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Michelle Olin, County Clerk & Recorder, Ouray Colorado Page 1 of 35

AMENDED AND RESTATED DECLARATION
OF
EAGLE HILL RANCH
(FORMERLY KNOWN AS EAGLE HILL RANCH PUD)

THIS AMENDED AND RESTATED DECLARATION ("Declaration") is made on the date hereinafter set forth by the undersigned Unit Owners (as defined below), Declarant and the Association as each are defined hereinbelow. The requisite number of Unit Owners have voted in favor of the within amendments to effectuate this Amendment.

TABLE OF CONTENTS

RECITALS

ARTICLE 1

SUBMISSION/DEFINED TERMS

Section 1.1 Submission of Real Estate	3
Section 1.2 Defined Terms	3

ARTICLE 2

NAMES/DESCRIPTION OF REAL ESTATE

Section 2.1 Name and Type	6
Section 2.2 Real Estate	6
Section 2.3 Development of the Community	6
Section 2.4 Sweetwater Lots	7
Section 2.5 Common Elements	7
Section 2.6 Utility and Plat Easements	7
Section 2.7 Easements for the Executive Board and Unit Owners	7
Section 2.8 Emergency Easements	7

ARTICLE 3

THE ASSOCIATION

Section 3.1 Membership	7
Section 3.2 General Purposes and Powers of the Association	8
Section 3.3 Authority of the Association	8
Section 3.4 Specific Powers	8
Section 3.5 Allocated Interests	8
Section 3.6 Association Agreements	8
Section 3.7 Right to Notice and Comment	8
Section 3.8 Indemnification	8
Section 3.9 Declarant Control	9

ARTICLE 4

**UNITS, COMMON ELEMENTS AND
LIMITED COMMON ELEMENTS**

Section 4.1 Number of Units	9
Section 4.2 Identification/Descriptions of Units within Eagle Hill Ranch PUD	9
Section 4.3 Identification/Descriptions for Sweetwater Lots	9
Section 4.4 Unit Maintenance	9
Section 4.5 Association Maintenance and Common Elements	10
Section 4.6 Unit Owners' Easements of Enjoyment	10
Section 4.7 Delegation of Use	11

ARTICLE 5

COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 5.1 Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments	11
Section 5.2 Apportionment of Common Expenses	11
Section 5.3 Purpose of Assessments	12
Section 5.4 Annual Assessment/Commencement of Common Expense Assessments	12
Section 5.5 Effect of Nonpayment of Assessments	12
Section 5.6 Lien Priority	13
Section 5.7 Owner's Negligence or Misconduct	13

ARTICLE 6

RESTRICTIONS

Section 6.1 Use Restriction: Minimum Square Footages	13
Section 6.2 Lot Size	13
Section 6.3 Use Restrictions: Other Buildings	14
Section 6.4 Restrictions Regarding Vehicles	14
Section 6.5 Use Restriction: Rentals	14
Section 6.6 Use Restriction: Single Family	14
Section 6.7 Restrictions Regarding Completion of Construction	14
Section 6.8 Use Restrictions: Animals	14
Section 6.9 Use Restriction: General Maintenance of the Sweetwater Lots and the Eagle Hill Lots	14
Section 6.10 Use Restriction: Signs	15
Section 6.11 Use Restriction: Roadways	15
Section 6.12 Use Restriction: Hunting	15
Section 6.13 Use Restriction: Unsightliness	15
Section 6.14 Use Restriction: Utilities	15
Section 6.15 Use Restriction: Easements	15
Section 6.16 No Restrictions on Sale of a Unit	15
Section 6.17 No Restrictions on Mortgaging of a Unit	15
Section 6.18 Rules and Regulations	15
Section 6.19 Use Restriction: Declarant's Use	15
Section 6.20 Restrictions Particular to the Sweetwater Lots, Only	15
Section 6.21 Restrictions Particular to the Eagle Hill Ranch Filing Three Lots, Only	16

ARTICLE 7
DEVELOPMENT RIGHTS AND
SPECIAL DECLARANT RIGHTS

Section 7.1 Development Rights and Special Declarant Rights	16
Section 7.2 Additional Reserved Rights	16
Section 7.3 Rights Transferable/Rights Transferred	17
Section 7.4 No Further Authorizations Needed	17
Section 7.5 Amendment of the Declaration or Plat	17
Section 7.6 Termination of Reserved Rights	17
Section 7.7 Additions by Others	17

ARTICLE 8
ARCHITECTURAL APPROVAL/DESIGN REVIEW

Section 8.1 Establishment of the Design Review Committee	18
Section 8.2 Design Criteria	18
Section 8.3 Required Approvals	18
Section 8.4 Reply and Communication	18
Section 8.5 Variances	18
Section 8.6 Waivers	19
Section 8.7 Liability	19
Section 8.8 Records	19
Section 8.9 Enforcement	19

ARTICLE 9
INSURANCE/CONDEMNATION

Section 9.1 Owner Insurance Duties and Obligations	19
Section 9.2 Association Insurance Carried	19
Section 9.3 Hazard Insurance on the Common Elements	19
Section 9.4 Liability Insurance	20
Section 9.5 Fidelity Insurance	20
Section 9.6 Worker's Compensation and Employer's Liability Insurance	20
Section 9.7 Officers' and Directors' Personal Liability Insurance	20
Section 9.8 Other Insurance	20
Section 9.9 Annual Insurance Review	20
Section 9.10 Insurance Premium	20
Section 9.11 Managing Agent Insurance	20
Section 9.12 Waiver of Claims Against Association	20
Section 9.13 Adjustments by the Association	20
Section 9.14 Duty to Repair	21
Section 9.15 Condemnation and Hazard Insurance Allocations and Distributions	21

ARTICLE 10
GENERAL PROVISIONS

Section 10.1 Enforcement	21
Section 10.2 Notice of Violation	21
Section 10.3 Violation of Covenants Creates Liens	21
Section 10.4 Ouray County Land Use Code Provisions	21
Section 10.5 Severability	22
Section 10.6 Term of Declaration	22
Section 10.7 Amendment of Declaration by Unit Owners	22
Section 10.8 Interpretation	22
Section 10.9 Singular Includes the Plural	22
Section 10.10 Captions	22

EXHIBIT A-1

EAGLE HILL RANCH LOTS - FILING ONE AND TWO	23
--	----

EXHIBIT A-2

SWEETWATER LOTS	24
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EXHIBIT A-3

EAGLE HILL RANCH LOTS - FILING THREE	25
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EXHIBIT B-1

EASEMENTS, RESTRICTIONS, ENCUMBRANCES OF RECORD AS OF THE DATE OF THIS AMENDED AND RESTATED DECLARATION	26
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EXHIBIT B-2

EASEMENTS, RESTRICTIONS, ENCUMBRANCES OF RECORD AS OF THE DATE OF THIS AMENDED AND RESTATED DECLARATION SWEETWATER LOTS	27
---	----

EXHIBIT C

COMMON ELEMENTS	28
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EXHIBIT D

PROPERTIES WHICH MAY BE ADDED TO THE DECLARATION	29
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RECITALS

I. Kolowich Group, Inc., a Colorado corporation, as "Declarant," caused that certain Declarations of Covenants, Conditions and Restrictions for Eagle Hill Ranch PUD to be recorded with the Ouray County Clerk and Recorder's Office on July 13, 1992 in Book 222 at pages 266-292 ("Initial Declaration") and likewise caused that certain Plat to be recorded on July 13, 1992 at Reception No. 151115 ("Filing One Plat"). By declaration amendment recorded November 4, 1992 in Book 222, page 592 at Reception No. 152070 ("Termination Statement") the Initial Declaration was terminated, superceded and replaced with that certain Declaration of Covenants, Conditions and Restrictions for Eagle Hill Ranch PUD (Filing One) recorded on November 4, 1992 in book 222 at page 593 ("Filing One Declaration"). The Filing One Plat was unaffected by the Termination Statement, by instrument titled Declaration of Covenants, Conditions and Restrictions for Eagle Hill Ranch PUD (Filing Two) recorded on October 18, 1994 in Book 230, page 532 at Reception No. 157847 ("Filing Two Declaration") and by Plat recorded October 5, 1994 at Reception No. 157746 ("Filing Two Plat"). Filing Two was annexed into the Community, as hereinbelow defined, and made subject to the terms and conditions of the declaration. The property included in Filing One and Filing Two are described and identified in Exhibit A-1. The Filing One Plat, Filing Two Plat and Filing Three Plat are collectively referred to as the "Plat" or "Plats". The Initial Declaration, the Termination Statement, the Filing One Declaration and the Filing Two Declaration are collectively referred to as the "Original Declaration".

II. By virtue of the Original Declaration, the Declarant created a Planned Community Common Interest Community within the real property described therein; portions of which were designated for individual ownership and portions of which are owned by the Eagle Hill Ranch Homeowners Association, Inc. (the "Association").

III. Declarant caused "Eagle Hill Ranch Homeowners Association, Inc.," a Colorado nonprofit corporation, to be incorporated under the laws of the State of Colorado, for the purpose of exercising the functions of a unit owners association.

IV. The Original Declaration imposed upon the real property described therein and all property thereafter annexed, certain terms, provisions, covenants, conditions, restrictions, easements, reservations, uses, limitations, and obligations which run with and are binding upon said real property, more particularly described on Exhibit B-1 and Exhibit B-2.

V. The Declarant, by these presents and with the consent and ratification of the Unit Owner's does hereby submit said property to this Declaration and does hereby annex into the Community all of that certain real property, commonly referred to as Filing Three, which is more particularly described on Exhibit A-3. A plat for Filing Three has been recorded July 19, 1999 at Reception No. 170145 ("Filing Three Plat").

VI. The Declarant and then owner of that certain real property described on Exhibit A-2 (the "Sweetwater Lots") has previously annexed said property into the Community and made the Sweetwater Lots subject to the terms, conditions and restrictions present in the Original Declaration, as evidenced by a certain instrument amending the Original Declaration, which was dated November 25, 1997 and recorded at Reception No. 165645 ("Sweetwater Amendment"). The Unit Owner's do hereby ratify and consent to said submission.

VII. The totality of the real property subject to this Amended and Restated Declaration is set forth on Exhibit A-1 and Exhibit A-2 and Exhibit A-3, incorporated herein by reference as though set forth in full.

VIII. The Declarant, Association, and the requisite percentage of Units Owners, desire to amend and restate all provisions of the Original Declaration and all technical and substantive amendment and annexations thereto, by virtue of this Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "Declaration"), and intend upon recording of this Declaration that all prior recorded amendments and instruments creating covenants, conditions, restrictions, reservations, easements, terms and obligations created by the Original Declaration, be incorporated herein and superseded and/or amended by this Declaration.

NOW THEREFORE, the Original Declaration is amended and restated as follows:

ARTICLE 1
SUBMISSION/DEFINED TERMS

Section 1.1 Submission of Real Estate. By virtue of the Original Declaration, the Declarant submitted the real property described on Exhibit A-1, and such additional real estate as may be subsequently added, pursuant to the expansion rights reserved in this Declaration, together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon to the provisions of the Colorado Common Interest Ownership Act, C.R.S. §§38-33.3-101 *et seq.*, as it may be amended from time to time (the "Act"), and to the terms and conditions of the Original Declaration. By virtue of the provisions in this Declaration, certain additional real property is added, which is described on Exhibit A-2 and Exhibit A-3. In the event the Act is repealed, the Act on the effective date of this Declaration shall remain applicable. All of the Real Estate described in Exhibit A-1 and Exhibit A-2 and Exhibit A-3 and as may be added by expansion (collectively, the "Real Estate") shall be held or sold, and conveyed subject to the following easements, restrictions, covenants, and conditions. This Declaration is made for the purpose of protecting the value and desirability of the Real Estate, that this Declaration shall run with the Real Estate and shall be binding on all parties, including Declarant, having any right, title or interest in the Real Estate or any part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Unit Owner thereof.

Section 1.2 Defined Terms. Each capitalized term in this Declaration or in the Plat shall have the meaning specified or used in the Act, unless otherwise defined in this Declaration:

Act. The Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, *et seq.*, as it may be amended from time to time.

Allocated Interests. The allocation of the Common Expense liability and the allocation of votes in the Association to each Unit.

Articles of Incorporation. The Amended and Restated Articles of Incorporation for Eagle Ranch Homeowners Association, Inc., a Colorado nonprofit corporation, as the same may be amended from time to time.

Association. The EAGLE HILL RANCH HOMEOWNERS ASSOCIATION, INC., a Colorado nonprofit corporation, its successors and assigns. The Association shall act by and through its Executive Board and officers.

Bylaws. The Amended and Restated Bylaws of the Association as the same may be amended from time to time.

Common Elements. That portion of the Real Estate, including all improvements thereon and all personal property owned by and easements granted to the Association for the common use and enjoyment of the Owners. The Common Elements owned by the Association, includes the Real Estate so designated as common elements or as "Open Space" or as easements on the recorded plats or other instrument (other than Residential or Commercial Lots) for the Real Estate, which is described on Exhibit C attached to this Declaration, and which includes certain parcels of land which cannot be developed or improved or altered except as provided in this Declaration, and which are noted on the plat or described as "Open Space" or easements. Use of the term "open space" shall not mean or imply that the general public at large has access to or use and enjoyment of the land which is so designated.

Common Expenses. As used in this Declaration, this term includes assessment charges levied by and for the benefit of the Association, pursuant to the Governing Documents, including, but not limited to: (i) annual costs and expenses of the Association; (ii) large, single item expenditures of the Association (including, but not limited to, capital expenditures and "Special Assessments"); and (iii) amounts necessary to fund reserves pursuant to this Declaration.

Common Expense Assessment(s). In addition to the definition included in the Act, shall include these items levied against a particular Owner or Unit: (i) late charges, attorneys' fees, fines, and interest charged by the Association at the rate as determined by the Executive Board; (ii) charges against a particular Owner and the Unit for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation of the Governing Documents by the Owner or Related Users (including "default assessments"); and (iii) utility assessments and insurance assessments (assessed in proportion to risk).

Community. Declarant submitted an application with Ouray County seeking authority to develop a Recreational Planned Unit Development (PUD) in accordance with all requirements of the Ouray County, Colorado Land Use Code ("LUC"). By Resolution of the Ouray County Board of County Commissioners made and adopted on March 12, 1992 ("Resolution"), Declarant secured conditional approval of its application and was authorized to plat and develop up to 36 residential lots, certain open space, and up to three commercial lots, subject to all terms and conditions associated with the approval and other provisions of applicable law ("Project"). Declarant is required to provide certain open space in amounts and at locations established by Ouray County and certain recreational features, including, without limitation, a clubhouse, an operational horse stable and associated trails and meadows, a community pond, and a trail network. The Resolution notes that the Declarant may construct a bed and breakfast on a commercial lot, provided Declarant is able to obtain all approvals, including a special use permit, associated with the use at this location. By operation of the Original Declaration and the Resolution, as approved by Ouray County, the Declarant has created a common interest community.

Covenants. Collective term for all promises, restrictions, reservations, conditions, terms, easements, and rights-of-way specifically set forth in this Declaration or referenced in this Declaration and set forth in the Governing Documents, as the same may be adopted and amended from time to time.

Declarant. The Declarant named in this Declaration, and any successor and/or assignee designated by written notice or assignment executed by the Declarant designated in this Declaration and executed by the transferee and recorded, to the extent any rights or powers reserved to Declarant are transferred or assigned to that party.

Declaration. This Amended and Restated Declaration, as it may be further amended from time to time.

Design Guidelines. Collective reference to all written design and development guidelines, policies and procedures, application and review procedures and fee schedules, and all architectural controls which shall apply to all construction and the placement, installation or removal of Improvements within the Real Estate, and which are enacted by the Executive Board pursuant to its rule-making authority.

Design Review Committee. The committee created for the purpose of establishing architectural controls over the Community to insure the proper use and appropriate development and improvement of the Community so as to provide for harmonious development and improvement of the Community.

Executive Board. The governing body of the Association, pursuant to its bylaws and the Act. The Governing Documents shall refer to the governing body from time to time as either the Executive Board or the Board of Directors.

First Lien Security Interest. Any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the office of the Clerk and Recorder of the County of Ouray, Colorado, having priority of record over all other recorded liens except those governmental liens and Common Expense Assessment liens made superior by statute.

Governing Documents. Collective reference to those documents which govern the operation of the Association and the Community, including: (a) its Amended and Restated Articles of

Incorporation, (b) its Amended and Restated Bylaws, (c) its Rules and Regulations, (d) all recorded plats effecting the Community, (e) the Resolution and other documents related to the approval of the Project, and (f) this Declaration, as may be further amended from time to time. Each and every provision of the Governing Documents shall be given the force and effect as if set forth in this Declaration.

Improvement(s). Structures (above or below ground), driveways, fences, ditches, ponds, landscaping, vegetation, installed within or upon, or removed from, a Unit, including any change to any structure or addition.

Limited Common Elements. Those portions of the Common Elements designated by Declarant or the Association for the exclusive use of one or more but fewer than all of the Units as the same are depicted on the duly recorded Plat for the Community.

Notice of Violation. An instrument which shall set forth the name of the owner of record, the nature of the covenant violation and covenant violated, the approximate dates of violation and containing provisions for the signature of the Design Review Committee or the Association.

Owner or Unit Owner. A person which owns a Unit.

Person. Broadly defined to be an individual, individuals, business entity, trust and the like.

Real Estate. Collective reference to the property described in Exhibit A-1 and Exhibit A-2 and Exhibit A-3, together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon. Upon recording of this Declaration, all of the Real Estate shall be deemed to include real property encumbered by the Original Declaration (described on Exhibit A-1) and the adjacent real property added to this Community by virtue of this Declaration (described on Exhibit A-2 and Exhibit A-3).

Related User. Any Person who: (a) resides with an Owner within the Unit; (b) is a guest or invitee of an Owner; or (c) is an occupant, tenant or contract purchaser of a Unit, and any family member, guest, invitee or cohabitant of any such person.

Rules and Regulations. Collective term for all rules, regulations, policies, procedures and guidelines of the Association, in general, and including the Design Guidelines, specifically, as the same may be adopted and amended from time to time by the Executive Board pursuant to the Act this Declaration and the Bylaws.

Unit. A physical portion of the Community, designated for separate ownership, shown on the recorded Plat for the Community, the boundaries of which are defined on the Plat and in Article 4 of this Declaration.

Eagle Hill Lots. All lots platted for residential and commercial use within the Eagle Hill Ranch Subdivision which have been made subject to this Declaration by the Declarant and/or the Unit Owners and which are more particularly described on Exhibit A-1 and Exhibit A-3, together with those which may be added to the Community pursuant to the provisions of the Declaration; and

Sweetwater Lots. The three lots platted for residential use within the Sweetwater PUD, more particularly described on Exhibit A-2.

Unless the context herein contemplates otherwise, the term Unit shall apply to an Eagle Hill Lot and to a Sweetwater Lot.

ARTICLE 2
NAMES/DESCRIPTION OF REAL ESTATE

Section 2.1 Name and Type. The type of Common Interest Community is a Planned Community. The name of the Community is "Eagle Hill Ranch." The name of the Association is "Eagle Hill Ranch Homeowners Association, Inc."

Section 2.2 Real Estate. The Community is located in Ouray County, State of Colorado. The Real Estate is presently subject to certain easements, licenses, and other items which are set forth on Exhibit B-1 and as established in the Act. The Community may be subject to other easements or licenses granted pursuant to this Declaration, or granted by authority reserved in any recorded document or established in the Act.

Section 2.3 Development of the Community. Declarant received a Recreational Planned Unit Development (PUD) approval for a recreational community with residential lots, and commercial lots designated for clubhouse, horse stable operations, and a lodging facility.

2.3.1 Declarant has platted Filing One and Filing Two of the Project, resulting in the creation of twenty-six (26) residential lots and two (2) commercial lots as of the date hereof and as set forth on Exhibit A-1. Zoning has been granted for the lodging facility, but Declarant makes no representation when such facility will be built;

2.3.2 By virtue of this Declaration, Owner's do hereby ratify and consent to the annexation of the Sweetwater Lots as set forth on Exhibit A-2;

2.3.3 By virtue of this Declaration, Declarant does hereby annex and Unit Owners do hereby ratify and consent to the annexation of Filing Three of the Project, resulting in the inclusion of an additional ten (10) residential lots and one (1) commercial lot as of the date hereof and as set forth on Exhibit A-3.

2.3.4 Pursuant to the Development Rights And Special Declarant Rights reserved by the Declarant herein, Declarant may annex additional real estate as set forth on Exhibit D into the Community to create and add additional units into the Community to create up to a maximum of seventy-two (72) Units, which right to annex is specifically subject to the following requirements:

- a) Declarant, at its cost and expense, secures all required governmental approvals and the LUC as is then applicable to any development of such annexed Units;
- b) Development of all newly annexed property be made subject to all and the same terms and conditions of this Amended and Restated Declaration;
- c) Declarant, at its cost and expense, prepares and records all plats, and documents necessary to implement the annexation;
- d) Declarant demonstrates that such annexation will:
 - i. protect, maintain, and enhance the conservation of natural and scenic resources;
 - ii. promote the conservation of soils, wetlands, wildlife, game and migratory birds;
 - iii. enhance the value of the Community and the recreational opportunities available to it; and
 - iv. preserve historical sites within the Community;
- e) Any and all future development of the Community shall conform to applicable law and this Declaration.
- f) Declarant's authority to annex additional lands into the Community and to add additional units shall expire on December 31st, 2005, unless extended by the vote of 75% of the Unit Owners.

- g) Nothing herein shall prevent a Unit Owner from appearing and presenting testimony at a hearing concerning any application contemplated herein.

Section 2.4 Sweetwater Lots. The owners of the three Sweetwater Lots agree to subject the Sweetwater Lots to all provisions of this Declaration and the Governing Documents.

Section 2.5 Common Elements. Declarant will designate certain areas as "Common Elements" at the time of their conveyance to the Association. The existing Common Elements owned by the Association are described on Exhibit C. Declarant owns additional real estate contiguous to the Community which Declarant may make available to the Association for separate uses under a specific agreement.

Section 2.6 Utility and Plat Easements. Easements for utilities and other purposes over and across the Lots and Common Elements may be as shown upon a Plat of the Community, and as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any recorded document.

Section 2.7 Easements for the Executive Board and Unit Owners. Each Unit shall be subject to an easement in favor of the Executive Board (including its agents, employees and contractors) and to each Unit Owner to allow for their performance of obligations in this Declaration. Each Unit has such easements of support and shelter as may be necessary for the quiet enjoyment and possession of the Unit and the Improvements constructed upon the Unit. In addition to the easement of support and shelter, the Owner of an adjoining Unit has a reasonable easement for access for repair and maintenance over and through the other Unit, and an easement along a ten foot wide perimeter of the Unit for sidewalks, drives, pipes, ducts, utility ways and spaces, and chases, passing through the other Unit and serving the dominant, adjoining Unit exclusively. In addition, the Common Elements have an appurtenant easement for such elements serving the Common Elements and crossing the ten foot perimeter of a Unit. Physical structures and improvements within such easements and serving the dominant tenement exclusively will be the property and responsibility of the dominant tenement Unit Owner or considered a part of the Common Elements where appropriate. Physical structures serving both Units will be shared on a mutually nonexclusive easement of enjoyment for all purposes for which the Improvements were intended. Access for nonemergency repairs and improvements to physical Improvements serving adjoining Units may be made by the owner of the dominant Unit, through the Association upon appointment and at reasonable times. Access for emergency repairs may be made at any time. Access to servient easement areas for repairs and construction will be in such manner as to not unreasonably disturb the possession of the servient tenement and in such manner as to preserve the function of the Improvements as necessary to perform its function and any damage to the Unit or the Improvements will be reasonably restored. On exercising these easement rights, the party exercising the right shall be responsible for any resulting damages, and a lien therefore is authorized and established against that party's Unit for any resulting damage.

Section 2.8 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Community, to enter upon any part of the Community in the performance of their duties, subject to limitations of applicable law.

ARTICLE 3 THE ASSOCIATION

Section 3.1 Membership. Every person who is a record Owner of a fee interest in any Unit which is subject to this Declaration shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of such Unit shall be the sole qualification for such membership. Where more than one person holds an interest in any Unit, all such persons shall be members, except that the voting interest of the Unit shall not be altered and one person shall be designated to vote the Allocated Interests for the Unit.

Section 3.2 General Purposes and Powers of the Association. The Association, through its Executive Board, shall perform functions and manage the Community as provided in this Declaration so as to protect the value and desirability of the Community and the Units and to further the interests of the residents, occupants, tenants and guests of the Community and members of the Association. Any purchaser of a Unit shall be deemed to have assented to, ratified and approved such designation and management. The Association shall have all power necessary or desirable to effectuate such purposes.

Section 3.3 Authority of the Association. The business affairs of the Community shall be managed by the Association through the Executive Board and shall be governed by the Act and the Governing Documents. The Executive Board shall act in all instances except actions which are specifically reserved to the members in this Declaration. The Executive Board may, by written resolution, delegate authority to a manager or managing agent for the Association, provided no such delegation shall relieve the Board of final responsibility.

Section 3.4 Specific Powers. The Association shall have the powers, authority and duties as follows and as necessary and proper to manage the business and affairs of the Community. The Association shall have all of the powers, authority and duties permitted or set forth in the Act. The Association shall have the power to assign its right to future income, including the right to assign its right to receive Common Expense Assessments, but only upon the affirmative vote of the Unit Owners to which at least fifty-one percent (51%) of the votes in the Association at a meeting called for that purpose.

Section 3.5 Allocated Interests. The Common Expense liability and votes in the Association allocated to each Unit are set as follows:

- a) the percentage of liability for Common Expenses, in accordance with the formula for Apportionment of Common Expenses as set forth in this Declaration;
- b) the number of votes in the Association, on an equal basis for all Units (excluding commercial lot C-1 consisting of the Clubhouse and related facilities) in the Community. When Units are added to or withdrawn from the Community, pursuant to the provisions of this Declaration and the Act, the formulas set forth above shall be used to reallocate the Allocated Interests.

Section 3.6 Association Agreements. Any agreement for professional management of the Community or any contract providing for services of the Declarant, may not exceed one year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon thirty (30) days' written notice. The Association shall not be bound either directly or indirectly to contracts or leases (including management contracts) entered into during the declarant control period unless the Association is provided with a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time after the turnover date upon not more than thirty (30) days' notice to the other party thereto. The Association is not responsible for agreements made upon any Commercial Unit by its Owner and any third party.

Section 3.7 Right to Notice and Comment. Pursuant to C.R.S. § 38-33.3-205(1)(o), whenever the Governing Documents require that an action be taken after "Notice and Comment," and at any other time the Executive Board determines, the Unit Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Further, any Unit Owner may give "Notice and Comment" to the Unit Owners and Executive Board of any matter affecting the Community, and Unit Owners shall then have the right to comment, orally or in writing, on the matter. Notice shall be given to each Unit Owner and Executive Board in writing, delivered personally or by mail to all Unit Owners at such address as appears in the records of the Association, or notice shall be published in a newsletter or similar publication which is routinely circulated to all Unit Owners. The notice shall be given not less than three days before proposed action is to be taken. The Notice shall invite comment to the Executive Board or a Unit Owner, orally or in writing before the scheduled time of any meeting.

Section 3.8 Indemnification. To the full extent permitted by law and as may be more particularly set forth in the Bylaws, each officer and member of the Executive Board of the Association

shall be and are hereby indemnified by the Unit Owners and the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer or director of the Association, or any settlements thereof, whether or not they are an officer or director of the Association at the time such expenses are incurred; except in such cases wherein such officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement the indemnification shall apply only when the Executive Board approves such settlement and reimbursement as being in the best interests of the Association.

Section 3.9 Declarant Control. Notwithstanding the rights of the Declarant, pursuant to Section 303 of the Act, to appoint and remove officers and members of the Executive Board, the transition from Declarant control occurred on September 29, 1998 at a meeting of Unit Owners; Four (4) members other than the Declarant were elected to the Executive Board, and Declarant control was thereby terminated.

ARTICLE 4 UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Section 4.1 Number of Units. Pursuant to the Resolution and actions of the Declarant, ratified by the Unit Owners, the number of Units currently included in the Community is forty-two (42), including 39 Residential Units (36 Eagle Hill Ranch Units and 3 Sweetwater Units) and three Commercial Units.

Section 4.2 Identification/Descriptions of Units within Eagle Hill Ranch PUD. The identification number of each Unit within the Eagle Hill Ranch PUD is shown on the plat and Exhibit A-1 and Exhibit A-3 of this Declaration. Every contract for sale, deed, lease, First Lien Security Interest, encumbrance, will or other legal instrument shall legally describe a Unit by its identifying number, followed by the name of the Community, with reference to the Plat and the Declaration. Reference to the Declaration and plat in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Declaration and Plat, without specific references thereto. An illustrative description is as follows:

Lot _____, Eagle Hill Ranch PUD, in accordance with the Plat and Declaration, Ouray County, Colorado.

Section 4.3 Identification/Descriptions for Sweetwater Lots. The identification number of each Sweetwater Lot is shown on the plat and Exhibit A-2 of this Declaration. Every contract for sale, deed, lease, First Lien Security Interest, encumbrance, will or other legal instrument shall legally describe a Unit by its identifying number, followed by the name of the Community, with reference to the Plat and the Declaration. Reference to the Declaration and Plat in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Declaration and Plat, without specific references thereto. An illustrative description is as follows:

Lot _____, Sweetwater Ranch PUD, in accordance with the recorded plat and subject to the Declaration of Eagle Hill Ranch, Ouray County, Colorado.

Section 4.4 Unit Maintenance. Unit Owners are responsible for the maintenance, repair and replacement of Improvements located within their Unit boundaries which is not otherwise specifically the obligation of the Association to maintain, replace and keep in good repair. Unit Owners shall also maintain, repair and replace all Limited Common Elements appurtenant to their Unit and provide for all landscape, grounds, building improvements, interior and exterior maintenance, repair and replacement. In the event a Unit Owner makes repairs and/or replacements to the exterior of the Unit, use of any materials and/or colors that are different from the original construction and/or additions shall require the approval of the Association's Design Review Committee.

Section 4.5 Association Maintenance and Common Elements.

- a) The Executive Board of the Association shall determine the specifications, scope, extent, nature and parameters of the Association's maintenance responsibilities of the Common Elements which are not Limited Common Elements, in particular, the Association shall be responsible for:
- (i) the improvement, maintenance, repair, upkeep and reconstruction, and replacement of any Common Elements, including all recreational facilities and features (including Clubhouse);
 - (ii) the improvement, maintenance, repair and replacement of all roads and streets serving all Unit Owners of the Association, sewer lines and systems located within and serving the Community, if not maintained by local government;
 - (iii) the payment of expenses which may be incurred by virtue of agreement with or requirement of Ouray County or other governmental authority; and
 - (iv) the operational expenses of the Association.
- b) The Executive Board of the Association may, at any time and from time to time, determine that the Association shall provide maintenance to structures upon the Common Elements. In the event that the Association elects to provide such additional maintenance, the Association shall have the exclusive right to provide maintenance, repair and replacement, as long as the Association determines to provide those services, the costs thereof shall be a Common Expense of the Association if ratified by the members pursuant to the budget process set forth in the Act.
- c) The portions of the Real Estate described on the Plat as Open Space and all easements, licenses and grants now existing or hereafter provided are the Common Elements. Portions of any Common Element may be designated as a part of a Unit or as a Limited Common Element to a Unit by the Association. Portions of Units may become Common Elements or Limited Common Elements designated by the Association. Currently, utility areas, the use of which are limited to a Unit or Units, are Limited Common Elements assigned to the Units.
- d) Should any Unit have a driveway area designated by the Declarant as a Limited Common Element, that driveway shall be equally maintained by the Owners with the rights to use that driveway.
- e) In the event a Common Expense is associated with the maintenance, repair or replacement of a Limited Common Element, those Common Expenses may be assessed equally against the Units to which the Limited Common Element is assigned.
- f) With the consent of all owners of affected property, the Association reserves the right to allocate areas as Common Elements, and further, to allocate areas which constitute a part of any Common Elements as Limited Common Elements for the exclusive use of the owners of Units to which those specified areas shall become appurtenant. The Association may allocate or assign Common Elements or Limited Common Element areas (i) by making such an allocation in a recorded instrument, or (ii) in the deed to the Unit to which such Limited Common Element shall be appurtenant, or (iii) by recording an appropriate amendment or supplement to this Declaration or (iv) by recording a supplement to the Plat.

Section 4.6 Unit Owners' Easements of Enjoyment. Every Unit Owner shall have a right and easement access to their Unit and of enjoyment in and to any Common Elements and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

- a) The right of the Association to promulgate and publish rules and regulations with which all Owners, including Declarant, and Related Users shall strictly comply.
- b) The right of the Association to suspend the voting rights and rights to use the Common

Elements by a Unit Owner for any period during which any assessment against their Unit remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

- c) The right, power and authority of the Association to grant any easement, right-of-way, license, lease, dedication, transfer or conveyance or grant of any similar interest affecting the Common Elements, to the extent permitted by the Act.
- d) The right of the Association to close or limit the use of the Common Elements while maintaining, repairing and making replacements in the Common Elements.
- e) The Development and Special Declarant Rights of the Declarant reserved in the Original Declaration and as set forth herein.

Section 4.7 Delegation of Use. Any Unit Owner may delegate their right of enjoyment to the Common Elements and facilities to Related Users.

ARTICLE 5 COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 5.1 Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments. Unit Owners, shall be deemed to covenant and agree, and each Unit Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual Common Expense Assessments and such other assessments as imposed by the Association. Assessments, including fees, charges, late charges, attorneys' fees, fines and interest charged by the Association shall be the personal obligation of the Owner of such Unit at the time when the Assessment or other charges became or fell due. The Association annual Common Expense Assessments and such other assessments as imposed by the Association, including fees, charges, late charges, attorney fees, fines and interest charged by the Association, shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such assessment or charge is made. If any Assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them. No Unit Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the Common Expense Assessments are made. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted by any reason including, without limitation, any claim that the Association or the Executive Board is not properly exercising its duties and powers under this Declaration.

Section 5.2 Apportionment of Common Expenses. All Common Expense Assessments shall be assessed against all Units in accordance with the following formula:

- a) Dues for an unimproved Residential Unit will be the base common expense assessment rate as determined by the Unit Owners and Executive Board;
- b) Dues for a Residential Unit with Improvements become double the rate of an unimproved Residential Unit. Revised dues become applicable the following calendar quarter upon issuance of a building permit for home construction; and;
- c) Contribution of Eagle Hill Ranch Stable and Lodging Facility - Access to common areas by users of the Stable and Lodge facility (or other approved commercial use on the area designated for the Lodging facility) is by annual agreement only, and shall be reviewed and renewed by the Executive Board each year. Notwithstanding any provision of the Governing Documents to the contrary, the Stable shall contribute the equivalent of five (5) Residential Units with Improvements (i.e., ten times the base common expense assessment rate) for access to recreational pond, surrounding recreation area, and trail system. Unless the Executive Board unilaterally revokes the annual agreement for access by the Stable facility, the facility is obliged to continue contributions, whether or not operational. When approved improvements on the

commercial lot for the Lodge facility have been completed and a certificate of occupancy has been issued, the Lodge facility (or such other approved commercial activity) on the lot shall contribute the equivalent of five (5) Residential Units with Improvements (i.e., ten times the base common expense assessment rate) for access to recreational pond, surrounding recreation area, and trail system. Prior to the completion of improvements on the commercial lot for the Lodge facility (or such other approved commercial activity), dues shall be assessed at the base common expense assessment rate as defined above. No access to Association clubhouse, or amenities on the clubhouse site is offered to users of the Stable or Lodge facility, except in the case of special events specifically approved by the Executive Board. Access to any or all common area and improvements may be extended or revoked upon annual review and action by the Executive Board.

Section 5.3 Purpose of Assessments. The assessments levied by the Association through its Executive Board shall be used exclusively for the purposes of maintaining Common Elements and for promoting the health, safety, and welfare of the Owners and Related Users and to enforce all covenants.

Section 5.4 Annual Assessment/Commencement of Common Expense Assessments. The Common Expense Assessment may be made on an annual basis against all Units and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. The budget shall be submitted to the Unit Owners for ratification pursuant to the Act. Common Expense Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Executive Board. Common Expense Assessments may begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than the Declarant occurs. The omission or failure of the Executive Board to levy the assessment for any period shall not be deemed a waiver, modification or a release of the Unit Owners from their obligation to pay. No Unit Owner may withhold payment or otherwise seek to reduce their assessment because of their use or non-use of Common Elements or other Association services or conduct attributable to the Executive Board, Officers, or other Unit Owners. No Unit Owner may argue or claim a setoff against any assessments due hereunder for reasons, including, without limitation, that the Unit Owner does not use Common Elements or Association services because of assertions that the Executive Board, Officers or Unit Owners have acted improper.

Section 5.5 Effect of Nonpayment of Assessments. Any Assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof, as established by the Executive Board, shall bear interest at the rate as established by the Executive Board on a per annum basis from the due date, and the Association may assess a reasonable late charge thereon as determined by the Executive Board. Failure to make payment within sixty (60) days of the due date thereof shall cause the total amount of such Unit Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. Further, the Association may bring an action at law or in equity, or both, against any Unit Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Unit. An action at law or in equity by the Association against a Unit Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, vote the Association votes appurtenant to ownership thereof, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any assessment lien, and a Unit Owner abandons or leaves vacant his or her Unit, the Board may take possession and rent said Unit or apply for the appointment of a receiver for the Unit without prior notice to the Unit Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a First Lien Security Interest as set forth in its deed of trust or mortgage (including any assignment of rents), except for Limited super-priority lien status afforded an Association Assessment to the extent permitted under

the Act.

Section 5.6 Lien Priority. The lien of the Association under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before July 13, 1992; (2) a First Lien Security Interest on the Unit (except as allowed by the Act with regard to the limited Superior lien priority allowed to the Association); and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under state or federal law. Sale or transfer of any Unit shall not affect the lien for Assessments or charges except that sale or transfer of any Unit pursuant to foreclosure of any First Lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of assessment charges as provided by applicable state law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Unit from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

Section 5.7 Owner's Negligence or Misconduct. In the event that the need for maintenance, repair, or replacement of the Common Elements, or any portion thereof, is caused through or by the negligent or willful act or omission or misconduct of an Owner, Related Users, agents, employees, customers or invitees, then the expenses, costs, and fees incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner, and if not repaid to the Association within seven (7) days after the Association shall have given notice to the Owner of such expenses, costs and fees, then the failure to so repay shall be a default by the Owner under the provisions of Section 5.5, such expenses, costs, and fees shall automatically become a default assessment determined and levied against such Unit, and the Association may proceed in accordance with the applicable provisions of Article 5 hereof.

ARTICLE 6 RESTRICTIONS

All of the Units shall be held, used and enjoyed subject to the following limitations and restrictions. The strict application of the following limitations and restrictions in any specific case may be modified or waived, in whole or in part, by the Executive Board or by an appropriate committee (subject to review by the Executive Board) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or must be contained in written guidelines or rules.

Section 6.1 Use Restriction: Minimum Square Footages. All structures designed as residential use, must have the following minimum square footage of finished, heated space, exclusive of garages, basements and below-grade areas, porches, and patios:

6.1.1 The Eagle Hill Lots

Minimum Floor Area: One Story:	1,800 sq. ft.
One and One-half or Two Story:	2,400 sq. ft.

6.1.2 The Sweetwater Lots

Minimum Building Footprint:	1,500 sq. ft.
Minimum Floor Area:	2,000 sq. ft.
Maximum Building Footprint:	4,000 sq. ft.
Maximum Floor Area:	7,000 sq. ft.
Minimum Primary Roof Pitch:	6:12
Minimum Secondary Roof Pitch:	3:12

Section 6.2 Lot Size. No platted lot may be annexed and/or created and added into the

Community which is less than one (1) acre in size.

Section 6.3 Use Restrictions: Other Buildings. Upon Design Review Committee approval, mobile homes, trailers, tents, or similar out-buildings may be placed within a Unit only where the use is temporary, and that use of such structure is reasonably essential to economical, orderly, and efficient construction during the construction process only.

Section 6.4 Restrictions Regarding Vehicles. Campers, recreational vehicles, boat trailers, boats, truck and utility trailers may not be maintained within a Unit without Design Review Committee approval, unless garaged at all times. Declarant may provide a storage area outside the residential area of the Real Estate for storage of vehicles at nominal storage rates. The term "truck" as used herein is intended to refer to those vehicles of various sizes and designs for transporting goods, moving heavy articles or hauling quantities of cargo and which are used in a trade or business in which the truck is used because of its commercial capabilities and not merely as a means of transportation, and which display identification of a commercial enterprise on the exterior of the vehicle. This is not intended to include attractive dual purpose vehicles driven and maintained primarily as a means of transportation, such as station wagons, vans, 4-wheel drive vehicles, pick-ups and sport trucks of one (1) ton or less, that do not have exposed signage or logos indicating commercial enterprise, other than discreet identification approved by the Design Review Committee.

Section 6.5 Use Restriction: Rentals. No time-sharing or other forms of fractional or interval ownership shall be placed upon a Unit. All lessees or tenants of residential dwellings shall in all respects be subject to the terms and conditions of these covenants. The Association shall set rules on tenant access and use of Common Elements. Tenants and lessees shall be considered non-members for all Association purposes. All leases and rental agreements of Units shall state that the failure of the tenant, renter or guest to comply with the terms of the Governing Documents of the Association shall constitute a default of the lease or rental agreement and of this Declaration, and such default shall be enforceable by either the Association or the landlord, or both of them.

Section 6.6 Use Restriction: Single Family. All Units, except a Commercial Lot, shall be used solely for the purpose of single family residential dwelling. Other occupancies shall be permitted upon written request and review by the Executive Board.

Section 6.7 Restrictions Regarding Completion of Construction. The exterior construction of all structures within a Unit must be completed within twelve (12) months after construction of same has commenced, except where such completion is impossible, impractical or would result in great hardship to the Owner due to strikes, fires, national emergency or national calamity.

Section 6.8 Use Restrictions: Animals. Except as otherwise provided in this Declaration, no animals, livestock or poultry of any kind may be raised, bred, kept or pastured within a Unit or the Common Elements.

6.8.1 Household pets (which term excludes cows, swine, and goats) may be raised and kept within a Unit, and allowed within Common Elements and the Conservation Easement to the extent and pursuant to the terms of the Governing Documents.

6.8.2 The Executive Board may, from time to time and in its sole discretion permit 4-H project animals to be housed within Sweetwater or Eagle Hill Lots.

6.8.3 Horses may be kept within a Unit, except C-2, on a temporary basis, not to exceed twenty-four (24) hours at one time, subject to Rules of the Executive Board.

Section 6.9 Use Restriction: General Maintenance of the Sweetwater Lots and the Eagle Hill Lots. All Units shall be maintained in a neat and attractive condition. Areas where lawns have been planted shall be kept free of weeds, and unsightly vegetation. This is not intended to require the removal of native vegetation, such as sage brush, oak brush, rabbit brush, cactus or native grasses. In the event Declarant or the Association deems it necessary to enter upon any Unit to correct unsightly, unkept or unsafe conditions, all expenses incurred in such corrective action shall be the responsibility of the Owner, and such expenses may be charged and collected in the same manner as an assessment

obligation.

Section 6.10 Use Restriction: Signs. All commercial signs, including "for sale" and "for rent" signs require Design Review Committee approval. If permission is granted, the Design Review Committee reserves the right to restrict the size, color and content of such signs. Nothing shall prevent Declarant from erecting signs in connection with construction or sale of subdivision lots, provided that Declarant shall have first obtained approval for such signage by the Design Review Committee based upon a finding that the sign meets applicable criteria and guidelines. The Design Review Committee shall not unreasonably withhold its consent to any such request.

Section 6.11 Use Restriction: Roadways. The Association Executive Board may set restrictions pertaining to speed of vehicles, traffic and parking regulations and noise levels of vehicles, even if such restrictions are more restrictive than the laws of the state or local government having jurisdiction over roads in the Real Estate, provided such restrictions are not unreasonable.

Section 6.12 Use Restriction: Hunting. Hunting is strictly prohibited on the Real Estate. Discharge of firearms is also prohibited, unless sanctioned by the Executive Board in a controlled scenario, for the removal of native rodents or other animals proven to be doing damage to the Real Estate.

Section 6.13 Use Restriction: Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure.

Section 6.14 Use Restriction: Utilities. All electric, television, radio and telephone line installations and connections shall be placed underground. All types of refrigerating, cooling or heating apparatus must be concealed.

Section 6.15 Use Restriction: Easements. Individual Unit Owners may not grant easements across their Units without the express written consent of both Declarant and the Association.

Section 6.16 No Restrictions on Sale of a Unit. The right of a Unit Owner to sell, transfer or otherwise convey their Unit shall not be subject to any right of first refusal or similar restriction and such Unit may be sold free of any such restrictions.

Section 6.17 No Restrictions on Mortgaging of a Unit. There are no restrictions on the right of the Unit Owners to mortgage or otherwise encumber their Unit. There is no requirement for the use of a specific lending institution or particular type of lender.

Section 6.18 Rules and Regulations. In furtherance of the provisions of this Declaration, and the general plan, rules and regulations concerning and governing the Community or any portion thereof may be adopted, amended, or repealed from time to time (subject to Section 3.7) by the Executive Board, or its successors and assigns. The Executive Board may establish and enforce penalties for the infraction thereof. Breach of any Rule or Regulation shall constitute a noxious and offensive activity, constituting a nuisance.

Section 6.19 Use Restriction: Declarant's Use. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible for Declarant, its assigns, employees and agents, to perform such reasonable activities, and to maintain upon portions of the Community such facilities as deemed reasonably necessary or incidental to the construction and sale of Units in the development of the Community.

Section 6.20 Restrictions Particular to the Sweetwater Lots, Only. In addition to those restrictions set forth above in this Article, the Sweetwater Lots shall be subject to the Terms and Conditions of a Wildlife Conservation as set forth on Exhibit B-2.

Section 6.21 Restrictions Particular to the Eagle Hill Ranch Filing Three Lots, Only. In addition to those restrictions set forth above in this Article, Lots 29 through 32 in Eagle Hill Ranch will have a building height restriction of 20 feet, as measured from the highest natural grade elevation at any corner of the structure. Prior to being submitted to the Design Review Committee for approval, all building plans for Lots 29 through 32 must first receive preliminary approval from the County Building Official for visual impact compliance and/or mitigation, or receive a waiver or variance from the relevant government authority.

ARTICLE 7 DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Notwithstanding any provision in this Declaration to the contrary, all Development Rights and Special Declarant Rights set forth in this Article 7 shall terminate when (i) the maximum units allowed in the Community have been sold to individual Unit Owners and all initial Improvements thereon completed, or (ii) December 31st, 2005, whichever shall first occur.

Section 7.1 Development Rights and Special Declarant Rights. The following Development Rights and Special Declarant Rights are reserved by the Declarant or, if assigned, the Association:

- a) the right to easements through the Common Elements to erect and maintain and use electric, telephone and cable television, gas lines, conduits, pipes, drainways, wells, pump stations, irrigation mains;
- b) the right to add Units and to subject all or any part of the Real Estate described in Exhibit D attached hereto and hereby incorporated by reference to the provisions of this Declaration upon the substantial completion of improvements on any portion of the Real Estate, subject to all provisions and limitations of this Declaration, including, without limitation those provisions which address annexing property into the Community;
- c) the right to amend the Plat in connection with the exercise of any development right;
- d) the right to assign in whole or in part, to the Association, or to its successors in title to any portion of the Real Estate, any of the rights reserved in the Declaration upon execution and delivery of such assignment in writing;
- e) the right to impose additional restrictive covenants and protective covenants upon the Real Estate provided they are not inconsistent with, nor do they lower the standards of the original covenants. Additional covenants shall only effect property then owned by the Declarant.

Each of the foregoing reserved rights may only be exercised by Declarant in a manner consistent with the development plan, except that Declarant may, subject to applicable law, change the overall development plan for the Real Estate; and provided no reserved right may be exercised on or within Common Elements owned by the Association.

Section 7.2 Additional Reserved Rights In addition to the rights set forth above and pursuant to the original Declaration, Declarant also reserved the following additional rights:

- a) Signs. The right to maintain signs and advertising on the Community to advertise the Community subject to approval by the DRC.
- b) Dedications. The right to establish, from time to time, by dedication or otherwise, public streets, utility and other easements for purposes including, but not limited to, public access, access paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions, except if such

property has been conveyed to the Association.

- c) Construction Easement. Declarant and its assignees expressly reserve the right to perform warranty work, and repairs and construction work, and to temporarily and reasonably store materials in secure areas, in Units and in Common Elements, and the future right to control such work and repairs and the right of access thereto, until completion. All work may be performed without the consent or approval of any affected Unit Owner and the Association. Declarant and its assignees have such an easement through the Common Elements as may be reasonably necessary for exercising reserved rights in this Declaration and for access and utilities to any properties which Declarant had the right to add to the Community but which have not been added. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Real Estate.

Section 7.3 Rights Transferable/Rights Transferred. Any rights created or reserved under this Article or the Act for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred recorded in the real property records of Ouray County, Colorado. Such instrument shall be executed by the transferor Declarant and the transferee. The rights transferred may then be exercised in compliance with the requirements of C.R.S. §38-33.3-210 and C.R.S. §38-33.3-209(6) without the consent of the Association, any Unit Owners or any holders of First Lien Security Interests.

Section 7.4 No Further Authorizations Needed. The consent of Unit Owners or holders of First Lien Security Interests shall not be required for exercise of any reserved rights, provided the rights to be exercised are consistent with any planned Unit development or other governmental conditions or requirements, and Declarant or its assignees may proceed without limitation at its sole option. Declarant or its assignees may exercise any reserved rights on all or any portion of the Real Estate in whatever order determined. Declarant or its assignees shall not be obligated to exercise any reserved rights or to expand the Community beyond the number of Units initially submitted.

Section 7.5 Amendment of the Declaration or Plat. If Declarant or its assignees elect to exercise any reserved rights, that party shall comply with the Act. Recording of amendments to the Declaration and the Plat pursuant to reserved rights in this Declaration shall automatically effectuate the terms and provisions of that amendment. Further, such amendment shall automatically vest in each existing Unit Owner the reallocated Allocated Interests appurtenant to his or her Unit. Further, upon the recording of an amendment to the Declaration and Plat, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Community as expanded and to any Additional Improvements, and the same shall be added to and become a part of the Community for all purposes. All conveyances of Units after such amendment is recorded shall be effective to transfer rights in all Common Elements, whether or not reference is made to any Amendment of the Declaration or Plat. Reference to the Declaration and Plat in any instrument shall be deemed to include all Amendments to the Declaration, and the Plat without specific reference thereto.

Section 7.6 Termination of Reserved Rights. The rights reserved to Declarant, for itself, its successors and assigns, shall expire as set forth above unless reinstated or extended by the approval of 75% of the Unit Owners, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of the expansion rights by Declarant.,

Section 7.7 Additions by Others. Additions of Units to the Community may be made by persons other than the Declarant, or its successors and assigns or Owners, upon approval of the Association pursuant to a vote of a majority of a quorum of its members. Such approval shall be evidenced by a certified copy of such resolution of approval and a supplement or amendment to this Declaration, both recorded in records of the Ouray County Clerk and Recorder.

ARTICLE 8
ARCHITECTURAL APPROVAL/DESIGN REVIEW

The Sweetwater Lots and the Eagle Hill Lots shall be subject to the following provisions:

Section 8.1 Establishment of the Design Review Committee. The Executive Board will establish a Design Review Committee made up of at least two (2) but not more than five (5) members. One member need not be a Unit Owner. Thereafter, the Executive Board shall have the exclusive power to appoint and remove members of the Design Review Committee for any reason or no reason. Notwithstanding the above, appointments shall be for staggered terms of two years different in termination so as to provide reasonable continuity to the design review process.

Section 8.2 Design Criteria. The Executive Board shall promulgate design guidelines and criteria from time to time, governing the placement, construction or erection of any and all structures, improvements, landscaping, lighting, signage and the like on the Real Property ("Design Guidelines"). The Design Review Committee shall exercise its reasonable judgment to the end that all attachments, improvements, construction, landscaping and alterations to Units or Common Elements, and within this Community shall comply with the requirements set forth herein. In this regard, the Design Review Committee may establish Design Guidelines including standards for review, applicable to all Units. The approval or consent of the Design Review Committee on matters properly coming before it shall not be unreasonably withheld, and actions taken shall not be arbitrary or capricious; decisions shall be conclusive and binding on all interested parties. Approval shall be based upon, but not limited to, the Design Guidelines, conformity and harmony of exterior appearance of structures with neighboring structures, effective location and use of Improvements on nearby Units, preservation of aesthetic beauty, and conformity with the specifications and purposes generally set out in this Declaration. Upon its review of such plans, specifications and submittals, the Design Review Committee may require that the applicant(s) reimburse the committee for actual expense incurred by it in its review and approval process.

Section 8.3 Required Approvals. No Improvement shall be made to a Unit, including but not limited to a change in painting and/or staining of exterior siding, unless complete plans and specifications have been first submitted to and approved in writing by the Design Review Committee. The Design Review Committee may require applications for Improvements to include plans and specifications to show exterior design, height, materials, color, location of the structure or addition to the structure, plotted horizontally and vertically, location and size of driveways, general plan of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the Design Review Committee.

Section 8.4 Reply and Communication. The Design Review Committee shall reply to all submittal of plans made in accordance herewith in writing within thirty (30) days after receipt. In the event approval of the plans is neither granted nor denied within this thirty (30) day time frame after receipt, such plans shall be deemed approved. Where prior written consent of approval of the Design Review Committee is required under the Declaration with respect to the making of an Improvement, such Improvements shall be conclusively deemed to have been made in compliance with this Declaration unless a notice of intention to commence legal action challenging and objection thereto is issued by the Design Review Committee within one hundred and twenty (120) days after completion of such Improvement. All communications and submittals shall be addressed to the Design Review Committee at such address as the chairman of the Design Review Committee shall hereafter designate in writing addressed and mailed to the Unit Owners.

Section 8.5 Variances. The Design Review Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Declaration in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in these covenants or in a development guide. Such variances or adjustments shall be granted only when the granting thereof shall not be materially detrimental or injurious to the other Units or Common Elements nor deviate substantially from the general intent and purpose of this Declaration and the Design Guidelines. A decision of the Design Review Committee on a variance request may be appealed by the applicant or an affected Unit Owner to the Executive Board of the Association.

Section 8.6 Waivers. The approval or consent of the Design Review Committee, or appointed representative thereof, to any application for design approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the committee as to any application or other matters subsequently or additionally submitted for approval or consent.

Section 8.7 Liability. The Design Review Committee and the members thereof, as well as any representative of the committee designated to act on its behalf, shall not be liable in damages to any person submitting requests for approval or to any approval, or failure to approve or disapprove in regard to any matter within its jurisdiction under these covenants.

Section 8.8 Records. The Design Review Committee shall maintain written records of all applications submitted to it and of all actions taken by it with respect thereto. Such records shall be open and available for inspection by any interested party during reasonable hours of the business day.

Section 8.9 Enforcement. Enforcement of these covenants, restrictions, charges and other provisions, as amended, may be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision. The Design Review Committee and any interested Unit Owner shall have the right but not the obligation to institute, maintain and prosecute any such proceedings. In any action instituted or maintained under this section, the Design Review Committee shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. Failure of the Design Review Committee or of any Unit Owner to enforce any covenant or restriction herein contained shall, in no event, be deemed a waiver of the right to do so thereafter.

ARTICLE 9 INSURANCE/CONDEMNATION

Section 9.1 Owner Insurance Duties and Obligations. All Owners shall obtain and maintain in full force and effect, at all times, all necessary and appropriate insurance coverage for their particular Units and the Improvements (including all easements over and across their Units) for general liability insurance in the amount of One Million Dollars (\$1,000,000.00) or such other sum, as the Executive Board may require.

Section 9.2 Association Insurance Carried. The Association shall obtain and maintain in full force and effect, to the extent reasonably available and at all times, the insurance coverage set forth herein; which insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado. The Association shall maintain, to the extent reasonably available, policies with the following terms or provisions:

- a) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Unit Owner and shall provide that such policies may not be canceled or modified without at least thirty (30) days prior written notice to all of the Unit Owners and the Association.
- b) If requested by the holder of a First Lien Security Interest, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to such holder.
- c) All liability insurance shall be carried in blanket form, naming the Association, the Board, the manager or managing agent, if any, the officers of the Association, the Declarant, their successors and assigns, and Unit Owners as insureds.

Section 9.3 Hazard Insurance on the Common Elements. The Association shall obtain adequate hazard insurance covering loss, damage or destruction by fire or other casualty to the improvements, installed or made to the Common Elements and the other property of the Association. If obtainable, the Association shall also obtain the following and any additional endorsements deemed

advisable by the Executive Board: (a) an inflation guard endorsement, and/or (b) any special PUD endorsements.

Section 9.4 Liability Insurance. The Association shall obtain adequate comprehensive policy of public liability and property damage liability insurance covering all of the Units and the Common Elements, including structural coverage of the Units, in such limits as the Board may determine from time to time, but not in any amount less than One Million Dollars (\$1,000,000.00) per injury, per person, and per occurrence, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other uses of the Community. All liability insurance shall name the Association as the insured.

Section 9.5 Fidelity Insurance. The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The clause "officers, directors, trustees and employees" shall not include any officer, director, agent or employee of Declarant or any officer, director, agent or employee of any independent, professional manager or managing agent heretofore or hereafter employed by the Association. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees.

Section 9.6 Worker's Compensation and Employer's Liability Insurance. The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 9.7 Officers' and Directors' Personal Liability Insurance. The Association shall obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association. Neither the term "officers" nor the term "directors" shall include any officer, director, agent or employee of Declarant nor any officer, director, employee or agent of any professional manager or managing agent heretofore or hereafter employed by the Association.

Section 9.8 Other Insurance. The Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.

Section 9.9 Annual Insurance Review. The Board shall review the insurance carried by and on behalf of the Association at least annually, for the purpose of determining the amount of insurance required. In no event shall any casualty insurance policy contain a co-insurance clause for less than one hundred percent (100%) of the full insurable replacement cost.

Section 9.10 Insurance Premium. Except as assessed in proportion to risk insurance premiums for the above provided insurance shall be a Common Expense to be included as a part of the annual assessments levied by the Association.

Section 9.11 Managing Agent Insurance. The manager or managing agent, if any, shall be adequately insured for the benefit of the Association and shall maintain and submit evidence of such coverage to the Association.

Section 9.12 Waiver of Claims Against Association. As to all policies of insurance maintained by or for the benefit of the Association and Unit Owners, the Association and the Unit Owners hereby waive and release all claims against one another, the Board and Declarant, to the extent of the insurance proceeds available, whether or not the insurance damage or injury is caused by the negligence of or breach of any agreement by and of said persons.

Section 9.13 Adjustments by the Association. Any loss covered by an insurance policy described above shall be adjusted by the Association, and the insurance proceeds for that loss shall be

payable to the Association and not to any holder of a First Lien Security Interest. The Association shall hold any insurance proceeds in trust for the Association, Unit Owners and holders of First Lien Security Interests as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Association, Unit Owners and holders of a First Lien Security Interest are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

Section 9.14 Duty to Repair. Any portion of the Community for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association or Unit Owner, at the Unit Owner's option, whether the repair is done by the Association or the Unit Owner, except as provided in the Act.

Section 9.15 Condemnation and Hazard Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Unit Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record and pursuant to the Act.

ARTICLE 10 GENERAL PROVISIONS

Section 10.1 Enforcement. The Association or an Owner or Owners of any of the Units may enforce the restrictions, conditions, covenants and reservations imposed by the provisions of this Declaration by proceedings at law or in equity against any person or persons, either to recover damages for such violation, including reasonable attorneys fees incurred in enforcing these covenants, or to restrain such violation or attempted violation. Failure of the Association or of any Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Executive Board may post on a bulletin board at a conspicuous place within the Common Elements notices of any covenant violations by members and copies of any recorded statements. Failure to post shall not affect the validity of any lien or covenant violation.

Section 10.2 Notice of Violation. In the event of a failure or refusal to comply strictly with any provision of these Covenants, a notice shall be mailed by the Association to such violator setting for the nature of the violation, including the provisions of these Covenants violated, and shall be signed by at least one member of the Executive Board or an officer of the Association. Such notice shall also state the action required by the Owner to cure the violation, the time required for such action and the nature of the action contemplated by the Association if the violation is not cured by the Owner. Any action taken by the Association to correct such violation shall be at the sole cost and expense of such Owner (including any attorneys' fees incurred in conjunction therewith), and the Association shall charge and assess such Owner for the full cost thereof. The Association may avail itself of any and all remedies available to it including, but not limited to, injunctive action and appropriate restraining orders.

Section 10.3 Violation of Covenants Creates Liens. A violation of the Covenants shall create a lien against an Owner's Unit and a notice of lien shall be prepared and recorded with respect to each such notice of violation.

Section 10.4 Ouray County Land Use Code Provisions. The provisions of this Declaration are subject to the following provisions of the Ouray Land Use Code:

- a) Visual Impact - Section 6.12(C)(4)(i) which provides that all development within the Eagle Hill Ranch PUD must comply with County Visual Impact Criteria;
- b) Amendments - Section 6.14 which provides that the visual impact provisions of this Declaration may not be altered or amended without prior approval of Ouray County in accordance with that Section 6.14 of the Land Use Code; and
- c) Open Space Organization - Section 6.11(A)(2)(a) through (e).

Section 10.5 Severability. Each of the provisions of this Declaration shall be deemed independent and severable. If any provision of this Declaration or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Declaration which can be given effect without the invalid provisions or applications.

Section 10.6 Term of Declaration. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 10.7 Amendment of Declaration by Unit Owners. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of Declarant or others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of at least sixty-seven percent (67%) of the votes in the Association and with the written consent of the Association. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Ouray County, Colorado, of a certificate, setting forth the amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Association. No amendments to these covenants may be made which has the effect of diluting any of the reserved rights of Declarant, if any, without its written consent.

Section 10.8 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development of the Units and of promoting and effectuating the fundamental concepts as set forth in the recitals of this Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 10.9 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 10.10 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

EXHIBIT A-1

EAGLE HILL RANCH LOTS - FILING ONE AND TWO

LOTS PLATTED FOR RESIDENTIAL USE:

**Lots 1 through 13
Filing No. 1
EAGLE HILL RANCH PUD
County of Ouray
State of Colorado**

**Lots 14 through 22, 33 through 36
Filing No. 2
EAGLE HILL RANCH PUD
County of Ouray
State of Colorado**

LOTS PLATTED FOR COMMERCIAL USE:

**Lot C-1 (Clubhouse)
EAGLE HILL RANCH PUD
County of Ouray
State of Colorado**

**Lot C-2 (Horse Stables)
EAGLE HILL RANCH PUD
County of Ouray
State of Colorado**

EXHIBIT A-2

SWEETWATER LOTS

**Lots 1 through 3,
SWEETWATER PUD
County of Ouray
State of Colorado**

EXHIBIT A-3

EAGLE HILL RANCH LOTS - FILING THREE

LOTS PLATTED FOR RESIDENTIAL USE:

Lots 23 through 32
Filing No. 3
EAGLE HILL RANCH PUD
County of Ouray
State of Colorado

LOTS PLATTED FOR COMMERCIAL USE

Lot C-3 (Lodging Site)
EAGLE HILL RANCH PUD
County of Ouray
State of Colorado

EXHIBIT B-1

**EASEMENTS, RESTRICTIONS, ENCUMBRANCES OF RECORD AS OF THE
DATE OF THIS AMENDED AND RESTATED DECLARATION**

The Real Estate described on Exhibit A-1 and Exhibit A-2 and Exhibit A-3 is subject to the terms, conditions, obligations and provisions of the following documents or exceptions to title:

Right-of-way for Ditches or Canals constructed by the Authority of the United States as reserved in United States Patent recorded 7-05-04 in Book 64 at Page 81.

Reservation of ½ interest in all oil, gas, and mineral rights reserved to Cora Carmichael, Roberta Williams, and Clieve Carmichael in Deed to Melvin L. Schell, Helen Marie Schell, Bob Schell and Berta Earline Schell recorded 12-26-61 in Book 162 at Page 191.

Reservation of 1/8 interest of revenue in any oil production on said property in Deed from J. E. Milly and Anna Milly to H.D. Wolford recorded 5-20-21 in Book 102 at Page 337.

Other interests and documents of record.

EXHIBIT B-2

**EASEMENTS, RESTRICTIONS, ENCUMBRANCES OF RECORD AS OF THE
DATE OF THIS AMENDED AND RESTATED DECLARATION
SWEETWATER LOTS**

A portion of the Real Estate described on Exhibit A-2 is subject to the terms, conditions, obligations and provisions of the following documents or exceptions to title:

Terms, provisions, reservations and restrictions encumbering Lots 1, 2, and 3 contained in that certain Deed of Wildlife Conservation Easement in Gross dated November 11, 1997 and held by the Valley Land Conservancy, a nonprofit corporation, recorded in the office of the Ouray County Clerk and Recorded on November 12, 1997, Reception No. 164645.

Vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights, and right of proprietor of a vein or lode to extract and remove his ore should the same be found to penetrate or intersect the premises, as reserved in U.S. Patent recorded in Book 8 at page 454, Ouray County public records.

That portion of the property included within the description to be insured which was acquired, or may hereafter be acquired, by virtue of accretion due to sudden or artificial alteration of the course of the Uncompahgre River subsequent to 8-01-1896.

Any right or interest of the State of Colorado or the United States government in the Uncompahgre River or its course.

The Terms and Conditions of a non-exclusive easement for use of the Uncompahgre Trail described in instrument dated 9-25-97 and recorded 11-25-97 at Reception No. 165648, Ouray County public records.

Terms and Conditions of that certain Subdivision improvements and Lien Agreement dated 11-12-97 and recorded 11-25-97 at Reception No. 165646, Ouray County public records.
Terms and Conditions of Wildlife Conservation Easement encumbering Lots 1, 2, and 3 described in instrument dated 11-11-97 and recorded 11-12-97 at Reception No. 165533, Ouray County public records

Easements, restrictions, notes and notices as shown on plat of Sweetwater at Ridgway, Filing No. 1 in portions of Sections 9 and 16, Township 45 North, Range 8 West, N.M.P.M., Town of Ridgway, County of Ouray, State of Colorado, recorded 11-25-97 at Reception No. 165645, Ouray County public records

Taxes or assessments by reason of inclusion of subject property in the Tri-County and Ouray Water Conservancy Districts and the Ridgway Fire Protection District.

Notice dated 6-05-1993 concerning underground utilities of San Miguel Power Association recorded 6-22-1993 in Book 227, Page 145, Ouray County public records.

Other interests and documents of record.

EXHIBIT C

COMMON ELEMENTS

CLUB HOUSE AND RELATED FACILITIES, described as:

Lot C-1, Eagle Hill Ranch PUD (a subdivision) pursuant to plat thereof filed July 13, 1992 at Reception No. 151115 as conveyed to the Eagle Hill Ranch Homeowners Association, Inc. on December 28, 1993 at Reception No. 155284.

TRAILS and OPEN SPACES (OS1, OS2, OS4, OS5, OS6, OS7, OS8) described in the first, second, and third filing plats for Eagle Hill Ranch PUD and more fully described as:

Open Space #1 - (OS1), Eagle Hill Ranch, PUD (a subdivision) pursuant to plat thereof filed July 13, 1992 at Reception No. 151115 as conveyed by quit claim deed to the Eagle Hill Ranch Homeowners Association, Inc. on December 28, 1993 at Reception No. 155286.

Open Space #2 - (OS2), Eagle Hill Ranch, PUD (a subdivision) pursuant to plat thereof filed July 13, 1992 at Reception No. 151115 as conveyed by quit claim deed to the Eagle Hill Ranch Homeowners Association, Inc. on December 28, 1993 at Reception No. 155285.

Open Space #4 - (OS4), Eagle Hill Ranch, PUD (a subdivision) pursuant to plat thereof filed October 18, 1994 at Reception No. 157746 as conveyed by quit claim deed to the Eagle Hill Ranch Homeowners Association, Inc. on October 18, 1994 in Book 230 at Page 537.

Open Space #5 - (OS5), Eagle Hill Ranch, PUD (a subdivision) pursuant to plat thereof filed October 18, 1994 at Reception No. 157746 as conveyed by quit claim deed to the Eagle Hill Ranch Homeowners Association, Inc. on October 18, 1994 in Book 230 at Page 537.

Open Space #6 - (OS6), Eagle Hill Ranch, PUD (a subdivision) pursuant to plat thereof filed October 18, 1994 at Reception No. 157746 as conveyed by quit claim deed to the Eagle Hill Ranch Homeowners Association, Inc. on October 18, 1994 in Book 230 at Page 537.

Open Space #7 - (OS7), Eagle Hill Ranch, PUD (a subdivision) pursuant to plat thereof filed July 19, 1999 at Reception No. 170145 as conveyed by quit claim deed to the Eagle Hill Ranch Homeowners Association, Inc. on August 2, 1999 at Reception No. 170267.

River Park Trail Grant Of Easement - A perpetual easement over property situated in part of NW ¼ SW ¼, Sections 8 and 9, T45N, R8W, N.M.P.M., Ouray County, Colorado shown on the plat map known as Exhibit "B" of The Sweetwater At Ridgway - Filing No. One Plat and recorded in the Office of the Ouray County Clerk and Recorder at Reception No. 165645 which consists of a non-exclusive eight-feet (8') wide trail easement over and across the Ridgway River Ranch Property for the benefit of the real property described as Lot C-2 and Lot OS-1 on the plat recorded in the Office of the Ouray County Clerk and Recorder on July 13, 1992 at Reception No. 151115. The trail shall provide non-exclusive access for foot, bike or horse travel only to and from the Uncompahgre River bike and horsepath.

along with such other property as the Declarant may elect to convey to the Eagle Hill Ranch Homeowners Association.

EXHIBIT D

PROPERTIES WHICH MAY BE ADDED TO THE DECLARATION

Approximately 20 Acres immediately north of Eagle Hill Ranch, Filing 2, also known as Lot 7 Neff Subdivision

Approximately 160 acres immediately northeast of Eagle Hill Ranch Filings 1, 2 and 3, also known as the Weaver Property

Approximately 110 acres immediately south of Eagle Hill Ranch Filing 1 known as the Kolowich Group Property

Such other non-contiguous property as may be submitted by Declarant for annexation that is approved by 75% of the voting members in the Association, and by relevant governmental bodies.

ASSOCIATION CONSENT

IN WITNESS WHEREOF, the following individuals representing the Association President and Secretary hereby Amend and Restate the Original Declaration, substituting in the entirety, the foregoing terms, conditions, restrictions, covenants, conditions, easements and reservations.

The Association, at a duly held Special Membership Meeting of the Association on April 30, 1999, obtained eighteen (18) affirmative votes cast and no (0) dissenting votes cast, the requisite votes being three-fourths (3/4) affirmative votes cast of a quorum of at least thirty-three percent (33%) of the membership, the membership consisting of thirty (30) votes.

Consent is hereby given to the above Declaration.

EAGLE RANCH HILL HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation

Dated in Ridgway, Colorado, this 4th day of August, 1999.

By: Joy Billings, President
Joy Billings, President

By: James R. Parker, Secretary/Treasurer
James R. Parker, Secretary/Treasurer



STATE OF COLORADO)
) ss.
COUNTY OF OURAY)

The foregoing was acknowledged before me this 4th day of August, 1999, by Joy Billings, as President, and James R. Parker, as Secretary/Treasurer of Eagle Hill Ranch Homeowners Association, Inc., a Colorado nonprofit corporation.

Witness my hand and official seal.

MY COMMISSION EXPIRES:
January 23, 2002

My commission expires: _____

Pat Savon Classi
Signature of Notary Public

DECLARANT'S CONSENT

The undersigned, acting for and on behalf of The Kolowich Group, Inc., as Declarant, hereby consent to all terms, conditions, covenants, easements, restrictions and reservations of the foregoing Amended and Restated Declaration.

Dated in Ridgway, Colorado, this 4th day of August, 1999.



The Kolowich Group, Inc., a Colorado corporation

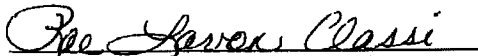
By: 
Brian Kolowich, Vice-President

STATE OF COLORADO)
) ss.
COUNTY OF OURAY)

The foregoing was acknowledged before me this 4th day of August, 1999, by Brian Kolowich, as Vice-President of The Kolowich Group, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: _____
MY COMMISSION EXPIRES:
January 23, 2002


Signature of Notary Public