

ELK STREAM RANCH
A Colorado Common Interest Community
Located in T36N R13W, T35N R13W, T36N R12W and T35N R12W, N.M.P.M
Montezuma County and La Plata County, Colorado

**AMENDED AND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS**

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EXHIBIT A: LEGAL DESCRIPTION OF REAL PROPERTY SUBJECT TO THE DECLARATION Attached

NOTE: Separate schedules include a general cross-reference table of the Amended Declaration Table of Contents to CCIOA provisions and other statutes; and a cross-reference table of the CCIOA statutes to the Amended Declaration Table of Contents. These cross-reference tables are not exhaustive, they are intended only to assist the reader in locating statutory provisions generally applicable to certain topics included in the Declaration. In most cases the referenced statutory provisions include significant additional detail and should be consulted for additional information regardless of the level of detail included in the Declaration. Colorado statutes can be accessed online: http://www.state.co.us/gov_dir/leg_dir/OLLS/colorado_revised_statutes.htm

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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

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THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ELK STREAM RANCH, as amended from time to time, (“Amended Declaration”) is made this ___ day of _____, 2010, by the Elk Stream Ranch Property Owners Association, Inc., a Colorado non-profit corporation.

RECITALS

WHEREAS, the original Declaration for the Elk Stream Ranch was made on February 6, 1996, by Tru-Worth, Ltd., a Colorado Limited Partnership, Ron Trujillo, Inc, a Colorado corporation, General Partner, Ron Trujillo, President, as recorded in the office of the Clerk and Recorder of Montezuma County at Rec. #453559, on February 7, 1996 and recorded in the office of the Clerk and Recorder of La Plata County at Rec. #808440, on June 29, 2001; and

WHEREAS, the Declaration was duly amended at an annual Member meeting held on August 11, 2001, as recorded in the office of the Clerk and Recorder of Montezuma County at Rec. #499031, on October 11, 2001 and recorded in the office of the Clerk and Recorder of La Plata County at Rec. #826018, on March 20, 2002; and

WHEREAS, the Declaration was duly amended at an annual Member meeting held on August 10, 2002, as recorded in the office of the Clerk and Recorder of Montezuma County at Rec. #507933, on October 24, 2002 and recorded in the office of the Clerk and Recorder of La Plata County at Rec. #842992, on November 15, 2002; and

WHEREAS, the Declaration was duly amended at an annual Member meeting held on August 14, 2004, as recorded in the office of the Clerk and Recorder of Montezuma County at Rec. #529631, Rec. #529632, Rec. #529633, and Rec. #529634 on September 8, 2004; and

WHEREAS, the Declaration as originally recorded applied to certain real property, which shall be amended in accordance with this Amended and Restated Declaration to apply to the real property described in Exhibit A (“Property”) to this document; and

WHEREAS, the Property subject to this Amended and Restated Declaration is a Planned Community as defined in C.R.S §38- 33.3-103(22), and is subject to the Colorado Common Interest Community Ownership Act (“CCIOA”), C.R.S. §38-33.3-101 *et seq*, as it may be amended from time to time; and

WHEREAS, the Elk Stream Ranch Property Owners Association, Inc., a Colorado non-profit corporation (“Association”), was established on July 14, 1995, for the purpose of managing the affairs of the common interest community, and such non-profit corporation is maintained in good standing with the office of the Secretary of State of Colorado; and

NOW THEREFORE, the Board of Directors of the Elk Stream Ranch Property Owners Association, Inc. (“Board”), deems it necessary and desirable to adopt this Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Elk Stream Ranch (“Amended Declaration”), and subject the Property to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Amended Declaration.

**ARTICLE 1
DECLARATION**

1.01 Declaration. The Property is subjected to these protective covenants, conditions, and restrictions for the benefit of the Property and present and future Owners thereof. The Declaration is intended to preserve the value, desirability and attractiveness of the Property, to create and protect the highest quality development of the Property, to insure proper maintenance thereof, and to maintain the Association's management of the Property in compliance with all applicable laws. [C.R.S. §38-33.3-205]

1.02 Covenants Running with the Land. All covenants, conditions, restrictions, reservations, easements, charges, liens and other provisions of the Declaration are covenants running with the land, or equitable servitudes, as the case may be. The obligations, burdens and benefits created by the Declaration bind and inure to the benefit of the Owners, the Association, all other parties having any right, title or interest in the Property or any portion thereof and their respective successors, assigns, heirs, devisees, executors, administrators and personal representatives. The Property and each Parcel within the Elk Stream Ranch shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, and improved subject to the covenants, conditions, restrictions, easements, and equitable servitude as contained in the Declaration.

1.03 Upkeep of the Common Interest Community. Except to the extent of any valid original Declarant reserved rights, or insurance matters under C.R.S. §38-33.3-313(9), the Association is responsible for maintenance, repair, and replacement of the Common Elements, and each Parcel Owner is responsible for maintenance, repair, and replacement of the Improvements located on such Owner's Parcel. Each Owner shall afford to the Association and the other Owners, and to their agents or employees, access through such Owner's Parcel reasonably necessary for those purposes. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on the Common Elements or any Parcel through which access is taken, the Owner responsible for the damage, or expense to avoid damage, or the Association if it is responsible, is liable for the cost of prompt repair. [C.R.S. §38-33.3-307]

1.04 Tort and Contract Liability. Any action alleging an act or omission by the Association other than original Declarant responsibilities must be brought against the Association and not against any Parcel Owner. A Parcel Owner is not precluded from maintaining an action against the Association or Declarant by virtue of being a Parcel Owner or a Member or officer of the Association. [C.R.S. §38-33.3-311]

1.05 Other Applicable Law. Except as provided in the Act, the covenants, conditions and restrictions contained in the Declaration are in addition to all other applicable laws, land use restrictions, zoning ordinances, rules, and decisions of other governmental and judicial authorities including La Plata County and Montezuma County. The Declaration does not supplant any such laws and land use restrictions, which apply independently and separately from the provisions of the Declaration. [C.R.S. §38-33.3-106; C.R.S. §38-33.3-108; C.R.S. §38-33.3-319; C.R.S. §7-121-101 to C.R.S. §7-137-101 et seq.]

1.06 Supplemental General Principles of Law. The principles of law and equity, including, but not limited to, the law of corporations and real property, and the law relative to capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause, supplement the provisions of the Declaration, except to the extent inconsistent with the Act. [C.R.S. §38-33.3-108]

**ARTICLE 2
DEFINITIONS
[C.R.S. §38-33.3-103]**

2.01 Defined Terms. The following terms as used in this Amended Declaration are defined below, and unless specifically provided otherwise or unless the context otherwise requires, the definitions included in C.R.S. §38-33.3-103 shall apply. In the event of a conflict between any term defined below and those in the Act, the Act shall control. [C.R.S. §38-33.3-103]

“**Act**” means the Colorado Common Interest Ownership Act (“CCIOA”), Colorado Revised Statutes §38-33.3-101 through §38-33.3-3 19, as the same may be amended from time to time.

“**Allocated Interest**” means the Common Expense liability and the votes in the Association appurtenant to each Parcel, determined in accordance with the Declaration.

“Amended Declaration” means this Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Elk Stream Ranch, including by reference all Maps associated with the common interest community, all as may be amended from time to time.

“Articles” means the Articles of Incorporation of the Association, as filed in the office of the Secretary of State of Colorado and as the same may be amended from time to time.

“Assessment” means a General Assessment, a Special Assessment or a Default Assessment levied and assessed against any Parcel pursuant to the Declaration.

“Assessment Lien” means the statutory lien rights of the Association pursuant to C.R.S. §38-33.3-316.

“Association” means the Elk Stream Ranch Property Owners Association, Inc., a Colorado non-profit corporation, and its successors and assigns.

“Board” means the Board of Directors of the Elk Stream Ranch Property Owners Association, Inc., the governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance, and management of the Elk Stream Ranch subdivision.

“Building Envelope” means the area as shown on any Map or site plan within which all Improvements and structures must be located, except as specifically allowed by the Governing Documents, the DRC or the Board.

“Building Footprint” means the vertical extension to the ground of the exterior walls of all enclosed portions or extensions of buildings (including, but not limited to attached garages, enclosed decks, porches, and similar enclosed extensions, attachments and accessory structures) and unenclosed portions or extensions of buildings (including, but not limited to decks, porches, eaves and roof overhangs).

“Building Height” means the vertical distance from the average ground level of the Building Footprint to the highest point of the roof ridge.

“Bylaws” means the bylaws of the Association, which have been duly adopted by the Board, as the same may be amended from time to time.

“Common Elements” means the General Common Elements and the Limited Common Elements.

“Common Expenses” means any and all costs, expenditures made or liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for (a) managing, operating, insuring, improving, repairing, replacing and maintaining the Commons Elements; (b) providing facilities, services and other benefits to Owners; (c) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (d) levying, collecting and enforcing the Assessments, charges and liens imposed pursuant hereto; (e) regulating and managing the Elk Stream Ranch; and (f) operating the affairs of the Association; together with all reserve funds for any such costs, expenses and liability.

“Common Interest Community” means, whether or not capitalized, real estate described in the Declaration with respect to which a Person, by virtue of such Person's ownership of a Parcel, is obligated to pay for real estate taxes, insurance premiums, maintenance, or improvement of other real estate described in a Declaration.

“Declarant” means Tru-Worth, Ltd., a Colorado limited partnership, its successors or assigns, or any Person, Persons, entity or entities to whom the rights of the Declarant under the Declaration were validly transferred by the Declarant prior to the termination of any such rights. The Declarant for the purposes of this Amended Declaration is the Elk Stream Ranch Property Owners Association, Inc.

“Declaration” means the original Declaration of Covenants, Conditions and Restrictions as created by the Declarant, including by reference all Maps associated with the common interest community, all as may have been amended from time to time, including this Amended Declaration and any future amendments and supplements. There is only one Declaration for the Elk Stream Ranch: the terms “Declaration” and “Amended Declaration” are used only for the convenience of identifying various documents as may be needed in certain contexts. The term “Declaration” may refer to either the original Declaration or the Amended Declaration.

“Director” means a duly elected or appointed member of the Board, whether or not capitalized.

“Design Review Committee” (“DRC”) shall mean that committee as established by the Board for the purpose of reviewing all proposed Improvements to any Parcel in the Elk Stream Ranch in accordance with the Governing Documents, and carrying out other duties as may be assigned to it by the Board.

“Design Review Committee Rules” means any rules adopted by the Association for the purpose of carrying out the duties of the DRC.

“Design Review Committee Design Standards and Review Procedures” means any standards and procedures applicable to the construction of any Improvements on any Parcel in Elk Stream Ranch.

“Elk Stream Ranch” means the common interest community created regarding the Property by the Declaration, consisting of the Parcels and the Common Elements of the Elk Stream Ranch common interest community.

“First Mortgage” means any Mortgage which is not subordinate to any other lien or encumbrance, except liens for taxes or other liens which are given priority by statute.

“First Mortgagee” means a Mortgagee under a First Mortgage.

“General Common Elements” means all of the Elk Stream Ranch, other than the Parcels and the Limited Common Elements. The General Common Elements include, without limitation, (a) road and drainage Improvements, gates and access control facilities, walkways, parking areas, and in general all apparatus and installations intended for common use, except for those Improvements that are designated by the Act, by the Declaration or by the Maps as Parcels or Limited Common Elements; and (b) any parcels of real property and improvements and fixtures located thereon, that (i) are owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to the Declaration or a lease, license, easement or other agreement, and (ii) that are used or possessed by the Association for the benefit of all Owners.

“Governing Documents” means the Declaration, the Articles, the Bylaws, the Rules and Regulations and policies of the Association, and the Act, as the same may be amended from time to time.

“Guest” means any family member, employee, agent, independent contractor, licensee, lessee, customer or invitee of an Owner.

“Improvement” means the exterior aspects of any building, structure or other improvement (including, without limitation, all fixtures and improvements contained therein), either new or existing, and all things constructed upon, above, or below the surface of any Parcel, and exterior aspects of any appurtenances thereto of every type and kind. Improvement shall specifically include any alteration, excavation, or fill of any part of the surface of a Parcel for any purpose. Other than as specifically excepted in the Governing Documents, all Improvements on Parcels require advance approval of the DRC to ensure compliance with the Governing Documents.

“Limited Common Elements” means those portions of the Common Elements allocated by the Declaration or as may be established by the Association or by operation of the Act for the exclusive use of one or more Parcels, but fewer than all Parcels.

“Majority” regardless of whether capitalized, means any percentage greater than fifty percent (50%).

“Map” means that part of the Declaration that is a land survey plat as set forth in C.R.S. §38-51-106, depicts all or any portion of the Elk Stream Ranch subdivision in two dimensions, is executed by a person that is authorized under CCIOA to execute a declaration relating to the common interest community, and is recorded in the real estate records in every county in which any portion of the common interest community is located.

“Member” means an Owner of a Parcel entitled to Membership in the Association by virtue of such ownership. The terms “Member” and “Owner” are synonymous.

“Membership” means a Membership in the Association, together with the rights granted to Owners and the responsibilities of the Owners as a Member of the Association, pursuant to the Declaration and the Governing Documents.

“Mortgage” means any mortgage, deed of trust or other document pledging any Parcel or interest therein as security for payment of a debt or obligation.

“Mortgagee” means any person named as a mortgagee or beneficiary in any Mortgage and any successor to the interest of any such person under a Mortgage.

“Officer” means, whether or not capitalized, a duly elected or appointed officer of the Association.

“Owner” means the record holder of legal title to the fee simple interest in any Parcel or portion thereof. If there is more than one record holder of legal title to a Parcel, each record holder shall be an Owner. The terms “Member” and “Owner” are synonymous.

“Parcel” shall refer to any lot within the Property described in the Maps or the legal description listed on Exhibit “A” hereto attached and incorporated by reference herein.

“Person” means, whether or not capitalized, any natural person, corporation, partnership, limited liability company, association, trust, trustee, governmental or quasi-governmental entity or any other entity capable of owning real property under the laws of the State of Colorado.

“Property” means: (a) the real property located in the Montezuma County and La Plata County, Colorado, that consists of the Elk Stream Ranch subdivision and is more particularly described on Exhibit “A” attached hereto and incorporated herein by this reference; and (b) any real property that is later made subject to the Declaration in accordance with the terms and conditions contained herein.

“Property Management Committee” (“PMC”) shall mean that committee as established by the Board for the purposes of assisting the Board in carrying out certain property management responsibilities.

“Rules and Regulations” means any instruments adopted by the Association for the regulation and management of the Elk Stream Ranch, as the same may be amended from time to time, including any policies adopted by the Association and those policies required by the Act, regardless of the title of any such instrument.

“Vegetation” means, whether or not capitalized, trees, shrubs and grasses of all types, whether natural or planted, and whether maintained by an Owner or the Association.

ARTICLE 3
PARCELS, COMMON ELEMENTS AND ALLOCATED INTERESTS

3.01 Parcels.

(a) *Creation of Parcels.* The Parcels of the Elk Stream Ranch subdivision were created within the Property by the Maps, the boundaries and identifying numbers of which Parcels are shown on the Maps, as amended and supplemented from time to time.

(b) *Alteration of Boundaries.* No Owner may alter or relocate the boundaries between its Parcel and an adjacent Parcel, except as provided by the Declaration and the Act. No alteration or relocation of Parcel boundaries shall be effected without the necessary amendments to the Declaration and Maps, executed and recorded pursuant to the requirements of C.R.S. §38-33.3-217(3) and (5).

(c) *Appurtenant Interests.* Except as expressly provided to the contrary in the Declaration, the Allocated Interest of each Parcel, the right to use Common Elements and Limited Common Elements and the Membership in the Association appurtenant to the Ownership of a Parcel may not be partitioned or separated from the Parcel or any part thereof.

(d) *Owner Rights Regarding Guests.* Notwithstanding anything to the contrary in the Declaration, an Owner may grant its rights to reasonably use any General Common Element or any Limited Common Element appurtenant to the Owner's Parcel to the Owner's Guests in accordance with the Governing Documents.

(e) *Subdivision.* No Parcel in the Elk Stream Ranch may be subdivided into two or more Parcels. [C.R.S. §38-33.3-213; C.R.S. §38-33.3-217]

3.02 Allocated Interests. Each Parcel within Elk Stream Ranch is allocated one-thirty-fifth (1/35) or 2.85714% of the Allocated Interests as defined herein, to include one-thirty-fifth (1/35) or 2.85714% of the Common Expense liability and one vote in Association matters. Except as expressly provided to the contrary elsewhere in the Declaration, an Allocated Interest may not be partitioned from the Parcel to which it is appurtenant, and any purported conveyance, encumbrance or transfer of an Allocated Interest made without the Parcel to which the Allocated Interest is appurtenant shall be void.

(a) *Formula.* The formulas used to establish allocations of interests is per Parcel. There are 35 parcels in the Elk Stream Ranch. The acreage of the Parcels may differ slightly for various reasons, which does not alter the one-thirty-fifth (1/35) formula or the voting rights of any Owner in any way.

(b) *Void Conveyances.* Any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in the Common Elements not allowed for in C.R.S. §38-33.3-312 that is made without the Parcel to which that interest is allocated is void.

[C.R.S. §38-33.3-207; C.R.S. §38-33.3-312]

3.03 Separate Taxation of Parcels. Pursuant to the Act, each Parcel, together with its interest in the Common Elements, constitutes a separate parcel of real estate and will be separately assessed and taxed by the appropriate governmental entity. The valuation of the Common Elements shall be assessed proportionately to each Parcel in accordance with the Parcel's allocated common expense liability, and the Common Elements shall not be separately taxed or assessed.

[C.R.S. §38-33.3-105]

3.04 Maps. A Map is a required part of the Declaration and must be clear and legible, and contain a certification made by a registered land surveyor that all information required by the Act is contained in the Map or Declaration. Each Map shall meet the requirements of a land survey plat as set forth in C.R.S. §38-51-106, and each Map shall include the requirements listed in C.R.S. §38-33.3-209, except to the extent such information is contained in the Declaration. The statutory requirements of any Map relating to the Elk Stream Ranch shall not be deemed to satisfy any local government laws or requirements, the approval of which must be separately obtained.

[C.R.S. §38-33.3-209; C.R.S. §38-51-106]

3.05 Description of Parcels. Any instrument that conveys, encumbers or otherwise affects legal title to a Parcel must describe the Parcel in accordance with C.R.S. §38-33.3-204. [C.R.S. §38-33.3-204]

3.06 Relocation of Boundaries Between Adjoining Parcels. Subject to other applicable provisions of law and pursuant to the procedures described in C.R.S. §38-33.3-217, the boundaries between adjoining Parcels may be relocated by an amendment to the Declaration upon application to the Association by the Owners of those Parcels. [C.R.S. §38-33.3-212; C.R.S. §38-33.3-217]

3.07 Limited Common Elements. Except as expressly provided to the contrary in the Declaration, the allocation of any Limited Common Elements may not be altered without the consent of all Owners whose Parcels would be affected by such reallocation, and then only in accordance with the terms and conditions of the Act and the Declaration. Subject to the provisions of the Declaration, every Owner shall have the exclusive right to use and enjoy the Limited Common Elements appurtenant to the Owner's Parcel.

[C.R.S. §38-33.3-202; C.R.S. §38-33.3-205; C.R.S. §38-33.3-208; C.R.S. §38-33.3-217]

3.08 Conveyance or Encumbrance of Common Elements. Portions of the Common Elements may be conveyed or subjected to a security interest by the Association if persons entitled to cast at least sixty-seven percent (67%) of the votes of the Association agree to that action; except that all Owners of Parcels to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest. Proceeds of the valid sale of any Common Element are an asset of the Association.

(a) *Agreement.* An agreement to convey, or subject to a security interest, Common Elements must be evidenced by the execution of an agreement, in the same manner as a deed, by the Association. The agreement must specify a date after which the agreement will be void unless approved by the requisite percentage of Owners. Any grant, conveyance, or deed executed by the Association must be recorded in every county in which a portion of the common interest community is situated and is effective only upon recordation.

(b) *Acts of Association.* The Association, on behalf of the Parcel Owners, may contract to convey an interest in the common interest community pursuant to the Act. Any such contract is not enforceable against the Association until approved, executed and ratified pursuant to the Act. Thereafter, the Association has all powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments.

(c) *Owners Rights.* A conveyance or encumbrance of Common Elements pursuant to the Act and the Declaration shall not deprive any Parcel Owner of its rights of ingress and egress of the Parcel.

(d) *Preexisting Encumbrances.* Notwithstanding anything to the contrary, a valid conveyance or encumbrance of Common Elements does not affect the priority or validity of preexisting encumbrances.

[C.R.S. §38-33.3-207; C.R.S. §38-33.3-312]

ARTICLE 4

EASEMENTS AND RESERVATIONS

[C.R.S. §38-33.3-205; C.R.S. §38-33.3-216; C.R.S. §38-33.3-312; POLICY #10-2010]

4.01 Recorded Easements and Licenses. The Property shall be subject to all valid easements and licenses granted by Declarant, all easements and licenses as shown on any recorded Maps affecting the Property and any other valid easements or licenses of record as of the date of recordation of the Declaration. In addition, the Property is subject to all easements created or permitted by the Declaration. [C.R.S. §38-33.3-205]

4.02 Reservation of Right. The Association hereby reserves for itself, its successors and assigns, the right to establish from time to time utility and other easements, permits or licenses over, across, through and under the Common Elements; and create other reservations, exceptions and exclusions in the best interests of the Association.

4.03 Utility Easements.

(a) *General Utility Easement.* Subject to the terms and conditions of the Declaration and the Governing Documents, there is a general easement over, across, through and under the Common Elements or any portion of a Parcel designated for such use, for ingress to, egress from, and installation, replacement, repair and maintenance of all utility and service lines and systems that service the Property and the Parcels. The Association may but is not obligated to authorize the release of portions of the general utility easement upon the request of any Owner showing good cause therefor.

(b) *Use by Public Utility Companies.* Pursuant to the general utility easement, a public utility or service company may, with the Association's prior approval, install and maintain facilities and equipment on the Property to provide service to the Parcels or the Common Elements. Any public utility or service company using the general utility easement shall use its best efforts to install, repair, replace and maintain its lines, facilities and systems without disturbing the uses of Owners, the Association, any areas of the Property other than Association roads and Parcel driveways, and the facilities of other public utility and service companies. Public utility companies shall restore any disturbed areas to the their previous condition.

(c) *Specific Easement for Utility Company.* If any utility or service company furnishing utilities or services to the Property requests a specific easement by separate recordable document, the Association shall have the right and authority, but not the obligation, to grant such easement over, across, through and under any portion of the

Property, subject to the additional approval of any Parcel Owner necessitated by any such specific easement and adequate assurances regarding the restoration of any disturbed areas.

(d) *Specific Utility Easements Shown on Maps.* Certain areas of the Property are show on the Maps as Utility Easements, which may be used in the same manner as the general utility easement.

4.04 Home Site Utility Connections. The rights and duties of the Owners of the Parcels within the Property with respect to utilities shall be governed by the following:

(a) *Located on Other Parcels.* Whenever home site utility connections, if any, are installed within the Property, which connections or any portions thereof lie in or upon Parcels owned by Owners other than the Owner of the Parcel served by such connections, Owners shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon the Parcels or to have their agent enter upon the Parcels within the Property in or upon which the connections or any portion thereof lie, to install, repair, replace, and generally maintain said connections as and when the same may be necessary, subject to the approval of the Association regarding the Improvement and any applicable Rules and Regulations.

(b) *Serving Multiple Parcels.* Whenever home site utility connections, if any, are installed within the Property that serve more than one Parcel, the Owner of each Parcel served by such connections shall be entitled to full use and enjoyment of such portions of the utility connections as necessary to service his Parcel. Any such connection serving more than one Parcel shall be jointly maintained by the utility provider and/or each Parcel Owner using such connection.

4.05 Association's General Easement. The Association shall have a general easement over, across, through and under each Parcel and all Common Elements. The Association shall not enter any Parcel without reasonable prior notice to the Owner thereof, except in cases of emergency. Under the general easement, the Association has the rights to:

- (a) exercise any right held by the Association under the Declaration or any Governing Document; and
- (b) perform any obligation imposed upon the Association by the Declaration or any Governing Documents, including inspection of Parcels regarding compliance of uses thereon with the Governing Documents, pest and weed control and fire hazard management.

4.06 Easements for Encroachments. To the extent that any Parcel, Improvement, or Common Element encroaches on any other Parcel, Improvement, or Common Element, an easement shall exist for that encroachment, but such easement shall not relieve an Owner of liability in the case of willful misconduct, or relieve any other person of liability for failure to adhere to the Maps and Governing Documents. [C.R.S. §38-33.3-214]

4.07 Emergency Access Easement. The Association hereby grants a general easement to all police, sheriff, fire protection, ambulance and all other similar agencies or persons to enter upon the Property in the proper performance of their duties.

4.08 Owner Easements. Every Owner and its Guests shall have a perpetual right and easement of access over, across, and upon the Common Elements for the purpose of entering and exiting such Owner's respective Parcel. The Association shall take no action which unreasonably restricts any Owner or its Guests the right and easement of access over, across and upon the Common Elements, including the Association roads, to its Parcel. The Owner easement rights shall be appurtenant to and pass with the transfer of title to such Parcel; provided, however, that such right and easement shall be subject to the following:

- (a) the covenants, conditions, restrictions, Governing Documents, easements, reservations, rights-of-ways, and other provisions contained in the Declaration and the Maps; and
- (b) the right of the Association to adopt from time to time and enforce any and all Rules and Regulations concerning the Elk Stream Ranch as the Association may determine are necessary or prudent, subject to the terms of the Declaration and the Act.

[C.R.S. §38-33.3-216; C.R.S. §38-33.3-302; C.R.S. §38-33.3-312]

4.09 Driveway and Road Easements. Whenever a driveway is installed within the Property which by necessity in whole or in part lies upon Parcels owned by Owners other than the Owners of the Parcel served, or is installed to serve more than one Parcel, the Owners of the Parcels served or to be served by such driveways shall be entitled to full use and enjoyment thereof as required to service its Parcel or to repair, replace or maintain the same, and are hereby granted an easement to the full extent necessary therefore, subject to the approval of the Association regarding the Improvement, appropriate sharing of responsibilities of costs and maintenance between the benefitted Owners, and any applicable Rules and Regulations.

4.10 Watercourse Easement. There is reserved for the benefit of the Association an easement for all watercourses, other bodies of water, irrigation ditches, and drainage ways; and any related pipes, pumps, and other equipment, over, across, and under all Parcels and Common Elements to the extent reasonably required to protect the Association's water rights, to prevent erosion and other damage to the Property and Common Elements, and to maintain and service the watercourses, drainage, and irrigation systems as existing or installed or maintained by the Association on the Property or pursuant to plans and specifications approved by the Board or the Design Review Committee.

4.11 No Construction Within Easements. No Improvement shall be made or constructed within any easement without the prior written approval of the Board or Design Review Committee.

4.12 Disputes as to Sharing in Costs. In the event of a dispute between Owners with respect to the construction or repair of common or shared utility connections, driveways or drainage or waterway features, or with respect to the sharing of the maintenance costs and expenses thereof, upon the written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board, which shall decide the dispute. The Board may make a Special Assessment regarding shared costs if appropriate against any or all of the Owners involved, which Special Assessment shall be collected and enforced in the manner provided by the Declaration.

ARTICLE 5

THE ASSOCIATION

[C.R.S. §38-33.3-301 to C.R.S. §38-33.3-319]

5.01 The Association. The Elk Stream Ranch Property Owners Association, Inc., a Colorado non-profit corporation ("Association"), was established on July 14, 1995, for the purpose of managing the affairs of the Elk Stream Ranch, and such non-profit corporation is maintained in good standing at the office of the Secretary of State of Colorado. The Membership of the Association at all times shall consist exclusively of all Parcel Owners. The Association is charged with the duties and vested with the powers prescribed by law and set forth in its Articles, Bylaws, the Declaration, and the Act. [§38-33.3-301]

5.02 Association as Trustee. With respect to a third person dealing with the Association in the Association's capacity as a trustee, the existence of trust powers and their proper exercise by the Association may be assumed without inquiry. A third person is not bound to inquire whether the Association has the power to act as trustee or is properly exercising trust powers. A third person, without actual knowledge that the Association is exceeding or improperly exercising its powers, is fully protected in dealing with the Association as if it possessed and properly exercised the powers it purports to exercise. A third person is not bound to assure the proper application of trust assets paid or delivered to the Association in its capacity as trustee. [§38-33.3-318]

5.03 Association Governing Documents.

(a) *Governing Documents.* The Declaration and Maps created the Elk Stream Ranch common interest community and set forth certain covenants, conditions, restrictions, reservations, easements, Assessments, charges and liens applicable to the Property and Parcels. The Articles created the Association. The Bylaws provide for the regulation and management of the Association, and the Rules and Regulations provide for the regulation and management of the Elk Stream Ranch common interest community. These documents, together with the Act and other applicable law, constitute the Governing Documents of the Association and the Elk Stream Ranch subdivision.

(b) *Conflicts.* If there is any conflict or inconsistency between the terms and conditions of the Declaration and the terms and conditions of the Act, the Act shall control. If there is any conflict or inconsistency between the terms and conditions of the Declaration and the terms and conditions of the Articles, the Bylaws or the Rules and Regulations, the terms and conditions of the Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of the Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. If there is any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

5.04 Bylaws. In addition to complying with applicable sections of the "Colorado Revised Nonprofit Corporation Act," articles 121 to 137 of title 7, C.R.S., the Bylaws of the association must provide the information required in C.R.S. §38-33.3-306. [C.R.S. §38-33.3-306]

5.05 Powers of the Association. To the extent not inconsistent with the Act, the Association shall have all the powers of a non-profit corporation organized under the general non-profit corporation laws of the State of Colorado to regulate and manage the Elk Stream Ranch common interest community, subject only to such limitations upon the

exercise of such powers as are expressly set forth in the Act, the Articles, the Bylaws, the Declaration and other applicable law. The Association shall have the powers set forth under the Act in C.R.S. §38-33.3-302, as it may be amended. The Association shall have the power to do any and all lawful things which may be authorized, required, or permitted to be done by the Association under the Act, the Declaration, the Articles, and the Bylaws, and to do and perform any and all acts which may be necessary or proper for, or incidental to the proper management and operation of the Association, the common interest community, the Common Elements and the performance of the other responsibilities herein assigned. Except as expressly provided by the Act, provisions of the Act may not be varied by agreement, and rights conferred by the Act may not be waived.

The Association has the following powers:

(a) *Association Rules and Regulations.* The power to adopt, amend and repeal by majority vote of the Board such Rules and Regulations as the Association deems reasonable, including policies required by the Act and otherwise adopted by the Board. The Association Rules and Regulations shall govern the use of Common Elements by Owners and Guests, provided, however, that the Association Rules and Regulations may not discriminate among Owners and shall not be inconsistent with the Act or the Governing Documents. A copy of the Association Rules and Regulations as they may from time to time be adopted, amended, or repealed, shall be mailed, posted on the Association's website, or otherwise delivered to each Owner. Upon such mailing, posting or other delivery, the Association Rules and Regulations shall have the same force and effect as if they were set forth in and were a part of the Declaration.

(b) *Budgets.* The power to adopt and amend budgets for revenues, expenditures, and reserves of the Association.

(c) *Management.* The power to hire and terminate managing agents and other employees, agents, and independent contractors, and to retain and pay for legal and accounting services for the operation of the Association, enforcement of the Governing Documents, or performance of any other duties or rights of the Association. The authority to delegate its powers and duties to committees, officers, employees, or to any person, firm or corporation to act as manager. Neither the Association nor the members of its Board shall be liable for any omission or improper exercise by any third party of any such duty or power so delegated. Any managing agent, employee, independent contractor, or other person acting on behalf of the association shall be subject to the Act and Governing Documents to the same extent as the Association itself would be.

(d) *Legal Proceedings.* The power to institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or Parcel Owners on matters affecting the common interest community.

(e) *Contracts and Liabilities.* The power to make contracts and incur liabilities, and to borrow monies and grant security interests in the Common Elements and in the assets of the Association as collateral therefor.

(f) *Operation and Maintenance of Common Elements.* The power to regulate the use, maintenance, repair, replacement, and modification of Common Elements and cause additional improvements to be made as a part of the Common Elements consistent with the Declaration and the Governing Documents as the Association deems necessary or appropriate. The Association shall also take such actions and arrange for such maintenance as may be necessary or desirable for the upkeep of watercourses, roads, and all other easements. These powers shall include the repair and replacement of property damaged or destroyed by casualty loss and all other property acquired (by easement or otherwise) by the Association. The Board, on behalf of the Association, may contract for the operation, management, and maintenance of Common Elements.

(g) *Property.* The power to acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, however, Common Elements may be conveyed or subjected to a security interest only pursuant to C.R.S. §38-33.3-312.

(h) *Easements.* The power to grant easements, leases, licenses, and concessions through or over the Common Elements. The power to grant and convey to any third party such licenses, easements, and rights-of-way in, on or under any non-exclusive Common Elements as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment thereof and for the preservation of the health, safety, convenience and welfare of the Owners, for the purposes of constructing, erecting, operating or maintaining underground lines, cables, wires, conduits or other devices for the transmission of utilities; and any similar public or quasi-public improvements or facilities.

(i) *Fees.* The power to impose and receive any payments, fines, fees, or charges for the use, rental, or operation of the Common Elements, subject to the Association's written policy governing the imposition of fines.

(j) *Assessments.* The power to levy, collect and enforce the Assessments, charges and liens imposed, to impose charges for late payment of Assessments, recover reasonable attorney fees and other legal costs for collection of Assessments and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated, and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Association.

(k) *Preparation and Recordation of Documents.* The power to impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid Assessments;

(l) *Indemnification.* The power to provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance.

(m) *Assignment.* The power to assign its right to future income, including the right to receive Common Expense Assessments.

(n) *Facilities and Services.* The power to provide certain facilities, services and other benefits to the Owners.

(o) *Emergency Powers.* The Association or any person authorized by the Association may enter upon any Parcel in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which it is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable and any damage caused thereby shall be repaired by the Association.

(p) *Other Powers.* The power to exercise any other powers conferred by the Declaration or Bylaws, and to exercise all other powers that may be exercised under the Act, the Governing Documents and by Colorado non-profit corporations. The power to exercise any other powers necessary and proper to fulfill the purposes of the Governing Documents and for the governance and operation of the Association to protect the interests and general welfare of the Owners.

[C.R.S. §38-33.3-102; C.R.S. §38-33.3-104; C.R.S. §38-33.3-110; C.R.S. §38-33.3-302; C.R.S. §38-33.3-303; C.R.S. §38-33.3-312]

5.06 Duties and Obligations of the Association. In addition to powers delegated to it by the Governing Documents, the Association or its Board shall have the duty of care required of fiduciaries of the Property Owners, duty of undivided loyalty to the Association and its Members, and the duty to act within the scope of authority regarding the conduct of all business affairs of the Association. The Association has the obligation to perform each of the following obligations:

(a) *Protection of Natural Resources.* The Elk Stream Ranch contains many unique natural resources including streams, meadows, forests, and wildlife populations. The Property is designed and developed to provide a limited number of single-family ranch home sites within the Property, and is intended to be managed to preserve and enhance these natural resources for the present and future benefit of all Parcel Owners. The Association shall act to protect the natural resources within the Elk Stream Ranch.

(b) *Promote Responsible Governance.* To promote responsible governance the Association shall maintain accurate and complete accounting records, adopt policies, procedures, and Rules and Regulations as required by the Act, provide for Board and Owner education, make timely annual disclosures as required by the Act, conduct a reserve study as appropriate, create and adopt a budget on an annual basis, conduct audits as needed or required, and provide for appropriate inspection and copying of Association records.

(c) *Design Review.* The Association shall provide design standards adequate to function as a legally supportable basis for making decisions regarding Improvements to Parcels consistent with the Declaration, and shall establish a Design Review Committee to carry out its assigned duties.

(d) *Enforcement of Governing Documents.* The Association shall perform such other acts, whether or not expressly authorized by the Declaration, as may be reasonably necessary to enforce any of the provisions of the Declaration and the Governing Documents, including the enforcement of the covenants, conditions and restrictions contained therein.

(e) *Access and Road Maintenance.* The Association shall establish and maintain adequate access to the Elk Stream Ranch through other properties and maintain on a year-round basis all roads, bridges, and trail systems which are part of the Common Elements. The Association shall keep all such Improvements in good order and repair and in a neat and usable condition; and shall participate in any joint maintenance arrangement necessary to maintain any other access roads to the Property. The Association through its Board may establish a standing Property Management Committee to serve at its pleasure and assist the Board in carrying out these and any other assigned duties.

[C.R.S. §38-33.3-113; C.R.S. §38-33.3-209.4 to C.R.S. §38-33.3-209.7; C.R.S. §38-33.3-303; C.R.S. §38-33.3-303.5; C.R.S. §38-33.3-316 C.R.S. §38-33.3-317]

5.07 Membership

(a) *Qualifications.* There shall be one Membership appurtenant to each Parcel in the Elk Stream Ranch. The Membership appurtenant to a Parcel shall be held by the Owners of that Parcel and may not be separated from the Parcel to which it is appurtenant. Each Owner by virtue of being such an Owner and for so long as it is an Owner, shall be deemed a Member of the Association.

(b) *Transfer of Membership.* The Association Membership of each Owner shall not be transferred, pledged, or alienated in any way except upon the transfer of legal and equitable title to said Parcel, and then only to the transferee of such title. Any transfer or encumbrance of a Membership other than as permitted herein shall be void and

have no force or effect. Any valid transfer of legal and equitable title to said Parcel shall operate automatically to transfer said Membership to the new Owner thereof.

5.08 Meetings of Members. Meetings of Members shall be held in accordance with the applicable provisions of the Bylaws. The Members shall hold at least one meeting annually.

(a) *Powers and Duties of the Members.* A vote of the Members, in accordance with the Governing Documents, is required to:

(i) elect the Directors of the Association;

(ii) amend the Declaration in accordance with Section 12.03 of this Amended Declaration, which requires the affirmative vote or agreement of Parcel Owners of Parcels to which sixty-seven percent (67%) of the votes in the Association are allocated, and compliance with other provisions of Section 12.03;

(iii) terminate the Association, the Declaration or the Elk Stream Ranch common interest community in accordance with Section 12.02 of this Amended Declaration, which requires the affirmative vote or agreement of Parcel Owners of Parcels to which sixty-seven percent (67%) of the votes in the Association are allocated, and at least fifty-one percent (51%) of the votes of Parcels that are subject to First Mortgages, and compliance with other provisions of Section 12.03 and the Act;

(iv) determine the qualifications, powers and duties, or terms of office, of Directors, in accordance with Sections 3.01, 3.02, and 3.03 and Article 8 of the Bylaws of the Association, which shall further require the approval of fifty-one percent (51%) of the Members of the Association at a regular meeting or a special meeting of the members called for that purpose; or

(v) amend any provision of the Association's Design Standards and Review Procedures, Article 2: Design and Construction Standards, in accordance with Section 7.04 of the Design Standards and Review Procedures and the Associations Policy #1-2010 - Adoption and Amendment of Policies, which shall further require the approval of fifty-one percent (51%) of the Members of the Association at a regular meeting or a special meeting of the members called for that purpose.

(b) *Removal of Directors.* The Members by a sixty-seven percent (67%) vote of all Members present and entitled to vote at any meeting of Owners at which a quorum is present, may remove any member of the Board, with or without cause.

[C.R.S. §38-33.3-303; C.R.S. §38-33.3-308; C.R.S. §38-33.3- 309; POLICY #4-2010; POLICY #8-2010]

5.09 Voting. The Association shall have a single class of voting membership, with each Parcel having a single Membership which shall be entitled to one (1) vote. Voting shall be conducted in accordance with the applicable provisions of the Bylaws and the Act.

[C.R.S. §38-33.3-207; C.R.S. §38-33.3-309; C.R.S. §38-33.3-310]

5.10 Board of Directors and Officers.

(a) *Management of the Association.* The affairs of the Association shall be conducted by the Board of Directors and such officers as the Board may elect or appoint, in accordance with the Articles and the Bylaws, as each may be amended from time to time. The Board shall be elected by the Members in accordance with the provisions set forth in the Bylaws. Except as otherwise provided in the Act or Governing Documents, the Board may act in all instances on behalf of the Association. Each Board member shall exercise ordinary and reasonable care in carrying out his/her duties as Directors, and shall owe the duty of undivided loyalty and honesty to Association and its Members. Each Board member shall avoid actions of self-interest, self-dealing, or conflicting interests. The Board shall operate in accordance with applicable provisions of the Bylaws and Association policies.

(b) *Directors.* The Board shall consist of three (3) Directors who shall be elected in accordance with the Bylaws. The number of Directors may be increased in accordance with the provisions of the Articles and Bylaws. The Directors shall hold office until the election or appointment of their successors, or as otherwise directed in the Bylaws. The Board may fill vacancies in its membership for the unexpired portion of any term.

(i) *Qualifications of Directors.* The Directors of the Association shall be individuals that are Owners of a Parcel in Cedar Mesa Ranches. If a Parcel is owned by an entity, an individual who has an ownership interest in the entity shall be qualified to be a Director.

(c) *Personal Liability.* No member of the Board, or any committee of the Association, or any officer of the Association shall be liable for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, or any other representative or employee of the Association, provided that such person has, upon the basis of such information as may be possessed by him/her, acted in good faith and without wanton or willful acts or omissions.

(d) *Limitation on Powers of the Board.* Except as otherwise provided in the Declaration, the Articles and the Bylaws, the Board may act on behalf of the Association in all instances, provided that the Board may not act on behalf of the Association to:

- (i) elect the Directors of the Association;
- (ii) amend the Declaration;
- (iii) terminate the Association, the Declaration or the Elk Stream Ranch common interest community;
- (iv) determine the qualifications, powers and duties, or terms of office, of Directors; or
- (v) amend any provision of the Association's Design Standards and Review Procedures, Article 2: Design and Construction Standards.

(e) *Removal of Directors and Committee Members.* The Members, by a sixty-seven percent (67%) vote of all Members represented and entitled to vote at any meeting at which a quorum is present, may remove any Director or committee member, with or without cause.

(f) *Investment of Reserve Funds.* With regard to the investment of reserve funds of the Association, the officers and members of the Board shall be subject to the standards set forth in C.R.S. §7-128-401, in accordance with C.R.S. 38-33.3-209.5.

(g) *Conflicts of Interest.* The Board and any committee thereof shall comply with the Association's Conflict of Interest Policy. [POLICY #7-2010]
[C.R.S. §38-33.3-303; C.R.S. §38-7-128 to 401; POLICY #3-2010, POLICY #4-2010; POLICY #7-2010]

5.11 Contracts.

(a) *Good Faith.* Every contract or duty of the Association imposes an obligation of good faith in its performance or enforcement.

(b) *Unconscionable Agreement or Term of Contract.* The court, upon finding as a matter of law that a contract or contract clause relating to the Association was unconscionable at the time the contract was made, may refuse to enforce the contract, enforce the remainder of the contract without the unconscionable clause, or limit the application of any unconscionable clause in order to avoid an unconscionable result. Whenever it is claimed, or appears to the court, that a contract or any contract clause relating to the Association is or may be unconscionable, the parties, in order to aid the court in making the determination, shall be afforded a reasonable opportunity to present evidence in accordance with C.R.S. §38-33.3-112.

(c) *Liability.* Neither the Association nor the members of its Board shall be liable for any act, omission or improper exercise by any third party of any properly delegated duty or power.

(d) *Management Contract.* The Association's contract with a managing agent shall be terminable for cause without penalty to the Association. Any such contract shall be subject to renegotiation. Any managing agent, employee, independent contractor, or other person acting on behalf of the Association shall be subject to the Act and Governing Documents to the same extent as the Association itself would be.
[C.R.S. §38-33.3-112; C.R.S. §38-33.3-113; §38-33.3-302]

5.12 Insurance. The Association shall at all times maintain insurance policies and coverage in compliance with the provisions of C.R.S. §38-33.3-313 and to the extent feasible in compliance with Fannie Mae and FHA guidelines regarding hazard, flood, and liability insurance.

(a) *Owner's Rights.* A Parcel Owner may file a claim against the policy of the Association to the same extent, and with the same effect, as if the Parcel Owner were a named insured if the following conditions are met:

- (i) the Parcel Owner has contacted the Board in writing, and in accordance with the Governing Documents, regarding the subject matter of the claim; and
- (ii) the Parcel Owner has given the Association at least fifteen days to respond in writing, and, if so requested, has given the Association's agent or representative a reasonable opportunity to inspect the damage; and
- (iii) the subject matter of the claim falls within the Association's insurance responsibilities.

(b) *Fidelity Insurance.* The Association shall maintain fidelity bonds or insurance covering anyone who handles or is responsible for funds held or administered by the Association, whether or not compensated for any such services. Fidelity bonds or insurance shall be in conformance with Fannie Mae and FHA guidelines to the extent practical.

[C.R.S. §38-33.3-112; C.R.S. §38-33.3-113; C.R.S. §38-33.3-313; C.R.S. §10-4-110.8]

ARTICLE 6
ASSESSMENTS, COMMON EXPENSES, RESERVE FUNDS, BUDGETS,
FINANCIAL STATEMENTS, AND AUDITS
[C.R.S. §38-33.3-315; POLICY #5-2010; POLICY #8-2010]

6.01 Covenant to Pay Assessments.

(a) *Covenant to Pay.* Each Owner by acceptance of a deed to a Parcel, covenants and agrees to pay when due all General Assessments, Special Assessments, Default Assessments or other charges that the Association is required or permitted to levy or impose on such Owner or such Owner's Parcel pursuant to the Declaration or any Governing Document. Such Assessments, together with interest, costs and reasonable attorney's fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the Parcel against which each such Assessment is made.

(b) *No Waiver.* No Owner shall be exempt from liability for any such Assessment or other charges by waiving the use or enjoyment of any Common Element or by abandoning a Parcel against which such Assessments or other charges are made.

(c) *Personal Liability.* Each Owner shall be personally liable for all Assessments and other charges levied on such Owner or such Owner's Parcel during the period of such Owner's ownership of the Parcel. If there is more than one Owner of a Parcel, each Owner shall be jointly and severally liable with the other Owners of the Parcel for all Assessments and other charges levied on the Parcel or any Owner of the Parcel. Each such Assessment, together with interest, costs and reasonable attorney's fee, shall also be the personal obligation of the Owner of such Parcel at the time when the Assessment falls due. The personal obligation for delinquent Assessments shall not pass to a successor in title unless expressly assumed by them.

(d) *Costs of Collection.* Each Assessment or other charge, together with interest and penalties thereon and all costs and expenses incurred by the Association to collect such Assessment or other amount, including all fees and disbursements to attorneys, accountants, appraisers, receivers and other professionals engaged by the Association in connection therewith, may be recovered by a suit for money judgment by the Association without foreclosing or waiving any Assessment Lien securing the same.

6.02 Allocated Interest Share of Common Expenses.

(a) *Board Determination of Common Expenses.* Except as otherwise set forth in the Declaration, the Association's Common Expenses shall be determined by the Board.

(b) *Allocated Interest Share of Common Expenses.* The share of Common Expenses allocated to a Parcel shall be an amount equal to the Parcel's Allocated Interest multiplied by the total amount of Common Expenses as determined by the Board to relate to the General Common Elements. Unless otherwise specifically provided herein, Assessments shall be fixed at a uniform rate for all Owners. Each Parcel in the Elk Stream Ranch shall be assessed at one-thirty-fifth (1/35) or 2.85714% of all General Assessments approved by the Board.

(c) *Interest on Late Payments.* Any past-due Common Expense Assessment or installment thereof shall bear interest at the rate established by the Association, not exceeding twenty-one percent (21%) per year.

(d) *Limitation.* Any Common Expense associated with the maintenance, repair, or replacement benefitting fewer than all of the Parcels or related to any Limited Common Elements shall be assessed against the Parcels benefitted as a Special Assessment.

(e) *Insurance and Utilities.* As may be applicable, the costs of insurance shall be assessed in proportion to risk, and the costs of utilities shall be assessed in proportion to usage.

(f) *Misconduct of Owner.* If any Common Expense is caused by the misconduct of any Parcel Owner, the Association may assess that expense exclusively against such Owner's Parcel as a Special or Default Assessment.

(g) *Ownership Transfers.* Each Parcel Owner is liable for Assessments made against such Owner's Parcel during the period of ownership of such Parcel.

(h) *Escrow with Mortgagees.* The Association may enter into an escrow agreement with the holder of a Parcel Owner's Mortgage so that Assessments may be combined with the Parcel Owner's Mortgage payments and paid at the same time and in the same manner, except that any such escrow agreement shall comply with any applicable rules of the Federal Housing Administration, Department of Housing and Urban Development, Veterans' Administration, or other government agency.

6.03 Assessment Period, Notice, and Due Date. The General Assessment period shall commence on January 1 of each year and terminate December 31 of each year. Special Assessments shall be due as determined by the Board. The due dates for General Assessments and Special Assessments shall be established by the Board. Each payment of a General Assessment or Special Assessment shall become delinquent if not paid within thirty (30) days after the due date thereof.

6.04 General Assessments. General Assessments shall be made no less frequently than annually and shall be based on a budget for the Common Expenses that is adopted no less frequently than annually by the Association.

(a) *Levy of Assessment.* After the establishment of the Association's annual budget, the Association shall levy a General Assessment for Common Expenses on each Parcel. The amount of the General Assessment levied against a Parcel shall be equal to the amount set forth in the annual budget as the amount of Common Expenses to be raised by General Assessments, multiplied by the Parcel's Allocated Interest.

(b) *Payment Annually.* The Owners shall pay the General Assessments levied against their respective Parcels annually as determined by the Board or in accordance with the Bylaws or Governing Documents.

(c) *Amendment of Budget.* If the Owners ratify an amendment to the General Assessment portion of the Association's annual budget, the amount of the General Assessment levied against each Parcel shall be adjusted accordingly.

(d) *Default Budget.* If the Owners fail to ratify the Association's annual budget for any calendar year prior to January 1 of that calendar year, the Owners shall pay the General Assessment to the Association at the rate payable during the prior calendar year until such time as the Owners ratify a new annual budget for the then current calendar year. Once the Owners ratify a new annual budget, the Association shall levy against each Parcel the General Assessment for the then current calendar year.

(e) *No Waiver.* The failure of the Association to levy a General Assessment for any calendar year shall not be deemed a waiver, modification or release of an Owners liability for the share of the Common Expenses allocated to such Owner's Parcel for that year.

6.05 Special Assessments.

(a) *Special Assessment for Budget Shortage.* In the event that the Board shall determine that the General Assessment for a given calendar year is or will become inadequate to meet the Common Expense liability of the Association for any reason including, but not limited to, costs of maintenance and unexpected repairs upon the Common Elements, the Board shall determine the approximate amount necessary to defray such expenses and shall give notice to the Owners of a Special Meeting to address the matter, describing the need for and the anticipated amount of the Special Assessment. A Special Assessment regarding a budget shortage shall require a budget amendment made in accordance with the Association Bylaws.

(b) *Special Assessment for Fewer than All Parcels.* A Special Assessment may be levied where any Common Expense is attributable to the operation, maintenance, repair, replacement, alteration or improvement of fewer than all Parcels or to any Limited Common Elements. Normal maintenance, repair and snow removal of the Association roads cannot be a Special Assessment against fewer than all Parcels, however, damage to Association roads caused by a Parcel Owner or its Guests could be a valid basis for a Special Assessment against any Owner. The Association may levy a Special Assessment for such Common Expenses against the Parcels to be improved, repaired or altered, or to which that Limited Common Element is assigned, in a manner as the Association reasonably deems appropriate. Special Assessments attributable to fewer than all Parcels shall not require a budget amendment, but shall require the unanimous approval of the Board.

(c) *Payment as Required by Association.* Each Special Assessment levied against all Parcels regarding a budget shortage shall be shown on an annual budget or an amendment to an annual budget, adopted in accordance with the Bylaws of the Association, and shall be paid as and when required by the Association.

6.06 Default Assessments.

(a) *Default Assessment.* Notwithstanding anything to the contrary contained herein, if any Common Expense is caused by the negligence or misconduct of an Owner or an Owner's Guest, or a violation of any covenant or condition of a Governing Document by an Owner or an Owner's Guest, the Association may levy an Assessment for such Common Expense against such Owner's Parcel. Any such Assessment levied by the Association and each fine, penalty, fee or other charge imposed upon an Owner for the Owner's violation of any covenant or condition of any Association Document shall be a Default Assessment.

(b) *No Amendment to Budget.* Default Assessments need not be approved by the Members, or shown on an annual budget or on an amendment to an annual budget.

(c) *Notice and Opportunity to be Heard.* With respect to any Default Assessment, or portion thereof that is not a late charge, the Owner of the Parcel against which the Association seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard, which may be in conjunction with a hearing regarding a covenant violation. Owners of Parcels against which Default Assessments have been levied following an opportunity to be heard shall pay such Default Assessments as and when required by the Board. [POLICY #5-2010]

6.07 Assignment of Assessments. The Association shall have the unrestricted right to assign its right to receive Assessments and other future income, either as security for obligations of the Association or otherwise.

6.08 Surplus Assessment Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses shall be paid to the Parcel Owners in proportion to their Common Expense liabilities, or credited to the Owners to reduce their future Common Expense Assessments or reserve fund accounts, as may be approved by the Members at a regular meeting or a special meeting of the Members called for that purpose. [C.R.S. §38-33.3-314]

6.09 Reserve Funds. The Association shall have the right to maintain a reserve fund, or multiple reserve fund accounts, for future or anticipated Common Expenses. The reserve fund(s) may be funded through the annual budget process and the amount of funds placed in reserve in any calendar year shall be determined based on the most recent reserve fund assessment or plan of the Association. Any amount of any Assessment paid by the Owner of any Parcel that is attributed to any reserve fund account shall be considered to be a paid Assessment, and amounts contributed by Owners to reserve fund accounts shall not be returned to the Owner of any Parcel upon the sale of a Parcel. [C.R.S. §38-33.3-209.5; POLICY #9-2010]

6.10 Budgets, Financial Statements, and Audits. Budgets, financial statements, and audits shall be administered in accordance with the Bylaws and the Act. [C.R.S. §38-33.3-207; C.R.S. §38-33.3-303; C.R.S. §38-33.3-314; C.R.S. §38-33.3-315]

ARTICLE 7 ENFORCEMENT AND REMEDIES

[C.R.S. §38-33.3-123; C.R.S. §38-33.3-316; POLICY #6-2010; POLICY #8-2010]

7.01 Assessment Lien.

(a) *Statutory Lien.* The Association shall have a statutory lien on each Parcel for any Assessment levied against that Parcel and for any fines, late charges, penalties, interest and attorneys fees, disbursements and costs of collection imposed against the Owner of such Parcel under any Association Governing Document. All Assessment Liens of the Association shall be administered in accordance with the provisions of C.R.S. §38-33.3-316. The Assessment Lien shall secure all of the foregoing obligations of an Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien shall secure each installment from the time it becomes due, including the date set by any valid Association acceleration of installment obligations.

(b) *Priority.* An Assessment Lien is prior to all other liens and encumbrances on a Parcel, except:

- (i) liens and encumbrances recorded prior to the recordation of the original Declaration;
- (ii) liens for real estate taxes and other governmental assessments or charges against the Parcel; and
- (iii) a First Mortgage which was recorded before the date on which the Assessment sought to be enforced became delinquent, except to the extent permitted by the Act.

(c) *Record Notice.* The recording of the Declaration constitutes record notice and perfection of an Assessment Lien on each Parcel. No further recordation of any claim of any Assessment Lien is required.

(d) *Extinguishment.* An Assessment Lien is extinguished unless proceedings to enforce the Assessment Lien are instituted within six (6) years after the full amount of the Assessment secured thereby becomes due.

(e) *Legal Actions.* The Association is not prohibited from taking other actions or filing suits to recover sums secured by an Assessment Lien or from taking a deed-in-lieu of foreclosure. The Association shall be entitled to costs and reasonable attorney fees incurred by the Association in obtaining a judgment or decree in any action or suit brought by the Association.

(f) *Receivers.* In any action by the Association to collect Assessments or to foreclose an Assessment Lien for unpaid Assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be owed by the Owner prior to or during the pendency of the action. A court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Assessments against the Parcel.

(g) *Foreclosure.* An Assessment Lien may be foreclosed in like manner as a mortgage on real estate. Periodic Assessments shall be payable during the period of foreclosure of an Assessment Lien.

(h) *Waiver of Homestead Exemptions.* By acceptance of the deed or other instrument of conveyance of a Parcel, an Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended, as the same may apply to the Assessment Lien.

(i) *Claim of Lien.* Upon default of any Owner in the payment of any General, Special or Default Assessment required hereunder, the Association may cause a claim of lien to be recorded in the office of the Clerk and Recorder in the county in which the Property is situated. The claim of lien shall state the amount of such delinquent sums and other authorized charges (including the cost of recording such notice), a sufficient description of the Parcel against which the same has been assessed, and the name of the record owner thereof. Each delinquency shall constitute

separate basis for a notice and claim of lien, but any number of defaults may be included within a single notice and claim of lien. Upon payment to the Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and relief of such delinquent sums and charges. The Association may demand and receive the cost of recording of such release before recording the same. Any purchaser or encumbrancer, acting in good faith and for value, may rely upon such notice of satisfaction and relief as conclusive evidence of the facts recited therein.

[C.R.S. §38-33.3-316]

7.02 Enforcement

(a) *Enforcement Methods.* All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy. Each provision of the Declaration with respect to an Owner or a Parcel shall be enforceable by the Association by any and all remedies available at law or in equity, including, but not limited to, all or any combination of the following remedies:

- (i) a proceeding for injunctive relief;
- (ii) a suit or action to recover damages;
- (iii) in the discretion of the Board, for so long as any Owner fails to comply with any such provisions, exclusion of such Owner and its Guests from participation in any Association affairs; and
- (iv) the Association acting through the Board shall have all other rights and remedies available to it under the Declaration and Governing Documents, at law or in equity.

(b) *Legal Proceedings.* If any Parcel Owner fails to timely pay Assessments or any money or sums due to the Association, the Association may require reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure without the necessity of commencing a legal proceeding.

(c) *Owner's Right of Enforcement.* Except as otherwise provided herein and for any failure to comply with the provisions of the Governing Documents other than the payment of Assessments or any money or sums due to the Association, any Parcel Owner, or any group of Parcel Owners adversely affected by such failure to comply shall have the right to enforce any or all of the provisions of the Governing Documents with respect to any Parcel within the Property, by any and all remedies available at law or in equity. Any such Owner or group of Owners may seek reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding.

(d) *Attorney Fees.* In any civil action to enforce or defend the provisions of the Governing Documents, the court shall award reasonable attorney fees, costs, and costs of collection to the prevailing party.

(e) *Outcome of Litigation.* In connection with any claim in which a Parcel Owner is alleged to have violated a provision of the Governing Documents and in which the court finds that the Parcel Owner prevailed because the Parcel Owner did not commit the alleged violation, the court shall award the Parcel Owner reasonable attorney fees and costs incurred in asserting or defending the claim; and the court shall not award costs or attorney fees to the Association. In addition, the Association shall be precluded from allocating to the Parcel Owner's account any of the Association's costs or attorney fees incurred in asserting or defending the claim. With regard to any litigation regarding enforcement of the Governing Documents, a Parcel Owner shall not be deemed to have confessed judgment to attorney fees or collection costs.

(f) *Time Limitation on Actions.* 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 the Governing Documents, or to compel the removal of any building or Improvement because of the violation of the terms of any such provision 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.

(g) *Non-Waiver.* Failure by the Association or any Owner to enforce any covenant, condition, restriction, reservation, easement, Assessment, charge, lien or other provision of the Declaration or any other Governing Document shall in no way be deemed to be a waiver of the right to do so thereafter. No action shall be brought against the Association for or on account of its failure to bring any action for any breach of the Declaration.

(h) *Violations and Nuisances.* Every act or omission whereby any provision of the Governing Documents is violated in whole or in part 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 the Association or any Owner or Owners of Parcels with the Property.

(i) *Violation of Law.* Any violation of any state, municipal or local law, ordinance, or regulation pertaining to the ownership, occupation, or use of any property within the Property, is hereby declared to be a violation of the Governing Documents and subject to any or all of the enforcement procedures set forth in the Governing Documents.

(j) *Remedies Cumulative.* Each remedy provided by the Governing Documents is cumulative and not exclusive.
[C.R.S. §38-33.3-123]

7.03 Administrative Enforcement Measures. The Board, or the DRC subject to the Board's approval, may establish procedures and rules to address covenant violations as administrative enforcement measures.

(a) *Enforcement.* If an Owner violates any term or condition set forth in the Governing Documents, or any conditions of a DRC approval, the Board or the DRC with respect to DRC decisions, shall have the following rights and remedies:

(i) by written notice to the Owner, request that the Owner cure the violation within a reasonable period of time as stated in the written notice;

(ii) by written notice to the Owner, revoke any approval previously granted to the Owner by the Board or DRC as applicable, in which event the Owner shall, upon receipt of such notice, immediately cease any activity regarding the prior approval, including any construction, alteration or landscaping covered by the approval so revoked; and

(iii) following an opportunity for the Owner to be heard regarding the matter by an impartial decision maker, the Board may enter upon the Owner's Parcel and cure such violation on behalf of the Association at the Owner's sole cost and expense and cure the default or violation. If the Association cures any such violation, the costs and expenses thereof shall be assessed to the Owner as a Default Assessment. The Owner shall pay to the Association the amount of the Default Assessment within thirty (30) days after the Owner receives notice of the Default Assessment from the Association or as otherwise directed by the Board.

(b) *Disrepair.* If any Owner permits any Improvement which it is responsible to maintain to fall into disrepair so as to create a dangerous, unsafe, unsightly, or unattractive condition, the Board may take action to enforce the condition of disrepair as a violation of the Governing Documents.

7.04 Fines.

(a) Notwithstanding any provision of the Act or Governing Documents to the contrary, the Association may not fine any Parcel Owner for an alleged violation unless:

(i) the Association has adopted, and follows, a written policy governing the imposition of fines; and

(ii) the policy includes a fair and impartial fact-finding process concerning whether the alleged violation actually occurred and whether the Parcel Owner is the one who should be held responsible for the violation. This process may be informal but shall, at a minimum, guarantee the Parcel Owner notice and an opportunity to be heard before an impartial decision maker.

(b) An "impartial decision maker" means a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including its architectural and design requirements and the other Rules and Regulations of the Association, and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general Membership of the Association. If, as a result of the fact-finding process it is determined that the Parcel Owner should not be held responsible for the alleged violation, the Association shall not allocate to the Parcel Owner's account any of the Association's costs or attorney fees incurred in asserting or hearing the claim. Notwithstanding any provision in the Act or Governing Documents to the contrary, a Parcel Owner shall not be deemed to have consented to pay such costs or fees.

[C.R.S. §38-33.3-209.5]

ARTICLE 8 DESIGN REVIEW

[C.R.S. §38-33.3-303; POLICY #3-2010; POLICY #4-2010;
POLICY #5-2010; POLICY #8-2010; POLICY #11-2010]

8.01 Improvements to Parcels. All construction of Improvements on a Parcel and any alteration to the exterior appearance of any existing Improvement on a Parcel shall require written approval of the Design Review Committee for the purposes of determining compliance with the Declaration and Governing Documents, in accordance with adopted DRC Design Standards and Review Procedures. The Board may act in the same capacity in the absence of the action of the DRC.

(a) *Duties.* With regard to the construction of Improvements, the DRC shall:

(i) review all proposals for Improvements within Elk Stream Ranch;

- (ii) issue written statements for approved proposals; and
- (iii) monitor and inspect the construction of any approved Improvements to the extent necessary to determine compliance with the Association's Governing Documents.

8.02 Design Review Committee.

- (a) *Design Review Committee.* The DRC is established as a standing committee of the Board and its members are appointed by the Board and serve at the pleasure of the Board.
- (b) *Conduct.* The conduct of the DRC shall be in accordance with the provisions of the Bylaws and Governing Documents of the Association.

8.03 Annual Inspection of Elk Stream Ranch.

- (a) *Annual Inspection.* In furtherance of the provisions of C.R.S. §38-33.3-123, the Design Review Committee will conduct an annual inspection of the entire Elk Stream Ranch to assess the compliance of the external appearance of Improvements with the Governing Documents.

ARTICLE 9
COVENANTS, CONDITIONS AND RESTRICTIONS
[C.R.S. §38-33.3-205; POLICY #5-2010]

9.01 Applicability. Except as otherwise provided in the Declaration, the covenants, conditions and restrictions set forth in the Declaration shall apply to all Parcels and Common Elements. Any use, condition, covenant or restriction addressed in this Article may be subject to additional Rules and Regulations contained in the Governing Documents.

9.02 Governing Documents. Each Owner shall comply with, and shall require its Guests to comply with, all provisions of the Governing Documents that apply to such Owner or such Owner's Parcel.

9.03 Compliance with Laws. Nothing shall be done or kept at the Property or on any Parcel in violation of any law, ordinance, rule, regulation or other requirement of any governmental or quasi-governmental authority.

9.04 Compliance with Insurance. Except as may be approved in writing by the Association, nothing shall be done by any Owner and nothing shall be kept at the Property or on any Parcel by any Owner that may result in the cancellation of any insurance maintained by the Association or may result in an increase in the rates of any such insurance. [C.R.S. §38-33.3-313]

9.05 Use of Parcels.

(a) *Residential Uses Allowed.* All Parcels shall be used for residential purposes, except that a home-based business or occupation may be carried on in a residence provided it does not interfere with the residential character of the neighborhood or Elk Stream Ranch, is secondary to the use of the residence as a dwelling place, causes no undue parking or traffic problems, and has no outward appearance of business or commercial use.

(i) *Residential Use Restrictions.* Except as otherwise expressly permitted by the Declaration or in the Governing Documents or other Association approval, an Owner of a Parcel, after Improved with a residence, may use such residence only as a permanent or vacation residence for itself and its Guests. No Owner shall lease its residence for less than a period of one (1) month. No Owner of a residence shall conduct any hospitality business, profession, occupation or trade involving the residence from its residence, including, without limitation, the operation of a "corporate suite," "short term suite," "bed and breakfast" "chalet," or any use that would contravene applicable laws, regulations, or policies with respect to the eligibility of the Elk Stream Ranch or any Parcels therein to qualify for federally-backed mortgage programs.

(b) *Use of Common Elements.* All Owners and their Guests may use the General Common Elements and the Limited Common Elements designed to serve their Parcels for the purposes for which such Common Elements are intended. Neither an Owner nor a Guest may use any Common Element in any manner that unreasonably interferes with the rights of other Owners in and to the Common Elements. No Owner shall cause, or permit its Guests to cause waste to any Common Element. The Owners rights to use the Common Elements are subordinate and subject to all of the rights and powers of the Association with respect to the Common Elements, including, without limitation, the Association's right and power to adopt rules regulating the use of the Common Elements.

(c) *Land Use Limitations.* The following land uses are specifically prohibited in Elk Stream Ranch:

(i) *Hunting.* No hunting, and no discharge of firearms except to protect an Owner or Guest from potential danger.

(ii) *Temporary Improvements.* No temporary structure or Improvement shall be placed upon any Parcel without DRC approval. A recreational vehicle may be permitted to be used during construction of Improvements on a Parcel as part of a DRC approval, provided that the recreational vehicle is located on the Parcel on which construction is occurring and it shall be removed within fourteen (14) days of substantial completion of the Improvement. A recreational vehicle that is not used for temporary housing purposes may be parked on a Parcel in accordance with the Governing Documents and or adequately screened from view of the Association roads.

(iii) *Mining and Drilling.* No Parcel shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing water, oil, gas, or any other hydrocarbons, minerals, rocks, stones, gravel, or earth, except that the Association may, by appropriate permit, grant, license or easement, allow the drilling of wells for the extraction of water for domestic use and landscape irrigation if such use is in accordance with applicable governmental authorities. The Association may also grant an Owner the right to use certain materials from the Parcel in conjunction with the construction of an Improvement, subject to the DRC approval of the proposed land and material use.

(iv) *Subdivision and Timesharing.* No Parcel may be subdivided into less than thirty-five (35) acres. No Owner shall offer or sell any interest in any Parcel under a “timesharing” or “interval ownership” plan or similar plan.

9.06 Nuisances, Hazardous Activities and Unsightliness.

(a) *Nuisances.* No Person shall conduct any activity on the Property which creates a nuisance. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Owner’s Parcel so as to render any portion thereof unsanitary, unsightly, offensive, or detrimental to any other Parcel or to its occupants. No noise, including but not limited to, noise or odorous disturbances created by people, animals, equipment, electronic device, audio receiver, television, stereo, musical instrument, and/or machinery, or any other audible nuisance shall be permitted which is offensive or detrimental to the occupants of any other Parcel in the vicinity thereof, or otherwise not in conformance with state law.

(b) *Hazardous Activities.* No Person shall conduct any activity on any Parcel which is or might be hazardous to any other Person or property. No open fires shall be lighted or permitted on any portion of any Parcel except those controlled and attended fires required for clearing or maintenance of land and previously approved by all applicable regulatory agencies, or those within a contained and safe area for cooking and recreational purposes, as long as no agency or Board issued burn ban is in effect. Fires for cooking and recreational purposes are allowed only if there is an adult Owner or Guest present.

(c) *Unsightly Articles and Vehicles.* No unsightliness shall be permitted on any Parcel. No unsightly articles shall be visible from the primary roads within Elk Stream Ranch. Without limiting the generality of the foregoing, trailers, motor homes, trucks (other than pickups), boats, tractors, vehicles (other than automobiles), campers (on or off a vehicle), snowmobiles, snow removal equipment, garden or maintenance equipment, camping and recreational equipment, dilapidated or unrepaired vehicles and similar equipment shall be kept screened from view from the primary roads in Elk Stream Ranch. Recreational vehicles and campers in actual use by Owners and Owner’s Guests are allowed where feasible on a Parcel for a period not to exceed fourteen (14) days in any thirty (30) day period. All vehicles located on a Parcel must be operational and must have current licenses.

(d) *Trash and Waste Materials.* Refuse, garbage, and trash shall be kept at all times in a covered container and appropriately screened from view from the primary roads in Elk Stream Ranch. No lumber, grass, shrub or tree clippings, compost piles or plant waste, metals, bulk materials, unused building material, or refuse, trash, litter or other materials shall be kept, stored or allowed to accumulate on any Parcel except if appropriately screened from view from the primary roads in Elk Stream Ranch, except for slash piles intended to be burned in accordance with the CWPP. Firewood shall be stored on an Owner’s Parcel in a neat and orderly fashion. No burning of trash, garbage or other waste materials will be permitted on any Parcel or at the Property, except for weed and vegetation control in safe weather conditions, and the burning of slash piles in accordance with the CWPP.

9.07 Maintenance of Buildings, Improvements and Landscaping.

(a) *Maintenance in Good Repair Required.* No Improvement upon any Parcel shall be permitted to fall into disrepair, and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner thereof. Any maintenance and/or repair of any Improvement shall not materially alter the appearance, color, or finish, of said Improvement without prior review and approval of the DRC.

(b) *Disrepair.* If any Owner permits any Improvement which it is responsible to maintain to fall into disrepair so as to create a dangerous, unsafe, unsightly, or unattractive condition, the Board may take action to enforce the state of disrepair as a violation of the Governing Documents.

(c) *Alteration of Common Elements and Other Parcels.* Except as otherwise expressly provided in the Declaration or Governing Documents, an Owner of a Parcel may not make any alteration of or install any Improvement

to its Parcel that affects any Common Element or any other Parcel, without the prior written consent of the DRC or the Board.

9.08 Public Policy Considerations. Pursuant to C.R.S. §38-33.3-106.5, the Association shall not prohibit any of the following:

(a) *American Flags.* The Association shall allow the display of the American flag and service flags on an Owner's Parcel when displayed in a manner consistent with the Act and federal law, and subject to the Rules and Regulations of the Association.

(b) *Political Signs.* The Association shall allow the display of a political sign by the Owner or their Guests. A "political sign" means a sign that carries a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue. Restrictions:

(i) no political signs may be displayed on a Parcel earlier than forty-five days before the day of an election and later than seven days after an election day; and

(ii) on any Parcel, only one political sign per political office or ballot issue that is contested in a pending election may be displayed on a Parcel, and the maximum size of any sign shall be thirty-six inches by forty-eight inches.

(c) *Parking of Service Vehicles.* The Association shall allow the parking of a motor vehicle by the Owner or occupant of a Parcel on a road, driveway, or guest parking area in the Elk Stream Ranch if the vehicle is required to be available at designated periods at such occupant's residence as a condition of the occupant's employment and all of the following criteria are met:

(i) the vehicle has a gross vehicle weight rating of ten thousand pounds or less;

(ii) the occupant is a bona fide member of a volunteer fire department or is employed by a primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical services;

(iii) the vehicle bears an official emblem or other visible designation of the emergency service provider; and

(iv) parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other Parcel Owners or their Guests to use roads, driveways, and Guest parking spaces within the Elk Stream Ranch.

(d) *Clearing of Vegetation for Defensible Space.* The Association shall allow the removal by a Parcel Owner of trees, shrubs, or other vegetation to create defensible space around a dwelling for fire mitigation purposes, so long as such removal complies with a written defensible space plan or Community Wildfire Protection Plan ("CWPP") created for the property, and is no more extensive than necessary to comply with the CWPP. Any work conducted by an Owner shall comply with applicable Association standards regarding slash removal, stump height, revegetation, and contractor regulations.

(e) *Accommodations for Persons With Disabilities.* The Association shall allow reasonable modifications to a Parcel Common Elements as necessary to afford a person with disabilities full use and enjoyment of the Parcel in accordance with the federal Fair Housing Act of 1968, 42 U.S.C. sec. 3604(f)(3)(A).

(f) *Renewable Energy Devices.* The Association shall not effectively prohibit renewable energy generation devices, as defined in C.R.S. §38-30-168.

(g) *Flammable Roofing Materials.* The Association shall not require the use of cedar shakes or other flammable roofing materials.

(h) *Xeriscaping.* Any provision of the Governing Documents that prohibits or limits xeriscape, prohibits or limits the installation or use of drought-tolerant vegetative landscapes, or requires cultivated vegetation to consist exclusively or primarily of turf grass is contrary to public policy under C.R.S. §37-60-125 and, on that basis, any such provision shall be unenforceable by the Association.

[C.R.S. §38-33.3-106.5]

9.09 Signs. Sign Restrictions. No signs whatsoever shall be erected or maintained on a Parcel or the Property, except signs required by legal proceedings, address signs as approved by the DRC, and such other signs such as real estate advertising signs as may be allowed under the Governing Documents.

9.10 Vehicles. The use of all on- and off-road vehicles, including but not limited to, trucks, automobiles, motorcycles, and snowmobiles, ATV's, "dirt bikes", and other "off-road" type recreational vehicles shall be confined to designated roadways within the Elk Stream Ranch, except on an Owner's Parcel and in conformance with the Governing Documents. Persons or entities conducting business on behalf of the Association are exempt from this restriction.

9.11 Animals. No more than four (4) dogs and a total of four (4) cats or other indoor household pets may be kept on a Parcel, and no such household pets shall be kept, bred, or maintained for any commercial purpose. Farm animals that do not create a nuisance on the Parcel, or to the Property or any other Parcel may be kept by an Owner, provided that the number of farm animals does not exceed one (1) animal per five (5) acres of the Parcel. All large animals shall be contained within a fenced area. The right to keep household pets and farm animals shall be subject to the Rules and Regulations and other Governing Documents, and any such right may be subject to temporary or permanent revocation by the Board if any animal behavior creates a nuisance.

9.12 Watercourses, Irrigation Ditches, and Drainage Features. All watercourses, irrigation ditches, and drainage features on any Parcel shall be managed in the best interests of the Association. There shall be no alteration, Improvement, or interference with any established watercourse, irrigation ditch, or drainage pattern over any Parcel within the Property unless approved in writing by the DRC. Any alteration, Improvement, or interference with any watercourse, ditch, or drainage shall also comply with applicable local, state, and federal regulation.

(a) *Alterations.* Proposed alterations of established watercourses, irrigation ditches, and drainage features shall be approved by the DRC. An established watercourse, ditch or drainage feature is one that exists on a Parcel prior to any grading or Improvement of the Parcel or Property, or as shown on any plans approved by the DRC or an approved Improvement site plan for the Parcel.

9.13 Maintenance of Existing Vegetation. Existing native vegetation shall not be over-irrigated or mowed to the extent that it is damaged or dies. Any alteration of vegetation within seventy-five (75) feet of all watercourses, as measured from the mean high water mark, must have prior written approval of the DRC. To minimize impacts to existing vegetation, all utilities, improvements, hook-ups, wires, pipes, conduit, lines, cables and the like shall follow the designated driveway to the building site to the extent practical, even if the distance is longer, except as otherwise approved by the DRC.

9.14 Removal of Timber and Existing Vegetation.

(a) Removal of mature timber and other native vegetation shall be prohibited within Elk Stream Ranch, with the following exceptions, provided they are made in accordance with the CWPP:

(i) removal and cutting of Gambrel Oak and other brush-type vegetation shall be liberally permitted to encourage the reduction of fire hazards by Owners, and prior to removal of such vegetation a brief sketch and description of the area to be cleared shall be submitted to the DRC for approval;

(ii) mowing of grass in meadows shall be permitted;

(iii) Owners are responsible for annual noxious weed or plant abatement on their Parcel. Musk weed, thistle or other noxious weeds and plants must be sprayed or eradicated to minimize the spread of such weeds and plants;

(iv) plans for timber and existing vegetation removal for building construction, yards and gardens, driveway corridors, and view corridors must be submitted for review and approved by the DRC as Improvements prior to any removal activity, and shall comply with landscaping and re-vegetation requirements; and

(v) other actions in accordance with the Elk Stream Ranch CWPP.

9.15 Wildlife Management. The Property and each Parcel will be managed to promote a variety of wildlife populations and habitat. An important goal of the Elk Stream Ranch is to maintain and enhance wildlife populations and habitat through a variety of management techniques including: restoration, establishment and maintenance of native vegetation and grass meadows, controls on dogs to prohibit wildlife harassment, restrictions on artificial feeding programs and bans on hunting. Owners may construct protective fencing on their Parcel to protect any landscaping from wildlife damage subject to DRC approval in accordance with the Governing Documents.

9.16 Sewage and Water Supply Facilities. Prior to occupancy, all residential structures on any Parcel shall be provided at the Owner's expense with adequate and approved water supply and sewage treatment facilities installed and approved in accordance with applicable state law and as enforced by county health departments. No septic tank or drain field shall be located within one-hundred feet (100') feet of a watercourse, irrigation ditch, drainage or well unless approved by the applicable county health department and the DRC. At any such time in the future that a sewer line for a sewer treatment facility or centralized spreading field is available for hookup to structures on the Parcels, and as the Board shall so determine, all Parcels shall cease utilizing septic tanks and drain fields and shall utilize such sewer treatment facility or spreading field.

9.17 Energy Efficient Measures. The Association shall not effectively prohibit the installation or use of an energy efficiency measure, and the Governing Documents shall be in compliance with C.R.S. §38-33.3-106.7. Any provision

of C.R.S. §38-33.3-106.7 shall control over any conflicting provisions in the Governing Documents. [C.R.S. §38-33.3-106.7]

9.18 Site Improvement Restrictions. In addition to the DRC Design Standards and Review Procedures and other applicable provisions of the Governing Documents, the following restrictions apply to the Improvement of a Parcel:

(a) *Single Family Residence.* Single family residential structures designed to accommodate no more than a single family, domestic help and Guests may be constructed on each Parcel. Guest quarters may be attached or detached. A garage may be attached or detached. All such structures must be located within the Building Envelope. All residence and other significant structures must be of a similar design and architectural style.

(b) *Ancillary Buildings.* Ancillary buildings for ranch and agricultural purposes, and any other structures necessary for any allowed use may be constructed on a Parcel. A structure recognized as a separate building is a detached, roofed structure enclosing a minimum of 80 cubic feet within its walls or supports.

(c) *Number of Buildings Per Parcel.* There shall be no more than five buildings constructed upon a single Parcel, including the main residential structure.

(d) *Minimum Size.* Each primary residential structure erected upon a Parcel shall have a floor area of not less than 1500 square feet. Detached Guest quarters shall have a floor area of not less than 1000 square feet. The square footage of garages, patios, decks, storage rooms located outside of the main residential area, porches, overhangs, and similar areas shall be excluded from the calculation of minimum size.

(e) *Height Limitation.* No portion of any residential structure shall be more than thirty-five (35) feet in height. Maximum building height is determined by measuring the vertical distance from the average ground level of the building Footprint to the highest point of the roof ridge. Ranch and agricultural buildings, which may contain Guest quarters, may be approved by the DRC to be higher than thirty-five feet (35').

(f) *Limitations.* No residential building or any other building on a Parcel shall be a mobile home.

(g) *Building Envelopes.* All Improvements shall be located within the Building Envelope as shown on any Map or as established in a site plan approved by the DRC. Minor amendments to any established Building Envelope may be made with the approval of the DRC subject to an approved amended site plan that is in accordance with the maximum allowable site impact restrictions as defined herein. All DRC-approved site plans or amended site plans showing the approved building envelope shall be recorded. Major relocations or alterations of Building Envelopes, as determined by the DRC or Board, shall require approval of the Board and Members and the amendment of the Declaration and Maps in accordance with the Governing Documents.

(h) *Maximum Allowable Site Impact Per Parcel.* The impacted site area per Parcel shall be an area identified on a site plan that is within or the same as the Building Envelope, and shall not exceed 125,663 square feet (or 2.85 acres), irrespective of the Building Envelope size. Impacted site area shall include the Building Footprint of any structure, the disturbed area of any excavation necessary for a building, any driveways located in the immediate vicinity of any building, and a 50-foot wide buffer around each building, driveway and excavated area. Wells, utilities, septic fields, landscaping, snow storage areas, fences and pasture areas are not included in the calculation of the impacted site area. The driveway between the impacted site area and an Association road is not included in the calculation of the impacted site area. No portion of any building shall be any further than six hundred feet (600') away from any portion of any other building on the same Parcel or within the impacted site area.

(i) *Setbacks.* No Improvements other than driveways, domestic water wells, utility facilities, fences, pastures or landscaping shall be constructed within one hundred feet (100') of any Association road, or within fifty feet (50') of the boundary of any other Parcel without DRC approval.

[C.R.S. §35-46-112; C.R.S. §35-46-113; POLICY #10-2010]

ARTICLE 10
CONDEMNATION
[C.R.S. §38-33.3-107]

10.01 Applicable Law. Any condemnation action affecting the Elk Stream Ranch shall comply with the provisions of C.R.S. §38-33.3-107, other applicable provisions of the Act, and other applicable statutes or laws.

10.02 Condemnation of All Parcels. If the entire Elk Stream Ranch is taken by condemnation or similar proceeding, the Elk Stream Ranch shall terminate as of the date of the taking, and any condemnation award payable in connection therewith shall be paid to the Association and then disbursed by the Association in accordance with the Act.

10.03 Condemnation of Fewer Than All Parcels.

(a) *Condemnation of Fewer Than All Parcels.* If individual Parcels or portions of Parcels, but less than all Parcels in the Elk Stream Ranch are taken by condemnation or similar proceeding:

- (i) any condemnation award payable in connection therewith shall be paid to the Association and Owners in accordance with the Act;
- (ii) the Allocated Interests appurtenant to any Parcels or portions of Parcels taken shall be reallocated; and
- (iii) the Declaration and Governing Documents shall be amended and any expenses related to such amendment shall be a Common Expense attributable to all Parcels.

10.04 Condemnation of Common Elements.

(a) *Condemnation of Common Elements.* If any Common Element is taken by condemnation or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Association and used by the Association:

- (i) first, to repair any damage to Common Elements resulting from the condemnation or similar taking; and
- (ii) second, for any other Common Expenses.

(b) *Condemnation Award.* The Association shall not be required to pay all or any portion of the condemnation award received for the condemnation or similar taking of a Limited Common Element to the Owners of the Parcels served by such Limited Common Element, unless the Association deems it necessary or appropriate to do so.

ARTICLE 11
MORTGAGEE PROTECTIONS
[C.R.S. §38-33.3-219]

11.01 Notice of Actions.

(a) *Notice.* If requested in writing to do so, the Association shall give prompt written notice of the following to each First Mortgagee making a request for:

- (i) any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Parcel in which an interest is held by the First Mortgagee;
- (ii) any delinquency in the payment of Assessments which remains uncured for sixty days by an Owner whose Parcel is encumbered by a First Mortgage;
- (iii) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (iv) any conveyance or encumbrance of Common Elements pursuant to Section 3.08;
- (v) any proposed action which would require the consent of First Mortgagees as set forth in the Act, Declaration or Governing Documents; and
- (vi) any judgment rendered against the Association.

11.02 First Mortgagee's Rights.

(a) *Right to Pay.* First Mortgagees, jointly or singularly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Elements or improvements thereon, and may pay overdue premiums on hazard insurance policies for the Common Elements. First Mortgagees making such payment shall be owed reimbursement from the Association.

(b) *Right to Cure.* A First Mortgagee shall be entitled to cure any delinquency in the payment of Assessments of the Owner of a Parcel encumbered by its First Mortgage. In the event of such a cure, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency. The First Mortgagee may pay any such unpaid Assessment, together with any and all costs and expenses incurred with respect to the Assessment Lien securing such unpaid Assessment, and upon such payment, such First Mortgagee shall have a lien on the Parcel for the amounts paid with the same priority as a lien of the First Mortgage held by such First Mortgagee.

(c) *Insurance Proceeds and Condemnation Awards.* No Parcel Owner or any other Person shall have priority over any rights of the First Mortgagee of the Parcel pursuant to its Mortgage in the event of payment to the Parcel Owner of insurance proceeds or condemnation awards for losses to or taking of Parcels and/or Common Elements.

(d) *Unpaid Dues.* A First Mortgagee obtaining title to a Parcel pursuant to the remedies in the Mortgage or through foreclosure shall not be liable for more than six (6) months of the Parcel's unpaid General Assessment Dues or charges accrued before the acquisition of the title to the Parcel by the Mortgagee. The first Mortgagee shall be liable for fees or costs related to the collection of the unpaid dues and Assessments that it is liable for.

11.03 Limitations.

- (a) *Limitations.* No requirement for approval or consent by a First Mortgagee provided by law or in the Declaration shall operate to:
- (i) deny or delegate control over the general administrative affairs of the Association by the Owners or the Board;
 - (ii) prevent the Association or the Board from commencing, intervening and/or settling any legal proceeding; or
 - (iii) prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds in accordance with the Act.

11.04 Assessment Statements and Estoppel Certificates. The Association shall furnish to an Owner or such Owner's designee or to a Mortgagee or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Parcel. The statement shall be furnished within fourteen (14) calendar days after receipt of the request, and is binding on the Association, the Board and every Owner. If no statement is furnished to the Owner, the Mortgagee or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert the priority of its Assessment Lien upon the Parcel for unpaid Assessments which were due as of the date of the request.

11.05 Inspection of Association Records. Upon request, the Association shall allow Mortgagees and their respective agents to inspect current copies of the Association Documents and the books, records, budgets and financial statements of the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials. [POLICY #2-2010]

**ARTICLE 12
GENERAL**

12.01 Term. The covenants, conditions, restrictions, reservations, easements, Assessments, charges and liens set forth in the Declaration shall run with and bind the Property and each Parcel until such a time as the Declaration and common interest community are terminated pursuant to the Declaration and the Act.

12.02 Termination. The Elk Stream Ranch common interest community may not be terminated except in compliance with C.R.S. §38-33.3-218 and other applicable provisions of law. [C.R.S. §38-33.3-218]

(a) *First Mortgagees Rights.* Any action that results in the termination of the Association shall be approved by at least fifty-one percent (51%) of the votes of First Mortgagees of Parcels that are subject to First Mortgages. Such approval by First Mortgagees may be obtained in any manner allowed under the Act.

12.03 Amendment of Declaration. The Declaration may be amended only in compliance with C.R.S. §38-33.3-217 and other applicable law, subject to the affirmative vote or agreement of Parcel Owners of Parcels to which sixty-seven percent (67%) of the votes in the Association are allocated. If the necessary votes and other required consents are obtained, the Association shall cause an amendment to the Declaration to be recorded in the Montezuma County and La Plata County records in accordance with the terms and conditions of the Act.

(a) *Right of Beneficiary of Mortgagee.* Notwithstanding any other provision of the Declaration, no amendment of the Declaration shall operate to defeat and render invalid the rights of the beneficiary under any recorded deed of trust or Mortgage upon a Parcel made in good faith and for value, provided that after a foreclosure or other action regarding any such deed of trust or Mortgage of such Parcel, the Parcel shall remain subject to the Declaration, as amended.

(b) *Material Amendments.* Any amendment of the Declaration or Governing Documents that are of a material adverse nature to Mortgagees shall be approved by at least fifty-one percent (51%) of the votes of Parcels that are subject to First Mortgages. Such approval by First Mortgagees may be obtained in any manner allowed under the Act.

[C.R.S. §38-33.3-217]

12.04 Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered in accordance with the Bylaws or other Governing Document provision.

12.05 Applicable Law and Interpretation.

(a) *Laws of Colorado.* The Declaration shall be construed and governed under the laws of the State of Colorado.

(b) *Liberal Construction.* The provisions of the Governing Documents shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and preservation of the Property in a manner designed to protect and enhance the aesthetic and economic value of the Property.

(c) *Interpretation.* Except for judicial construction, the Association, by its Board, shall have the exclusive right to construe and interpret the provisions of the Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association’s construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all Persons and Property benefitted or bound by the covenant and the provisions hereof.

12.06 Severability. Any determination by any court of competent jurisdiction that any provision of the Declaration is invalid or unenforceable shall not affect the validity and enforceability of any other provision hereof.

12.07 Reference to Declaration. Deeds and instruments affecting any Parcel of the Elk Stream Ranch may contain the provisions set forth herein by reference to the Declaration, but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants, conditions, restrictions, reservations, easements, Assessments, charges and liens set forth herein shall be binding upon the grantee/Owner or other person claiming interests or ownership through any deed or other instrument and its heirs, executors, administrators, successors and assigns.

12.08 Successors and Assigns of Declarant. Any reference in the Declaration to Declarant shall include any successors or assignees of Declarant’s rights and powers hereunder on the condition that Declarant’s rights and powers may only be assigned by a written recorded instrument expressly assigning such rights and powers.

12.09 Captions, Titles, Number and Gender. All captions and titles of headings of Articles, sections and subsections in the Declaration are for the purpose of reference and convenience and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof and shall not affect that which is set forth in any of the provision hereof. Wherever the context of the Declaration so requires, words used in the singular shall include the plural and words used in the plural shall include the singular. Wherever the context of the Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders, words used in the neuter gender shall include the masculine and feminine genders, and words used in the feminine gender shall include the masculine and neuter genders.

12.10 Exhibits. All exhibits attached to the Declaration are a part of, and are incorporated into, the Declaration.

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Board of Directors of the Elk Stream Ranch Property Owners Association do hereby certify that the above and foregoing Amended and Restated Declaration of Covenants, Conditions, and Restrictions were duly adopted at a meeting of the Owners held on the _____ day of _____, 2010, at which a quorum was present, called for the purpose of amending the Association’s Declaration, by the affirmative vote of the Owners representing no less than sixty-seven percent (67%) of the Members of the Association, the results of which are on file in the Association records, as a complete replacement for the Association’s previous Declaration, and that the above and foregoing Amended and Restated Declaration now constitutes the Declaration of the Association.

DECLARANT:

ELK STREAM RANCH PROPERTY OWNERS ASSOCIATION, INC.,
a Colorado Nonprofit Corporation

ATTEST:

By: Stephen M. Boone
Its: President and member of the Board of Directors

By: W. Alan Scott
Secretary/Treasurer and member of the Board of Directors

By: Barry N. Stone
Vice President and member of the Board of Directors

ELK STREAM RANCH

A Colorado Common Interest Community

Located in T36N R13W, T35N R13W, T36N R12W and T35N R12W, N.M.P.M
Montezuma County and La Plata County, Colorado

**AMENDED AND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS**

Exhibit A

Legal Description of Property Subject to Amended and Restated Declaration

Lots 1 through 35, Elk Stream Ranch Subdivision, Montezuma County and La Plata County, Colorado.