the Master Association, or of any provision of this Master Declaration.

3.3 General Maintenance of Common Interest Community.

(a) All property within the Common Interest Community, including without limitation all Lots (including unimproved Lots, and Lots on which Improvements are under construction), Units, Master Common Areas, Improvements, and landscaping, shall be kept and maintained in a clean and attractive condition and in good order, condition and repair. Except as specifically set forth in this Section 3.3 or in a Supplemental Declaration, maintenance, repair, and upkeep of each Lot or Unit and the Improvements thereon (including adequate painting and finishing thereof) shall be the responsibility of the Owner of the Lot or Unit. With respect to a Lot, this maintenance obligation extends to all lands within the Lot lines, excepting areas or elements to be maintained by the Master Association as set forth below. Maintenance, repair, and upkeep of Master Common Areas, and the Improvements thereon shall be the responsibility of the Master Association. The individual Lot or Unit Owners and the Executive Board shall each use a reasonable standard of care in providing for the repair, management and maintenance of the properties for which they are responsible so that the entire Common Interest Community will reflect a pride of ownership. If an Owner fails to perform any of such obligations within ten (10) days following receipt of a written notice from the Executive Board requesting the same, the Executive Board shall have the right to enter upon the Lot or Unit of the Owner to cure the violation or otherwise to cause compliance with this provision and to levy and collect a Reimbursement Assessment upon the Owner and its Lot or Unit for the costs and expenses incurred by the Master Association in connection therewith. The Executive Board shall have no right to enter into the interior of a residence without the consent of the Owner except in the case of an emergency.

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(b) Notwithstanding the foregoing, the Master Association shall be responsible for (i) maintaining the front yards of all Lots in Block F in the Common Interest Community, (ii) periodically repainting the exterior of all residences constructed on such Lots, and (iii) repairing when necessary and periodically replacing the roofs on such residences. Similarly, the Master Association shall be responsible for (i) maintaining the front yards, and those portions of the side and rear yards not enclosed by privacy fences, of all Lots in Block A in the Common Interest Community, (ii) periodically repainting the exterior of all residences constructed on such Lots, and (iii) repairing when necessary and periodically replacing the roofs on such residences. Separate bids shall be let by the Master Association for the performance of each of such responsibilities. The appropriate times for repainting and for roof replacement shall be determined by the Master Association in the exercise of its reasonable discretion, and in each instance the work shall be performed in a good and workmanlike manner. By its acceptance of a deed therefor, each Owner of a Lot in Blocks A and F shall be deemed to have granted to the Master Association full right and authority to perform the above-described responsibilities, and a perpetual, non-exclusive easement to enter upon the Owner's Lot and the residence thereon from time to time in order to accomplish the same. Said easement is hereby granted and reserved for the benefit of the Master Association.

(c) The Executive Board shall appoint a committee comprised of Owners in Block A, and another committee comprised of Owners in Block F, to evaluate the Master Association's performance of the special maintenance and repair obligations described in the preceding paragraph. Each committee shall deliver an annual written report to the Executive Board at least 30 days before the Executive Board meets to prepare the annual Budget, which report shall summarize the committee's findings and recommendations regarding the Master Association's performance in the Block represented by the committee.

(d) The Master Association shall also be responsible for maintaining the front yards, and those portions of the side and rear yards not enclosed by privacy fences, of the five (5) deed restricted affordable housing lots comprising Block BB of Phase IV of River Valley Ranch (notwithstanding that said Block BB will be annexed to and be a part of the Thompson Corner Common Interest Community), upon and following the recording of the Final Plat of Phase IV.

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See Amended
Pg. 2 #2

3.4 Residential Use and Occupancy. Each Lot or Unit shall be improved, occupied and used only for single-family residential purposes, except that a duplex may be built and occupied upon a Lot designated therefor, and a Caretaker or Accessory Dwelling Unit may be built and occupied upon or in a Lot or Unit designated therefor. Single-family occupancy shall mean and shall be strictly limited to occupancy of the residence on a Lot, each side of a duplex constructed on a Lot, and each Unit, by a family comprised of (i) no more than two (2) principal adults, (ii) the children of one or both of said principal adults, (iii) no more than two (2) additional family members (adults or children) who are related by blood to said principal adults, and occasional guests. Employees who care for the residence or duplex side or Unit or who care for the children may also occupy the residence or duplex side or Unit. For purposes hereof, "related by blood" shall mean the following relationships, but no others: Grandparents, parents, brothers and sisters, aunts and uncles, and nephews and nieces. Caretaker Apartments are strictly limited to occupancy by no more than two (2) adults and the children of one or both of said adults. If Leased, Accessory Dwelling Units are strictly limited to occupancy by no more than two (2) adults and the children of one or both of said adults.

No structures whatsoever, other than those permitted by the P.U.D. for River Valley Ranch or by other applicable Town of Carbondale zoning regulations and approved in writing by the Development Review Committee, shall be erected, placed or permitted to remain on any Lot. No office, business and/or commercial structures shall be permitted within the Common Interest Community except in those areas where such uses are allowed by applicable provisions of the P.U.D. for River Valley Ranch. No business, professional or other non-residential or commercial use shall be made of any Lot or Unit, or conducted in any Unit or in any residence or duplex constructed on a Lot, excepting in-home businesses or occupations which do not involve (i) more than one non-Owner, non-resident employee, (ii) the solicitation or invitation of the general public, or (iii) the servicing of customers, and which activities are conducted entirely within the Unit or residence or duplex side and do not cause any additional traffic or parking within the Common Interest Community or otherwise create a nuisance for neighboring Lots or Units or the Common Interest Community. No equipment or materials incident to any business or occupation (whether conducted within the Unit or residence or duplex or elsewhere) shall be kept or stored on any Lot or Unit except within the Unit, residence, duplex, garage, barn, or other outbuilding approved by the Development Review Committee.

3.5 New Construction Required; No Temporary Buildings or Occupancy. All Improvements constructed within or placed upon the Common Interest Community shall be new. No used or temporary house, structure, or non-permanent out-building shall ever be placed, erected or allowed to remain within the Common Interest Community except temporary structures or construction trailers used for construction purposes during the construction of a residence, which temporary facilities shall be removed immediately following completion of construction and in any event no later than 18 months following commencement of construction or remodeling unless a written extension is granted by the Development Review Committee. No trailer, incomplete residence or other structure other than a residence completed in accordance with approved plans, shall ever be used or occupied at any time for residential purposes, either temporarily or permanently. No completed residence on a Lot shall be occupied in any manner until all provisions of this Master Declaration and of the Master Development Guidelines and all conditions of development approval have been complied with, and a Certificate of Compliance has been issued pursuant to Section 4.17 below. The work of constructing, altering or remodeling any residence on a Lot, any Unit or any other Improvement within the Common Interest Community shall be prosecuted diligently from the commencement thereof until the completion thereof.

Notwithstanding the foregoing, buildings historically associated with, and at the time hereof located upon, the ranch property which is now the subject of this Declaration may remain or be relocated within the Common Interest Community. In addition, used materials and/or structures may

be permitted on a Lot or Unit if (i) the Owner makes a specific written request to the Development Review Committee for approval of such used materials and/or structures, and (ii) the Development Review Committee determines that the criteria set forth in Section 4.11 hereof have been met and specifically approves such request in writing.

3.6 Building Envelopes. See the above definition of this term for the general restrictions applicable to Building Envelopes.

3.7 Master Development Guidelines. All construction and landscaping activities within the Common Interest Community shall be strictly governed by the procedures, standards, guidelines, restrictions and requirements set forth in the Master Development Guidelines. A violation of the Master Development Guidelines shall constitute a violation of this Master Declaration and may be enforced in accordance with the terms hereof.

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3.8 Annoying Light, Sound or Odor. All exterior lighting installed or maintained on any Unit or on any Improvement located on a Lot shall be placed so that the light source is screened or shielded from the residence on any other Lot, from any other Unit, and from the Master Common Areas and Public Parks. No light shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is unreasonably bright or causes unreasonable glare. Without limiting the generality of the foregoing, no spotlights, floodlights or other high-intensity lights shall be permitted within the Common Interest Community without the prior written approval of the Development Review Committee. The Master Development Guidelines may contain standards for exterior lighting including, without limitation, standards for hue and intensity.

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See Amended
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No sound shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is unreasonably loud or annoying, and no odor shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is noxious or unreasonably offensive. Again without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells (excepting chimes), or other sound devices, other than security devices used exclusively for security purposes, shall be located or used within the Common Interest Community except with the prior written approval of the Development Review Committee.

The Executive Board, in its sole discretion, shall have the right and authority to determine the existence of any violation of this Section 3.8 including the reasonableness of any light, sound or odor.

3.9 Noxious or Offensive Activities; Nuisances; Construction Activities; Pesticides. No noxious or offensive activity shall occur or be allowed at any time within the Common Interest Community, nor shall anything be done or placed therein which is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to Owners, Occupants, Declarant or the Master Association, or which interferes with the peaceful enjoyment or possession and proper use of the Common Interest Community, or any part thereof, by Owners or Occupants. As used herein, the term "nuisance" shall not apply to any activities of Declarant which are reasonably necessary or appropriate to the development, improvement, maintenance, marketing and/or sale of the Common Interest Community or any part thereof. The Executive Board, in its sole discretion, shall have the right and authority to determine the existence of any nuisance or unreasonable annoyance under this Section 3.9.

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Each Owner shall comply with the Master Rules and Regulations and the requirements of all health authorities and other governmental authorities having jurisdiction over the Common Interest Community. Normal construction activities and parking in connection with the building of Improvements on a Lot or Unit shall not be considered a nuisance or otherwise prohibited by this Master Declaration unless they are in violation of the Master Development Guidelines or other

requirements of the Development Review Committee, but Lots, Units and Master Common Areas shall be kept in a neat and tidy condition during construction periods, wash and debris shall not be permitted to accumulate, and supplies of brick, block, lumber and other building materials shall be piled only in such areas as may be approved by the Development Review Committee. In addition, construction equipment and building materials may only be stored or kept within the Common Interest Community during and in connection with the construction of Improvements thereon, and then may be kept only in areas approved by the Development Review Committee, which also may require screening of the storage areas. All such equipment and materials shall be removed immediately following completion of construction.

Construction activities in connection with the construction or alteration of Improvements on a Lot or Unit shall only be conducted between the hours of 7:00 a.m. and 7:00 p.m. on weekdays, between the hours of 8:00 a.m. and 6:00 p.m. on Saturdays and national holidays, and between the hours of 12:00 noon and 6:00 p.m. on Sundays.

Before the Association, a Subassociation, or any Lot or Unit Owner or Occupant broadcasts and/or sprays any non-prohibited pesticides or herbicides within the Common Interest Community, at least twenty-four (24) hours advance notice thereof must be conspicuously posted on the property area to be treated. A list of pesticides and herbicides that will be permitted for residential use within the Common Interest Community will be maintained and posted by the Development Review Committee. The Development Review Committee shall from time to time revise the list to ensure that the list is based on current information regarding pesticides and herbicides.

3.10 No Hazardous or Unsafe Activities. No activity shall be conducted on, and no Improvement shall be constructed on, any property within the Common Interest Community which is or might be unsafe or hazardous to any Person or property. Without limiting the generality of the foregoing, and except as allowed below, no explosives, gasoline, or other volatile and/or incendiary materials or devices or any materials deemed hazardous substances under applicable environmental laws, rules, or regulations shall ever be kept, stored, permitted to remain or be released on any Lot or Unit or elsewhere within the Common Interest Community. Gasoline or fuel for an Owner's lawn mower, snowblower, and the like may be maintained on an incidental basis on a Lot or Unit in an amount not to exceed ten (10) gallons. Similarly, gasoline, fuel and other products necessary in connection with the maintenance of the Public Parks and Master Common Areas may be stored in enclosed structures on the Public Parks and Master Common Areas.

3.11 Outside Burning; Fire Hazards. No exterior fires shall be lighted or permitted within the Common Interest Community except in a contained barbecue unit while attended and in use for cooking purposes and except as a part of the operation and maintenance of a ditch or part thereof. No Lot or Unit Owner shall cause or permit any condition on his Lot or Unit which creates a fire hazard or is in violation of fire prevention regulations, or which would increase insurance rates for the Master Common Areas or for other Lot or Unit Owners.

3.12 No Firearms or Hunting. The discharge of firearms on any part of the Common Interest Community (including the Lots and Units) is expressly prohibited. Hunting on any part of the Common Interest Community (including the Lots) is expressly prohibited.

3.13 No Obstruction. There shall be no obstruction of any easements or drainage, irrigation or water feature systems located upon any Lot or Unit or the Public Parks or Master Common Areas, or any interference with the free use thereof, except such obstruction or interference as may be reasonably required in connection with the construction, maintenance or repair thereof. The Master Association shall promptly take such action as may be necessary to abate or enjoin any such obstruction or interference, and shall have the right to enter upon a Lot or Unit for purposes of removing the same, and any costs incurred by the Master Association in connection with such

abatement, injunctive or corrective activities shall be assessed to the responsible Lot or Unit Owner or Owners in the form of a Reimbursement Assessment.

3.14 No Unsightliness; Clothes Drying; Sporting Equipment; Children's Recreational Equipment. All unsightly structures, facilities, equipment, objects, and conditions, including sporting equipment (e.g., skis, snowboards, bikes, mountain bikes, kayaks, etc.), and snow removal, garden or maintenance equipment except when in actual use, shall be kept in an enclosed structure or in a screened area approved by the Development Review Committee. No laundry or wash shall be dried or hung outside any residence, except on clotheslines that are approved by the Development Review Committee and which are effectively screened from view from other Lots or Units and from Master Common Areas and Public Parks and other public areas including streets, bike trails, and the Golf Land.

Equipment intended for children's recreation use, such as swing sets and slides, must also be approved in advance by the Development Review Committee. Such equipment need not be screened if it is constructed of natural materials such as wood, stone, metal and natural hemp and if it is painted or stained in earthen tones (natural woods, greens, browns, black, etc.). If such equipment is constructed of non-natural materials such as plastic, or if the equipment is other than earthen tone in color, it must be effectively screened from view from other Lots or Units and from Master Common Areas and Public Parks and other public areas including streets, bike paths, and the Golf Land. Playground equipment that is treated with hazardous preservatives, including without limitation arsenic, lead, copper, and chromium, shall be prohibited within the Common Interest Community.

3.15 Garbage and Trash and Compost Containers. No refuse, garbage, trash, grass, shrub, or tree clippings, plant waste, scrap, rubbish, or debris of any kind shall be kept, stored, maintained or allowed to accumulate or remain on any Lot or Unit or on the Master Common Areas except temporarily within an enclosed structure within the Building Envelope approved by the Development Review Committee, except that any approved container containing such materials may be placed next to the street on the designated morning of garbage collection and must be returned to its enclosed structure that same day, and except that appropriate public trash receptacles shall be permitted within the Public Parks. No garbage containers, trash cans or receptacles shall be maintained in an unsanitary or unsightly condition, and except when placed for pickup they shall not be visible from another Lot or Unit Public Parks or the Master Common Areas. All such refuse, garbage, trash, plant waste, scrap materials, rubbish and debris shall be promptly removed from the Common Interest Community and shall not be burned thereon. Compost structures and containers may be placed on a Lot, Unit, Public Park or Master Common Area in locations and in containers approved by the Development Review Committee, provided that no such structure or container shall be larger than fifty-five (55) gallons. Garbage structures and containers and compost structures and containers shall also comply with such recommendations as may be made from time to time by the Colorado Division of Wildlife.

3.16 Vehicle Parking, Storage, Operation and Repair.

(a) Permitted vehicles (as defined in subsection (b) below) may be parked on the public streets within the Common Interest Community except in those areas where parking is prohibited by signage. No boats, trailers, campers, motorcycles, snowmobiles, golf carts, or any other similar items shall be parked or stored on the public streets within the Common Interest Community.

(b) No boats, trailers, buses, motor homes, campers (on or off supporting vehicles), motorcycles, snowmobiles, recreational vehicles, golf carts, trucks, industrial or commercial vehicles (both cabs or trailers), abandoned or inoperable vehicles (as defined below), or any other similar vehicles (excepting passenger automobiles and one ton or smaller pickup trucks)

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shall be parked or stored in or upon the Master Common Areas or upon a Lot or Unit except within enclosed structures approved in advance by the Development Review Committee, and no vehicle of any kind shall be maintained, repaired, repainted, serviced or rebuilt on the Master Common Areas or on any Lot or Unit except within a completely enclosed garage which fully screens the sight and sound of the activity from the streets and other Lots and Units and the Public Parks and Master Common Areas. This restriction shall not prevent the non-commercial washing and polishing of vehicles and boats, together with activities normally incident thereto. No more than four (4) permitted vehicles (passenger automobiles and/or one-ton or smaller pick-up trucks) shall be parked at any time in the driveway of any Lot or Unit or duplex half, except during special occasions and then only for the duration thereof, and except for Lots or Units containing Caretaker or Accessory Dwelling Units which are in fact leased out, which Lots or Units may have one additional permitted vehicle in the driveway.

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(c) Notwithstanding the foregoing, vehicles may be temporarily parked on driveways on Lots or Units and on public streets within the Common Interest Community for loading, delivery or emergency purposes, but only for the time required to accomplish such purpose, and as necessary for the construction or maintenance of Improvements within the Common Interest Community upon compliance with the Master Development Guidelines and any conditions imposed by the Development Review Committee.

(d) An "abandoned or inoperable vehicle" shall mean any motorized vehicle which does not display a current motor vehicle license or which has not been driven under its own propulsion for a period of two (2) weeks or longer (excepting otherwise permitted vehicles parked by Lot or Unit Owners or Occupants on their Lot or Unit driveways while on vacation or during a period of illness), or which does not have an operable propulsion system within the vehicle.

(e) In the event that the Executive Board or the Development Review Committee shall determine that a vehicle is abandoned or inoperable, or is otherwise in violation of the provisions of this Section 3.16, a written notice of violation describing said vehicle shall be personally delivered to the vehicle owner (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner cannot be reasonably ascertained), and if the offending vehicle is not removed within seventy-two (72) hours thereafter, the Executive Board or Development Review Committee (as the case may be) shall have the right to remove and store the offending vehicle, or cause the vehicle to be removed and stored, at the sole expense of the Owner of the Lot or Unit on which the vehicle is located, and to enter upon an Owner's Lot or Unit for such purpose, all without liability on the part of the Executive Board or the Development Review Committee.

(f) Snowmobiles, motorcycles, and motorized trail bikes, minibikes, dirt bikes, all-terrain vehicles, mopeds and similar motorized vehicles shall not be used or operated (but may be transported on trailers) within the Common Interest Community, except that motorcycles properly licensed for operation on public roads may be used on public roads within the Common Interest Community.

3.17 Animals. Except as specifically permitted below or by the Master Rules and Regulations, no animals, reptiles, primates, fish, fowl or insects of any kind shall be kept, raised, bred, maintained or boarded within or upon any part of the Common Interest Community.

Notwithstanding the foregoing, each Lot (with or without a Accessory Dwelling Unit or Caretaker Apartment), each Unit, and each side of a duplex shall be entitled to a maximum of no more than two (2) dogs or cats (or one of each) and a reasonable number of other Household Pets, so long as such pets are not kept for any commercial purpose, are not kept in unreasonable numbers, do not cause

an unreasonable amount of noise or odor, or do not otherwise become a nuisance to other Lot or Unit Owners or Occupants. Household Pets must be fenced or restrained at all times within the Owner's or Occupant's Lot or Unit or duplex half, and shall not be permitted outside such Lot or Unit or duplex half except when leashed and accompanied by the pet's owner or the owner's representative. All Household Pets shall be properly immunized and otherwise maintained and cared for as required by applicable laws.

The Owner of a Lot or Unit or duplex half where a Household Pet is kept, as well as the legal owner of the pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by the pet, and for any clean-up of streets, sidewalks, Public Parks, Master Common Areas or other Lots or Units necessitated by such pet.

The Executive Board shall have, and is hereby given, the right and authority to determine in its sole discretion that Household Pets are being kept for commercial purposes, or are being kept in unreasonable numbers, or are causing an unreasonable amount of noise or odor, or are otherwise a nuisance to other Lot or Unit Owners or Occupants, or that a Lot or Unit Owner or Occupant is otherwise in violation of this Section 3.17, and to take such action or actions as it deems reasonably necessary to remedy the violation. Without limiting the generality of the foregoing, the Executive Board may require the owner or custodian of a dog that barks or howls excessively, or of a Household Pet with other offensive habits, to confine such animal indoors.

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3.18 Equipment, Tanks, Antennae, Satellite Dishes, Etc. No heating, air conditioning (including swamp coolers), air movement, wind collection, or refrigeration equipment shall be placed, allowed, or maintained anywhere within the Common Interest Community other than on the ground, then must be concealed from view and must receive the prior written approval of the Development Review Committee. Solar power units meeting all governmental guidelines for residential uses may be incorporated into a residence of a Unit if (a) the solar power unit meets the same architectural criteria are applied to other Improvements within the Common Interest Community, and (b) the solar power unit is approved in advance by the Development Review Committee. No tanks of any kind, whether elevated or buried, shall be erected, placed or permitted to remain upon any Lot or Unit or Public Park or Master Common Area except in compliance with applicable federal and state regulations, and then only with the prior written consent of the Development Review Committee. Any approved tank must be located underground or adequately concealed from view by fencing or screening approved by the Development Review Committee. No radio, television or other antennae of any kind or nature, and no device for the transmission or reception of audio, microwave, visual or other signals, including without limitation satellite dishes or receivers, shall be erected, placed or permitted to remain upon any Lot or Unit or Master Common Area except with the prior written approval of the Development Review Committee as to design and location, and then must be adequately fenced or screened in a manner approved by the Development Review Committee. The foregoing notwithstanding, satellite dishes which exceed one meter in diameter shall not be allowed within the Common Interest Community.

3.19 No Mining or Drilling. No property within the Common Interest Community shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing water, geothermal resources, oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, or earth, except drilling, exploring for, removing or storing underground water by Declarant or the Master Association. Nothing contained herein shall be construed to limit the rights of the owners of mineral interests severed from the surface of any portion of the Common Interest Community prior to the recording of this Master Declaration.

3.20 Excavations. No excavation or other earth disturbance shall be performed or permitted within the Common Interest Community except in connection with the construction of Improvements, and then only with the prior written approval of the Development Review Committee. Upon completion of construction, openings in the ground shall be backfilled and compacted and all disturbed

ground shall be graded and landscaped in accordance with the Master Development Guidelines and the requirements of the Development Review Committee.

3.21 No Interference with Waterways or Drainage or Irrigation Systems. No Lot or Unit Owner shall construct, install, maintain or permit any fence or other improvement or obstruction or plant trees or take any other action which damages or interrupts or interferes in any way with (i) the normal flow of water through and along waterways within the Common Interest Community, (ii) any irrigation ditch or lateral or other water collection, storage or distribution system within or serving the Common Interest Community or the Golf Land, or (iii) normal drainage patterns within the Common Interest Community or the Golf Land, subject always to the rights of owners of ditches and other water rights and the requirements of the Development Review Committee.

3.22 Lakes. No swimming, boating, or ice skating shall take place on any lakes or ponds within the Common Interest Community.

3.23 Fencing and Gates. Subject always to the restrictions set forth in Article III(1) of the Golf Course Play and Operational Easement, fencing and gates may be constructed within the Common Interest Community (including the Lots and Units) in compliance with the provisions of the Master Development Guidelines, provided the prior written approval of the Development Review Committee has been obtained.

3.24 Tree and Natural Shrub Preservation. All Improvements within the Common Interest Community shall be located, designed, and constructed so as to preserve and protect trees and natural shrubs. In order to conserve the natural beauty of the area, no existing trees or natural shrubs (e.g., pine, cedar, pinon, other evergreens, gamble oak or sage brush) may be removed or trimmed except with the prior written approval of the Development Review Committee. This restriction shall not apply to essential clearing by a Lot Owner in connection with the construction of a residence (but not other Improvements) within the Building Envelope within a Lot, provided the prior written approval of the Development Review Committee has been obtained. Any violation of this Section shall subject the offending Lot or Unit Owner to such penalties, fines and/or other conditions as the Development Review Committee considers appropriate, including without limitation the withdrawal or modification of previously granted development approvals, or the requirement that replacement trees or shrubs of equivalent or different size and type be planted and maintained by the Lot or Unit Owner.

3.25 Easements; Utility Companies; Underground Utility Lines. All easements shown on a Plat or Supplemental Plat covering any portion of the Common Interest Community have been created or reserved for the purposes indicated on such Plat and/or in Article 7 below. No Lot or Unit Owner may erect any structure of any type whatsoever in such easement areas, nor may an Owner or Occupant use the surface of such easement areas for any private use, other than landscaping which will not interfere with the use of said easement by the Persons or entities for whose benefit it has been created or reserved and which receives the prior written approval of the Development Review Committee.

With respect to easements created for utility purposes or for ditches either by the terms of this Master Declaration or any other Recorded agreement or on a Plat, any and all bona fide public and private utility service companies, special utility districts, owners of interests in ditches and the Golf Owner to the extent provided in the Golf Land Deed, shall have the right of access, ingress, egress, and use of such easement areas for the installation, operation and maintenance of ditch facilities and utility facilities serving the Common Interest Community and/or the Golf Land.

Except as to special street lighting or other above-ground facilities which may be expressly required by the Town, no above-ground utility lines or facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate

underground facilities and ditches and associated facilities) shall be erected or installed within the Common Interest Community, whether upon Lots, Units, Public Parks, Master Common Areas, easements, streets, or rights-of-way of any type, either by a utility company, a Lot or Unit Owner, the Master Association, or any other person or entity (including but not limited to any person owning or acquiring any part of the Common Interest Community) and all utility lines and facilities (including but not limited to water, sewer, gas, electricity, telephone, and cable tv) shall be buried underground. Provided, that during the construction of a residence on a Lot a temporary overhead utility line may be installed which shall be promptly removed upon completion of construction. The foregoing restrictions on above-ground utility facilities shall not apply to equipment or facilities that are part of a Common Interest Community central communications facility.

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3.26 Landscaping. No landscaping shall be performed on any Lot or Unit or on a Master on Area or Limited Common Area unless a landscaping plan therefor has received the prior written approval of the Development Review Committee, and all landscaping shall comply with the Master Development Guidelines. A landscaping plan for each Lot must be approved by the Development Review Committee before construction is commenced on the residence on that Lot. In each instance, an approved landscaping plan shall be fully implemented and performed within the six (6) month period immediately following (i) the issuance by the Development Review Committee of a Certificate of Compliance for a residence constructed on a Lot, or (ii) the approval of the landscaping plan by the Development Review Committee in all instances not involving the construction of a residence on a Lot.

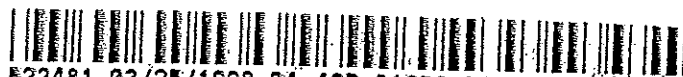
Notwithstanding the foregoing, no review or approval shall be required for the replacement or replanting of the same or similar kind of trees, or plants, or flowers, or other vegetation that has been previously approved by the Development Review Committee for the Lot or Unit in question, in the previously approved location therefor. Any substantial change in the type or location of approved landscaping vegetation shall require the further approval of the Development Review Committee.

Landscaping shall be primarily indigenous plant life from a plant list to be established by the Development Review Committee. Lawns shall be of an identical or very similar insect resistant blend of rough grasses naturally occurring in the area and such grasses shall be subject to guidelines promulgated by the Development Review Committee. Irrigation of landscaped areas shall be subject to guidelines promulgated by the Development Review Committee. Except as otherwise specifically provided in Section 3.3 above, each Owner shall diligently maintain, trim, weed, cultivate, husband, protect, preserve and otherwise keep in a healthy and attractive condition the shrubs, trees, hedges, grass, planters, gardens and other landscaping upon the Owner's Lot or Unit, including, without limitation, the removal of dead and diseased branches and brush and the performance of other tasks necessary to remove or eliminate material which constitutes or creates a fire hazard or nuisance, and shall keep the Owner's Lot or Unit free of any plants listed on the prohibited plant list attached as an Appendix to the Master Development Guidelines. Each Owner shall cooperate with the Master Association in its brush clearing and fire protection husbandry program for reduction of fire hazard within the Common Interest Community. Each Owner shall also maintain all paved, concrete and other synthetically surfaced areas within the Owner's Lot or Unit, including but not limited to, driveway and parking areas, in good condition and repair.

3.27 Basketball Goals; Tennis Courts. Basketball goals or backboards may be permitted on Lots or Units in the Common Interest Community, provided they comply with the Master Development Guidelines and receive the prior written approval of the Development Review Committee. Tennis courts shall be prohibited on Lots and Units within the Common Interest Community.

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3.28 Swimming Pools, Spas, and Related Equipment. Ponds, pools, spas or hot tubs may be erected, constructed or installed on Lots or Units within the Common Interest Community, provided



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they comply with the Master Development Guidelines and receive the prior written consent of the Development Review Committee. If a pond, pool, spa or hot tub is approved, all service equipment shall be fenced and located in either (a) a side yard between the front and rear boundaries of the residence, or (b) in the rear yard adjacent to the residence, and shall be adequately screened from any street on which the Lot or Unit containing the pond, pool, spa or hot tub is located and from any neighboring Lot or Unit and the Master Common Areas and Public Parks.

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3.29 Signs and Advertising. No sign, poster, billboard or advertising device of any kind (including, but not limited to, signs commonly used by contractors, architects and tradesmen and signs advertising an "Open House" for sale or rent) shall be allowed or displayed upon any Lot or Unit or any Master Common Area within the Common Interest Community except: (a) such signs as may be required by the Declarant in connection with the development, marketing and sale of Lots and Units in the Common Interest Community; (b) such signs as may be required by legal proceedings, or the prohibition of which is precluded by law; (c) such signs as may be required for traffic control and regulation of Master Common Areas; (d) neighborhood monuments (e.g., entrance signs) which are compatible with the architecture of the area and which receive the prior written approval of the Development Review Committee; (e) one (1) "For Sale" or "For Rent" sign on any Lot or Unit, and (f) one "Private Property and/or Private Residence/No Trespassing" sign on each boundary of a Lot or Unit that abuts on property used by the general public, such as a Public Park, a Pedestrian Easement, or the Golf Land. The signs permitted under subsections (e) and (f) above must also meet the standards set forth in the Master Development Guidelines.

3.30 Camping and Picnicking. No camping or picnicking shall be allowed within the Master Common Areas except in areas, if any, that may be designated for such purpose by Declarant or the Master Association. No camping shall be allowed within the Public Parks, and picnicking shall be allowed only in those areas of Public Parks as may be designated for such purpose from time to time by the Town.

3.31 No Individual Water Wells or Individual Sewage Disposal Systems. No individual water wells, and no cesspools, septic tanks or other individual sewage disposal systems, shall be drilled, constructed, maintained or permitted to remain within the Common Interest Community, except such water and/or septic systems as may be installed by Declarant or Declarant's successor, assign or agent or the Master Association to serve the Common Interest Community.

3.32 Maintenance and Repair of Interior of Residence. The maintenance and repair of the interior of a Unit or of the residence or duplex and of other structural improvements on a Lot shall be the responsibility of the Unit or Lot Owner.

3.33 Irrigation Systems, Ditches, Laterals, Ponds, and Water Use Obligations. Declarant hereby discloses that certain irrigation systems, ditches, ditch laterals and ponds are currently located or may be constructed within ditch and irrigation easement areas located upon (a) certain Lots, (b) upon Master Common Areas and Public Parks, and/or (c) within the Golf Land (collectively referred to as the "Irrigation System"). Declarant further discloses that as of the date of this Master Declaration, the ownership of any and all water rights carried or to be carried in said Irrigation System is vested in the Town, in the Declarant, or in other owners, and Declarant and the Town have no obligation to transfer ownership of any of such water rights to any Lot or Unit Owner or the Master Association. The water rights owned by the Declarant have been or shall be conveyed to the Town. In no event shall the Master Association or any Lot or Unit Owner be entitled to the right of use of the Irrigation System or any water flowing through said Irrigation System, except pursuant to a written agreement or license with Declarant, another owner thereof, or an assignee of Declarant, or pursuant to an operation and maintenance agreement between the Golf Owner and the Master Association, or pursuant to the Agreement Relating to the Annexation of the Gray Ranch Property and Sopris Ranch Property to the Town of Carbondale, Colorado, recorded on January 16, 1995, in Book

928 at Page 865 of the Garfield County, Colorado real property records, or this Master Declaration. Furthermore, except as specifically provided below, in no event shall any Lot or Unit Owner be entitled to install irrigation facilities, to divert water from the Irrigation System or to make modifications to the Irrigation System for diversion purposes without the prior written approval of the Master Association. In addition, in no event shall any Lot or Unit Owner or the Master Association obstruct or impede the flow of water through the Irrigation System.

The Master Association shall be responsible for irrigating the Master Common Areas, and roadway shoulders, and for maintaining the portion of the Irrigation System that is owned by the Master Association. The Golf Owner shall be responsible for irrigating the Golf Land. All such irrigation shall be accomplished with untreated water from the Irrigation System. The Golf Owner and Master Association shall be responsible for the maintenance of the portions of the Irrigation System that services both the Golf Land and remaining designated lands for irrigation in the P.U.D. for River Valley Ranch, unless the Golf Owner and the Master Association agree otherwise in writing. The Golf Owner shall be responsible for maintaining the portion of the Irrigation System that is owned by the Golf Owner alone or by the Golf Owner and the Master Association together; the Master Association shall be responsible for maintaining the portion of the irrigation system that is only used for all lands in the P.U.D. for River Valley Ranch other than Golf Land. Each Lot or Unit Owner shall be responsible for the purchase, installation, operation, maintenance, repair, and replacement of the individual irrigation system on their own Lot or Unit, which system shall be owned by the Lot or Unit Owner.

The Master Association shall cause to be made available untreated water for the allocated irrigation on each Lot or Unit through the Irrigation System. Each Owner is obligated to irrigate all or a portion of the Owner's Lot or Unit to the extent permitted by this Master Declaration or a Supplemental Declaration, and to install an underground untreated water delivery system that will accomplish such irrigation. The Lots or Units located within the initial Common Interest Community shall be entitled to irrigate one hundred percent (100%) of those portions of each Lot or Unit that are not developed and built upon. To the extent portions or all of the Annexable Property are annexed to and made a part of the Common Interest Community from time to time, specific allocations for the irrigation of each Lot or Unit so annexed shall be made in the applicable Supplemental Declaration.

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There will be conservation and use restrictions imposed upon the Lot or Unit Owners, Master Association and Golf Owner. Such conservation and use restrictions shall include, without limitation, the following: The hours of irrigation are restricted as follows: 6:00 a.m. to 2:00 p.m. - Parks and odd addresses and 2:00 p.m. to 10:00 p.m. - Parks and even addresses.

The Golf Owner will bill the Master Association for untreated water delivered to the Common Interest Community and additional lands within the P.U.D. for River Valley Ranch excluding the Golf Land, as indicated on the various master meters installed throughout the lands within the P.U.D. for River Valley Ranch, and on the Golf Land, pursuant to the cost allocation procedure established in the agreement with the Golf Owner. The Master Association will in turn bill the individual Lot and Unit Owners, the Thompson Corner Homeowners Association (or the Lot or Unit owners therein) or a Subassociation of Unit Owners, for untreated water used on Lots or Units or other properties within the P.U.D. as indicated on the individual untreated water meters, such fees to be based on criteria customarily used for calculating charges for the collection and distribution of untreated water for irrigation purposes. Provided, that the Master Association may bill each Lot and Unit Owner, the Thompson Corner Homeowners Association for the Lot or Unit owners therein, or a Subassociation of Unit Owners, for a minimum amount of monthly untreated water use (whether or not in fact used) in order to encourage performance of the Owner's irrigation obligation.

During years of limited availability of untreated water for irrigation purposes, the "rough" areas of the Golf Land may have the untreated water supply curtailed and conservation measures may be imposed on all untreated water use if necessary. Furthermore, Declarant is obligated

to "dry-up" certain lands within the land of the P.U.D. for River Valley Ranch that were historically irrigated by the Bowles and Holland Ditch, and Declarant, Master Association, and Golf Owner reserve the right from time to time to allocate and reallocate irrigable acreage within the lands of the P.U.D. for River Valley Ranch in order to comply with said dry-up obligation, and to amend the above allocation table accordingly if necessary, provided that each Lot shall continue to be able to irrigate those designated portions as set forth on such table.

All Owners hereby assume any risk involved with respect to the Irrigation System and hereby acknowledge that the Master Association, the Declarant, the Golf Owner, and the Town shall not have any responsibility or liability of any kind to any Owner who incurs any loss, damage, cost or expense arising from or relating to said Irrigation System, including, but not limited to, any loss or damage caused by flooding or the failure to deliver water. In accordance with the foregoing, such Owners, on behalf of themselves and their Occupants, successors and assigns, by acceptance of a deed acknowledge their assent to the provisions hereof, and hereby release Declarant, the Master Association, the Golf Owner and the Town and each of their officers, directors, partners, trustees, members, agents, employees, stockholders, and contractors, from and against any and all obligations, claims, demands, liabilities, costs, expenses, attorneys' fees, or causes of action of any kind whatsoever, whether arising prior or subsequent to the date hereof, whether known or unknown, based upon, arising out of, or in any manner related to the Irrigation System.

3.34 Restoration of Improvements in the Event of Damage or Destruction. In the event of damage to or destruction of any Improvement on any Lot or Unit, the Owner thereof shall cause the damaged or destroyed Improvement to be promptly restored or replaced to its original condition or such other condition as may be approved in writing by the Development Review Committee, or the Owner shall cause the damaged or destroyed Improvement to be promptly demolished and the Lot or Unit to be suitably landscaped, subject to the approval of the Development Review Committee, so as to present a pleasing and attractive appearance. Such Improvements shall be repaired, restored or otherwise demolished and suitably landscaped within such reasonable time frame as may be established by the Development Review Committee.

3.35 Leases. All Leases of Units, residences on Lots, duplex halves, Caretaker Apartments, or Accessory Dwelling Units shall be in writing and shall contain the following terms and conditions:

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(a) ~~The Lease term shall not be less than three (3) months~~ and the Lease must cover the entire Unit or Lot or duplex half or Apartment (i.e. no Leases of bedrooms alone or otherwise covering less than all of the Unit or Lot or duplex half or Apartment shall be permitted).

(b) All Leases shall provide (i) that the terms of the Lease and the tenant's (Occupant's) use of the Lot or duplex half or Unit or Apartment shall be subject in all respects to the provisions of this Master Declaration and of any pertinent Supplemental Declaration, and the Articles, the Bylaws, and the Master Rules and Regulations, and the Master Development Guidelines, (ii) that the Occupant has received and reviewed copies of said documents, and (iii) that any failure by the Occupant to comply with any of the aforesaid documents, in any respect, shall be a default by Occupant under the Lease and a default by Occupant and Owner under said documents which may be enforced against Occupant and/or Owner by the Executive Board.

(c) Without limiting the generality of the foregoing, each Lease shall contain a summary of (i) the maximum number of persons that may occupy a Unit or Lot or duplex half or Apartment, as set forth in Section 3.4 hereof, (ii) the rules regarding permitted animals, as set forth in Section 3.17 hereof, and (iii) the rules regarding storage of sporting equipment, as set forth in Section 3.14 hereof.

(d) Each Owner shall notify the Master Association immediately upon the leasing of his Lot or duplex half or Unit or Apartment, and shall provide the Master Association with a copy of the Lease and with the name and mailing address of the Occupant and the mailing address (if changed) of the Owner.

(e) Each Owner who leases a Lot or duplex half or Unit or Apartment shall be responsible for assuring compliance by the Occupant with all of the provisions of this Master Declaration, any pertinent Supplemental Declaration, the Articles, the Bylaws, the Master Rules and Regulations, and the Master Development Guidelines, and shall be jointly and severally responsible with the Occupant for any violations thereof by the Occupant.

(f) Each Lease shall expressly provide that the Master Association (via the Executive Board) shall have the right to give the Occupant written notice that the Occupant is in violation of one or more of the documents listed in subsection (e) above, which notice shall specify a period of time (at least ten (10) days) in which the Occupant may cure the violation.

3.36 Right of Entry. During reasonable hours and upon reasonable notice to the Owner or Occupant of a Lot or duplex half or Unit or Apartment, any member of the Development Review Committee, any member of the Executive Board, and any authorized representative of either of them, shall have the right to enter upon and inspect any Lot or duplex half or Unit or Apartment, and the Improvements thereon, except for the interior portions of any occupied residence, for the purpose of ascertaining whether or not the provisions of the Master Declaration and of the Master Development Guidelines have been or are being complied with and such individuals shall not be deemed guilty of trespass by reason of such entry.

3.37 Damage by Owners During Construction. Each Owner is responsible for any damage caused to roads, streets, ditches, fences, trails, natural drainage courses, utilities, Master Common Areas, Public Parks, or to other Lots, Units or Improvements thereon, during the construction or alteration of Improvements upon the Owner's Lot or Unit, including without limitation damage caused by any construction vehicles using the roads or streets within the Common Interest Community. Damage shall include any degradation in the appearance or condition of such Master Common Areas, Public Parks, or other Lots or Units or Improvements. The responsible Owner shall promptly repair and clean up any such damage, at its sole expense. Each Owner shall also be responsible for any damage caused by utility cuts in roads, washouts and runoff damage caused by failure to properly install culverts, and to promptly repair any such damage. If the Owner fails to repair any such damage within 10 days following receipt of a written notice from the Executive Board requesting the same, the Executive Board shall have the right to perform such repairs on behalf of the Owner, and to levy a Reimbursement Assessment upon the Owner and its Lot or Unit to recover the costs thereof.

3.38 Restrictions on Resubdivision, Property Restrictions, and Rezoning. Except as expressly permitted in this Master Declaration or in a Supplemental Declaration by which additional property is annexed to the Common Interest Community, (i) no Lot or Unit shall ever be further subdivided by an Owner into smaller lots or parcels or units, (ii) no portion less than all of any such Lot or Unit, nor any easement or divided interest therein, shall be conveyed, transferred or encumbered by the Owner, and (iii) no Lot or Unit may be combined with any other Lot or Unit nor the boundary lines adjusted between any two Lots or Units.

(a) Declarant reserves the right to subdivide a Lot or Unit, or to subdivide a duplex Lot or condominiumize a duplex or other multi-family structure, or to subdivide a multi-family Lot or Block, or to combine two (2) Lots or Units owned by Declarant, or to adjust or remove boundary lines between Lots or Units owned by Declarant, provided any necessary Town approvals are obtained, all Declaration and Plat amendments required by the Act and/or local land use laws are prepared, executed and Recorded, and the necessary

reallocation of Allocated Interests of the Owners is accomplished. The specific requirements for subdividing a duplex Lot or condominiumizing a duplex or other multi-family structure are set forth in subsections (b) and (c) below. The requirements for subdividing a multi-family Lot or Block are set forth in subsection (d) below. Similarly, the Owner of a Lot on which a duplex or other multi-family structure has been legally constructed shall have the right to subdivide or condominiumize the same upon compliance with such requirements. In the case of the subdivision or condominiumization of a Lot or duplex or other multi-family structure into two (2) or more Lots or Units, each Lot or Unit created thereby shall constitute a Lot or Unit for purposes of reallocation of Common Expense liability and voting interests. In the case of the combination of two (2) Lots or Units, such interests shall be reallocated to reflect the fact that two (2) Lots or Units have been eliminated and one (1) Lot or Unit created in its place. All costs relating to the foregoing activities shall be the sole responsibility and obligation of Declarant, or of the Owner performing the same. Declarant's rights under this subsection (a) shall terminate upon the first to occur of (i) the date which is 30 years after the Recording of this Master Declaration, or (ii) Declarant's relinquishing of these rights by a Recorded instrument.

(b) Subdivision of a duplex Lot (the "Duplex") shall be accomplished by the recording of a Plat Amendment signed by the Town and the Declarant or other Lot Owner that subdivides the Lot into two Lots along the center of the common wall in the Duplex, and a Declaration Amendment and Agreement (Duplex) signed by the Declarant or other Lot Owner which (i) establishes the Lot designations for the two new Lots created by the Plat Amendment (e.g., Lots 5A and 5B, Block X) and amends the Allocated Interests to reflect the creation of two Lots in place of one Lot, (ii) establishes the respective rights and obligations of the Lot Owners with respect to the insuring, use, maintenance, repair and replacement of common structural elements and utility systems of the Duplex and of exterior surfaces, yard areas and landscaping, (iii) provides for a reasonable allocation between the Lot Owners of the common costs and expenses associated with the Duplex, and (iv) establishes a procedure for billing and paying such common expenses and for collecting the same (including interest) from a delinquent Owner. Master Association Regular and Special Assessments shall, of course, continue to be allocated in accordance with the Allocated Interests.

(c) Condominiumization of a duplex or other multi-family structure shall be accomplished by the recording of a Map signed by the Town and the owner that depicts the structure in three dimensions and delineates the Units and the General and Limited Common Elements, and a Declaration or Supplemental Declaration signed by the Lot owner and, in the case of a duplex being condominiumized by a Lot Owner other than Declarant, approved by the Master Association, which (i) creates a common interest community for the Units depicted on the Map, (ii) establishes the Unit designations for said Units (e.g., in a duplex, Units A and B, Lot 5, Block X) and amends the Allocated Interests to reflect the creation of the new Units, (iii) creates General and Limited Common Elements and allocates the ownership thereof in undivided interests between the Unit Owners in some reasonable manner, (iv) establishes the rights and obligations of the Unit Owners with respect to the insuring, use, maintenance, repair and replacement of the Common Elements, (v) allocates the common costs and expenses associated with the condominium between the Unit Owners in accordance with their undivided interests in the Common Elements, and (vi) establishes a Subassociation or other procedure for assessing, billing and paying such common expenses and for collecting the same (including interest) from a delinquent Owner. Master Association Regular and Special Assessments shall, of course, continue to be allocated in accordance with the Allocated Interests.

(d) Subdivision of a multi-family Lot or Block (other than a duplex Lot) shall be accomplished by the recording of a Plat Amendment signed by the Town and the Declarant or other Lot Owner that subdivides the Lot or Block into three or more Lots along the centers of the common walls in the multi-family structure, and a Supplemental Declaration or a

Declaration Amendment and Agreement (Multi-Family) signed by the Declarant or other Lot Owner which (i) establishes the Lot designations for the new Lots created by the Plat Amendment and amends the Allocated Interests to reflect the creation of the new Lots, (ii) establishes the respective rights and obligations of the Lot Owners with respect to the insuring, use, maintenance, repair and replacement of common structural elements, utility systems, exterior surfaces, yards and landscaping of the multi-family structure, (iii) provides for a reasonable allocation between said Lot Owners of the common costs and expenses associated with the multi-family structure, and (iv) establishes a Subassociation or other procedure for assessing, billing and paying for such common expenses and for collecting the same (including interest) from a delinquent Owner. Master Association Regular and Special Assessments shall, of course, continue to be allocated in accordance with the Allocated Interests.

(c) The boundaries between adjoining Lots or Units may also be adjusted or removed (i.e. the Lots or Units combined) by the Owner(s) thereof other than Declarant, if (i) the written consent of the Executive Board is first obtained, in the sole discretion of the Executive Board, (ii) all applicable regulations and codes are complied with and all necessary Town approvals are obtained, (iii) the proposed adjustment or removal does not violate the terms of any document evidencing a security interest in the subject Lots or Units, (iv) all Declaration and Plat amendments required by the Act and/or local land use laws are prepared, executed and Recorded, and (v) the necessary reallocation of Allocated Interests of the Owners is accomplished pursuant to the guidelines set forth above. All costs relating to such activity (including the attorneys' fees and costs incurred by the Executive Board in reviewing and acting upon the matter) shall be the sole responsibility and obligation of the Owner(s) applying for the same.

(f) No Owner of a Lot or Unit shall grant or convey any easement rights affecting any portion of the Lot or Unit without the prior written consent of the Executive Board.

(g) No further covenants, conditions, restrictions or easements shall be Recorded by any Owner (except Declarant in the exercise of its reserved rights) or other Person against any Lot or Unit without the provisions thereof having been first approved in writing by the Executive Board for consistency with the Master Declaration, any applicable Supplemental Declaration, and the general plan of development for the Common Interest Community. Any covenants, conditions, restrictions or easements Recorded without such approvals being evidenced thereon shall be null and void. This provision does not apply to Mortgages.

(h) No application for rezoning of any Lot or Unit, and no application for any variance or special use permit for any Lot or Unit (except as may be required by a Plat note), shall be filed with any governmental authority by any Owner (except Declarant in the exercise of any reserved rights) unless the proposed use of the Lot or Unit has first been approved in writing by the Executive Board and the proposed use otherwise complies with the Master Declaration and any applicable Supplemental Declaration.

3.39 Health, Safety and Welfare. In the event any uses, activities, and facilities within the Common Interest Community are deemed by the Executive Board to be an unreasonable annoyance or nuisance, or to adversely affect the health, safety or welfare of Owners or Occupants, the Executive Board may amend the Master Rules and Regulations in order to appropriately restrict and regulate such uses, activities or facilities within the Common Interest Community. Such rules shall be consistent with the purposes and provisions of this Master Declaration.

3.40 Municipal Water Service. Municipal water service is provided by the Town. Municipal water shall not be used for outdoor irrigation uses. Only untreated water through the secondary irrigation system shall be used for irrigation consistent with the provisions of Section 3.33.

This provision shall not be subject to amendment by Declarant, its assigns, or the Master Association without the prior written consent of the Town.

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3.41 Implementation and Variances. The Executive Board may implement the restrictions set forth in this Article 3, or otherwise restrict and regulate the use and occupancy of the Common Interest Community and the Lots and Units (but not including the Public Parks) by reasonable Master Rules and Regulations of general application adopted by the Executive Board from time to time. The Executive Board may, in its sole discretion and in extenuating circumstances, grant variances from any of the restrictions set forth in this Article 3 (excepting any such restrictions with respect to which the Development Review Committee has the authority to grant variances under Section 4.19 below), if the Executive Board determines, in its discretion, (a) either (i) that a particular restriction creates a substantial hardship or burden on an Owner or Occupant, which hardship or burden was not caused by said Owner or Occupant, or (ii) that a change of circumstances since the Recordation of this Master Declaration has rendered such restriction obsolete, and (b) that the activity permitted under the variance, in the judgment of the Executive Board, will not have any material adverse effect on the Owners and Occupants of the Common Interest Community (including neighboring Lots and Units) and is consistent with the high quality of living intended to be promoted hereby throughout the Common Interest Community. ~~When an Owner applies for a variance, the Board must give at least ten (10) days advance written notice of the variance hearing, and of the nature of the variance requested, postage prepaid, by certified mail, return receipt requested, to all Owners of Lots or Units that are situated within a radius of two hundred (200) feet from the center of the Building Envelope of the Unit for which the variance is sought, at the current addresses for such Owners reflected in the Master Association files. The applying Owner must provide the Committee with an accurate list of the Owners to be so notified. If the foregoing notice requirements are complied with, it is not necessary that the Owners actually receive the notice that is mailed to them.~~

No variance shall conflict with ordinances or regulations of the Town. If a variance from Town laws or regulations is also required in connection with a matter for which a variance is desired hereunder, it shall be the Owner's responsibility to obtain such Town variance before submitting a variance application to the Executive Board.

3.42 Declarant Activities. Nothing contained in this Master Declaration is intended or shall be construed to prevent or to restrict in any way Declarant's right and ability to develop, improve, maintain, repair, regulate, operate, administer, manage, market, sell, lease, encumber or dispose of the Common Interest Community, the Lots, the Units, the Master Common Areas, the lands described on attached Exhibit B, or any part thereof, including the right to construct Improvements and install signs thereon, all in the complete discretion of Declarant.

ARTICLE 4 DEVELOPMENT REVIEW COMMITTEE

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4.1 Establishment of Development Review Committee. The Master Association shall have a Development Review Committee, which shall consist of a minimum of three (3) members, each of whom shall either be (i) a representative of the Declarant, (ii) an Owner or Occupant of a Lot or Unit in the Common Interest Community or (iii) a local architect, landscape architect or engineer. All members of the Development Review Committee shall be appointed and removed from time to time by the Executive Board in its discretion and shall serve for such term as may be established from time to time by the Executive Board. A member may be removed by the Executive Board at any time upon written notice, without cause. Subject to the three (3) member minimum, the Executive Board may increase or decrease the size of the Development Review Committee from time to time in its discretion. The Executive Board may hire or appoint a secretary for the Development Review Committee, and shall provide appropriate compensation for any such secretarial services.

4.2 Establishment of Subcommittees. The Development Review Committee shall have the right but never the obligation to establish one or more subcommittees to perform one or more of the functions of the Development Review Committee. For purposes of this Master Declaration, all references to the Development Review Committee shall also refer to any subcommittee established by the Development Review Committee. The procedures for establishment of subcommittees, the rights and duties thereof, and the limitations thereon may be established and adopted by the Development Review Committee from time to time, in its discretion.

4.3 Meetings and Action of Committee. The Development Review Committee shall meet from time to time as necessary to perform its duties hereunder. The Development Review Committee may from time to time, by resolution in writing adopted by a majority of the members, designate a Committee Representative (who may but need not be one of its members) to take any action or perform any duties for or on behalf of the Development Review Committee, except the granting of approval for any Improvements and the granting of variances. The action of such Committee Representative within the authority of such Committee Representative shall constitute the action of the Development Review Committee. A majority of the members of the Development Review Committee shall constitute a quorum of the Committee. Actions of the Committee may be taken (without a meeting) by the written consent of a majority of the members thereof, or at a meeting at which a quorum is present in person or by proxy, by the vote of a majority of such members constituting the quorum, but in no event less than two (2) members.

4.4 Records of Actions. The Development Review Committee shall report in writing to the Executive Board all final actions of the Development Review Committee, and the Executive Board shall keep a permanent record of such reported actions.

4.5 Approvals in Annexed Areas. The Development Review Committee shall also be responsible for reviewing and approving all proposed Improvements on Lots and Units within properties hereafter annexed to the Common Interest Community, unless a different reviewing body or procedure is established in the Supplemental Declaration which annexes such property.

4.6 Master Development Guidelines. The Development Review Committee has established an initial set of rules, procedures, standards, guidelines and requirements, including without limitation architectural, design and development standards and guidelines, which shall govern the review and approval or disapproval of proposed Improvements within the Common Interest Community, the registration of Builders, and other matters provided for therein (the "Master Development Guidelines"). The Development Review Committee may make such amendments and additions to the Master Development Guidelines as the Committee deems necessary or appropriate from time to time to accomplish the purposes of (and as are not in conflict with) this Master Declaration and of any pertinent Supplemental Declaration and to ensure the orderly and attractive development of the Common Interest Community. Upon its adoption, each such amendment shall be provided to the Executive Board. The Master Development Guidelines are hereby incorporated herein and shall be deemed to be a part of this Master Declaration and shall be binding on the Common Interest Community, and on all Lot and Unit Owners, Occupants, Members or other Persons as if expressly set forth herein. A copy of the current Master Development Guidelines shall, at all times, be a part of the Master Association's records. The Development Review Committee, in its sole discretion, shall have the right and authority to determine the existence of any violation of the Master Development Guidelines or of any approvals granted or other determinations made by, or other requirements of, the Development Review Committee.

The Master Development Guidelines shall contain the requirement that every residential structure within the Common Interest Community must achieve the minimum points necessary to be certified under the 1995 Colorado Green Certification program, as administered by the National Home Builders Association. If this program ceases to exist, the Development Review

Committee shall amend the Master Development Guidelines so as to incorporate and adopt a substitute program that is as similar in intention to said existing 1995 Colorado Green Certification program.

4.7 Design Review Fee. The Development Review Committee shall adopt, and may from time to time amend, a design review fee schedule which shall apply to requests for the original construction of a residential improvement, and for each subsequent request for approval of an Improvement on a Lot or Unit including remodels, renovations or other alterations of the original approval, except that no fee shall be charged for any proposed alteration or addition to an approved landscaping plan. The design review fee schedule shall be set forth in the Master Development Guidelines. The applicable fee must accompany each request for approval of any proposed Improvement. The Development Review Committee shall not take any action on a request for approval until all required fees are paid in connection therewith.

4.8 Pre-submission Conference. Every Owner proposing to make Improvements to its Lot or Unit shall schedule and attend a pre-submission conference with the Development Review Committee to discuss the general nature and scope of the contemplated Improvements and the Committee's requirements and procedures in connection therewith prior to the time the Owner has expended or committed to expend significant amounts on architectural or other design fees. The Development Review Committee shall give priority to the scheduling of such pre-submission conferences. The Owner is encouraged to arrange for the attendance of the Owner's design professional at the pre-submission conference.

4.9 Submission of Plans, Specifications and Data. Prior to commencement of work to accomplish any proposed Improvements, the Owner proposing to make such Improvements shall submit to the Development Review Committee such descriptions, surveys, plot plans, excavation plans, drainage plans, elevation drawings, construction plans, landscaping plans, specifications, and samples of materials and colors as the Development Review Committee shall reasonably request showing among other things the nature, kind, shape, height, width, color, materials, and location of the proposed Improvements. The Owner shall also inform the Development Review Committee of the identity of the Owner's proposed Builder, who shall be a Registered Builder. All submissions shall conform to and be in accordance with the Master Development Guidelines established pursuant to Section 4.6. The Owner shall be entitled to receive a receipt for the same from the Development Review Committee or its authorized agent. The Development Review Committee may require submission of additional plans, specifications, or other information prior to approving or disapproving the proposed Improvements. Until receipt by the Development Review Committee of all required information and materials in connection with the proposed Improvements and Builder, the Development Review Committee may postpone review of the application.

4.10 Registration of Builders. The construction or renovation of residential dwellings, within the Common Interest Community shall be accomplished only by general contractors who are "Registered Builders" as provided in this Section 4.10. Subcontractors need not be Registered Builders. In order to register as a builder, a contractor must submit to the Development Review Committee a signed "Statement of Registered Builder" which recites as follows:

- (a) That the builder is a licensed general contractor in Garfield County, Colorado;
- (b) The names and addresses of the last 5 clients for whom the builder has constructed homes or other structures;
- (c) That the builder expressly authorizes each of said clients to speak to representatives of the Development Review Committee and/or the Owner regarding the builder's performance for that client, and further authorizes the Development Review Committee to pass on any such performance information to the Owner;

(d) That the builder will provide the Owner with a current financial statement, if requested by the Owner;

(e) That the builder will allow the Owner to obtain a credit report on the builder, if requested by the Owner; and

(f) That the builder will furnish the Owner with such other information about the builder as the Owner may reasonably request.

Upon delivery of a Statement of Registered Builder containing all of the required information to the Development Review Committee, a contractor shall be deemed to be a Registered Builder for purposes hereof. Before commencing work on the construction or renovation of a residential dwelling on a Lot, the Registered Builder shall obtain a Builder's Risk Insurance Policy covering all Improvements to be constructed on the Lot, with the benefits payable to the Owner, and shall deliver copies of the Policy to the Development Review Committee and to the Owner. In the case of minor renovations where the Development Review Committee does not consider such Policy necessary, the Development Review Committee may waive this requirement, in its sole discretion.

4.11 **Criteria for Approval or Disapproval.** The Development Review Committee shall approve any proposed Improvements only if it determines in its reasonable discretion that the Master Development Guidelines have been complied with; that the proposed Improvements will not be detrimental to the value or enjoyment of the surrounding areas in the Common Interest Community; that the siting, design and appearance of the proposed Improvements will be in harmony with the surrounding areas in the Common Interest Community; that the proposed Improvements will enhance the quality, wholesomeness, and attractiveness of the Common Interest Community and the enjoyment thereof by Lot and Unit Owners; that the upkeep and maintenance of the proposed Improvements will not become a burden on the Master Association; and in the case of construction or renovation of a residential dwelling, the work will be performed by a Registered Builder. The Development Review Committee may condition its approval of any proposed Improvements upon the making of such changes therein as the Development Review Committee may deem reasonably appropriate, and may require that additional landscaping be performed on the subject Lot or Unit.

The approval by the Committee of any Improvement shall in no event imply or require that such approval will be granted again in the future for the same or a similar Improvement, and the Committee shall have complete discretion, consistent with the standards and criteria contained herein and in the Master Development Guidelines, to grant or deny such approval in each instance on the merits of the particular application or proposal and considering the circumstances surrounding the same.

4.12 **Decisions of Committee.** Any decision of the Development Review Committee shall be made within forty-five (45) days after receipt by the Development Review Committee of all materials and information required by the Development Review Committee, unless such time period is extended by mutual written agreement. The decision shall be in writing and if the decision is not to approve the proposed Improvements, the reasons therefor shall be stated. The decision of the Development Review Committee shall be promptly transmitted to the Owner at the address furnished by the Owner to the Development Review Committee.

4.13 **Failure of Committee to Act on Plans.** Any written request for approval of proposed Improvements shall be deemed approved, unless written disapproval or a request for additional information or materials is transmitted to the Owner by the Development Review Committee within sixty (60) days after the date of receipt by the Development Review Committee of all required materials and information, unless such time period is extended by mutual written agreement.

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4.14 Damage and Performance Deposit by Owner. Before the Development Review

Committee grants approval to an Owner for proposed Improvements to a Lot or Unit, the Owner shall be required to deposit with the Committee a Damage and Performance Deposit, in an amount to be determined by the Committee in its reasonable discretion based upon the nature and scope of the proposed Improvements, in order to guarantee (i) the completion of the proposed Improvements in accordance with the Committee's approval thereof and the Master Development Guidelines, and (ii) the repair of any on-site or off-site damage caused by the Owner or its contractors or agents during the construction period. The Committee shall give the Owner written notice of (a) any violation of the approvals or the Master Development Guidelines, or (b) any damage that needs to be repaired, and in the event the Owner fails to cure the violation or repair the damage within thirty (30) days following the date such notice is given, the Committee shall have the right to perform such cure or repair on behalf of the Owner and to apply so much of the Damage and Performance Deposit as may be needed to pay for the cost thereof. The Damage and Performance Deposit, or any balance remaining if the Committee has used all or a portion thereof as above permitted, shall be refunded to the Owner no later than thirty (30) days following the issuance to the Owner by the Development Review Committee a Certificate of Compliance in accordance with the provisions of Section 4.17 below.

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4.15 Prosecution and Completion of Work After Approval. Following the approval of any

proposed Improvements by the Development Review Committee and identification of the Registered Builder, the proposed Improvements shall be completed by the Lot or Unit Owner using the Registered Builder: (a) as promptly and diligently as possible but in no event in excess of the time periods set forth below; (b) in compliance with the Master Development Guidelines and with all applicable laws, regulations and codes; (c) in strict conformance with all plans and specifications and other materials presented to and approved by the Development Review Committee; and (d) in accordance with any and all conditions imposed by the Development Review Committee. All Improvements approved by the Development Review Committee shall be completed, including issuance of a Certificate of Compliance and the removal of all construction equipment, materials and debris (i) within twenty-four (24) months from the date of approval of such Improvements by the Development Review Committee, or (ii) within such other time period as the Development Review Committee may prescribe. Provided, however, that any and all landscaping and/or gardening approved by the Development Review Committee which is related to the initial construction of a residence on a Lot shall be completed no later than six (6) months immediately following the issuance of the Certificate of Compliance for such residence. Failure to comply with the terms and conditions of this Section 4.15 shall constitute noncompliance with the terms and provisions of this Master Declaration and the Development Review Committee and/or the Executive Board shall have the right to invoke all rights and remedies provided to them hereunder, including but not limited to, the imposition of fines and penalties.

4.16 Right to Inspect. Any member or authorized consultant of the Development Review

Committee or of the Executive Board, or any authorized officer, employee or agent of the Master Association, may (but shall not be obligated to) at any reasonable time enter, without being deemed guilty of trespass, upon any Lot or Unit after reasonable notice to the Lot or Unit Owner, in order to inspect Improvements constructed or being constructed on such Lot or Unit, to ascertain whether such Improvements have been or are being built or changed in compliance with the Master Development Guidelines, the approvals granted by the Development Review Committee, and this Master Declaration.

4.17 Certificate of Compliance; Inspection of Work; Correction of Defects.

(a) Upon the completion of any Improvements (excepting the related landscaping) for which plans and specifications have been approved by the Development Review Committee, the Owner or the Registered Builder shall submit to the Committee a written Application for a Certificate of Compliance, on a form to be provided by the Committee, which Application shall certify that the Improvements have been completed in accordance with the approvals granted

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by the Committee and with the Master Development Guidelines. Until receipt of such Application, the Committee shall not be deemed to have any notice regarding completion of the Improvements.

(b) Within twenty-one (21) days following receipt of the Application, the Development Review Committee or its duly authorized representative shall inspect the Improvements. If the Committee finds that the Improvements have not been completed in accordance with the approvals granted by the Committee and/or with the Master Development Guidelines, it shall notify the Lot or Unit Owner in writing of such noncompliance within said twenty-one (21) day period, specifying the particulars of noncompliance, and shall request the Owner to remedy the same.

(c) If upon the expiration of thirty (30) days from the date of such notification of non-compliance the Lot or Unit Owner shall have failed to remedy such noncompliance, the Development Review Committee shall notify the Executive Board in writing of such failure. Upon Notice and Hearing, as provided in the Bylaws, the Executive Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than thirty (30) days from the date of the announcement of the Executive Board ruling. If the Owner does not comply with the Executive Board ruling within such period, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance, and the Owner shall reimburse the Master Association, upon demand, for all expenses, including interest on monies expended and attorneys' fees, incurred in connection therewith. If such expenses are not repaid by the Owner to the Master Association within thirty (30) days following delivery of a written demand therefor to the Owner, the Executive Board shall levy a Reimbursement Assessment against such Owner and the Owner's Lot or Unit.

(d) When the Development Review Committee is satisfied that the Improvements have been completed in accordance with the approvals granted by the Committee and with the Master Development Guidelines, it shall issue to the Owner a Certificate of Compliance with respect to said Improvements. No newly-constructed residence on a Lot shall be occupied until a Certificate of Compliance has been issued therefor and a Certificate of Occupancy as required by the Town of Carbondale has been issued therefor.

4.18 Improvements Must Conform to Approvals. No building, fence, wall, structure, landscaping or other Improvement of whatever type shall be commenced, constructed, erected, placed, installed, located, maintained or removed within the Common Interest Community, nor shall there be any additions or changes to the exterior of any residence or other structure or Improvement upon a Lot or Unit or the landscaping, grading or drainage thereof, including without limitation, the painting (other than painting with the same color and type of paint as previously existed) of exterior walls, patio covers and fences, except in accordance with plans and specifications therefor which have been submitted to and approved by the Development Review Committee and in compliance with the Master Development Guidelines.

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4.19 Committee Power to Grant Variances. The Development Review Committee may grant variances from any of the restrictions set forth in this Master Declaration or any Supplemental Declaration or the Master Development Guidelines pertaining to proposed Improvements and the criteria therefor, including restrictions upon height, size, floor area, setbacks, location or placement of structures, or similar restrictions, when (i) unique circumstances not created by the Lot or Unit Owner, such as topography, natural obstructions, or aesthetic or environmental considerations would otherwise result in substantial hardship or burden which is not suffered by other similarly-situated Lots or Units; or (ii) when a change of circumstances since the Recording of this Master Declaration has rendered

such restriction obsolete, and (iii) in either case, when the Development Review Committee determines that the activity allowed by the variance will not have any material adverse effect on the Owners and Occupants of the Common Interest Community (including neighboring Lots and Units) and is consistent with the high quality of living intended to be promoted hereby throughout the Common Interest Community. When an Owner applies for a variance, the Committee must give at least ten (10) days written notice of the variance hearing, and of the nature of the variance requested, postage prepaid, by certified mail, return receipt requested, to all Owners of Lots or Units that are situated within a radius of two hundred (200) feet from the center of the Building Envelope or the Unit for which the variance is requested, at the current addresses for such Owners reflected in the Master Association files. The applying Owner must provide the Committee with an accurate list of the Owners to be so notified. If the foregoing notice requirements are complied with, it is not necessary that the Owners actually receive the notice that is mailed to them.

All variances that are granted by the Development Review Committee must be evidenced in writing, must specify the Lot or Unit for which the variance is granted and the unique circumstances or change in circumstances justifying the variance, and must be signed by at least a majority of the members of the Committee. If any such variance is granted, no violation of the covenants, conditions and restrictions contained in this Master Declaration or any Supplemental Declaration or the Master Development Guidelines shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Master Declaration or of any Supplemental Declaration or the Master Development Guidelines for any purpose except as to the particular property and particular provision hereof covered by the variance. A copy of each variance request and approval, or denial, will be kept on file at the Master Association offices.

The granting of a variance in a particular instance shall in no event imply or require that such a variance will be granted again in the future in a similar situation, and the Committee shall have complete discretion, consistent with the standards and criteria contained herein and in the Master Development Guidelines, to grant or deny a variance in each instance on the merits of the particular application and considering the circumstances surrounding the same.

No variance shall conflict with ordinances or regulations of the Town. If a variance from Town laws or regulations is also required in connection with a matter for which a variance is desired hereunder, it shall be the Owner's responsibility to obtain such Town variance before submitting a variance application to the Development Review Committee.

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4.20 Nonliability for Approval or Disapproval of Plans and Specifications, for Issuance of Certificates of Compliance, or for Registration of Builders. The criteria for Development Review Committee approval of plans and specifications are set forth in Section 4.11 above. The Development Review Committee shall not be responsible for reviewing plans and specifications with respect to engineering design or for compliance with zoning, building ordinances, environmental laws, or any other applicable laws or regulations. By its approval of any such plans and specifications, neither the Development Review Committee, the members thereof, the Master Association, any Member, the Executive Board nor the Declarant assumes or shall have any liability or responsibility with respect to engineering design or for compliance with zoning, building ordinances, environmental laws, or any other applicable laws or regulations, or for any defect in any Improvement constructed from such plans and specifications. Neither the Development Review Committee, any member thereof, the Master Association, the Executive Board nor the Declarant shall be liable to any Lot or Unit Owner, Occupant or other Person for any injury, damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the issuance of a Certificate of Compliance for any Improvements, or (d) the development, or manner of development of any property within the Common Interest Community. The

approval of plans and specifications by the Development Review Committee, and/or the issuance of a Certificate of Compliance by the Development Review Committee, shall not under any circumstances constitute or be deemed to be a representation or warranty that the plans, specifications or completed Improvements comply with applicable laws, ordinances or regulations, including but not limited to, zoning ordinances and building codes and environmental laws.

Likewise, Builders shall register with the Development Review Committee in the manner set forth in Section 4.10 above and in the Master Development Guidelines. By registering a Builder, the Development Review Committee does not represent or warrant, either expressly or by implication, that the Registered Builder will in fact complete the Improvements in a prompt, competent and workmanlike manner, or that the Registered Builder is or will remain financially sound, and the Lot and Unit Owners assume all risks regarding such matters. Neither the Development Review Committee, the members thereof, the Master Association, any Member, the Executive Board nor the Declarant shall be liable to any Lot or Unit Owner, Occupant or other Person for any damage, loss or prejudice suffered or claimed on account of (a) the registration of any Builder, (b) defects in the work performed by a Registered Builder, (c) financial difficulties experienced by a Registered Builder, and/or (d) any other problems arising from an Owner's use of a Registered Builder.

4.21 Reconstruction of Master Common Areas. The reconstruction by the Master Association after destruction by casualty or otherwise of any Master Common Areas or Improvements thereon which is accomplished in substantial compliance with "as built" plans for such Master Common Areas or Improvements shall not require compliance with the provisions of this Article 4 or the Master Development Guidelines.

4.22 Compensation of Committee Members. In the discretion of the Executive Board, all or some members of the Development Review Committee may be entitled to reasonable compensation from the Master Association for services rendered, together with reimbursement for reasonable expenses incurred by them in the performance of their duties hereunder. Such compensation, if any, shall be set by the Executive Board from time to time.

4.23 Enforcement. The requirements and provisions of this Article 4 and/or of the Master Development Guidelines shall be enforceable in accordance with the rights and procedures set forth in Section 13.4 of this Master Declaration.

ARTICLE 5

MASTER COMMON AREAS

5.1 Use and Enjoyment of Master Common Areas. With the exception of Limited Common Areas, and except as otherwise provided in this Master Declaration or in any Supplemental Declaration, each Owner shall have the non-exclusive right to use and enjoy the Master Common Areas in common with all other Owners (a) for all purposes for which such Master Common Areas were established, and (b) as required for purposes of access and ingress to and egress from (and use, occupancy and enjoyment of) any Lot or Unit owned by the Owner or Master Common Areas available for the Owner's use. This right to use and enjoy the Master Common Areas shall extend to each Owner, Occupant, and the family members, guests and invitees of each Owner, and to such other users as may be authorized by this Master Declaration or by the Executive Board from time to time, and shall be appurtenant to each Lot or Unit, subject at all times to the provisions of this Master Declaration (including Declarant's reserved rights hereunder), any applicable Supplemental Declaration, the Articles, Bylaws, and Master Rules and Regulations. For example, the rights of Occupants to use the recreational amenities in the Resident Village Area shall be governed by the pertinent provisions of the Master Rules and Regulations. No Owner or Occupant shall place any structure whatsoever upon the Master Common Areas, nor shall any Owner or Occupant engage in any activity which will temporarily or permanently impair free and unobstructed access to all parts of the

Master Common Areas by all Owners. Use of the Master Common Areas is also subject to any applicable terms of the Golf Course Play and Operational Easement.

With respect to Limited Common Areas, each Owner of a Lot designated by Declaration or Plat for the use of such Limited Common Area shall have the non-exclusive right to use and enjoy the same in common with all other Owners of Lots so designated, for all purposes for which the Limited Common Area was created, subject to such Master Rules and Regulations as may be adopted from time to time by the Executive Board.

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5.2 Master Association May Regulate Use of Master Common Areas. The Master Association, acting through the Executive Board, shall have the right and authority to regulate the use of the Master Common Areas by the promulgation, enforcement and interpretation from time to time of such Master Rules and Regulations relating thereto as the Master Association considers necessary or appropriate for the protection and preservation of the Master Common Areas and the enhancement of the use and enjoyment thereof by the Owners and Occupants and other authorized users, subject always to any rights or interests created by the Golf Course Play and Operational Easement. Without limiting the generality of the foregoing, the Master Rules and Regulations shall contain appropriate guidelines and restrictions, and shall establish reasonable user fees, governing Occupant usage of the recreational amenities within the Resident Village Area, it being understood that Occupants do not automatically have any rights or privileges to use such facilities.)

The Master Association, acting through the Executive Board, may for good cause suspend the right of any Person to use and enjoy the Master Common Areas and/or the Resident Village Area, including the right of a Member who is delinquent in the payment of any Assessments, and the right of any Member or other authorized user who is in violation of the terms and provisions of this Master Declaration or any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, Master Development Guidelines or the terms and provisions of any approvals granted by the Development Review Committee.

5.3 Master Association to Maintain and Improve Master Common Areas. The Master Association, its agents and employees, shall maintain, snowplow as necessary, and otherwise manage the Master Common Areas (including the Limited Common Areas), including, but not limited to, any Improvements, landscaping, lakes, paths, trails, parking areas, drives, and recreational and other facilities located thereon. The Master Association shall construct, alter and remove such Improvements and landscaping upon the Master Common Areas as the Master Association in its discretion considers necessary, desirable or appropriate from time to time, and shall do all such other and further acts which the Executive Board deems necessary or appropriate to preserve, protect and enhance the Master Common Areas and the beauty thereof in accordance with the general objectives for the Common Interest Community reflected in this Master Declaration. Separate bids shall be let for the maintenance of Limited Common Areas so that the costs thereof can be assessed exclusively to the Lots benefited thereby.

5.4 No Partition of Master Common Areas. No Owner or other Person shall have any right to partition or to seek the partition of the Master Common Areas or any part thereof.

5.5 Owner Liability for Owner or Occupant Damage to Master Common Areas. Each Owner shall be liable to the Master Association for any damage to Master Common Areas or for any expense, loss or liability suffered or incurred by the Master Association in connection with the Master Common Areas arising from (a) the negligence or willful misconduct of such Owner or of any Occupant, agent, employee, family member, guest or invitee of such Owner, or (b) any violation by such Owner or any Occupant, agent, employee, family member, guest or invitee of such Owner of any law, regulation, or code, including without limitation any environmental law, or of any provisions of this Master Declaration, any Supplemental Declaration, or the Master Rules and Regulations relating

to the Master Common Areas. Each Owner shall indemnify, defend and hold the Master Association harmless from any loss, damage, expense or liability arising from the circumstances described in subsections (a) or (b) immediately above. The Master Association shall have the power to levy and collect a Reimbursement Assessment against a Lot or Unit Owner to recover the costs, expenses, damages, losses or liabilities incurred by the Master Association as a consequence of any such negligence, willful misconduct or violations.

5.6 Damage or Destruction to Master Common Areas. In the event of damage to or destruction of the Master Common Areas, including Improvements thereon, by fire or other casualty, the Master Association shall repair or replace the same in accordance with the provisions of Section 9.18 below. Repair, reconstruction, or replacement of Master Common Areas shall be accomplished under such contracting and bidding procedures as the Master Association shall determine are appropriate. If insurance proceeds available to the Master Association on account of damage or destruction exceed the cost of repair, reconstruction, and replacement, the Master Association may use the same for future maintenance, repair, improvement, and operation of Master Common Areas or for any other use deemed appropriate by the Executive Board.

5.7 Condemnation of Master Common Areas. If any Master Common Area or part thereof or interest therein is taken under exercise of the power of eminent domain or by purchase in lieu thereof, the portion of any award in condemnation or the price payable for the deed in lieu that is attributable to the Master Common Area taken or purchased shall be paid to the Master Association. The Master Association shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners and Occupants and other Persons therein. Any award or funds received by the Master Association shall be held by the Master Association for the purposes stated in Section 5.6 above or as a reserve for future maintenance, repair, reconstruction, or replacement of Master Common Areas or may be used for Improvements or additions to or operation of Master Common Areas or for such other uses as may be deemed appropriate by the Executive Board. Except as may otherwise be provided by the Act, no Owner or other Person shall be entitled to participate as a party or otherwise in any condemnation proceedings nor to receive any proceeds therefrom.

5.8 Title to Master Common Areas Upon Dissolution of Master Association. In the event of dissolution of the Master Association, the Master Common Areas shall, to the extent permitted by law and reasonably possible, be conveyed or transferred to an appropriate public, governmental or quasi-governmental agency or organization or to a nonprofit corporation, association, trust, or other organization, to be used, in any such event, for the common benefit of Owners for the purposes for which the Master Common Areas were held by the Master Association. If the foregoing is not possible, the Master Common Areas shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Owners in proportion to each Owner's Allocated Interest in the Common Expenses of the Master Association, other and further acts which the Executive Board deems necessary or appropriate to

5.9 Mechanic's Liens on Master Common Areas. Declarant shall be responsible for the release of mechanics' liens filed with respect to Master Common Areas, or any part thereof, if such liens arise from labor performed or materials furnished at the instance of Declarant, its agents, contractors or subcontractors. Likewise, the Master Association shall be responsible for the release of mechanics' liens filed with respect to Master Common Areas, or any part thereof, if such liens arise from labor performed or materials furnished at the instance of the Master Association, its directors, officers, agents, contractors or subcontractors. No labor performed or materials furnished with respect to a Lot or Unit at the instance of the Lot or Unit Owner shall be the basis for filing a lien against the Master Common Areas. No labor performed or materials furnished with respect to a Master Common Area at the instance of the Executive Board shall be the basis for filing a lien against any Lot or Unit.

5.10 Additional Users of Resident Village Area. Lot Owners and Occupants in the Thompson Corner Common Interest Community shall be permitted to use the recreational amenities in the Resident Village Area upon payment to the Master Association of such fees as may be established from time to time by the Executive Board, which fees shall not exceed the amount of the total Regular Assessments being paid to the Master Association from time to time by Lot and Unit Owners in the River Valley Ranch Common Interest Community. Such user rights shall also be subject to such Rules and Regulations as may be promulgated from time to time by the Executive Board.

The Master Association shall also have the right (but shall never be obligated) to allow other Persons who are not Owners or Occupants in the Common Interest Community to use the recreational amenities (or some of them) in the Resident Village Area, on such terms and conditions and upon the payment of such fees and charges, as the Executive Board may from time to time consider appropriate, in its discretion.

5.11 Users of Resident Village Area: Assumption of Risk, Indemnification, Waiver and Release. Every user of the recreational amenities in the Resident Village Area shall be deemed to have assumed all risks associated with such use, including the risk of personal injury, death, and property damage, theft, or loss, and to have agreed to indemnify, defend and hold harmless the Master Association and its directors, officers, employees, agents, successors and assigns from and against any and all liability or claims therefor for property damage, theft or loss, personal injury, wrongful death, and/or negligence arising from the use of the recreational amenities in the Resident Village Area, and to have waived and released any and all claims that such user may hereafter have in connection therewith. Furthermore, every user of said recreational amenities, as a condition to enjoying such user rights, shall be required to sign such indemnification, waiver and release of liability forms as may be provided from time to time by the Executive Board.

ARTICLE 6

DECLARANT'S RESERVED RIGHTS

Declarant hereby expressly reserves to itself and its successors and assigns the following described rights, which include development rights and special Declarant rights, any one or more of which rights may be exercised, in the sole and absolute discretion of Declarant, at any time and from time to time during the period commencing upon the Recording of this Master Declaration in the County and ending on the date of termination of such rights established under Section 6.13 below. It is expressly understood that Declarant shall not be obligated to exercise any of these reserved rights.

Except as limited by this Article 6, such reserved rights may be exercised upon or in connection with all or any portion of the Common Interest Community described on attached Exhibit A, the Annexable Property described on attached Exhibit B, and/or the additional unspecified real estate referred to in Section 6.7 below. Such rights may be exercised with respect to different parcels of said real estate at different times, and in connection therewith Declarant hereby states that (i) no assurances are made regarding the boundaries of said different parcels or with respect to the order in which such parcels may be subjected to the exercise of these reserved rights, even if a reference to a phase or phasing appears in a legal description, Plat, P.U.D. Agreement or other agreement relating to the property, and (ii) if a particular reserved right is exercised in any portion of the real estate subject to that reserved right, that reserved right is not required to be exercised in all or any portion of the remainder of that real estate.

The reserved rights hereinafter set forth may not be amended, modified, terminated or otherwise altered in any way without the express prior written consent of Declarant. All conveyances of Lots and Units and other portions of the Common Interest Community hereafter made, whether by Declarant or otherwise, shall be deemed and construed to reserve to Declarant and/or to grant to Declarant all of the rights reserved by and to Declarant in this Article 6, even though no specific

reference to such rights appears in the conveyancing instruments. Nothing in this Article 6 shall limit or impair any other rights granted or reserved to Declarant by other provisions of this Master Declaration or of any Supplemental Declaration.

The following rights are hereby reserved to Declarant and its successors and assigns:

6.1 Completion of Improvements. The right throughout the Common Interest Community to complete Improvements indicated on any Plat, as defined in Paragraph 2.45 hereof, as such Plats and Declarations may be amended from time to time. Furthermore, the right to construct and complete Improvements required by the terms of the Subdivision Improvements Agreements recorded September 27, 1996 in Book 993 at Page 851, in Book 1002 at Page 443, and in Book 1029 at Page 822, respectively, all in the Office of the Clerk and Recorder of Garfield County, Colorado, and by the terms of any other Subdivision Improvements Agreements that may hereafter be executed by Declarant in connection with annexations to the Common Interest Community, as said Agreement or Agreements may be amended from time to time. Furthermore, the right to create, grant and/or use and enjoy additional non-exclusive easements, and to relocate existing platted easements, upon or across any portion of the Common Interest Community except Building Envelopes, as may be reasonably required for the completion by Declarant of the above-described Improvements or the effective exercise by Declarant of any of the other reserved rights described in this Article 6.

6.2 Sales, Marketing and Management. The right to construct, locate or operate, and to maintain upon, and to remove from, Lots or Units owned by Declarant, and/or the Master Common Areas, in the discretion of Declarant, and in such number, size and location as may be reasonably required by Declarant in connection with the completion of Improvements, the management of the development, and/or the promotion, marketing, sale or rental of Lots and Units, the following:

(a) Sales offices, management offices, and/or construction offices, and structures containing or relating to the same. Such offices, to the extent they are not situated on a Lot or within a Unit, are hereby declared to be personal property of the Declarant and shall in any case be removable by Declarant or its successors or assigns promptly upon the Declarant or its successors or assigns ceasing to be a Lot or Unit Owner;

(b) Signs identifying and advertising the Common Interest Community and the Lots and/or Units therein, or relating to development or construction thereon;

(c) Model residences constructed or to be constructed on Lots, or model Units;

(d) Parking areas and facilities, and lighting, necessary or desirable in the marketing of the Common Interest Community and the Lots and Units to prospective Owners;

(e) Employees in offices; equipment; vehicles; and marketing and construction materials.

Together with the right to attract, invite or bring prospective purchasers of Lots and/or Units into the Common Interest Community at all times, and to permit them to use and enjoy the Master Common Areas.

6.3 Merger. The right to merge or consolidate the Common Interest Community with another common interest community of the same form of ownership.

6.4 Declarant Control of Master Association. The right to appoint or remove any Executive Board member or officer of the Master Association, as more specifically set forth in Section

8.5 below, but only for and during the "Period of Declarant Control of Master Association" as defined in said Section 8.5.

6.5 Annexation of Additional Properties. The right to annex to the Common Interest Community all or any part of the Annexable Property described on attached Exhibit B. Each Owner of a Lot or Unit hereunder hereby grants to Declarant the right to annex all or any part of the Annexable Property to the Common Interest Community and to modify such Owner's Allocated Interests accordingly. Alternatively, Declarant shall have the right and is authorized to develop portions of the Annexable Property and/or to convey portions of the Annexable Property to such third party or parties as Declarant may deem appropriate, prior to and instead of annexing them to the Common Interest Community, whether for purposes consistent with this Master Declaration or otherwise. Declarant makes no assurances that all or any portion of the Annexable Property will be added to the Common Interest Community and Declarant reserves the right to annex all or any portion of the Annexable Property to the Common Interest Community in any order it deems appropriate in its sole and absolute discretion.

6.6 Annexation Procedure. The annexation of additional real property to the Common Interest Community shall be accomplished by the Recording by Declarant with the Clerk and Recorder of Garfield County of a Supplemental Declaration containing a legal description of the land area to be added to the Common Interest Community and amending this Master Declaration accordingly, together with a Supplemental Plat thereof. The Supplemental Declaration shall assign an identifying number to each new Lot or Unit created thereby, and shall reallocate the Allocated Interests of all Lot and Unit Owners in the Common Interest Community in accordance with the definition of Allocated Interests contained in this Master Declaration. In no event shall any annexation increase the number of Lots in the Common Interest Community beyond the six hundred ten (610) Lot and/or Unit maximum stated in the Recitals to this Master Declaration. The Supplemental Declaration shall also describe any Master or Subassociation Common Areas or Limited Common Areas thereby created, and any Common Elements and any Limited Common Elements thereby created, and in the case of Limited Common Elements, the Supplemental Declaration shall designate the Unit(s) to which each is allocated.

The annexation of the Annexable Property may be accomplished by successive Supplemental Declarations, in no particular or pre-established order, and may provide that property annexed thereby (the "Annexed Property") is phased so that it is made subject to this Master Declaration at different times. Upon Recording of a Supplemental Declaration, the Annexed Property described therein shall be subject to all of the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions set forth in this Master Declaration, except to the extent specifically stated in the Supplemental Declaration or as modified thereby. Any such Supplemental Declaration may impose on the Annexed Property described therein additional covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions than those set forth in this Master Declaration, taking into account the unique and particular aspects of the Annexed Property covered thereby and of the proposed development thereof. Furthermore, Declarant shall have the right to reserve in such Supplemental Declaration any development rights that Declarant considers necessary or appropriate, provided that such provision shall not extend the termination date for the exercise of Declarant's development rights as set forth in Section 6.13 below. A Supplemental Declaration may provide for a Subassociation of Owners within the Annexed Property described in the Supplemental Declaration and for the right of the Subassociation to assess such Owners for common expenses unique to those Owners.

6.7 Annexation of Additional Unspecified Real Estate. The right to annex additional, unspecified real estate to the Common Interest Community to the fullest extent permitted by the Act. In the event that Declarant elects to annex any such additional unspecified real estate, Declarant shall annex such property to the Common Interest Community in accordance with the provisions of Section 6.6 above.

6.8 Withdrawal Rights and Procedure. The right at any time and from time to time to withdraw from the Common Interest Community (and any annexations thereto) any Declarant-owned Lot or Lots, Unit or Units, or Master Common Areas.

Withdrawal may only be accomplished by the recording by Declarant of an amendment to this Master Declaration or any Supplemental Declaration affected by the withdrawal, and an amendment to the Plat or any Supplemental Plat affected by the withdrawal. Upon the recording of such amendments, the withdrawn Lots, Units and/or Master Common Areas shall no longer be part of the Common Interest Community or subject to this Master Declaration or any applicable Supplemental Declaration in any way.

Each Declarant-owned Lot or Unit, and each Declarant-owned Master Common Area, is hereby described and declared to be a separate portion of real estate that is subject to this right of withdrawal, and Declarant expressly reserves the right to withdraw one or more Declarant-owned Lots or Units and/or all or a portion of any Declarant-owned Master Common Area from the Common Interest Community. Once a Lot or Unit has been conveyed to a Lot or Unit Owner other than Declarant, that portion of the real estate is no longer subject to this right of withdrawal. Likewise, once a Master Common Area has been conveyed to the Master Association, that portion of the real estate is no longer subject to this right of withdrawal.

The withdrawn property shall be subject to whatever easements, if any, may be reasonably necessary for access or utility service to, or operation or management or use or enjoyment of, the Common Interest Community or any part thereof. Similarly, the owner(s) of the withdrawn property shall have whatever easements, if any, are reasonably necessary for access or utility service to or for use or enjoyment of the withdrawn property over and across the Master Common Areas within the Common Interest Community. At the time any withdrawal of real estate is accomplished, Declarant shall record whatever documents are necessary to establish such reciprocal easements in the Garfield County records.

6.9 Effect of Expansion or Contraction. In the event any real property is annexed to the Common Interest Community as provided herein, or if any real property is withdrawn from the Common Interest Community as provided herein, the definitions used in this Master Declaration shall be automatically expanded or contracted to encompass and refer to the Common Interest Community as expanded or contracted. e.g., "Common Interest Community" shall mean the real property described herein plus any additional real property annexed thereto and/or minus any real property withdrawn therefrom; similarly, "Master Common Areas" and "Lots" and "Units" shall mean and include those areas as described herein as well as or less those so designated on any Supplemental Declaration or Supplemental Plat (or any amendment to a Declaration or Plat) relating to any real property which is annexed or withdrawn pursuant to this Article 6. Master Common Areas shall also mean and include all properties located from time to time within the Annexed Property that fall within the definition of Master Common Areas contained in this Master Declaration, less any Master Common Areas removed by withdrawal. References to this Master Declaration shall mean this Master Declaration as so supplemented by any Supplemental Declaration and any Supplemental Plat, or as amended. Every Owner of a Lot or Unit in the area annexed to the Common Interest Community shall, by virtue of ownership of such Lot or Unit and upon recordation of the Supplemental Declaration annexing such property to the Common Interest Community, be a member of the Master Association and, except as may be otherwise provided in the Supplemental Declaration, shall be entitled to the same rights and privileges and subject to the same duties and obligations as any other Master Association Member. Regular Assessments for Lots or Units within the Annexed Property shall commence as of the date of the Recording of the Supplemental Declaration and shall be prorated as of such date.

The recording of amendments to the Master Declaration and Plat, whether in the form of Supplemental Declarations and Supplemental Plats or otherwise, which reallocate the Allocated Interests in the Common Interest Community, shall automatically:

- (a) Vest in each existing Lot and Unit Owner the reallocated Allocated Interests appurtenant to the Owner's Lot or Unit; and
- (b) Vest in each existing Mortgagee a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Lot or Unit.

6.10 Subdivision of Blocks or Lots or Units; Conversions of Lots or Units into Master Common Area. Declarant shall have and hereby reserves the right to subdivide any Declarant-owned Block or Lot or Unit located within the Common Interest Community to create additional Lots or Units, subject to the maximum number of Lots and Units set forth in the Recitals to this Master Declaration; provided, however, that such subdivision is consistent with the P.U.D. for River Valley Ranch or that said P.U.D. is amended if necessary, and that the subdivision is accomplished in compliance with Town subdivision requirements. Declarant shall also have and hereby reserves the right to convert one or more Lots or Units into Common Area. Upon the subdivision of any Block or Lot or Unit or the conversion of any Lot(s) or Unit(s) into Master Common Area in accordance with the terms and conditions contained herein, the Allocated Interests of all Owners shall be reallocated in accordance with the definition of Allocated Interests contained in this Master Declaration.

6.11 Other Reserved Development Rights. The right with respect to all or any Declarant-owned portion of the Common Interest Community (including the Lots and Units) to (a) create Master Common Areas or Limited Common Areas; (b) create additional Lots or Units, subject to the maximum set forth in the Recitals to this Master Declaration; (c) subdivide Lots or Units as set forth in Section 6.10 above, (d) combine Lots or Units, (e) convert Lots or Units into Master Common Areas, (f) convert Master Common Areas into Lots or Units, and (g) create Common Elements and/or Limited Common Elements.

6.12 Transfer of Declarant's Reserved Rights. Any one or more rights created or reserved for the benefit of Declarant under this Article 6 or elsewhere in this Master Declaration or in any Supplemental Declaration may be transferred to any Person by an instrument describing the right or rights transferred and Recorded in Garfield County. Such instrument shall be executed by the transferor Declarant and the transferee. The provisions of Section 38-33.3-304 of the Act shall apply to any transfer of special Declarant rights.

6.13 Termination of Declarant's Reserved Rights. With the exception of Declarant's right to appoint or remove Executive Board members and officers of the Master Association, which is addressed in Section 8.5 below, the rights reserved to Declarant in this Article 6 shall automatically terminate and expire upon the first to occur of (i) the date which is thirty (30) years after the Recording of this Master Declaration, or (ii) Declarant's relinquishment and surrender of such rights by Recorded instrument. Declarant may from time to time relinquish and surrender one or more but less than all of the reserved rights, in which event the unrelinquished reserved rights shall remain fully valid and effective for the remainder of the term thereof. The Master Association may extend the time period for exercise of a development right, or reinstate a lapsed development right, subject to whatever terms, conditions and limitations the Master Association may impose on the subsequent exercise of the development right. The extension or renewal of a development right and any terms, conditions and limitations shall be included in an amendment executed by Declarant or the owner of the real estate subject to the development right and the Master Association.

ARTICLE 7 EASEMENTS

7.1 Easements for Incidental Encroachments. If any portion of an Improvement approved by the Development Review Committee encroaches in its approved location upon a Master Common Area, including any future encroachments arising or resulting from the repair or reconstruction of an Improvement subsequent to its damage, destruction or condemnation, a valid easement on the surface and for subsurface support below such surface and for the maintenance of same, so long as it stands, shall and does exist for such incidental encroachment.

7.2 Blanket Master Association Utility and Drainage Easement Over Master Common Areas. There is hereby created, granted and reserved to the Master Association, its agents, employees and assigns, a perpetual, non-exclusive blanket easement over, across, upon and under the Master Common Areas for the construction, installation, operation, maintenance, repair, removal and replacement of utilities and utility lines, irrigation lines and systems and water features, drainage systems, pipes, wires, circuits, conduits, meters, facilities and systems for the benefit of the Common Interest Community or any part thereof, including but not limited to drainage, domestic water, irrigation water, sewer, gas, telephone, electricity, cable TV and other master TV and communication systems, if any, together with an easement for access, ingress and egress to accomplish such purposes. The Master Association or other person or entity exercising such utility and drainage easement rights shall be obligated to restore, reseed, replant and/or re-landscape the surface of the disturbed area to as close to its original condition as possible, as promptly as possible following completion of any utility or drainage work.

7.3 Master Association Administrative Easement Over Master Common Areas. There is hereby created, granted and reserved to the Master Association, its agents, employees and assigns, a perpetual, non-exclusive easement over, across, upon and under the Master Common Areas and a right to use the Master Common Areas for purposes of enabling the Master Association to perform the duties and functions which it is obligated or permitted to perform pursuant to this Master Declaration.

7.4 Declarant Easement Over Master Common Areas. There is hereby created, granted and reserved to Declarant and its successors and assigns a non-exclusive easement over, across, upon and under all Master Common Areas (including without limitation all easements benefiting the Master Association), including a right of access, ingress and egress thereto, and a right to use such Master Common Areas, and each and every part thereof, for all purposes reasonably related to (a) Declarant's development, improvement, maintenance, management, marketing and sale of the Common Interest Community and all portions thereof, including any annexations thereto, and/or (b) Declarant's exercise and implementation of the rights reserved to Declarant under this Master Declaration or any Supplemental Declaration, and/or (c) the discharge by Declarant of any of its obligations under this Master Declaration or any Supplemental Declaration or under the Subdivision Improvements Agreements referred to in Section 6.1 above, or any other Declarant obligations relating to the Common Interest Community. Declarant's rights with respect to this easement shall terminate upon the first to occur of (i) the date which is thirty (30) years after the Recording of this Master Declaration, or (ii) Declarant's relinquishment of all or a portion of this easement right by Recorded instrument.

7.5 Ditch Easements. There are hereby created, granted and reserved for the use and benefit of the owners from time to time of the irrigation systems, ditches, ditch laterals, ponds or other water storage facilities that may exist from time to time within the Common Interest Community (and of the water rights therein) perpetual, non-exclusive easements within the Ditch Easements shown on the Plat or any Supplemental Plat, and if not shown on a Plat then along the courses of said ditches and laterals and in the locations of said systems, ponds and facilities, as they may be realigned or

relocated from time to time, subject to the specific provisions set forth in easement grants for any such facilities and/or on a Plat.

7.6 Aesthetic Ditch Easements. Except for the Rockford Ditch, Town of Carbondale Ditch and Weaver and Leonhardy Ditch, there are hereby created, granted and reserved for the benefit of the Master Association and all Lot and Unit Owners and Occupants, perpetual, non-exclusive aesthetic easements along the courses of the various irrigation ditches that traverse the Common Interest Community, in the present locations of said ditches or as they may be realigned, for purposes of visually enjoying said ditches as water features within the Common Interest Community. These easements shall be subject at all times to the legal rights of the owners of said ditches and of the water rights entitled to flow therein, and Declarant makes no representations or warranties that any of said ditches will continue to exist in their present location, or if they do exist, that any particular level of water will continue to flow therein. Furthermore, the beneficiaries of these aesthetic easements shall have no right to alter or interfere with said ditches in any way.

7.7 Utility, Drainage, and/or Irrigation Easements. There are hereby created, granted and reserved to the Master Association, the Golf Owner, the Town, and appropriate public utilities, perpetual, non-exclusive easements over, upon, across and under those portions of the Common Interest Community that are designated "Utility Easement", "Irrigation Easement", "Drainage and Irrigation Easement", or "Utility, Drainage and Irrigation Easement" on the Plat or any Supplemental Plat. Utility Easements may be used for the installation, operation, maintenance, repair, removal or replacement of underground utility lines (and related surface facilities). Drainage and Irrigation Easements may be used for the installation, operation, maintenance, repair, removal or replacement of drainage and irrigation systems and facilities. Except as may otherwise be provided in any Subdivision Improvements Agreement between Declarant and the Town or in any other separate agreement between Declarant and a utility supplier, the party causing the disturbance shall be obligated to restore, repair, reseed and/or relandscape any area disturbed by the exercise of these easement rights to as close to its original condition as possible, as promptly as possible following the completion of any work within a Utility, Drainage or Irrigation Easement.

7.8 Public Parks. By general warranty deed recorded in Book 993 at Page 905 of the Garfield County records, Declarant has conveyed to the Town the Public Parks for the use and enjoyment of the general public. Where Public Parks are concerned, Owners and Occupants of Lots or Units within the Common Interest Community are merely members of the general public, and have the same and no greater or lesser rights with respect to Public Parks than any other members of the general public.

The Master Association will enter into an agreement with the Town and a third party wherein the third party will agree to be responsible for maintaining the Public Parks and the improvements thereon in a clean and attractive condition and the Master Association will agree to pay the costs associated with such maintenance. Such maintenance shall include the elements normally associated with maintenance, repair and replacement of the Public Parks, including planting, mowing and watering of lawns, providing trash receptacles and trash removal, litter removal, weed control, and watering, trimming, removal and replacement of trees and shrubs. The cost and expense shall be included in the budget.

7.9 M.C.A. Parks. With respect to the areas designated as "M.C.A. Parks" on the Plat or on any Supplemental Plat, title shall be conveyed to the Master Association upon recording of the Plat or Supplemental Plat, such areas shall thereafter be considered "Master Common Areas", and there is hereby created, granted and reserved for the use and benefit of the Master Association, and the Owners and Occupants, a perpetual, non-exclusive easement over, upon and across said M.C.A. Parks. Said M.C.A. Parks may be used and enjoyed for passive recreational purposes, and shall be improved and maintained by the Master Association.

With respect to the areas designated as M.C.A. islands within street cul-de-sacs as shown on the Plat or any Supplemental Plat, title shall be conveyed to the Master Association upon recording of the Plat or Supplemental Plat, and such areas shall thereafter be considered "Master Common Areas". Said M.C.A. islands may be used and enjoyed by the Master Association for landscaping purposes and such other purposes as may be deemed appropriate by this Master Association, and shall be improved and maintained by the Master Association.

7.10 Golf Easements. The Golf Course Play and Operational Easement reserves or creates certain permanent, non-exclusive easements over, across and upon portions of the Common Interest Community, for the use and benefit of the Golf Owner and the Golf Land. The Golf Easements shall be used for the purposes and in the manner provided in the Golf Course Play and Operational Easement, and shall be maintained by the Golf Owner.

7.11 Blanket Emergency Services Easement. There is hereby created, granted and reserved for the use and benefit of all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons, now or hereafter serving the Common Interest Community and its Owners and Occupants, a perpetual, non-exclusive blanket Emergency Services Easement over, upon, along and across all Master Common Areas and all other properties and areas within the Common Interest Community, for use in the lawful performance of their duties.

7.12 Easements Deemed Created. All conveyances of Lots, Units and Master Common Areas hereafter made, whether by Declarant or otherwise, shall be deemed and construed to grant and reserve all of the easements referred to in this Article 7 and elsewhere in this Master Declaration and in any Supplemental Declaration, even though no specific reference to such easements appears in the conveyancing instruments.

7.13 Recorded Easements and Licenses. In addition to the easements described in this Article 7 and elsewhere in this Master Declaration, the recorded easements and licenses appurtenant to or included in the Common Interest Community are set forth on Exhibit E attached hereto and made a part hereof by this reference.

ARTICLE 8 MASTER ASSOCIATION

8.1 Master Association. The Master Association has been formed as a Colorado nonprofit corporation under the Colorado Nonprofit Corporation Act to manage the affairs of the Common Interest Community. The Master Association shall serve as the governing body for all of the Owners and Occupants for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of the Master Common Areas, the Limited Common Areas, the payment for the costs of the maintenance of the Public Parks, the levying and collection of Assessments for Common Expenses and other expenses of the Master Association, and such other matters as may be provided in this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, and Master Rules and Regulations. The Master Association shall not be deemed to be conducting a business of any kind, and all funds received by the Master Association shall be held and applied by it for the Owners in accordance with the provisions of this Master Declaration, the Articles and the Bylaws.

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8.2 Master Association Executive Board. The affairs of the Master Association shall be managed by an Executive Board. The number, term, and qualifications of the members of the Executive Board shall be fixed in the Articles of Incorporation or the Bylaws. [A quorum shall be deemed present throughout any meeting of the Executive Board if persons entitled to cast at least fifty percent (50%) of the votes on the Executive Board are present at the beginning of the meeting.] With the exception of matters that may be discussed in executive session, as set forth in Section 38-33.3-308(3-7) of the Act, all regular and special meetings of the Executive Board or any committee thereof

shall be open to attendance by all Members of the Master Association or their representatives. Without limiting the generality of the foregoing, no Master Rule or Regulation may be validly adopted during an executive session.

The Executive Board shall have all of the powers, authority and duties granted or delegated to it by the Act, this Master Declaration, any Supplemental Declaration, the Articles or Bylaws. Except as provided in the Act, this Master Declaration, any Supplemental Declaration, the Articles or Bylaws, the Executive Board may act in all instances on behalf of the Master Association.

The Executive Board may not, however, act on behalf of the Master Association to amend this Master Declaration, to terminate the Common Interest Community, or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

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The Executive Board may, by resolution, delegate portions of its authority to officers of the Master Association, but such delegation of authority shall not relieve the Executive Board of the ultimate responsibility for management of the affairs of the Master Association. If appointed by Declarant, in the performance of their duties, the members of the Executive Board and the officers of the Master Association are required to exercise the care required of fiduciaries of the Lot and Unit Owners. If not appointed by Declarant, no member of the Executive Board and no officer shall be liable for actions taken or omissions made in the performance of such member's or officer's duties except for wanton and willful acts or omissions. [

8.3 Membership in Master Association. There shall be one Membership in the Master Association for each Lot and Unit within the Common Interest Community. The Person or Persons who constitute the Owner of a Lot or Unit shall automatically be the holder of the Membership appurtenant to that Lot or Unit, and shall collectively be the "Member" of the Master Association with respect to that Lot or Unit, and the Membership appurtenant to that Lot or Unit shall automatically pass with fee simple title to the Lot or Unit. Declarant shall hold a Membership in the Master Association for each Lot or Unit owned by Declarant. Membership in the Master Association shall not be assignable separate and apart from fee simple title to a Lot or Unit, and may not otherwise be separated from ownership of a Lot or Unit.

8.4 Voting Rights of Members. Each Lot and each Unit in the Common Interest Community shall be entitled to one (1) vote in the Master Association, i.e., one (1) vote per Owner/Member. Occupants of Lots or Units, or of Caretaker or Accessory Dwelling Units shall not have voting rights. If title to a Lot or Unit is owned by more than one (1) Person, such persons shall collectively vote their interest as a single vote. If only one of the multiple owners of a Lot or Unit is present at a Master Association meeting, such owner is entitled to cast the vote allocated to that Lot or Unit. If more than one of the multiple owners is present, the vote allocated to that Lot or Unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any of the multiple owners casts the vote allocated to that Lot or Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Lot or Unit. In the event of a protest being made by one or more multiple owners, and a majority of the multiple owners of the Lot or Unit cannot agree on how to cast their vote, any vote cast for that Lot or Unit shall be null and void with regard to the issue being voted upon. Such multiple owners and their Lot or Unit shall nevertheless be counted in determining the presence of a quorum with respect to the issue being voted upon.

In accordance with Section 38-33.3-309 of the Act, and except as may otherwise be provided in the By-Laws, a quorum is deemed present throughout any meeting of the Members of the

Master Association if persons entitled to cast at least twenty percent (20%) of the votes in the Master Association are present, in person or by proxy, at the beginning of the meeting.

Provided a quorum of Members entitled to vote is present in person or by proxy, the affirmative vote of a majority of the Members so present shall constitute approval of any matter voted upon unless a different number is required on a particular matter by the Act, this Master Declaration, any Supplemental Declaration, the Articles, or the Bylaws.

The vote allocated to a Lot or Unit may be cast pursuant to a proxy duly executed by a Lot or Unit Owner. If a Lot or Unit is owned by more than one person, each owner of the Lot or Unit may vote or register protest to the casting of a vote by the other owners of the Lot or Unit through a duly executed proxy. A Lot or Unit Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Master Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy shall terminate eleven (11) months after its date, unless a different termination date is otherwise set forth on its face.

No votes allocated to a Lot or Unit owned by the Master Association may be cast.

The Lot and Unit Owners, by a vote of sixty-seven percent (67%) of all Members present and entitled to vote at any meeting of the Lot and Unit Owners at which a quorum is present, may remove any member of the Executive Board with or without cause, other than a member appointed by Declarant.

8.5 Period of Declarant Control of Master Association. Notwithstanding any other provisions hereof, Declarant shall have and hereby reserves the power to appoint and remove, in its sole discretion, the members of the Executive Board and the officers of the Master Association during the period commencing upon the Recording of this Master Declaration and terminating no later than the earlier of (a) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots and Units that may be created to Lot or Unit Owners other than Declarant; or (b) two (2) years after the last conveyance of a Lot or Unit by the Declarant in the ordinary course of business; or (c) two (2) years after any right to add new Lots or Units was last exercised by Declarant.

During said Period of Declarant Control of the Master Association:

(a) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots and Units that may be created to Lot or Unit Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board must be elected by Lot and Unit Owners other than Declarant.

(b) Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots and Units that may be created to Lot or Unit Owners other than Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board must be elected by Lot and Unit Owners other than Declarant.

At any time prior to the termination of the Period of Declarant Control of the Master Association, the Declarant may voluntarily surrender and relinquish the right to appoint and remove officers and members of the Executive Board, but in such event Declarant may require, for the duration of the Period of Declarant Control of the Master Association, that specified actions of the Master Association or the Executive Board, as described in a Recorded instrument executed by Declarant, be approved by Declarant before they become effective. As to such actions, Declarant may give its approval or disapproval in its sole discretion and option, and its disapproval shall invalidate any such action by the Executive Board or the Master Association. Not later than the termination of the Period of Declarant Control of the Master Association, the Lot and Unit Owners (including Declarant) shall

elect an Executive Board of at least three (3) members, at least a majority of whom must be Lot or Unit Owners other than Declarant or designated representatives of Lot and Unit Owners other than Declarant, and the Executive Board shall elect the officers, with such Executive Board members and officers to take office upon election. Pursuant to Section 38-33.3-303(9) of the Act, within sixty (60) days after Lot or Unit Owners other than Declarant elect a majority of the members of the Executive Board, Declarant shall deliver to the Master Association all property of the Lot or Unit Owners and of the Master Association held or controlled by Declarant, including without limitation the following items:

(a) The original or a certified copy of the recorded Master Declaration as amended, the Master Association's Articles of Incorporation, Bylaws, minute books, other books and records, and any rules and regulations which may have been promulgated;

(b) An accounting for Master Association funds and financial statements from the date the Master Association received funds and ending on the date the Period of Declarant Control ends. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the accountant's letter, expressing either the opinion that the financial statements present fairly the financial position of the Master Association in conformity with generally accepted accounting principles or a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles and the reasons therefor. The expense of the audit shall not be paid for or charged to the Master Association.

(c) The Master Association funds or control thereof;

(d) All of the Declarant's tangible personal property that has been represented by the Declarant to be the property of the Master Association or all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Master Common Areas, and inventories of these properties;

(e) A copy, for the nonexclusive use by the Master Association, of any plans and specifications used in the construction of the improvements in the Common Interest Community;

(f) All insurance policies then in force, in which the Lot or Unit Owners, the Master Association, or its directors and officers are named as insured persons;

(g) Copies of any certificates of occupancy that may have been issued with respect to any improvements comprising the Common Interest Community;

(h) Any other permits issued by governmental bodies applicable to the Common Interest Community and which are currently in force or which were issued within one year prior to the date on which Lot and Unit Owners other than the Declarant took control of the Master Association;

(i) Written warranties of the contractor, subcontractors, suppliers, and manufacturers that are still effective;

(j) A roster of Lot and Unit Owners and Occupants and Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records.

(k) Employment contracts in which the Master Association is a contracting party; and

(I) Any service contract in which the Master Association is a contracting party or in which the Master Association or the Lot or Unit Owners have any obligation to pay a fee to the persons performing the services.

8.6 **Termination of Contracts and Leases of Declarant.** The following contracts and leases, if entered into before the Executive Board elected by the Lot and Unit Owners pursuant to Section 38-33.3-303(7) takes office, may be terminated without penalty by the Master Association at any time after the Executive Board elected by the Lot and Unit Owners pursuant to said Section 38-33.3-303(7) takes office, upon not less than ninety (90) days notice to the other party: (i) Any management contract, employment contract or lease of recreational or parking areas or facilities; (ii) Any other contract or lease between the Master Association and Declarant or an affiliate of Declarant; or (iii) Any contract or lease that is not bona fide or was unconscionable to the Lot and Unit Owners at the time entered into under the circumstances then prevailing.

8.7 **Master Association/Subassociations.** Every Supplemental Declaration in which a Subassociation is organized and/or established shall contain sufficient language pursuant to Section 38-33.3(220) of the Act delegating responsibilities and control and subordinating it to the Master Association and to this Master Declaration to effectuate the purposes of this Master Declaration. Each Supplemental Declaration shall provide that the Executive Board shall be elected after the termination of the Period of Declarant Control of the Master Association by all Lot and Unit Owners of all Common Interest Communities subject to the Master Declaration. If both a Subassociation and the Master Association have liens for Assessments created at any time on the same Lots or Units, the lien of the Master Association shall take priority over the lien of any Subassociation.

ARTICLE 9 POWERS AND DUTIES OF MASTER ASSOCIATION

9.1 **General Powers and Duties of Master Association.** The Master Association shall have and may exercise all of the powers and rights and duties of a Colorado corporation formed under the Colorado Nonprofit Corporation Act, and all of the powers and duties provided for in the Act including those enumerated in Section 38-33.3-302 of the Act, as such laws may be amended from time to time, subject only to the limitations upon such powers as are contained in this Master Declaration. More specifically, and without limiting the generality of the foregoing, the Master Association shall have all of the powers and duties necessary (i) for the administration, management, governance and operation of the Common Interest Community and the Master Association, (ii) to own, operate, improve, maintain, repair, manage, lease, encumber, and otherwise deal with the Master Common Areas, (iii) to improve, maintain and repair the Limited Common Areas, (iv) to pay for the costs to maintain the Public Parks, and (v) to do any and all lawful things that may be authorized, required or permitted to be done by the Master Association under the Act and/or under the provisions of this Master Declaration and of any Supplemental Declarations.

9.2 **Power to Grant Easements.** The Master Association shall have the power to grant access, utility, drainage, irrigation, and such other easements upon, over, across or under the Master Common Areas as it deems necessary or desirable for the benefit of the Common Interest Community or parts thereof, or for the benefit of all or less than all of the Lot or Unit Owners, or for the benefit of lands situated outside the Common Interest Community.

9.3 **Power to Convey or Encumber Master Common Areas.** The Master Association shall have the power to convey, or subject to a security interest, portions of the Master Common Areas if Owners entitled to cast at least eighty percent (80%) of the votes in the Master Association, including eighty percent (80%) of the votes allocated to Lots and Units not owned by Declarant, agree to that action, except that all Owner(s) of Lots or Units to which any Limited Common Area or Limited Common Element is allocated must agree in order to convey that Limited Common Area or Limited

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Common Element or to subject it to a security interest. Proceeds of the sale are an asset of the Master Association.

~~(An agreement to convey, or subject to a security interest, Master Common Areas must be evidenced by the execution of an agreement, or ratifications thereof, in the same manner as a deed, by the requisite number of Lot and Unit Owners. The agreement must specify a date after which the agreement will be void unless Recorded before that date. The agreement and all ratifications thereof must be Recorded in the County, and is effective only upon Recordation.)~~ The Master Association, on behalf of the Lot and Unit Owners, may contract to convey an interest in a Master Common Area, but the contract is not enforceable against the Master Association until approved, executed and ratified pursuant to this Section 9.3. Thereafter, the Master Association shall have all the powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments. Unless in compliance with this Section 9.3, any purported conveyance, encumbrance, judicial sale, or other transfer of Master Common Areas is void. A conveyance or encumbrance of Master Common Areas pursuant to this Section 9.3 shall not deprive any Lot or Unit of its rights of (i) access, ingress and egress to the Lot or Unit, and (ii) support of the Lot or Unit. A conveyance or encumbrance of Master Common Areas pursuant to this Section 9.3 shall not affect the priority or validity of preexisting encumbrances.

9.4 General Power to Provide Services and Facilities to Owners. The Master Association shall have the power, but not the obligation, to acquire, construct, operate, manage, maintain, repair and administer services and facilities for the benefit of the Owners, or some of them, including, without limitation, security, animal control, vegetation control, insect and pest control, television service, parking facilities, transportation facilities, snow removal, signage, including entry monuments, lighting, including seasonal lighting, interior and perimeter fencing, landscape walls, landscaping services and facilities, drainage facilities, including retention and detention ponds, irrigation facilities, water features, trash and solid waste disposal services, including recycling programs, utility services, recreational facilities and services, maintenance, and such other services, functions and facilities as are deemed appropriate by the Executive Board. The foregoing list shall not be deemed to be a representation by Declarant of services or facilities that will in fact be available for use by the Owners. The Master Association may enter into such agreements and arrangements as it may deem appropriate with any provider of utilities or services to the Common Interest Community or any portion thereof, including any special districts that provide such services, and may form or join any districts created to provide such services.

9.5 Power to Provide Services to Subassociations. The Master Association shall have the power, but not the obligation, to provide services to Subassociations. Such services to any Subassociation shall be provided pursuant to an agreement in writing between the Master Association and such Subassociation which shall provide for the payment by such Subassociation to the Master Association of the costs and expenses of the Master Association of providing such services to the Subassociation including a fair share of the overhead expenses of the Master Association. Services which may be provided to a Subassociation may include, without limitation, (a) the construction, care, operation, management, maintenance, repair, and replacement of Improvements owned by the Subassociation; (b) the providing of services to the area covered by the Subassociation; (c) the enforcement of the provisions of any Supplemental Declaration for, on behalf of, and in the name of the Subassociation; (d) the collection of assessments for, in the name of, and on behalf of a Subassociation; (e) the payment of taxes for a Subassociation with funds of the Subassociation; (f) the obtaining of insurance for a Subassociation; (g) the collection of charges for use of facilities of a Subassociation; and (h) the appointment and supervision of a manager or managers for a Subassociation.

9.6 Power to Provide Special Services to Owners. The Master Association shall have the power to provide services to an Owner or group of Owners. Any service or services to an Owner or

group of Owners shall be provided pursuant to an agreement in writing, or through one or more Supplemental Declarations, which shall provide for payment to the Master Association by such Owner or group of Owners of the costs and expenses of the Master Association in providing such services, including a fair share of the overhead expenses of the Master Association, and shall contain reasonable provisions assuring that the obligation to pay for such services shall be binding upon any heirs, personal representatives, successors and assigns of the Owner or group of Owners and that the payment for such services shall be secured by a lien on the Lot(s) or Unit(s) of the Owner or group of Owners.

9.7 Power to Charge for Special Master Common Area Uses and Special Master Association Services. In addition to its power to establish user fees and restrictions governing the use of recreational facilities within the Resident Village Area by Occupants or by Persons who are not Owners or Occupants, The Master Association shall have the power to establish reasonable admission or other fees or charges for any special or extraordinary Master Common Areas uses or Master Association services such as special parking privileges, special recreation facilities, conference rooms, instruction, or similar uses beyond the ordinary use of Master Common Areas and ordinary Master Association services. Such charges or fees shall be set forth in schedules of charges and fees adopted from time to time by the Executive Board.

9.8 Power to Acquire Property and Construct Improvements. The Master Association may acquire, hold, encumber and/or convey any right, title or interest in or to real or personal property, including Improvements. The Master Association may construct Improvements on Master Common Areas and may demolish existing Improvements thereon.

9.9 Power to Adopt Master Rules and Regulations. The Master Association may adopt, amend, repeal, and enforce such Master Rules and Regulations as the Executive Board may consider necessary, desirable or appropriate from time to time with respect to the interpretation and implementation of this Master Declaration, the operation of the Master Association, the use and enjoyment of Master Common Areas (including Limited Common Areas), and the use of any other property within the Common Interest Community, including Lots and Units. Any such Master Rules and Regulations shall be effective only upon adoption by resolution at an open meeting of the Executive Board. Notice of the adoption, amendment, or repeal of any Master Rule or Regulation shall be given in writing to each Owner, and copies of the currently effective Master Rules and Regulations shall be made available to each Owner and Occupant upon request and payment of the reasonable expense of copying the same. Each Owner and Occupant (and all other Persons who are authorized users of any part of the Master Common Areas) shall comply with such Master Rules and Regulations, and each Owner shall see that Occupants claiming through such Owner comply with such Master Rules and Regulations. Such Master Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Master Declaration. In the event of conflict between the Master Rules and Regulations and the provisions of this Master Declaration, the provisions of this Master Declaration shall govern. Such Master Rules and Regulations may establish penalties (including the levying and collection of fines) for the violation of such Master Rules and Regulations or of any provision of this Master Declaration, the Articles, or the Bylaws.

9.10 Power to Employ Employees, Agents, Consultants and Managers. The Master Association shall have the power to employ and discharge employees, agents, independent contractors and consultants, including lawyers and accountants. The Master Association shall also have the power to retain and pay for the services of a manager or managers, which may be an affiliate of Declarant, to undertake any of the administrative or managerial responsibilities for which the Master Association may have responsibility under this Master Declaration, to the extent deemed advisable by the Master Association, and may delegate any of its duties, powers, or functions to any such manager. Notwithstanding any delegation to a manager of any duties, powers, or functions of the Master Association, the Master Association and its Executive Board shall remain ultimately responsible for the performance and exercise of such duties, powers, and functions.

9.11 Power to Assign Future Income. The Master Association shall have the power to assign its right to future income, including the right to receive Regular Assessments, but only following the affirmative vote of the Owners of Lots and Units to which at least fifty-one (51) percent of the votes in the Master Association are allocated, at a duly-called meeting of the Members of the Master Association.

9.12 Duty to Accept Property and Facilities Transferred by Declarant. The Master Association shall accept title to any real property, or interests in real property, including any Improvements and personal property thereon, and including water rights and related facilities, transferred to the Master Association by Declarant, or Declarant's successors or assigns. Except as otherwise specifically approved by resolution of the Executive Board, no property or interest in property transferred to the Master Association by Declarant shall impose upon the Master Association any obligation to make monetary payments to Declarant or any affiliate of Declarant, including, but not limited to, any purchase price, rent, charge, or fee.

9.13 Duties Regarding Master Common Areas, Limited Common Areas, and Public Parks. The Master Association shall manage, operate, care for, maintain, repair and replace all Master Common Areas and keep the same in a clean and attractive condition for the benefit and enjoyment of the Owners. Except as otherwise specifically provided in this Master Declaration or in any Supplemental Declaration, the Master Association shall also manage, operate, care for, maintain and repair the Limited Common Areas. The Master Association shall also pay for the costs to maintain the Public Parks, as provided in Section 7.8 above.

9.14 Duty to Pay Taxes. The Master Association shall pay any taxes and assessments levied upon the Master Common Areas (excepting the Limited Common Areas) and any other taxes and assessments payable by the Master Association before they become delinquent. The Master Association shall have the right to contest any such taxes or assessments by appropriate legal proceedings prior to no sale or foreclosure of any lien for such tax or assessment occurs and provided further that the Master Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful.

9.15 Duty to Keep Master Association Records. The Master Association shall keep financial records in sufficient detail to enable the Master Association to carry out its responsibilities under this Master Declaration and to comply with the requirements of the Act, including, but not limited to, current records of paid and unpaid Assessments for each Lot and Unit. All financial and other records of the Master Association shall be made reasonably available for examination by the Owners and the authorized agents of the Owners.

9.16 Duty to Support Development Review Committee. The Master Association shall take such actions, provide such funds, and do such other things as may be necessary or appropriate from time to time to support and assist the Development Review Committee in the performance of its responsibilities under this Master Declaration, and shall cooperate with said Committee to the fullest extent possible in such matters.

9.17 Insurance. Commencing not later than the time of the first conveyance of a Lot or Unit to a Person other than Declarant, the Master Association shall maintain and keep in effect at all times the following types of insurance, and the cost of said coverage shall be paid by the Master Association as a Common Expense:

- (a) **Casualty Insurance.** To the extent reasonably available, property insurance on all Master Common Areas, including but not limited to Improvements and personalty, owned or leased by the Master Association, and on all property that must become Master Common

Areas. Such insurance shall be for broad form covered causes of loss, including casualty, fire, and extended coverage insurance including, if available at reasonable cost, coverage for vandalism and malicious mischief and, if available and if deemed appropriate, coverage for flood, earthquake, and war risk. Such insurance shall, to the extent reasonably obtainable, be for the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavation, foundations and other items normally excluded from property policies.

(b) *Liability Insurance.* Comprehensive general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, maintenance or management of the Master Common Areas (including the Limited Common Areas), and ditches, and the payment for the costs of the maintenance of the Public Parks and covering public liability or claims of liability for injury to persons and/or property, and death of any person or persons, and, if the Master Association owns or operates motor vehicles, public liability or claims of liability for bodily injury (including death) and property damage arising as a result of the ownership and operation of motor vehicles. Such liability insurance for other than motor vehicle liability shall, to the extent reasonably obtainable, (a) have limits of not less than Five Million Dollars (\$5,000,000.00) per person and Five Million Dollars (\$5,000,000.00) per occurrence; (b) insure the Executive Board, the Development Review Committee, the Master Association and its officers, the manager, if any, and their respective employees, agents and all Persons acting as agents; (c) include the Declarant as an additional insured as its interests may appear; (d) include the Owners as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use, maintenance or management of Master Common Areas or Public Parks; (e) cover claims of one or more insured parties against other insured parties; (f) be written on an occurrence basis; and (g) shall name as additional insureds such other parties as may be required by specific agreements..

(c) *Contractual Liability Insurance.* To the extent reasonably available, contractual liability insurance covering such contractual obligations and liabilities, indemnifications, hold harmless agreements, and agreements to defend, as the Master Association may have or be a party to from time to time, with coverage of at least Two Million Dollars (\$2,000,000.00) or such greater amount as the Executive Board shall determine to be appropriate from time to time.

(d) *Fidelity Bonds.* To the extent reasonably available, fidelity bond coverage against dishonest acts on the part of directors, officers, managers, trustees, agents, employees or volunteers responsible for handling funds belonging to or administered by the Master Association. If funds of the Master Association are handled by a management agent, then fidelity bond coverage may also be obtained for the officers, employees, or agents thereof handling or responsible for Master Association funds. The fidelity bond or insurance must name the Master Association as the named insured and shall be written to provide protection in an amount no less than the lesser of (a) one-half times the Master Association's estimated annual operating expenses and reserves, (b) a sum equal to three (3) months aggregate Regular Assessments, plus reserves, as calculated from the current Budget of the Master Association; or (c) the estimated maximum amount of funds, including reserves, in the custody of the Master Association (and its management agent) at any one time. In connection with such coverage, an appropriate endorsement to the policy to cover any person who serves without compensation shall be added if the policy would not otherwise cover volunteers.

(e) *Worker's Compensation.* A Worker's Compensation policy, if necessary, to meet the requirements of law.

(f) *Directors and Officers Liability Insurance.* Directors and officers liability insurance with coverage of at least Two Million Dollars (\$2,000,000.00) or such greater

amount as the Executive Board shall approve for all Master Association, Executive Board and Development Review Committee directors, officers, members and managers, for any and all errors and/or omissions and other covered actions that occur during their tenure in office employment. This insurance coverage shall be mandatory.

(g) *Other Insurance.* Such other insurance in such amounts as the Executive Board shall determine, from time to time, to be appropriate to protect the Master Association or the Lot and Unit Owners, or as may be required by the Act.

(h) *General Provisions Respecting Insurance.* Insurance obtained by the Master Association may contain such deductible provisions as good business practice may dictate. If the insurance described is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefor having been obtained by it, the Master Association shall promptly cause notice of that fact to be delivered or sent prepaid by U.S. Mail to all Owners.

Insurance policies carried pursuant to Sections 9.17(a) and 9.17(b) above shall provide that (i) each Owner is an insured Person under the policy with respect to liability arising out of such Owner's interest in the Master Common Areas or membership in the Master Association; (ii) the insurer waives its rights of subrogation under the policy against the Master Association, each Owner, and any Person claiming by, through, or under such Owner or any other director, agent, or employee of the foregoing; (c) no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Master Association, will void the policy or be a condition to recovery under the policy; and (d) if at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Master Association's policy shall be the primary insurance. An insurer that has issued an insurance policy for the insurance described in Sections 9.17(a) and 9.17(b) above shall issue certificates or memoranda of insurance to the Master Association and, upon request, to any Lot or Unit Owner or holder of a security interest. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Master Association, and each Lot and Unit Owner and holder of a security interest to whom a certificate or memorandum of insurance has been issued, at their respective last-known addresses.

Any loss covered by the property insurance policy described in Section 9.17(a) above must be adjusted with the Master Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Master Association, and not to any holder of a security interest. The insurance trustee or the Master Association shall hold any insurance proceeds in trust for the Master Association Lot and Unit Owners and lienholders as their interests may appear. Subject to the provisions of Section 38.33.3-313(9) of the Act, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Master Association, Lot and Unit Owners, and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Common Interest Community is terminated.

The Master Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Master Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration for all deductibles paid by the Master Association. In the event more than one Lot or Unit is damaged by a loss, the Master Association in its reasonable discretion may assess each Lot and Unit Owner a pro rata share

of any deductible paid by the Master Association. Insurance obtained by the Master Association shall, to the extent reasonably possible, and provided Declarant reimburses the Association for any additional premium payable on account thereof, name Declarant as an additional insured and shall contain a waiver of rights of subrogation as against Declarant.

Insurance policies and insurance coverage shall be reviewed at least annually by the Executive Board to ascertain whether coverage under the policies is sufficient in light of the current values of the Master Common Areas and in light of the possible or potential liabilities of the Master Association and other insured parties. The aforementioned insurance may be provided under blanket policies covering the Master Common Areas and property of Declarant.

In no event shall insurance coverage obtained or maintained by the Master Association obviate the need for Owners and Occupants to obtain insurance for their own benefit.

Furthermore, to the extent reasonably available, insurance policies obtained by the Master Association shall contain the following provisions:

- (i) The coverage afforded by such policies shall not be brought into contribution or proration with any insurance which may be purchased by a Lot or Unit Owner, Occupant or Mortgagee.
- (ii) The conduct of any one or more Lot or Unit Owners or Occupants shall not constitute grounds for avoiding liability on any such policies.
- (iii) Each policy must contain a waiver of any defenses based on co-insurance or on invalidity arising from the acts of the insured.
- (iv) A "severability of interest" endorsement shall be obtained which shall preclude the insurer from denying the claim of a Lot or Unit Owner or Occupant because of the conduct or negligent acts of the Master Association and its agents or other Lot or Unit Owners or Occupants.
- (v) Any "no other insurance" clause shall exclude insurance purchased by Lot or Unit Owners, Occupants or Mortgagees.
- (vi) Coverage must not be prejudiced by (i) any act or neglect of Lot or Unit Owners or Occupants when such act or neglect is not within the control of the Master Association, or (ii) any failure of the Master Association to comply with any warranty or condition regarding any portion of the Common Interest Community over which the Master Association has no control.
- (vii) Coverage may not be canceled or substantially modified without at least thirty (30) days (or such lesser period as the Master Association may reasonably deem appropriate) prior written notice to the Master Association.
- (viii) Any policy of property insurance which gives the carrier the right to elect to restore damage in lieu of a cash settlement must provide that such election is not exercisable without the prior written approval of the Master Association, or when in conflict with the insurance trust provisions contained herein, or any requirement of law.

(ix) A recognition of any insurance trust agreement entered into by the Master Association.

(x) Each hazard insurance policy shall be written by a hazard insurance carrier which has a financial rating as designated in Best's Key Rating Guide of Class VI or better, or if such rating service be discontinued, an equivalent rating by a successor thereto or a similar such rating service. Each insurance carrier must be specifically licensed or authorized by law to transact business within the State of Colorado.

(i) *Nonliability of Master Association or Executive Board.* Notwithstanding the duty of the Master Association to obtain insurance coverage, as stated herein, neither the Master Association nor any Executive Board member, nor the Declarant, shall be liable to any Lot or Unit Owner, Occupant, Mortgagee or other Person, if any risks or hazards are not covered by insurance, or if the appropriate insurance is not obtained because such insurance coverage is not reasonably obtainable on the Master Association's behalf, or if the amount of insurance is not adequate, and it shall be the responsibility of each Lot and Unit Owner and Occupant to ascertain the coverage and protection afforded by the Master Association's insurance and to procure and pay for such additional insurance coverage and protection as the Lot or Unit Owner or Occupant may desire.

(j) *Master Premiums.* Premiums for insurance policies purchased by the Master Association and other expenses connected with acquiring such insurance shall be paid by the Master Association as a Common Expense, except that (i) liability insurance on Limited Common Areas shall be separately bid and the cost thereof shall only be included in the Regular Assessments of the Lots entitled to use such Limited Common Areas, and (ii) the amount of increase over any annual or other premium occasioned by the use, misuse, occupancy or abandonment of a Lot or Unit or its appurtenances, or the Master Common Areas, by a Lot or Unit Owner or Occupant, may at the Executive Board's election, be assessed against that particular Lot or Unit Owner and his Lot or Unit as a Reimbursement Assessment.

(k) *Insurance Claims.* The Master Association is hereby irrevocably appointed and authorized, subject to the provisions contained herein, to adjust all claims arising under insurance policies purchased by the Master Association and to execute and deliver releases upon the payment of claims, and to do all other acts reasonably necessary to accomplish any of the foregoing. The Executive Board has full and complete power to act for the Master Association in this regard, and may, in its discretion, appoint an authorized representative, or enter into an insurance trust agreement, wherein the trustee shall have the authority to negotiate losses under any policy purchased by the Master Association.

(l) *Benefit.* Except as otherwise provided herein, all insurance policies purchased by the Master Association shall be for the benefit of, and any proceeds of insurance received by the Master Association or any insurance trustee shall be held or disposed of in trust for the Master Association, the Lot Owners, the Unit Owners, or the Occupants, as their interests may appear.

(m) *Other Insurance to be Carried by Lot or Unit Owners.* Insurance coverage on the furnishings and other items of personal property belonging to a Lot or Unit Owner or Occupant, public liability insurance coverage upon each Lot or Unit, and hazard insurance coverage on the Improvements constructed on Lots and Units, shall be the responsibility of the Owner or Occupant of the Lot or Unit. No Lot or Unit Owner or Occupant shall maintain any insurance, whether on its Lot or Unit or otherwise, which would limit or reduce the insurance proceeds payable under the casualty insurance maintained by the Master Association in the event of damage to the Improvements or fixtures on the Master Common Areas.

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9.18 **Damage to Common Interest Community.** Any portion of the Common Interest Community for which insurance is required under Section 38-33.3-313 of the Act (except any portion on which insurance is carried by a Subassociation) which is damaged or destroyed must be repaired or replaced promptly by the Master Association unless: (i) repair or replacement is the responsibility of a Subassociation under a Supplemental Declaration; (ii) the Common Interest Community is terminated; (iii) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; (iv) eighty (80) percent of the Lot and Unit Owners, including owners of every Lot or Unit that will not be rebuilt, vote not to rebuild; or (v) prior to the conveyance of any Lot or Unit to a person other than Declarant, a Mortgagee on the damaged portion of the Common Interest Community rightfully demands all or a substantial part of the insurance proceeds.

The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire Common Interest Community is not repaired or replaced, the insurance proceeds attributable to the damaged Master Common Areas must be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community, and, except to the extent that other Persons will be distributees, the insurance proceeds attributable to Lots or Units that are not rebuilt must be distributed to the Owners of those Lots or Units, or to lienholders, as their interests may appear, and the remainder of the proceeds must be distributed to all Lot and Unit Owners or lienholders as their interests may appear in proportion to the Common Expense liabilities of all the Lots and Units.

In the event of damage to or destruction of all or a portion of the Master Common Areas due to fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Master Association to such reconstruction and repair. If the insurance proceeds with respect to such Master Common Area damage or destruction are insufficient to repair and reconstruct the damage or destruction, the Master Association may levy a Special Assessment in the aggregate amount of such deficiency, or if any Owner or group of Owners is liable for such damage, may levy a Reimbursement Assessment against the Owner or group of Owners responsible therefor, and shall proceed to make such repairs or reconstruction. Such Assessment shall be due and payable as provided by resolution of the Executive Board, but not sooner than sixty (60) days after written notice thereof. The Assessment provided for herein shall be a debt of each Lot and Unit Owner assessed and a lien on his Lot or Unit, and may be enforced and collected in the same manner as any Assessment Lien provided for in this Master Declaration. If the entire damaged Master Common Area or Public Park is not repaired or replaced, the insurance proceeds attributable to the damaged Master Common Area or Public Park must be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community. No distributions of insurance proceeds shall be made unless made jointly payable to the Lot and Unit Owners and first Mortgagees of their respective Lots or Units, if any.

9.19 **Limited Liability.** Neither the Master Association nor its past, present or future officers or directors, nor any other employee, agent or committee member of the Master Association shall be liable to any Owner or Occupant or to any other Person for actions taken or omissions made except for wanton and willful acts or omissions. Without limiting the generality of the foregoing, the Master Association, the Executive Board and the Development Review Committee shall not be liable to any Owner or Occupant or other Person for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice. Acts taken upon the advice of legal counsel, certified public accountants, registered or licensed engineers, architects or surveyors shall conclusively be deemed to be in good faith and without malice. To the extent insurance carried by the Master Association for such purposes shall not be adequate, the Owners severally agree to indemnify and to defend the Master Association, the Executive Board and the Development Review Committee against claims, damages or other liabilities resulting from such good faith action or failure to act.

ARTICLE 10 ASSESSMENTS

10.1 Assessment Obligation and Lien. Declarant, for each Lot and Unit, shall be deemed to covenant and agree, and each Lot or Unit Owner, by acceptance of a deed therefor (including a public trustee's or sheriff's deed), whether or not it shall be so expressed in any such deed or other instrument of conveyance, shall be deemed to covenant and agree, to pay to the Master Association: (1) Regular Assessments or charges, (2) Special Assessments, and (3) Reimbursement Assessments, such assessments to be established and collected as hereinafter provided (collectively the "Assessments"). The Assessments, together with interest, late charges, costs, and reasonable attorneys' fees, shall be a continuing lien and security interest upon the Lot or Unit against which each such Assessment is charged. The obligation for such payments by each Lot or Unit Owner to the Master Association is an independent covenant, with all amounts due from time to time payable in full without notice (except as otherwise expressly provided in this Declaration) or demand, and without set-off or deduction of any kind or nature. Each Lot or Unit Owner is liable for Assessments made against such Owner's Lot or Unit during his period of ownership of the Lot or Unit. Each Assessment, together with interest, late charges, costs and reasonable attorneys' fees, shall also be the joint, several and personal obligation of each Person who was an Owner of such Lot or Unit at the time when the Assessment became due. Upon the transfer of title to a Lot or Unit, the transferor and the transferee shall be jointly, severally and personally liable for all unpaid Assessments and other charges due to the Master Association prior to the date of transfer, and the transferee shall be personally liable for all such Assessments and charges becoming due thereafter.

10.2 Statutory Lien. The Master Association has a statutory lien pursuant to Section 38-33,3-316 of the Act on the Lot or Unit of an Owner for all Assessments levied against such Lot or Unit or fines imposed against such Lot's or Unit's Owner from the time the Assessment or fine becomes due (the "Assessment Lien"). Fees, charges, late charges, attorneys' fees, fines and interest charges of the Master Association pursuant to the Act or this Master Declaration or any Supplemental Declaration are enforceable as Assessments. The amount of the lien shall include all such items from the time such items become due. If an Assessment is payable in installments, the Master Association has an Assessment Lien for each installment from the time it becomes due, including the due date set by the Executive Board's acceleration of installment obligations. An Assessment Lien is extinguished unless proceedings to enforce the lien are instituted within 6 years after the full amount of Assessments becomes due.

10.3 Lien Superior to Homestead and Other Exemptions. An Assessment Lien shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed subject to this Master Declaration shall constitute a waiver of the homestead and any other exemption as against said Assessment Lien.

10.4 Priority of Lien. An Assessment Lien is prior to all other liens and encumbrances on a Lot or Unit except as follows:

(a) Liens and encumbrances Recorded before the recordation of this Master Declaration;

(b) A security interest on the Lot or Unit which has priority over all other security interests on the Lot or Unit and which was Recorded before the date on which the Assessment sought to be enforced became delinquent. An Assessment Lien is prior to the security interest described in the preceding sentence to the extent of an amount equal to the Regular Assessments (based on a Budget adopted by the Master Association pursuant to Section 10 below) which would have become due, in the absence of any acceleration, during the six (6)

months immediately preceding institution by the Master Association or any party holding a lien senior to any part of the Master Association lien created under this Article 10 of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien:

(c) Liens for real estate taxes and other governmental assessments or charges against the Lot or Unit; and

(d) As may otherwise be set forth in the Act. The priority of mechanics' and materialmen's liens is not affected by the Act.

This Article 10 does not prohibit an action or suit to recover sums for which this Article 10 creates a lien or prohibits the Master Association from taking a deed in lieu of foreclosure. Sale or transfer of any Lot or Unit shall not affect the lien for an Assessment.

10.5 Perfection of Lien. The Recording of this Master Declaration and of each Supplemental Declaration constitutes record notice and perfection of the statutory lien. No further Recordation of any claim of lien for Assessments is required; however, a claim may be Recorded at the Master Association's option, in which event costs and attorneys' fees incurred in connection with the preparation and filing of such claim shall be assessed against the Lot or Unit as a Reimbursement Assessment.

10.6 Regular Assessments.

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(a) A Regular Assessment shall be made annually against each Lot and Unit, based upon an annual Budget prepared by the Executive Board, for purposes of paying (i) the annual costs of operating and administering the Master Association and all other Common Expenses, (ii) reasonable reserves for contingencies, replacements, and other proper purposes, (iii) the costs of services rendered or expenditures incurred by the Master Association to or for less than all Lots or Units, including without limitation the costs of maintaining yards, repainting residences and ~~repairing and replacing roofs~~ in Blocks A and F, together with reasonable reserves (to be kept in separate escrow accounts) for such repainting ~~and roof repair/replacement~~, which costs and expenses shall be assessed only to the Lots or Units benefited, (iv) the costs of improving or maintaining Limited Common Areas, and reasonable reserves for such costs, which costs shall be assessed only to the Lots designated for the use of said Limited Common Areas, and (v) such other matters as may be reasonably determined by the Executive Board to be the subject of a Regular Assessment:

(b) Regular Assessments shall be allocated in accordance with the Allocated Interests of each Lot and Unit in the Common Interest Community, except that (i) any Common Expense or portion thereof benefiting fewer than all of the Lots or Units shall be assessed exclusively against the Lots or Units benefited, and (ii) the costs of insurance shall be assessed in proportion to risk, and the costs of utilities shall be assessed in proportion to usage. If Common Expense liabilities are reallocated, Common Expense Assessments and any installment thereof not yet due shall be reallocated in accordance with the reallocated Common Expense liabilities.

(c) Regular Assessments shall be levied on a calendar year basis, except that the initial Regular Assessment period shall commence on the first day of the calendar month or quarter in which the first Lot or Unit is conveyed by Declarant to a Person other than Declarant. Regular Assessments shall be paid in installments on a monthly, quarterly or semi-annual basis, as the Executive Board may determine from time to time, and shall be due either on the first day of each calendar month or on the first day of each calendar year quarter (January 1, April 1, July 1 and October 1), or on the first day of a semi-annual period (e.g.

January 1, July 1) as appropriate. Unless and until changed to a monthly or semi-annual system by the Executive Board, Regular Assessments shall be due and payable on the first day of each calendar quarter. Any Lot or Unit Owner acquiring a Lot or Unit between installment due dates shall pay a pro rata share of the immediately preceding installment.

(d) The Executive Board shall fix the amount of the Regular Assessment, using the Budget procedure described below, at least thirty (30) days before the end of each calendar year. Written notice of the Regular Assessment shall be sent to each Owner. Failure of the Executive Board timely to fix and levy the Regular Assessments for any year or to send a notice thereof to any Owner shall not relieve or release any Owner from liability for payment of Regular Assessments or any installments thereof for that or subsequent years as soon as the Executive Board levies the Regular Assessment and provides notice thereof.

(e) The Executive Board shall also mail to each Owner at least ten (10) days prior to the due date thereof a written notice of the amount of the next quarterly (or monthly or semi-annual, as the case may be) installment of Regular Assessment that is due from such Owner, and the date on which such installment is due pursuant to paragraph 10.6(d) above. Failure of the Executive Board to send timely notice to any Owner of an installment of Regular Assessment due shall not relieve or release any Owner from liability for payment of that installment as soon as the Executive Board in fact provides such notice.

(f) Any surplus funds remaining after payment of or provision for Master Association expenses and any prepayment of or provision for reserves shall be carried forward as a credit against the next year's Budget.

10.7 Master Association Budget. Commencing in 1996, and during the last six (6) months of each year thereafter, the Executive Board shall prepare or cause to be prepared an operating budget (the "Budget") for the next calendar year. The Budget shall provide for the allocation of any surplus funds remaining from any previous Budget period. Within thirty (30) days after adoption of any proposed Budget for the Master Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Budget to all the Lot and Unit Owners and shall set a date for a meeting of the Lot and Unit Owners to consider ratification of the Budget not less than fourteen (14) nor more than sixty (60) days after the mailing or other delivery of the summary. Such meeting may, but need not be, concurrent with the annual meeting of the Members as provided in the Bylaws. Unless at that meeting sixty-seven percent (67%) of all Lot and Unit Owners reject the Budget, the Budget shall be ratified, whether or not a quorum of Owners is present. In the event that the proposed Budget is rejected, the Budget last ratified by the Lot and Unit Owners shall be continued until such time as the Lot and Unit Owners ratify a subsequent Budget proposed by the Executive Board.

10.8 Initial Lot and Unit Owner Deposit to Reserve Fund. Each purchaser of a Lot or Unit from Declarant shall deposit with the Master Association at the closing of the purchase the sum of One Hundred Dollars (\$100.00), which sum shall be non-refundable and shall be deposited by the Board in the Master Association's Reserve Fund. This initial deposit shall be in addition to all Assessment obligations, and upon the transfer of a Lot or Unit the seller of the Lot or Unit shall be entitled to be repaid by the Lot or Unit purchaser for the amount of said initial deposit. The Reserve Fund may be used from time to time for any Master Association purpose deemed appropriate by the Executive Board, and the Reserve Fund may be replenished from time to time by the Executive Board in its discretion, by inclusion in the Budget and the Regular Assessments based thereon.

10.9 Special Assessments. In addition to the Regular Assessments and Reimbursement Assessments authorized in this Article 10, the Executive Board may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, maintenance or replacement of capital improvements.

(including related fixtures and personal property and including without limitation irrigation systems, ditches, ditch systems and the Public Parks) to or upon or serving the Common Interest Community, or for excess reconstruction costs or other extraordinary expenses, or for funding any operating deficit of the Master Association. Any Special Assessment for an improvement or expenditure which will benefit fewer than all of the Lots or Units shall only be levied against the Lots or Units benefited, provided that expenditures in connection with Master Common Areas (excepting Limited Common Areas) shall be deemed for the general benefit of all Lots and Units, wherever located. Except in the event of an emergency, where no membership vote shall be required, the Executive Board shall not levy a Special Assessment without the approval of the Owners of the Lots and Units that will be subject to the Special Assessment as provided below.

Written notice of any meeting called for the purpose of levying a Special Assessment shall be sent to all Owners of Lots and Units that will be subject to the Special Assessment no less than thirty (30) or more than fifty (50) days before the meeting. At the meeting, the presence of Owners in person or by proxy of at least sixty percent (60%) of the Lots and Units that will be subject to the Special Assessment shall constitute a quorum. If the required quorum is not present, another meeting may be called pursuant to the same notice requirements, and the required quorum at this second meeting shall be only thirty percent (30%) of such Lots and Units. No such second meeting shall be held more than sixty (60) days following the date of the first meeting.

Provided a quorum of Owners entitled to vote is present in person or by proxy, in accordance with the quorum requirements set forth in the preceding paragraph, then the affirmative vote of a majority of the Owners so present shall constitute approval of the proposed Special Assessment.

For purposes of this Section 10.9, the term "emergency" shall mean any circumstances or set of circumstances which pose an imminent threat of loss, damage or injury, actual or threatened, to persons or property. Special Assessments shall be allocated in the same manner as Regular Assessments, that is, in accordance with the Allocated Interests of each Lot and Unit in the Common Interest Community, and shall be due and payable to the Master Association on the due date fixed by the Executive Board in the notice given to the Owners of such Special Assessment, which due date shall be no earlier than thirty (30) days after the giving of such notice. If fewer than all of the Lots and Units will be subject to the Special Assessment, then such Special Assessment shall be allocated equally amongst those Lots and Units.

10.10 Reimbursement Assessments. In addition to the Regular and Special Assessments authorized hereunder, the Executive Board may levy against any Owner or Owners, at any time and from time to time, a Reimbursement Assessment for purposes of reimbursing the Master Association for all costs and expenses incurred by it in enforcing any provision of or in remedying any violation of this Master Declaration, or of any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations or Master Development Guidelines, or any approvals granted by the Development Review Committee, by such Owner or Owners, their Occupant(s), or their agents, employees or contractors. Reimbursement Assessments may also be made by the Executive Board for any other purposes for which this Master Declaration provides for the levying of a Reimbursement Assessment. Finally, and in addition to the foregoing, a Reimbursement Assessment may also be levied in the form of a reasonable fine against an Owner for a violation of this Master Declaration, a Supplemental Declaration, the Articles, Bylaws, or the Master Rules and Regulations, but only after the Owner(s) to be so fined have been provided with Notice and Hearing. Reimbursement Assessments shall be due and payable to the Master Association on the due date fixed by the Executive Board in the notice given to the Owner(s) of such Reimbursement Assessment, which date shall be no earlier than thirty (30) days after the giving of such notice.

10.11 Effect of Nonpayment of Assessments; Remedies of the Master Association. Assessment or portion or installment thereof which is not paid when due (or for which a bad check is issued) shall be deemed delinquent and shall bear interest from and after the due date at the rate of interest set by the Executive Board from time to time, which shall not be less than twelve percent (12%) nor more than twenty-one percent (21%) per year, and the Executive Board may also assess a late charge (and/or a bad check charge) thereon. The Executive Board may also elect to accelerate the installment obligations of any Regular Assessment for which an installment is delinquent. The Executive Board may also suspend the delinquent Owner's use of the Master Common Areas and Master Association services or benefits, as provided in Section 13.4. The delinquent Owner shall also be liable for all costs, including attorneys' fees, which may be incurred by the Master Association in collecting a delinquent Assessment, which collection costs shall be added to the delinquent Assessment. The Executive Board may but shall not be required to record a Notice of Delinquent Assessment or charge against any Lot or Unit as to which an Assessment or charge is delinquent. The Notice shall be executed by an officer of the Executive Board, and shall set forth the amount of the unpaid Assessment or charge, the name of the delinquent Owner and a description of the Lot or Unit.

The Assessment Lien may be foreclosed by the Master Association in the same manner as a mortgage on real property. The Master Association shall be entitled to purchase the Lot or Unit at foreclosure. The Master Association may also bring an action at law against the Owner personally obligated to pay the delinquent Assessment and/or foreclose the lien against said Owner's Lot or Unit in the discretion of the Master Association. No Owner may exempt himself or otherwise avoid liability for the Assessments provided for herein by waiver of the use or enjoyment of any of the Master Common Areas or by abandonment of the Lot or Unit against which the Assessments are made. When Assessments that are due from any Owner are more than ninety (90) days delinquent, the Executive Board may temporarily suspend any or all Master Association services or benefits to the delinquent Owner and his Lot or Unit, including the right to use Master Common Areas, until all delinquent Assessments are fully paid.

In any action by the Master Association to collect Assessments or to foreclose a lien for unpaid Assessments, the court may appoint a receiver to collect all sums alleged to be due from the Lot or Unit Owner prior to or during the pending of the action. The court may order the receiver to pay any sums held by the receiver to the Master Association during the pending of the action to the extent of the Master Association's Regular Assessments.

10.12 Statement of Unpaid Assessments. The Master Association shall furnish to an Owner or such Owner's designee or to a holder of a security interest or its designee upon written request, delivered personally or by facsimile transmittal or by certified mail, first class postage prepaid, return receipt requested, to the Master Association, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's Lot or Unit, whether delinquent or not. The statement shall be furnished within fourteen (14) days after receipt of the request and is binding on the Master Association, the Executive Board, and every Owner. If no statement is furnished either delivered personally or by facsimile transmission or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Master Association shall have no right to assert a lien upon the Lot or Unit for unpaid Assessments which were due as of the date of the request.

10.13 Assessments for Tort Liability. In the event of any tort liability against the Master Association which is not covered completely by insurance, each Owner shall contribute for the payment of such liability as a Special Assessment. The Master Association may, however, require a larger contribution from fewer than all Owners under any legal or equitable principles regarding liability for negligent or willful acts or omissions.

10.14 **Open Space Conservation Fund Contribution.** Upon the initial sale and each subsequent resale of an improved or unimproved Lot or Unit within the Common Interest Community, or of an interest therein, to another Person (excluding gifts, transfers for estate planning purposes, and transfers by court order or by will or intestacy), the Lot or Unit purchaser shall be obligated to pay to the Master Association an Open Space Conservation Fund Contribution in the amount of 0.25% of the gross sales price. This Open Space Contribution requirement shall apply to Lot and Unit sales made by Declarant; provided, however, that transfers of unimproved Lots by the Declarant to an affiliate of the Declarant for the purposes of allowing the affiliate to construct improvements on such Lots, shall be exempt from the requirements of this paragraph. In addition, Open Space Contributions shall not be required in connection with the sale of improvements or property within Block G or Block BB of River Valley Ranch (Thompson Corner), Block P, the Golf Land, or other property that is transferred for a public purpose.

Declarant, in connection with interested citizens residing in the vicinity of River Valley Ranch, has caused the Carbondale Agricultural Heritage Fund (CAHF) to be organized as a Colorado non-profit corporation. The Executive Board shall appoint no less than one-half of the members of the Board of Directors of CAHF in accordance with the terms and conditions of the Articles of Incorporation and Bylaws of CAHF. The Board members of CAHF appointed by the Executive Board may but need not be Lot or Unit owners. Open Space Contributions received by the Master Association shall be turned over to CAHF no less frequently than each calendar quarter and shall thereafter be administered and expended by CAHF only in accordance with the terms and conditions of this paragraph and the Articles of Incorporation and Bylaws of CAHF. Open Space Contributions shall be used to maintain, preserve and protect agricultural and open space lands within 7 miles of the municipal limits of Carbondale, Colorado. Such funds may be used for the purchase of open space, conservation easements or leases, development rights, or other similar interests in real property which prohibit or substantially restrict the development of such property in perpetuity. Such funds may also be used to assist or be expended on behalf of the owners of any qualifying agricultural or open space lands to plan conservation strategies designed to protect and preserve those lands primarily in agricultural or open space condition in perpetuity. In no event shall Open Space Contributions be used by CAHF, directly or indirectly, to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office, nor shall any Open Space Contribution be used by CAHF to influence the decision of any public official on any matter then pending before such public official. In the event CAHF expends Open Space Contributions in violation of this paragraph, the Master Association may cease turning over Open Space funds to CAHF and thereafter turn over such Open Space Contributions to any other organization or entity including any committee of the Master Association, that will expend such Open Space Contributions solely for the purposes set forth in this paragraph.

If an Open Space Contribution is not paid to the Master Association at the time of sale or transfer of a Lot or Unit as provided herein, the unpaid Open Space Contribution shall bear interest at the rate of eighteen percent (18%) per annum from the date of sale or transfer until paid in full, shall constitute the personal obligation of the purchaser/Lot Owner, and shall be a lien and security interest on the title to the purchaser's Lot or Unit or on the Owner's Lot which may be foreclosed by the Master Association in the same manner as a mortgage on real property. The delinquent purchaser/Lot Owner shall also be responsible for costs and attorneys' fees incurred by the Master Association in collecting said unpaid Open Space Contribution, whether by efforts short of collection action of foreclosure, a collection action in the courts and/or a foreclosure action.

ARTICLE 11

EMINENT DOMAIN

11.1 **Definition of Taking.** The term "taking", as used in this Article 11, shall mean condemnation by eminent domain or sale under threat of condemnation.

11.2 Representation in Condemnation Proceedings of Master Common Areas. In the event of a threatened taking of all or any portion of the Master Common Areas, the Lot and Unit Owners hereby appoint the Master Association through such persons as the Executive Board may designate to represent the Master Association and all of the Lot and Unit Owners in connection therewith. The Master Association shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Service of process on the Master Association shall constitute sufficient notice to all Lot and Unit Owners, and service of process on each individual Lot and Unit Owner shall not be necessary.

11.3 Award for Master Common Area. Any awards received by the Master Association on account of the taking of Master Common Area shall be paid to the Master Association. The Master Association may, in its sole discretion, retain any award in the general funds of the Master Association or distribute all or any portion thereof to the Lot and Unit Owners as their interests may appear. The rights of a Lot or Unit Owner and the Mortgagee of a Lot or Unit as to any such distribution shall be governed by the provisions of the Mortgage encumbering the Lot or Unit.

11.4 Taking of Lots or Units. If a Lot or Unit is acquired by eminent domain or part of a Lot or Unit is acquired by eminent domain leaving the Lot or Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Master Declaration, the award must include compensation to the Lot or Unit Owner for that Lot or Unit and its Allocated Interests whether or not any Master Common Area or Public Park was acquired. Upon acquisition, unless the decree otherwise provides, that Lot's or Unit's Allocated Interests are automatically reallocated to the remaining Lots or Units (as appropriate) in proportion to the respective Allocated Interests of those Lots or Units before the taking. Any remnant of a Lot or Unit remaining after part of a Lot or Unit is taken is thereafter Master Common Area. Otherwise, if part of a Lot or Unit is acquired by eminent domain, the award must compensate the Lot or Unit Owner for the reduction in value of the Lot or Unit and its interest in the Master Common Areas whether or not any Master Common Area was acquired. Upon acquisition, unless the decree otherwise provides:

(a) That Lot's or Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Lot or Unit; and

(b) The portion of Allocated Interests divested from the partially acquired Lot or Unit is automatically reallocated to that Lot or Unit and to the remaining Lots or Units (as appropriate) in proportion to the respective interests of those Lots or Units before the taking, with the partially acquired Lot or Unit participating in the reallocation on the basis of its reduced Allocated Interests.

11.5 Miscellaneous. The court decree shall be recorded in Garfield County. The reallocations of Allocated Interests pursuant to this Article shall be confirmed by an amendment to the Master Declaration prepared, executed, and recorded by the Master Association.

ARTICLE 12 SPECIAL PROVISIONS

12.1 Conservation Overlay Zones. As required by and in accordance with the P.U.D. for River Valley Ranch, there are two Conservation Overlay Zone Districts in the areas shown on the Plat. One District is designated as the Conservation Overlay District/Riparian ("COD/R"), and the other District is designated as the Conservation District/Uplands ("COD/U"). The COD/R includes all of the Crystal River throughout the P.U.D., the area included in the 100-year flood plain, and areas identified as jurisdictional wetlands. The COD/U includes the upland areas designated on the Plat. Certain restrictions on the uses and permitted activities within the COD/R and COD/U are contained in the

P.U.D., and the Master Association, all Lot and Unit Owners and Occupants, are obligated to comply with such restrictions.

12.2 Bald Eagle Closure Area and Other Eagle-Related Mitigation Measures. In accordance with the recommendations of the Colorado Division of Wildlife, a Bald Eagle Closure Area ("BECA") has been established in the area shown on the Plat in order to protect the bald eagle habitat that exists in the area. The BECA shall be closed to public or private use from December 1 through March 15 of each year, by the use of locked gates and appropriate signage, and all human activity (including Golf Land maintenance, cross country skiing, fishing access, hiking and dog walking) is expressly prohibited in the BECA during such closure period. The Master Association, all Lot and Unit Owners and Occupants, and all other authorized users of the BECA, are obligated to comply with such closure restrictions.

12.3 Air Quality Restrictions: In order to protect against the degradation which occurs to air quality as a result of the utilization of solid fuel burning devices, the following restrictions are imposed:

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- (a) No solid fuel burning fireplaces, stoves, appliances or other devices will be allowed anywhere within the Common Interest Community.
 - (b) All dwelling units within the Common Interest Community will be allowed an unrestricted number of natural gas burning fireplaces or appliances.

12.4 Duration and Enforceability. The restrictions set forth in this Article 12 shall constitute covenants running with the title to the Common Interest Community and shall be binding upon Declarant and the Owners and all other persons and parties claiming through the Declarant or Owners and shall be for the benefit of and limitations upon all future Owners of the Common Interest Community and the Lots and Units therein. Notwithstanding any other provision of this Declaration, all use restrictions set forth in this Article 12 shall be enforceable in perpetuity and shall not be amended or terminated by action of the Owners or Declarant nor by any provision for termination of this Declaration. The restrictions of these special environmental use restrictions shall be enforceable in any and all manners provided in this Declaration by any Owners, by Declarant, by the Master Association, or by any Town, State or Federal agency charged with preservation of the affected areas. Any such enforcement action may involve a claim for injunctive relief, for damages, or both, and the enforcing party shall be entitled to an award of its reasonable attorney fees and costs of enforcement, including but not limited to, court costs, expert witness fees, and cost of depositions and exhibits.

12.5 Protection of Agricultural Land. Declarant acknowledges and agrees that it is the declared policy of the State of Colorado to conserve, protect and encourage the development and improvement of its agricultural land for the production of food and other agricultural products. In furtherance of that policy, Declarant hereby puts owners of all Lots and Units within the Common Interest Community on notice that certain portions of the Common Interest Community are contiguous to agricultural lands upon which agricultural operations have been continuing for more than one (1) year prior to the date hereof. In accordance with applicable Colorado law, no such agricultural operation shall be deemed a private or public nuisance by reason of development of the Common Interest Community or any other changed condition in or about the vicinity of the agricultural operation, except in the case of (a) the negligent operation of the agricultural use, (b) a change in the agricultural operation which would result in a private or public nuisance, or (3) upon a substantial increase in the size of the agricultural operation.

ARTICLE 13 GENERAL PROVISIONS

13.1 Duration of Master Declaration. The term of this Master Declaration shall be perpetual.

13.2 Termination of Common Interest Community. The Common Interest Community may be terminated only by the agreement of (i) Lot and Unit Owners to which at least eighty percent (80%) of the votes in the Master Association are allocated, and (ii) the holders of all First Mortgages on Lots and Units. In the event of such termination, the provisions of Section 38-33.3-218 of the Act shall apply.

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13.3 Amendment of Master Declaration and Plat. This Master Declaration and the Plat may be amended pursuant to Section 38-33.3-217 of the Act. Under the Act, the Master Declaration may be amended by Declarant in certain defined circumstances, including when the Declarant is exercising reserved rights under Article 6 hereof. The Act also provides that the Master Declaration may be amended by the Master Association in certain defined circumstances. Otherwise, and subject always to (i) any provisions of this Master Declaration requiring the consent of Declarant, and (ii) the provisions of Section 3.38 above allowing Owners to amend this Master Declaration (with the consent of the Master Association) in certain circumstances (condominiumizations, lot line adjustments), this Master Declaration and any Supplemental Declarations (including the Plat and any Supplement Plats) may be amended only by the vote or agreement of Lot and Unit Owners to which at least sixty-seven percent (67%) of the votes in the Master Association are allocated. Furthermore, Section 38-33.3-217(4) of the Act provides that except to the extent expressly permitted or required by other provision of the Act (e.g., permitted Declarant or Master Association amendments), the unanimous consent of Lot and Unit Owners is required for any amendment that (i) creates or increases special Declarant rights, (ii) increases the number of Lots and Units, or (iii) changes the boundaries of any Lot or the Allocated Interests of a Lot or Unit or the uses to which any Lot or Unit is restricted. Finally, notwithstanding the foregoing, no amendment shall be made to the provisions of Section 3.40 (Municipal Water Service), 4.6, second paragraph (Colorado Green Certification program), 7.5 (Ditch Easements), 7.6 (Aesthetic Ditch Easements), 7.7 (Utility, Drainage, and/or Irrigation Easements), Section 7.8 (Public Parks), 7.12 (Blanket Emergency Services Easement), Section 12.1 (Conservation Overlay Zone), or Section 12.2 (Bald Eagle Closure Area) without the prior written consent of the Town.

With the exception of amendments accomplished by Supplemental Declaration (when lands are annexed to the Common Interest Community), an amendment to this Master Declaration shall be in the form of a "First (or Second, etc.) Amendment to Master Declaration and Plat of River Valley Ranch." With the exception of Declarant amendments, amendments to this Master Declaration shall be duly executed by the President and Secretary of the Master Association and Recorded in the Office of the Clerk and Recorder of Garfield County. All amendments to this Master Declaration shall be indexed in the Grantee's index in the names of the Common Interest Community and the Master Association, and in the Grantor's index in the name of each Person executing the amendment.

13.4 Compliance; Enforcement. Every Owner and Occupant of a Lot or duplex half or Unit in the Common Interest Community (including Occupants of the Caretaker and Accessory Dwelling Units), and every other Person who may be an authorized user of any part of the Master Common Areas, shall fully and faithfully observe, abide by, comply with and perform all of the covenants, conditions and restrictions set forth in this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, the Master Development Guidelines and all approvals granted by the Development Review Committee, as the same or any of them may be amended from time to time. In addition to any other rights or remedies that may be provided to any Person under the terms and provisions of this Master Declaration or of any Supplemental Declaration, Declarant (

long as it holds any of the rights set forth in Article 6 hereof), the Association through its Executive Board, the Development Review Committee as to matters arising under Article 4 hereof, and every Lot and Unit Owner (except an Owner that is delinquent in the payment of Assessments hereunder) shall have the right, acting alone or together with others having such right, to enforce, by any proceeding at law or in equity, any or all of the covenants, conditions, restrictions, assessments, charges, liens, servitudes, easements and other provisions now or hereafter imposed by this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, the Master Development Guidelines, and approvals granted by the Development Review Committee. Finally, the Town shall have the right to enforce any matters arising under Sections 3.40, 4.6 (second paragraph), 7.5, 7.6, 7.7, 7.8, 7.12, 12.1 or 12.2 hereof.

Such enforcement rights shall include without limitation the right to bring an injunctive action for any form of injunctive relief available under Colorado law (including specific performance), or an action for damages, or both. Injunctive relief may include, without limitation, orders to stop work, orders to remove Improvements constructed in violation hereof, orders to compel performance, and any other orders appropriate under the circumstances.

The Executive Board shall have the further right (a) to levy and collect, after Notice and Hearing, reasonable fines for the violation of any of the foregoing matters, (b) to levy and collect a Reimbursement Assessment against any Owner, (c) to enter upon any Lot or duplex half or Unit within the Common Interest Community, after giving the Lot or duplex half or Unit Owner or Occupant at least five (5) days' written notice of the nature of the violation, (unless an emergency exists, in which case without notice), without liability to the Owner or Occupant thereof, to enforce or cause compliance with such matters, at the cost and expense of the Owner or Occupant in violation, and/or (d) where the violation has continued for more than ninety (90) days after the Executive Board has given the Lot or duplex half or Unit Owner or Occupant written notice of the violation, the Executive Board may temporarily cut off any or all Master Association services or benefits to the subject Owner or Occupant and his Lot or duplex half or Unit, including the right to use Master Common Areas (except access roads), until the violation is cured.

In any action brought under this Section 13.4, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection therewith. Failure by any party entitled to do so to exercise in a particular instance any of the rights available to it under this Section 13.4 shall in no event be deemed a waiver of the right to do so in any other instance.

Provided always, that no Owner shall have the right to bring an enforcement action against another Owner or Occupant for a breach by that Owner or Occupant of any of such matters, or against the Master Association for a breach by the Master Association of any of such matters or for a failure by the Master Association to enforce compliance with such matters by others, until the aggrieved Owner has given the offending Owner or Occupant and the Master Association at least thirty (30) days prior written notice of the aggrieved Owner's complaint and the opportunity to resolve the problem during that thirty (30) day period.

And further provided, that notwithstanding any law to the contrary, no action shall be commenced or maintained to enforce the terms of any building restriction contained in the provisions of this Master Declaration, any Supplemental Declaration, the Bylaws, the Articles of Incorporation, or the Master Rules and Regulations, or to compel the removal of any building or Improvement because of the violation of the terms of any such building restriction, unless the action is commenced within one year from the date from which the person commencing the action knew or in the exercise of reasonable diligence should have known of the violation for which the action is sought to be brought or maintained.

13.5 Rights of First Mortgagees. Upon the filing of a written request therefor with the Master Association, the holder of a First Mortgage on any Lot or Unit in the Common Interest Community shall be entitled to:

- (a) Written notice from the Master Association that the Owner of the subject Lot or Unit is delinquent in the payment of Assessments thereon;
- (b) Inspect the books and records of the Master Association during normal business hours;
- (c) Receive copies of annual Master Association financial statements;
- (d) Receive written notice of meetings of the Master Association where matters will be considered that, if approved, will require the consent of First Mortgagees or some of them;
- (e) Receive written notice of condemnation proceedings affecting any Master Common Areas; and
- (f) Receive written notice of the lapse of any insurance that the Master Association is required to maintain under this Master Declaration.

In addition, any First Mortgagee shall be entitled to pay any taxes or other charges which are in default and which may or have become a lien against the Master Common Areas and may pay any overdue premiums on hazard or general liability insurance policies covering the Master Common Areas, and shall be entitled to immediate reimbursement therefor from the Master Association, unless the Master Association is contesting any unpaid taxes or other charges and has aside sufficient funds to pay the contested amounts if necessary.

13.6 Golf Land and Facilities. In no event and for no purpose shall the Golf Land or any golf course improvements or facilities constructed thereon or related thereto be deemed to be a part of the Common Interest Community, or be burdened by this Master Declaration or any Supplemental Declaration. No Owner of a Lot or Unit in the Common Interest Community shall have any greater or different rights or privileges than a resident of the Town has in or with respect to the golf course and other improvements and facilities constructed upon the Golf Land or the activities occurring thereon. Without limiting the generality of the foregoing, no Lot or Unit shall have any right (i) to have the golf course and/or facilities constructed in any particular location on the Golf Land, (ii) to have or preserve a visual or sight easement over and across any portion of the Golf Land, and/or (iii) to have access to or across the Golf Land along any particular alignments.

13.7 Golf Land Hazards, Risks and Liabilities: Disclosure, Assumption of Risk, Release and Indemnification. The Golf Land will be used as a public golf course and related improvements, facilities and uses. By acceptance of a deed to a Lot or Unit, each Lot and Unit Owner acknowledges and agrees that the golf course use enhances the value of the Lot or Unit by providing pleasant surroundings and open space for the Common Interest Community. Each Lot and Unit Owner further acknowledges (i) that the use and operation of the Golf Land as a golf course involves certain risks to the Common Interest Community, including but not limited to damage to property and improvements and personal injury and death caused by errant golf balls that may be hit into the Common Interest Community, and (ii) that while the Common Interest Community has been designed to minimize these risks to the extent reasonably possible, it would be impossible to render the Common Interest Community free of all golf course-related risks. Certain of the more common hazards associated with the operation of a golf course are more particularly described in subsections (a) through (g) below (collectively the "Golf Course Hazards").



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- (a) Errant Golf Balls. Owners of Lots or Units, particularly Lots or Units abutting the Golf Land, acknowledge the inherent risk of errant golf balls and assume and accept such risk. Owners acknowledge and accept the risk that golfers may attempt to retrieve errant golf balls from Lots or Units and each Owner agrees to release and waive any claims said Owner may have as a result of such retrieval.
- (b) View Impairment/Privacy. Owners of Lots or Units, including Owners of Lots or Units abutting the Golf Land, have no guarantee that their view over and across the Golf Land will be forever preserved without impairment or that the view from the Golf Land will not be impaired. The Golf Owner has no obligation to the Owners to prune or not prune trees or other landscaping and such Golf Owner may change, add to or reconfigure the golf course and related facilities and improvements on the Golf Land, including structural improvements, trees, landscaping, tees, bunkers, fairways and greens, without liability or obligation to the Owners.
- (c) Pesticides and Fertilizers. Pesticides, fertilizers and other chemicals may be utilized in connection with the operation of the Golf Land and related landscaping and the Owners of Lots and Units acknowledge, accept and assume the risks associated with the use of pesticides, fertilizers and other chemicals.
- (d) Overspray. Owners of Lots or Units, particularly Owners of Lots or Units abutting the Golf Land, may experience "overspray" from the Golf Land irrigation system, and such Owners acknowledge, accept and assume the risks associated with such "overspray".
- (e) Noise and Light; Tournaments. Owners of Lots or Units, particularly Owners of Lots or Units in proximity to the golf course clubhouse, may be exposed to lights, noise or activities resulting from the use of the golf course for tournaments, from the use of the clubhouse for dining and entertainment, and from use of the parking lot, and such Owners acknowledge, accept and assume the risks associated with such uses.
- (f) No Access. The Owner of each Lot and Unit abutting any portion of the Golf Land, by accepting a deed to his Lot or Unit, acknowledges that the Golf Owner may not permit access to any portion of the Golf Land directly from any Lot or Unit. Such access will only be permitted through the clubhouse and at such other entry points as the Golf Owner may from time to time specifically designate. Accordingly, each Owner of a Lot or Unit abutting any portion of the Golf Land agrees not to access the Golf Land directly from his Lot or Unit (unless otherwise expressly permitted by the Golf Owner), and agrees not to permit any of his Occupants, family, guests, invitees, licensees or any other person to do so.
- (g) Maintenance. The Golf Land and related improvements and facilities require daily maintenance, including mowing, irrigation and grooming, during early morning, evening and night hours, including without limitation the use of tractors, mowers, blowers, pumps, compressors and utility vehicles. Owners of Lots or Units, particularly Owners of Lots or Units in proximity to the Golf Land, will be exposed to the noise and other effects of such maintenance, and such Owners acknowledge, accept and assume the risks associated with such maintenance activities.

IN CONSIDERATION FOR THE ABOVE-ACKNOWLEDGED ENHANCEMENT IN VALUE, AND WITH FULL AWARENESS OF THESE AND OTHER RISKS, BY ACCEPTING THE DEED TO A LOT OR UNIT EACH OWNER FOR HIMSELF AND HIS OCCUPANTS, INVITEES, LICENSEES, SUCCESSORS AND ASSIGNS (COLLECTIVELY THE "OWNER'S RELATED PARTIES") HEREBY (I) ACKNOWLEDGES, ACCEPTS AND ASSUMES THE RISKS ASSOCIATED WITH SAID GOLF COURSE HAZARDS AND OF ANY DAMAGE TO PROPERTY OR TO THE VALUE OF PROPERTY, DAMAGE TO IMPROVEMENTS,

PERSONAL INJURY OR DEATH, OR THE CREATION OR MAINTENANCE OF A TRESPASS OR NUISANCE, CAUSED BY OR ARISING IN CONNECTION WITH ANY OF SAID GOLF COURSE HAZARDS OR OTHER RISKS, HAZARDS AND DANGERS ASSOCIATED WITH THE OPERATION OF A PUBLIC GOLF COURSE (COLLECTIVELY THE "ASSUMED RISKS"), AND (II) RELEASES, WAIVES, DISCHARGES, COVENANTS NOT TO SUE, INDEMNIFIES AND AGREES TO DEFEND AND HOLD HARMLESS THE DECLARANT, THE MASTER ASSOCIATION, AND THE GOLF OWNER, AND EACH OF THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, SHAREHOLDERS, MEMBERS, AFFILIATES, EMPLOYEES, CONTRACTORS, CONSULTANTS, AGENTS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "RELEASED PARTIES"), AND EACH OF THEM, FROM ANY AND ALL LIABILITY TO THE OWNER OR OWNER'S RELATED PARTIES FOR ANY DAMAGES, LOSSES, COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES), CLAIMS, DEMANDS, SUITS, JUDGMENTS, ORDINARY NEGLIGENCE, OR OTHER OBLIGATIONS ARISING OUT OF OR CONNECTED IN ANY WAY WITH ANY OF THE ASSUMED RISKS. THIS RELEASE IS INTENDED TO BE A COMPREHENSIVE RELEASE OF LIABILITY BUT IS NOT INTENDED TO ASSERT DEFENSES WHICH ARE PROHIBITED BY LAW. NOTWITHSTANDING THE FOREGOING, HOWEVER, THIS SECTION 13.7 SHALL NOT LIMIT THE LIABILITY OF INDIVIDUAL GOLFERS USING THE GOLF LAND.

In addition to the foregoing, the Golf Course Play and Operational Easement also establishes certain easements and restrictions upon portions of the Common Interest Community for the benefit of the Golf Owner and the Golf Land, and each Owner of a Lot or Unit acknowledges having read that document and being familiar with the terms thereof.

The acknowledgments, assumptions of risk and agreements contained in this Section 13.7 shall be deemed to run with the title to each Lot and Unit within the Common Interest Community.

13.8 Notice. Each Lot and Unit Owner, and each First Mortgagee if it so elects, shall register its mailing address from time to time with the Master Association. Except as otherwise specifically provided in this Master Declaration, any notice permitted or required to be given hereunder shall be in writing and may be delivered either personally, or by facsimile transmission, or by mail. Notices delivered personally or sent by facsimile transmission shall be deemed given on the date so delivered or sent. If delivery is made by mail, it shall be deemed to have been delivered two (2) business days after a copy of the same has been posted in the first-class U.S. Mail with adequate postage affixed, addressed to the receiving party at the address last registered by such party with the Master Association, or in the case of a Lot or Unit Owner that has not provided such an address, to the Lot or Unit of that Owner. Notices to the Master Association shall be sent to such address as it may from time to time designate in writing to each Owner.

13.9 No Dedication to Public Use. Except for the streets and pedestrian path conveyed to the Town for public use by separate instrument, and except as otherwise expressly provided herein to the contrary, nothing contained in this Master Declaration or in any Supplemental Declaration shall be deemed to be or to constitute a dedication of all or any part of the Common Interest Community to the public or to any public use.

13.10 Interpretation of Master Declaration and Supplemental Declarations. The provisions of this Master Declaration and of all Supplemental Declarations shall be liberally construed to effectuate its purposes of creating a common and general plan for the development, improvement, enhancement, protection and enjoyment of the Common Interest Community, and to the extent possible, shall be construed so as to be consistent with the Act. In the event that any of the terms and conditions of this Master Declaration or of any Supplemental Declaration are determined to be inconsistent with the Act, the Act shall control.

13.11 Conflict With Plats. In the event of any conflict or inconsistency between the provisions of this Master Declaration or any Supplemental Declaration and the Plat, or any Supplemental Plat, including the Plat notes thereon, the provisions of said Plat or Supplemental Plat or Plat notes, as the case may be, shall govern and control and this Master Declaration or any Supplemental Declaration shall automatically be amended, but only to the extent necessary to conform the conflicting provisions hereof with the provisions of said Plat, Supplemental Plat or Plat notes.

13.12 No Express or Implied Covenants on Lands Not Annexed. Nothing in this Master Declaration or in any Supplemental Declaration shall create, or be deemed to create, any express or implied covenants upon or with respect to any real property or interest therein not actually annexed to the Common Interest Community in the manner provided herein, including without limitation the properties described in attached Exhibit B.

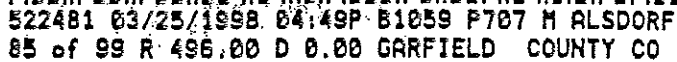
13.13 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Master Declaration, or in any Supplemental Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Master Declaration. This provision does not limit the remedies that may be available under this Master Declaration or at law or in equity. Failure of the Master Association to bring enforcement action to correct any violation of this Master Declaration or any Supplemental Declaration shall not constitute a waiver of or estop the Master Association from bringing a future or subsequent enforcement action to correct such violation or any other similar violation.

13.14 Declarant's Disclaimer of Representations and Warranties. No representations or warranties of any kind, express or implied, have been given or made or shall be deemed to have been given or made by Declarant or its agents or employees in connection with the Common Interest Community or the Golf Land or any portion thereof or any Improvements thereon, its or their physical condition, zoning, compliance with applicable laws, fitness for intended use or operation, adequacy or availability of utilities, or in connection with the subdivision, sale, improvement, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing herein, in any registration statement or purchase and sale agreement executed by Declarant, or in any closing document related thereto. Furthermore, no such representations or warranties have been given or made or shall be deemed to have been given or made by Declarant or its agents or employees that the plans presently envisioned for the complete development of the Common Interest Community and/or the Golf Land can or will be carried out, or that any land now owned or hereafter acquired by Declarant is or will be subjected to this Master Declaration or that any such land (whether or not it is subjected to this Master Declaration) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect, unless and except as shall be specifically set forth in writing herein, in any registration statement or purchase and sale agreement executed by Declarant, or in any closing document related thereto.

13.15 Captions. Captions given to various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof and shall not be considered in interpreting any of the provisions hereof.

13.16 Singular Includes Plural. Unless the context requires a contrary construction, as employed in this Master Declaration the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

13.17 Remedies Cumulative. Each remedy provided under this Master Declaration is cumulative and not exclusive.



RIVER VALLEY RANCH MASTER
ASSOCIATION

Y.M. Statist

ATTEST:

Secretary

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing Amended and Restated Master Declaration was acknowledged before me this 20th day of MARCH, 1998, by MICHAEL L. STAMER as President and by _____ as Secretary of River Valley Ranch Master Association, a Colorado non-profit corporation.

Witness my hand and official seal.

MY COMMISSION EXPIRES:

My commission expires: November 19, 2001

Charles W. Hughes

Notary Public

13.11 Conflict With Plats. In the event of any conflict or inconsistency between the provisions of this Master Declaration or any Supplemental Declaration and the Plat, or any Supplemental Plat, including the Plat notes thereon, the provisions of said Plat or Supplemental Plat or Plat notes, as the case may be, shall govern and control and this Master Declaration or any Supplemental Declaration shall automatically be amended, but only to the extent necessary to conform the conflicting provisions hereof with the provisions of said Plat, Supplemental Plat or Plat notes.

13.12 No Express or Implied Covenants on Lands Not Annexed. Nothing in this Master Declaration or in any Supplemental Declaration shall create, or be deemed to create, any express or implied covenants upon or with respect to any real property or interest therein not actually annexed to the Common Interest Community in the manner provided herein, including without limitation the properties described in attached Exhibit B.

13.13 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Master Declaration, or in any Supplemental Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Master Declaration. This provision does not limit the remedies that may be available under this Master Declaration or at law or in equity. Failure of the Master Association to bring enforcement action to correct any violation of this Master Declaration or any Supplemental Declaration shall not constitute a waiver of or estop the Master Association from bringing a future or subsequent enforcement action to correct such violation or any other similar violation.

13.14 Declarant's Disclaimer of Representations and Warranties. No representations or warranties of any kind, express or implied, have been given or made or shall be deemed to have been given or made by Declarant or its agents or employees in connection with the Common Interest Community or the Golf Land or any portion thereof or any Improvements thereon, its or their physical condition, zoning, compliance with applicable laws, fitness for intended use or operation, adequacy or availability of utilities, or in connection with the subdivision, sale, improvement, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing herein, in any registration statement or purchase and sale agreement executed by Declarant, or in any closing document related thereto. Furthermore, no such representations or warranties have been given or made or shall be deemed to have been given or made by Declarant or its agents or employees that the plans presently envisioned for the complete development of the Common Interest Community and/or the Golf Land can or will be carried out, or that any land now owned or hereafter acquired by Declarant is or will be subjected to this Master Declaration or that any such land (whether or not it is subjected to this Master Declaration) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect, unless and except as shall be specifically set forth in writing herein, in any registration statement or purchase and sale agreement executed by Declarant, or in any closing document related thereto.

13.15 Captions. Captions given to various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof and shall not be considered in interpreting any of the provisions hereof.

13.16 Singular Includes Plural. Unless the context requires a contrary construction, as employed in this Master Declaration the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

13.17 Remedies Cumulative. Each remedy provided under this Master Declaration is cumulative and not exclusive.

13.18 **Costs and Attorneys' Fees.** In any action or proceeding involving the interpretation or enforcement of any provision of this Master Declaration, or any Supplemental Declaration, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection therewith.

13.19 **Governing Law; Jurisdiction.** The laws of the State of Colorado shall govern the interpretation, validity, performance, and enforcement of this Master Declaration and any Supplemental Declaration. Any legal action brought in connection with this Master Declaration or any Supplemental Declaration shall be commenced in the District Court for Garfield County, Colorado, and by acceptance of a deed to a Lot or Unit each Lot or Unit Owner voluntarily submits to the jurisdiction of such court.

13.20 **Severability.** Any determination by any court of competent jurisdiction that any provision of this Master Declaration or of any Supplemental Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof. Where any provision of this Master Declaration or any Supplemental Declaration is alleged to be or declared by a court of competent jurisdiction to be unconscionable, Declarant shall have the right by amendment to this Master Declaration or Supplemental Declaration to replace such provision with a new provision, as similar thereto as practicable but which in Declarant's reasonable opinion would be considered not to be unconscionable.

13.21 **Disclaimer Regarding Safety.** DECLARANT AND THE MASTER ASSOCIATION HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMON INTEREST COMMUNITY. ANY OWNER OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY ACKNOWLEDGES THAT DECLARANT AND THE MASTER ASSOCIATION ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION AND BYLAWS, AND ARE NOT OBLIGATED TO DO OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMON INTEREST COMMUNITY.

IN WITNESS WHEREOF, Declarant and Master Association have executed this Amended and Restated Master Declaration as of the day and year first above written.

DECLARANT:

CRYSTAL RIVER LIMITED PARTNERSHIP, a
Delaware Limited Partnership

By: Hines Colorado Corporation, a Texas corporation,
General Partner

By: 

Its: VICE PRESIDENT

522481 03/25/1998 04:49P B1059 P706 M ALSDORF
84 of 99 R 496.00 D 0.00 GARFIELD COUNTY CO

STATE OF Colorado)

) ss.

COUNTY OF Pitkin)

The foregoing Amended and Restated Master Declaration was acknowledged before me
this 20th day of MARCH, 1998, by DAVID W. PARKER as
VICE PRESIDENT of Hines Colorado Corporation, a Texas corporation, General Partner of
CRYSTAL RIVER LIMITED PARTNERSHIP, a Delaware limited partnership, Declarant.

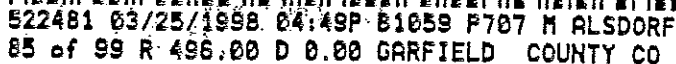
WITNESS my hand and official seal.

My commission expires:

MY COMMISSION EXPIRES:
November 19, 2001

(SEAL)

Charles M. Haynes
Notary Public



RIVER VALLEY RANCH MASTER
ASSOCIATION

President

Secretary

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing Amended and Restated Master Declaration was acknowledged before me this 20th day of MARCH, 1998, by MICHAEL L. STAMER as President and by _____ as Secretary of River Valley Ranch Master Association, a Colorado non-profit corporation.

Witness my hand and official seal.

My commission expires: November 19, 2001 MY COMMISSION EXPIRES:

Notary Public



522481 03/25/1998 04:49P B1059 P708 H ALSDORF
86 of 99 R 496.00 D 0.00 GARFIELD COUNTY CO

CONSENT AND SUBORDINATION OF MORTGAGEE

The undersigned Wells Fargo Bank, National Association, being the beneficiary under that certain Deed of Trust recorded October 15, 1997 in Book 1038 at Page 693 in the Office of the Clerk and Recorder of Garfield County, Colorado (the "Deed of Trust"), hereby consents to the recording of this Amended and Restated Declaration, and hereby agrees that the Deed of Trust shall be subordinate in all respects to said Amended and Restated Declaration.

Dated this 20th day of MARCH, 1998.

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By:

DAVID C. WILLIAMS

Its:

VICE PRESIDENT

STATE OF TEXAS)

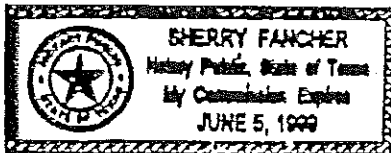
) ss.

COUNTY OF HARRIS)

The foregoing Consent and Subordination was acknowledged before me this 20th day of March, 1998, by DAVID C. WILLIAMS as VICE PRESIDENT of Wells Fargo Bank, National Association.

Witness my hand and official seal.

My commission expires: 6-5-99



Notary Public



522481 03/25/1998 04:49P B1059 P709 M ALSDORF
87 of 99 R 486.00 D 0.00 GARFIELD COUNTY CO

EXHIBIT A

LEGAL DESCRIPTION OF COMMON INTEREST COMMUNITY

1. River Valley Ranch (Phases I, II and III), according to the Final Plat of Phase recorded September 27, 1996 at Reception No. 498928, the Final Plat of Phase II recorded December 6, 1996 at Reception No. 502059, the Amended Plat of Golf Course Parcel No. 2 recorded August 12, 1997 at Reception No. 512237, the Final Plat of Phase III recorded August 12, 1997 at Reception No. 512240, the Boundary Line Adjustment Plat Consolidated Lot 4/5, Block L, River Valley Ranch Phase I, as recorded December 5, 1997 at Reception No. 517449, and the Amended Plat Lots 1-9, Block M, and Lots 1-4, Block Q, River Valley Ranch Phase III, as recorded January 30, 1998 at Reception No. 519806, all in the Office of the Clerk and Recorder of Garfield County, Colorado, excepting and excluding:

- (a) Golf Course Parcel No. 2, No. 3, No. 4, No. 5 and No. 6, as depicted and described on the Final Plat of Phase I and on the Amended Plat of Golf Course Parcel No. 2.
- (b) River Front Park Nos. 1-6, Triangle Park, Orchard Park, and Crystal River Corridor, as depicted and described on the Final Plat of Phase I.
- (c) Block G, as depicted and described on the Final Plat of Phase I, as amended by Amended Plats recorded January 30, 1998 at Reception No. 519809 (Lot 2) and Reception No. 519810 (Lots 27 and 28).
- (d) Block P, as depicted and described on the Final Plat of Phase I.

EXHIBIT B
LEGAL DESCRIPTION OF ANNEXABLE PROPERTY

A tract of land situate in Sections 3 and 4, Township 8 South, Range 88 West of the 6th Principal Meridian being more particularly described as follows:

Beginning at the southwest corner of said Section 3; thence S 88°03'39" W 1306.85 feet along the south line of said Section 4; thence N 3°40'40" W 2676.01 feet along the west line of lots 13 and 9 of said Section 4; thence S 89°39'22" W 1324.71 feet along the south line of lot 6 of said Section 4; thence N 4°01'13" W 1317.68 feet along the west line of said lot 6; thence S 89°23'18" E 612.79 feet along the north line of said lot 6; thence N 0°34'51" E 443.94 feet along the west line of lot 7 of said Section 4 to the south line of the Rock Creek Subdivision; thence N 88°10'32" E 1325.48 along said south line; thence N 0°06'28" E 140.76 feet along the east line of said Rock Creek Subdivision; thence S 74°31'17" E 472.99 along the center of the Crystal River to the north line of lot 7 of said Section 4; thence N 88°10'32" E 1580.89 feet along the north lines of said lot 7 and lot 5 of Section 3; thence S 28°48'43" E 176.06 feet along a fence on the west boundary of a tract of land described in Book 494 at Page 822; thence S 55°14'39" E 827.40 feet along said west line; thence N 0°36'46" E 1000.04 along the east line described in said Book 494 at Page 822 to the westerly right-of-way line of Colorado State Highway No. 133; thence along said right-of-way line the following 4 courses: 1) S 30°22'38" E 72.13 feet; thence 2) S 28°44'08" E 1715.47 feet; thence 3) S 27°41'51" E 216.95 feet; thence 4) S 26°34'13" E 1064.03 feet to the center of the Carbondale Town Ditch; thence along the center of said ditch the following 3 courses: 1) S 11°58'10" W 67.80 feet; thence 2) S 6°47'55" E 136.26 feet; thence 3) S 7°45'46" W 99.73 feet to the south line of lot 9 of said Section 3 and the north line of a tract of land described in Book 482 at Page 949; thence S 87°47'47" W 544.21 feet; thence S 47°31'10" E 245.96 feet along the east bank of the Crystal River; thence S 25°19'55" E 44.58 feet along the east bank of the Crystal River; thence S 86°27'09" W 94.31 feet to the center of the Crystal River; thence along the center of the Crystal River the following courses: S 16°02'31" E 116.12 feet; thence S 27°48'07" E 235.74 feet; thence S 46°41'43" E 90.66 feet; thence S 56°56'24" E 331.75 feet; thence S 43°51'57" E 243.66 feet; thence S 34°57'12" E 399.30 feet; thence leaving said river center on a course bearing N 87°44'00" E 175.35 feet; thence S 29°46'00" E 122.32 feet; thence N 87°44'00" E 59.08 feet to the west right-of-way line of Colorado State Highway No. 133; thence 485.05 feet along the arc of a nontangent curve to the right, having a radius of 5149.10 feet, a central angle of 5°23'50", and subtending a chord bearing S 12°13'08" E 484.87 feet; thence 440.03 feet along the arc of a curve to the right, having a radius of 5149.10 feet, a central angle of 4°53'47", and subtending a chord bearing S

07°04'40" E 439.90 feet; thence N 88°39'41" W 113.84 feet to point on the center of the Carbondale Town Ditch; thence S 5°30'22" W 37.93 feet along the center of said ditch to southeast corner of a tract of land described in Book 457 at Page 552 of the records of the Clerk and Recorder of Garfield County Colorado; thence along the east and north boundaries of said parcel the following courses: N 19°42'32" W 53.32 feet; thence N 33°14'25" E 67.54 feet; thence N 56°11'39" W 83.62 feet; thence N 4°16'53" E 133.44 feet; thence N 89°58'45" W 164.82 feet to the center of the Crystal River; thence along the center of the Crystal River the following courses: S 9°16'11" W 194.89 feet; thence S 8°31'01" E 95.52 feet; thence leaving said river center S 77°09'01" W 211.5 feet; thence N 81°58'19" W 138.10 feet; thence N 73°22'50" E 333.18 feet; thence N 81°10'35" W 73.89 feet; thence N 76°15'03" E 69.48 feet; thence N 76°47'11" W 342.84 feet; thence S 25°55'58" E 407.71 feet; thence S 2°08'16" E 243.79 feet; thence S 58°20'23" W 162.97 feet; thence S 49°53'22" W 300.71 feet; thence S 42°08'28" W 116.64 feet; thence S 22°32'38" W 695.03 feet; thence S 10°12'58" W 299.19 feet; thence S 89°30'38" W 211.5 feet; thence S 31°38'32" W 55.91 feet; thence S 15°39'56" E 312.14 feet; thence S 78°35'15" W 718.34 feet; thence N 35°45'55" W 354.74 feet; thence N 7°12'46" E 355.38 feet; thence N 0°09'25" E 56.02 feet; thence N 3°29'27" W 243.47 feet; thence N 3°48'39" W 205.77 feet; thence N 2°05'10" W 108.92 feet; thence S 17°05'37" E 557.23 feet; thence N 5°42'30" W 223.30 feet; thence N 28°39'18" W 172.99 feet; thence N 23°02'25" W 259.91 feet; thence N 30°13'38" W 73.91 feet; thence N 3°40'01" E 189.69 feet to the south line of said Section 3; thence N 89°35'39" W 80 feet along the south line of Section 3 to the point of beginning

EXCEPT

A tract of land situate in Sections 3, 4, and 10 Township 8 South Range 88 West of the 6th Principal Meridian being more particularly described as follows:

Beginning at a point whence the southwest corner of said Section bears S 16°43'22" W 3882.06 feet; thence N 71°32'55" E 394.7 feet; thence thence S 27°05'56" E 80.50 feet; thence 60.33 feet along the arc of a nontangent curve to the right, having a radius of 185.00 feet, a central angle of 18°40'59", and subtending chord bearing N 65°25'24" E 60.06 feet; thence N 27°05'56" E 183.82 feet; thence 329.20 feet along the arc of a curve to the left, having a radius of 475.00 feet, a central angle of 39°42'31", and subtending a chord bearing N 46°49'09" W 322.65 feet; thence N 66°40'24" W 58.99 feet; thence N 43°51'52" E 75.21 feet; thence S 55°14'39" E 713.73 feet; thence N 0°36'46" E 1000.04 feet; thence S 30°22'38" E 72.13 feet; thence S 28°44'08" E 1715.47 feet; thence S 27°41'51" E 126.26 feet; thence S 61°44'18" W 784.34 feet; thence 123.11 feet along the arc of a nontangent curve to the right, having a radius of 1430.00 feet, a central angle of 4°55'57", and subtending a chord bearing S 33°03'56" E 110.0

feet; thence S 30°35'57" E 145.26 feet; thence 86.76 feet along the arc of a curve to the left, having a radius of 670.00 feet, a central angle of 7°25'11", and subtending a chord bearing S 34°18'33" E 86.70 feet; thence N 61°44'18" E 622.74 feet; thence S 28°15'42" E 14.68 feet; thence N 61°44'18" E 127.13 feet; thence S 26°34'13" E 785.90 feet; thence S 11°58'10" W 67.80 feet; thence S 6°47'55" E 136.26 feet; thence S 7°45'46" W 99.73 feet; thence S 87°47'47" W 544.21 feet; thence S 47°31'10" E 245.96 feet along the east bank of the Crystal River; thence S 25°19'55" E 44.58 feet along the east bank of the Crystal River; thence S 86°27'09" W 94.31 feet to the center of the Crystal River; thence along the center of the Crystal River the following courses: S 16°02'31" E 116.12 feet; thence S 27°48'07" E 235.74 feet; thence S 46°41'43" E 90.66 feet; thence S 56°56'24" E 331.75 feet; thence S 43°51'57" E 243.66 feet; thence S 34°57'12" E 399.30 feet; thence leaving said river center on a course bearing N 87°44'00" E 175.35 feet; thence S 29°46'00" E 122.32 feet; thence N 87°44'00" E 59.08 feet to the west right-of-way line of Colorado State Highway No. 133; thence 485.05 feet along the arc of a nontangent curve to the right, having a radius of 5149.10 feet, a central angle of 5°23'50", and subtending a chord bearing S 12°13'08" E 484.87 feet; thence 440.03 feet along the arc of a curve to the right, having a radius of 5149.10 feet, a central angle of 4°53'47", and subtending a chord bearing S 07°04'40" E 439.90 feet; thence N 88°39'41" W 113.84 feet to a point on the center of the Carbondale Town Ditch; thence N 16°30'22" W 37.93 feet along the center of said ditch to the southeast corner of a tract of land described in Book 457 at Page 552 of the records of the Clerk and Recorder of Garfield County, Colorado; thence along the east and north boundaries of said parcel the following courses: N 19°42'32" W 53.32 feet; thence N 33°14'25" E 67.54 feet; thence N 56°11'39" W 83.62 feet; thence N 4°16'53" W 133.44 feet; thence N 89°58'45" W 164.82 feet to the center of the Crystal River; thence along the center of the Crystal River the following courses: S 9°16'11" W 194.89 feet; thence S 8°31'01" E 95.52 feet; thence S 77°09'01" E 211.50 feet; thence N 81°58'19" W 138.10 feet; thence N 73°22'50" W 333.18 feet; thence N 81°10'35" W 73.89 feet; thence N 76°15'03" W 69.48 feet; thence N 76°47'11" W 342.20 feet; thence 132.47 feet along the arc of a nontangent curve to the right, having a radius of 165.00 feet, a central angle of 46°00'00", and subtending a chord bearing N 27°31'04" E 128.94 feet; thence N 50°31'04" E 54.10 feet; thence 51.85 feet along the arc of a curve to the right, having a radius of 265.00 feet, a central angle of 11°12'38", and subtending a chord bearing N 56°07'23" E 51.77 feet; thence N 61°43'41" E 17.39 feet; thence S 49°16'22" E 100.00 feet; thence N 84°14'05" E 197.11 feet; thence N 65°17'18" E 83.08 feet; thence N 5°56'03" W 621.39 feet; thence N 39°31'18" W 246.38 feet; thence N 43°38'02" W 33.95 feet; thence S 14°52'15" W 322.92 feet; thence S 49°12'41" W 70.00 feet; thence N 40°47'19" W 81.66 feet; thence 148.15 feet along the arc of a curve to the right, having a radius of 435.00 feet, a central angle of 19°30'48", and subtending a chord bearing N 31°01'55" W 147.43 feet; thence N 21°16'32" W 49.29

feet; thence S 14°52'15" W 258.46 feet; thence S 40°48'28" E 137.89 feet; thence S 36°36'04" E 66.54 feet; thence S 5°22'31" E 55.41 feet; thence S 20°09'48" W 108.39 feet; thence S 38°49'59" E 121.56 feet; thence 37.36 feet along the arc of a nontangent curve to the left, having a radius of 335.00 feet, a central angle of 6°23'24", and subtending a chord bearing S 53°42'46" W 37.34 feet; thence S 50°31'04" W 54.10 feet; thence 221.17 feet along the arc of a curve to the left, having a radius of 235.00 feet, a central angle of 53°55'30", and subtending a chord bearing S 23°33'19" W 213.10 feet; thence S 88°20'53" W 40.81 feet; thence S 29°24'31" W 239.42 feet; thence S 36°16'32" W 552.19 feet; thence S 23°05'43" W 609.49 feet; thence 38.51 feet along the arc of a nontangent curve to the left, having a radius of 180.00 feet, a central angle of 12°15'30", and subtending a chord bearing S 89°51'58" W 38.44 feet; thence N 57°59'13" E 170.87 feet; thence N 49°26'39" W 132.16 feet; thence S 35°16'18" W 496.29 feet; thence S 15°32'20" E 64.18 feet; thence N 67°14'32" E 339.89 feet; thence 34.08 feet along the arc of a nontangent curve to the left, having a radius of 63.00 feet, a central angle of 30°59'41", and subtending a chord bearing N 75°04'58" E 33.6 feet; thence N 59°35'08" E 147.98 feet; thence 95.72 feet along the arc of a curve to the right, having a radius of 120.00 feet, a central angle of 45°42'14", and subtending a chord bearing S 82°26'15" E 93.20 feet; thence S 74°42'39" E 19.14 feet; thence N 18°01'07" W 82.50 feet; thence S 44°36'18" W 594.01 feet; thence S 67°43'41" W 67.22 feet; thence N 79°37'43" W 73.47 feet; thence N 48°46'03" W 68.38 feet; thence N 23°17'35" W 74.10 feet; thence N 5°55'59" W 84.04 feet; thence N 11°22'00" W 193.32 feet; thence N 19°29'06" E 556.82 feet; thence N 15°52'50" E 33.13 feet; thence N 33°06'03" E 35.01 feet; thence N 3°34'40" W 84.40 feet; thence N 47°23'52" E 53.31 feet; thence N 15°44'29" E 46.09 feet; thence N 1°15'25" W 31.27 feet; thence N 21°05'02" W 12.83 feet; thence N 25°50'15" W 263.49 feet; thence N 1°47'03" W 199.8 feet; thence N 66°15'51" E 190.80 feet; thence S 45°37'36" E 155.32 feet; thence S 26°33'15" E 318.55 feet; thence N 50°41'42" E 779.68 feet; thence N 53°54'41" W 134.96 feet; thence S 86°41'41" W 320.50 feet; thence S 80°01'13" W 282.30 feet; thence N 13°07'02" W 37.16 feet; thence 149.79 feet along the arc of a nontangent curve to the left, having a radius of 230.00 feet, a central angle of 37°18'54", and subtending a chord bearing S 84°55'18" W 147.16 feet; thence S 66°15'51" W 228.07 feet; thence N 9°23'02" W 100.19 feet; thence S 84°24'22" W 193.83 feet; thence N 31°27'47" W 3.28 feet; thence 121.68 feet along the arc of a curve to the right, having a radius of 365.00 feet, a central angle of 19°06'00", and subtending a chord bearing N 21°54'47" W 121.1 feet; thence N 67°02'17" E 757.39 feet; thence N 39°35'42" E 179.23 feet; thence S 69°38'22" E 63.33 feet; thence S 80°15'09" E 86.57 feet; thence N 71°58'49" E 46.29 feet; thence S 82°00'58" E 61.66 feet; thence N 79°53'55" E 48.43 feet; thence S 66°34'41" E 33.74 feet; thence N 84°23'22" E 44.49 feet; thence N 11°16'43" E 72.60 feet; thence N 46°19'19" W 425.78 feet; thence S 58°41'41" E 126.62 feet; thence S 47°52'55" E 73.37 feet; thence 43.73 feet.

along the arc of a nontangent curve to the left, having a radius of 195.00 feet, a central angle of 12°51'01", and subtending a chord bearing S 74°04'58" E 43.64 feet; thence 226.55 feet along the arc of a curve to the right, having a radius of 58.50 feet, a central angle of 221°53'24", and subtending a chord bearing S 30°26'14" W 109.27 feet; thence 86.20 feet along the arc of a curve to the right, having a radius of 421.25 feet, a central angle of 11°43'30", and subtending a chord bearing N 32°45'19" W 86.05 feet; thence 4.13 feet along the arc of a curve to the left, having a radius of 195.00 feet, a central angle of 1°12'49", and subtending a chord bearing N 27°29'59" W 4.13 feet; thence N 26°53'35" W 10.73 feet; thence N 47°52'55" W 95.77 feet; thence 79.31 feet along the arc of a curve to the right, having a radius of 330.00 feet, a central angle of 13°46'15", and subtending a chord bearing N 40°59'48" W 79.12 feet; thence N 34°06'41" W 127.54 feet; thence 55.95 feet along the arc of a curve to the left, having a radius of 110.00 feet, a central angle of 29°08'31", and subtending a chord bearing N 48°40'56" W 55.35 feet; thence 26.01 feet along the arc of a nontangent curve to the right, having a radius of 305.00 feet, a central angle of 4°53'10", and subtending a chord bearing S 29°55'42" W 26.00 feet; thence N 57°37'42" W 70.00 feet; thence 269.49 feet along the arc of a nontangent curve to the left, having a radius of 235.00 feet, a central angle of 65°42'15", and subtending a chord bearing N 0°28'50" W 254.96 feet; thence N 33°19'58" W 218.35 feet; thence 302.83 feet along the arc of a curve to the right, having a radius of 435.00 feet, a central angle of 39°53'13", and subtending a chord bearing N 13°23'21" W 296.75 feet; thence N 6°33'15" E 5.11 feet; thence 238.15 feet along the arc of a curve to the right, having a radius of 250.00 feet, a central angle of 54°34'50", and subtending a chord bearing N 33°50'40" E 229.25 feet; thence N 45°30'35" W 220.95 feet; thence N 23°59'26" W 429.05 feet; thence N 5°44'24" W 893.22 feet; thence N 79°21'15" W 487.90 feet; thence S 74°01'42" W 415.23 feet; thence N 56°22'27" W 36.50 feet; thence S 34°28'06" W 141.18 feet; thence 25.09 feet along the arc of a nontangent curve to the right, having a radius of 210.00 feet, a central angle of 6°50'44", and subtending a chord bearing N 51°05'12" W 25.08 feet; thence N 34°28'06" E 138.87 feet; thence N 56°22'27" W 377.34 feet; thence S 38°18'20" W 200.00 feet; thence S 34°23'56" E 122.09 feet; thence S 8°00'20" E 148.50 feet; thence 65.37 feet along the arc of a nontangent curve to the right, having a radius of 190.00 feet, a central angle of 19°42'43", and subtending a chord bearing N 66°34'46" W 65.05 feet; thence N 56°43'25" W 182.63 feet; thence 162.65 feet along the arc of a curve to the left, having a radius of 330.00 feet, a central angle of 28°14'25", and subtending a chord bearing N 70°50'37" W 161.01 feet; thence N 57°59'30" W 646.76 feet; thence N 9°36'48" E 204.11 feet; thence N 23°21'51" W 499.41 feet; thence N 14°34'32" E 84.65 feet; thence S 84°15'39" E 271.98 feet; thence S 43°33'58" E 85.07 feet; thence S 42°33'17" E 605.92 feet; thence S 79°22'05" E 116.60 feet; thence N 9°20'51" W 182.85 feet; thence N 4°32'30" W 220.60 feet; thence 108.39 feet along the arc of a nontangent

curve to the left, having a radius of 635.00 feet, a central angle of 9°46'47", and subtending a chord bearing N 88°11'18" E 108.25 feet; thence N 83°17'55" E 131.64 feet; thence 105.24 feet along the arc of a curve to the left, having a radius of 95.00 feet, central angle of 63°28'25", and subtending a chord bearing S 51°33'42" E 99.94 feet; thence N 19°49'29" E 127.32 feet; thence S 82°03'40" E 65.01 feet; thence S 60°38'54" E 115.83 feet; thence S 23°20'07" E 53.82 feet; thence S 5°57'06" E 53.05 feet; thence S 8°47'58" E 65.89 feet; thence S 28°32'43" E 23.37 feet; thence S 51°20'51" E 106.66 feet; thence N 83°10'04" E 191.90 feet; thence N 66°45'39" E 55.01 feet; thence S 86°45'08" E 458.81 feet; thence S 59°13'25" E 301.54 feet to the point of beginning.

EXCEPT

A tract of land situate in Sections 3, 4 and 10 Township 8 South, Range 88 West of the 6th Principal Meridian being more particularly described as follows:

Beginning at a point whence the southwest corner of said Section 3 bears S 14°02'35" E 2923.38 feet; thence N 70°20'43" E 39.74 feet; thence N 77°18'55" E 115.64 feet; thence S 81°06'39" E 114.68 feet; thence N 26°31'49" E 84.95 feet; thence S 56°43'25" E 105.28 feet; thence 240.68 feet along the arc of a curve to the left, having a radius of 210.00 feet, a central angle of 65°40'01", and subtending a chord bearing S 89°33'25" E 227.72 feet; thence N 57°36'34" E 68.24 feet; thence N 80°30'55" E 6.46 feet; thence 30.88 feet along the arc of a curve to the left, having a radius of 270.00 feet, a central angle of 6°33'13", and subtending a chord bearing S 48°27'38" E 30.87 feet; thence S 61°59'27" W 172.07 feet; thence S 37°15'59" E 263.58 feet; thence S 14°34'44" E 321.11 feet; thence S 57°02'39" W 20.79 feet; thence S 21°26'56" E 164.75 feet; thence S 48°38'39" E 186.71 feet; thence S 82°45'36" E 59.80 feet; thence S 43°10'27" E 156.32 feet; thence S 29°04'44" E 55.66 feet; thence S 48°38'39" E 310.40 feet; thence 19.63 feet along the arc of a curve to the left, having a radius of 245.00 feet, a central angle of 4°35'30", and subtending a chord bearing S 4°02'22" W 19.63 feet; thence S 1°44'37" W 149.00 feet; thence S 83°07'07" W 312.41 feet; thence S 41°24'15" E 403.25 feet; thence S 51°43'23" E 443.09 feet; thence N 45°55'14" E 9.39 feet; thence N 16°48'21" W 439.80 feet; thence 45.52 feet along the arc of a curve to the left, having a radius of 52.80 feet, a central angle of 49°20'41", and subtending a chord bearing N 16°48'21" W 44.12 feet; thence N 16°48'21" W 159.80 feet; thence S 87°38'02" W 74.88 feet; thence N 1°44'37" E 142.20 feet; thence 4.08 feet along the arc of a curve to the right, having a radius of 195.00 feet, a central angle of 1°11'54", and subtending a chord bearing N 2°20'34" E 4.08 feet; thence N 85°38'25" E 161.7 feet; thence S 32°16'06" E 473.12 feet; thence S 34°42'07" E 286.2 feet; thence S 17°41'47" E 180.31 feet; thence S 19°23'23" W 104.4 feet; thence S 43°36'31" E 136.52 feet; thence 145.59 feet along the arc of a curve to the right, having a radius of 235.00 feet, central angle of 35°29'45", and subtending a chord bearing

77°41'20" W 143.27 feet; thence N 84°33'48" W 113.65 feet; thence 115.32 feet along the arc of a curve to the left, having a radius of 335.00 feet, a central angle of 19°43'24", and subtending a chord bearing S 85°34'31" W 114.75 feet; thence S 75°42'48" W 19.39 feet; thence N 5°38'58" W 79.57 feet; thence N 68°29'58" W 609.96 feet; thence S 23°18'06" W 138.76 feet; thence 39.09 feet along the arc of a curve to the right, having a radius of 365.00 feet, a central angle of 6°08'12", and subtending a chord bearing N 54°18'20" W 39.07 feet; thence N 19°39'57" E 134.32 feet; thence N 37°22'31" W 588.46 feet; thence N 49°45'46" W 561.82 feet; thence N 32°52'49" W 354.37 feet; thence N 17°04'45" W 34.46 feet; thence N 11°04'58" W 781.02 feet to the point of beginning.

AND
EXCEPT

A tract of land situate in Sections 3 and 4 Township 8 South, Range 88 West of the 6th Principal Meridian being more particularly described as follows:

Beginning at a point whence the southwest corner of said Section 3 bears S 5°37'18" E 4065.64 feet; thence 402.41 feet along the arc of a curve to the right, having a radius of 565.00 feet, a central angle of 40°48'27", and subtending a chord bearing N 76°17'52" W 393.96 feet; thence N 55°53'38" W 207.42 feet; thence N 00°00'00" W 156.63 feet; thence N 00°06'28" E 140.76 feet; thence S 74°31'17" E 472.99 feet; thence N 88°10'32" E 114.29 feet; thence S 36°40'53" E 57.80 feet; thence S 16°19'33" E 32.72 feet; thence S 20°37'27" E 95.74 feet; thence S 19°13'09" E 131.98 feet; thence S 4°27'12" W 77.31 feet; thence S 83°17'55" W 131.64 feet to the point of beginning.

TOGETHER WITH AND INCLUDING IN THE ANNEXABLE PROPERTY:
Block P as depicted and described on the Final Plat, River Valley Ranch, Phase I, recorded as Reception No. 49872B in the records of the Garfield County Clerk and Recorder, as amended.

AND EXCEPT ALL LANDS IN RIVER VALLEY RANCH PHASES II AND III, AS DEPICTED AND DESCRIBED ON THE FINAL PLATS THEREOF RECORDED DECEMBER 6, 1996 AT RECEPTION NO. 502059 AND AUGUST 12, 1997 AT RECEPTION NO. 512240, RESPECTIVELY.

AND TOGETHER WITH and including in the Annexable Property the following-described property:

A tract of land situate in Section 3, Township 8 South, Range 88 West of the 6th Principal Meridian being more particularly described as follows:

Beginning at a point whence the southwest corner of said Section 3 bears S 50°28'02" W 4008.42 feet; thence S 35°09'06" W 198.68 feet; thence S 16°17'49" E 52.29 feet; thence S 28°37'18" W 84.65 feet; thence

27.64 feet along the arc of a non tangent curve to the right, having a radius of 589.87 feet, a central angle of $2^{\circ} 41' 05''$, and subtending a chord bearing S $43^{\circ} 54' 34''$ E 27.64 feet; thence S $41^{\circ} 30' 54''$ W 74.65 feet; thence S $12^{\circ} 00' 18''$ W 59.66 feet; thence S $56^{\circ} 09' 16''$ W 79.97 feet; thence S $38^{\circ} 14' 08''$ E 36.15 feet; thence S $75^{\circ} 37' 53''$ W 99.72 feet; thence N $26^{\circ} 19' 21''$ W 42.27 feet; thence 275.51 feet along the arc of a non tangent curve to the left, having a radius of 295.00 feet, a central angle of S $53^{\circ} 30' 39''$, and subtending a chord bearing N $40^{\circ} 14' 21''$ E 265.61 feet; thence N $13^{\circ} 29' 01''$ E 198.00 feet; thence 172.59 feet along the arc of a curve to the right, having a radius of 215.00 feet, a central angle of $45^{\circ} 59' 35''$, and subtending a chord bearing N $36^{\circ} 28' 49''$ E 167.99 feet; thence S $26^{\circ} 34' 13''$ E 55.32 feet to the point of beginning, said parcel contains 0.711 acres more or less.

EXCEPT that portion of the above described property lying within the right-of-way of Jacobs Place and Bridgewater Place as dedicated by the Final Plat of River Valley Ranch, Phase 1, recorded September 27, 1996 at Reception No. 498928 in the Office of the Clerk and Recorder of Garfield County, Colorado, containing 3442 square feet more or less.

EXHIBIT C

Allocated Interests

River Valley Ranch (Phases I, II, and III)

<u>Lots</u>	<u>Common Expense</u>	<u>Vote</u>
<u>Liability</u>		
Block A, Lots 1-23, and Lots 46-54, inclusive	Each Lot: 1/175	Each Lot: 1 Vote
Block F, Lots 1-65 inclusive	Each Lot: 1/175	Each Lot: 1 Vote
Block I, Lots 1-5, inclusive	Each Lot: 1/175	Each Lot: 1 Vote
Block J, Lots 1-17, inclusive	Each Lot: 1/175	Each Lot: 1 Vote
Block K, Lots 1-15, inclusive	Each Lot: 1/175	Each Lot: 1 Vote
Block L, Lots 1, 2, 3, 6 and Consolidated Lot 4/5, inclusive	Each Lot: 1/175	Each Lot: 1 Vote
Block M, Lots 1-9, inclusive	Each Lot: 1/175	Each Lot: 1 Vote
Block N, Lots 1-6, inclusive	Each Lot: 1/175	Each Lot: 1 Vote
Block Q, Lots 1-5, inclusive	Each Lot: 1/175	Each Lot: 1 Vote
Block S, Lots 1-16, inclusive	Each Lot: 1/175	Each Lot: 1 Vote
Total Lots: 175	Total Common Expense Liabilities = 175/175	Total Votes: 175

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EXHIBIT D

LEGAL DESCRIPTION OF GOLF LAND

Golf Course Parcels No. 2, No. 3, No. 4, No. 5 and No. 6, as depicted and described on the Final Plat of River Valley Ranch (Phase I) recorded September 27, 1996 at Reception No. 498928 and on the Amended Plat of Golf Course Parcel No. 2 recorded August 12, 1997 at Reception No. 512237, all in the Office of the Clerk and Recorder of Garfield County, Colorado.

EXHIBIT E

RECORDED EASEMENTS AND LICENSES

1. All easements shown on the Final Plats of River Valley Ranch (Phases I, II and III), as recorded September 27, 1996 at Reception No. 498928, December 6, 1996 at Reception No. 502059, and August 12, 1997 at Reception No. 512240, respectively, as amended.
2. Easements and rights of way created or reserved in United States Patents recorded in Book 12 at Page 204, Book 12 at Page 205, Book 12 at Page 207, Book 12 at Page 295, Book 12 at Page 334, Book 12 at Page 465, Book 56 at Page 509, Book 73 at Page 34, and Book 232 at Page 435.
3. Permanent easement granted to Department of Highways, State of Colorado, in instrument recorded in Book 317 at Page 101.
4. Right of ingress and egress reserved in deed recorded in Book 240 at Page 577.
5. Easements contained in instrument recorded in Book 928 at Page 994.
6. Right of ingress and egress reserved in deed recorded in Book 240 at Page 577.
7. Right of ingress and egress reserved in deed recorded in Book 360 at Page 56.
8. Easements set forth in instrument recorded in Book 928 at Page 994.
9. Declaration of Golf Course Play and Operational Easement recorded in Book 994 at Page 013.
10. Water Rights Operating Agreement recorded in Book 994 at Page 001.
11. Ditch Easement Agreement for the Town of Carbondale Ditch recorded in Book 993 at Page 985.
12. Ditch Relocation Agreement for the Town of Carbondale Ditch recorded in Book 993 at Page 922.
13. Ditch Easement Agreement for the Weaver Leonhardy Ditch between Declarant and the Town of Carbondale recorded in Book 993 at Page 991.
14. Ditch Easement Agreement for the Weaver Leonhardy Ditch between Declarant and Ernest and Carol Gianinetti recorded in Book 993 at Page 997.
15. Ditch Relocation Agreement for the Weaver Leonhardy Ditch between Declarant and the Town of Carbondale recorded in Book 993 at Page 933.
16. Ditch Relocation Agreement for the Weaver Leonhardy Ditch between Declarant and Ernest and Carol Gianinetti recorded in Book 993 at Page 944.
17. Ditch Easement Agreement for the Rockford Ditch recorded in Book 993 at Page 968.
18. Ditch Relocation Agreement for the Rockford Ditch recorded in Book 993 at Page 957.
19. Terms and conditions of Lowline Ditch Agreement recorded in Book 928 at Page 983.



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20. Ditch Easement Agreement for the Lowline Ditch recorded in Book 993 at Page 975.
21. Ditch Easement Agreement for the Bowles and Holland Ditch recorded in Book 993 at Page 980
22. Easements and other matters set forth in Master Subdivision Improvements Agreement recorded in Book 993 at Page 851.

All recordings are in the Office of the Clerk and Recorder of Garfield County, Colorado.