Architectural Design Guidelines,
Protective Covenants
& Association Bylaws

Little River Ranch

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DECLARATION OF PROTECTIVE COVENANTS AND EASEMENTS FOR LITTLE RIVER RANCH SUBDIVISION TOWN OF PONCHA SPRINGS, CHAFFEE COUNTY, COLORADO

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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LITTLE RIVER RANCH SUBDIVISION, TOWN OF PONCHA SPRINGS, CHAFFEE COUNTY, COLORADO

This Declaration is made this 11th day of August, 2005 by Little River Ranch, LLC, a Colorado limited liability company at 225 E. Cheyenne Mtn. Blvd., Suite 200, Colorado Springs, CO 80906 (herein "the Declarant").

ARTICLE I
CREATION OF HOMEOWNER'S ASSOCIATION

1.1 General Purposes. Declarant owns the real property interests legally described on Exhibit A attached hereto and by this reference incorporated herein located within the Town of Poncha Springs, Chaffee County, Colorado, known as "Little River Ranch" (the "Property"). Declarant desires to establish a means to ensure the proper use and appropriate development of the Property as a high quality, aesthetically pleasing and harmoniously designed planned community project by means of mutually beneficial covenants, conditions and restrictions imposed on the Property for the benefit of Declarant and all future Owners of any portion of the Property.

1.2 Declaration. To further the purposes expressed in Section 1.1 hereof, Declarant, for itself and its successors and assigns, hereby declares that the Property shall, at all times, be owned, held, used and occupied subject to the provisions of this instrument, to the covenants, conditions and restrictions contained herein and to all amendments and supplements hereto.

1.3 Name of Homeowner's Association. The name of the homeowner's association organized to govern and administer this Declaration is Little River Ranch Homeowner's Association, Inc., a Colorado nonprofit corporation (the "Association").

ARTICLE II
DEFINITIONS

2.1 Annual Common Expenses Assessment. The Annual Common Expenses Assessment shall be a fixed flat rate per year not to exceed $400.00 per Lot, subject to adjustment pursuant to Colo. Rev. Stat. 38-33.3-116(3).

2.2 Articles of Incorporation. The Articles of Incorporation of the Association, as they may be amended from time to time.

2.3 Association. Little River Ranch Homeowner's Association, Inc., a Colorado non-profit corporation organized pursuant to Colorado law.

2.4 Association Documents. This Declaration, the Plat(s), Articles of Incorporation, Bylaws, Architectural Design Guidelines and the Rules, as they may be amended from time to time.

2.5 Board of Directors or Board. The Board elected pursuant to the Association's

Bylaws or appointed by Declarant.

2.6 Bylaws. The Bylaws of the Association, as they may be amended from time to time.

2.7 Common Areas. Any portion of the Property owned or leased by the Association or owned or leased by others, but maintained by the Association for the benefit of its Members. The Common Areas upon execution of this Declaration by Declarant are described as common areas and private roads on the Plat(s), and Section 3.4 below.

2.8 Common Expenses. The expenditures made or liabilities incurred by, or on behalf of, the Association, together with any allocations to reserves, including but not limited to:

A. Expenses of administration, maintenance, repair or replacement of any Common Areas or property owned or maintained (under an easement, license or contract) by the Association;

B. Expenses declared to be Common Expenses by the Association Documents;

C. Expenses agreed upon as Common Expenses by the Board;

D. Such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Areas or any other real or personal property acquired, held or maintained (under an easement, license or contract) by the Association; and

E. The costs and expenses imposed on the Association, benefiting fewer than all the Lots, when assessed exclusively against those Lots benefited, which may include late charges, attorney's fees, fines and interest charged by the Association.

2.9 Common Expense Assessments or Assessments. The funds required to be paid by each Owner in payment of a Common Expense liability, including (i) Annual Common Expense Assessments; (ii) Special Assessments; and (iii) Common Expenses attributable to fewer than all Lots; and (iv) any other assessment properly levied upon any Owner by this Declaration or operation of law.

2.10 Declarant. Little River Ranch, LLC, a Colorado limited liability company, or its successors or assigns.

2.11 Declaration. This document, including any amendments, supplements and Plats.

2.12 Design Review Committee or Committee. The committee appointed by the Board of Directors of the Association to review and approve or disapprove plans for Improvements submitted by any Owner, as provided in Article IV of this Declaration.

2.13 Development Rights. The rights reserved by Declarant under Article X of this

Declaration.

2.14 Dwelling Unit. The residence constructed on each Lot within the Property and any replacement thereof, including the patio, deck, basement, garage and outbuildings, if applicable. Dwelling Unit shall include the Lot upon which such Dwelling Unit is constructed.

2.15 Expansion Property. The real property legally described on Exhibit B attached hereto and incorporated herein which shall be subject to the terms and provisions of this Declaration pursuant to Section 10.2 below. Upon such event, the term Property shall also include the Expansion Property.

2.16 First Security Interest. A Security Interest that has priority of record over all other recorded liens except those liens made superior by statute (such as general ad valorem tax liens and Special Assessments).

2.17 Improvements. Any exterior construction, structure, fixture, landscaping, fencing or facilities existing or to be placed on a Lot.

2.18 Lots. Each platted lot or parcel which is a physical portion of the Property, other than Common Areas, designated for separate ownership or occupancy, the boundaries of which are described on the Plat(s).

2.19 Majority of Owners. More than 50% of the votes in the Association.

2.20 Member. Each Owner, as set forth in Section 2.21.

2.21 Owner. Any person who is the owner of record of the fee simple title to any Lot, but not a person having an interest in a Lot solely as security for an obligation. Declarant is the initial owner of any Lot created by this Declaration.

2.22 Plat(s). The plat(s) for the Property filed in the office of the Chaffee County Clerk and Recorder, Chaffee County, CO, as they may be amended from time to time.

2.23 Property. The real property designated in Section 1.1, including the Lots, Common Areas, Improvements, and any additional improvements erected thereon subject to this Declaration.

2.24 Rules. Rules and regulations adopted, amended or added to by the Board from time to time pursuant to this Declaration.

2.25 Security Interest. An interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, assignment of leases or rents intended as security, pledge of an ownership interest, and any other consensual lien or title retention contract intended as security for an obligation.

2.26 Special Assessments. Those Common Expense Assessments defined in Section 7.3 below.

ARTICLE III
HOMEOWNER'S ASSOCIATION

3.1. Rights, Duties, Privileges, Powers, and Obligations. The Association shall exercise all of the rights, duties, privileges, powers, and obligations as set forth in this Declaration and the other Association Documents.

A. General Purposes and Powers. The Association through the Board of Directors shall perform functions and hold and manage property as provided in this Declaration so as to further the interests of Owners. The Association shall have all the powers necessary or desirable to effectuate such purposes.

B. Membership and Voting. Each Owner shall automatically be a member of the Association. Said membership is appurtenant to the Lot of said Owner, and title to the ownership of the membership for that Lot shall automatically pass with fee simple title to the Lot. If the fee simple title to a Lot is held by more than one person, the membership as to such Lot shall be joint, and a single membership for such Lot shall be issued in the names of all Owners, and they shall designate to the Association in writing the name of one natural person eighteen (18) years of age or older who shall have the power to vote said membership at any meeting of the Members. Each Lot shall be entitled to one (1) vote.

C. Board of Directors. The affairs of the Association shall be managed by a Board of Directors, which may, by resolution delegate any portion of its authority to an Executive Committee or to a Managing Agent for the Association. There shall be no fewer than three Members of the Board of Directors, the specific number to be set forth from time to time in the Bylaws, all of whom shall be Owners of a Lot, except Members appointed by the Declarant.

D. Bylaws and Articles. The purposes and powers of the Association and the rights and obligations with respect to Owners set forth in this Declaration may and shall be amplified by provisions of the Articles and Bylaws of the Association.

3.2. Declarant Control of the Association.

There shall be a period of Declarant control of the Association, during which Declarant, or persons designated by the Declarant, may appoint and remove the officers of the Association and Members of the Board of Directors. The Period of Declarant Control shall terminate at such time as the following annual meeting of the owners is held after conveyance of eighty percent (80%) of the Lots to Owners other than Declarant.

A. Declarant may voluntarily surrender the right to appoint and remove officers of the Association and Members of the Board of Directors before termination of the period described above. In that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

B. Not later than the termination of any Period of Declarant Control, the Owners shall elect a Board of Directors of at least three Members, at least a majority of whom shall be Owners other than the Declarant. The Board of Directors shall elect the officers.

C. Notwithstanding any provision of this Declaration or the Bylaws to the contrary, the Owners, by a vote of sixty-seven percent (67%) of all Owners present and entitled to vote at a meeting of the Owners at which a quorum is present may remove a Member of the Board of Directors with or without cause other than a member appointed by the Declarant.

3.3. Purpose of Association. The purpose of the Association is to use its authority, as given in the Association Documents:

A. To enforce the protective covenants.

B. To assess Owners' Annual Common Expense Assessments and Special Assessments.

C. To provide upkeep and maintenance to all Common Areas in the Property and to maintain other facilities on the Property.

D. To represent all Owners in matters of mutual interest.

3.4. Common Areas.

A. The Common Areas shall include Lot B, Lot C, Lot E, and the seven (7) bridges to be constructed thereon, as well as the Trail Easement, all as shown on the Plat. The Common Areas are subject to the easements shown on the Plat. Lot B, Lot C, and Lot E shall be owned and maintained by the Association as open space, except that those portions of Lot B and Lot E that abut Lots 38 through 45 and Lots 51 through 58 shall be used by the same for access, as more particularly described on the Plat. The seven (7) bridges shall be owned and maintained by the Association; however, the maintenance costs shall be allocated to the Lots served by the same, in accordance with Section 7.3 below. Except as expressly approved in writing by the Board and the existing bridge improvements over and across the Harrington Ditch depicted on the Plat, structures shall be prohibited within the Common Areas. Recreational use within the Common Areas shall be governed by the Rules. Grazing shall be prohibited within the Common Areas.

B. Dedication of Common Areas. All Common Areas within the Property are intended for the common use and enjoyment by the Owners within the Property. The Common Areas are hereby dedicated to the above and foregoing uses for the Owners, their families, tenants, guests, and invitees under the terms and conditions contained in the Association Documents.

C. Environmental Restrictions to Common Areas. Environmental restrictions apply to the Common Areas as set forth below:

i. Construction or installation of any landscaping within the Common Areas shall require prior approval by the Committee and may not interfere with the maintenance or operation of the Harrington Ditch.

ii. The Association shall not discharge or cause or permit the discharge of any of the following described substances, whether liquid, solid or gas, within the Common Areas:

a. Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, soil, or gas; and

b. Any waters or waste containing toxic or poisonous solids, liquids or gases in sufficient quantity, either singly or by interaction with other wastes, that may (a) contaminate the Harrington Ditch; (b) injure or interfere with the water supply or any water treatment process or facility; (c) constitute a hazard to humans, animals or the environment; (d) create a public nuisance; or (e) create any hazard in or have an adverse effect on the waters, water treatment plant or other facility receiving any discharge from the Harrington Ditch; and

c. Any waters or waste having corrosive properties capable of causing damage or hazard to structure, equipment, and personnel of the Harrington Ditch; and

d. Any solid or viscous substances in quantities or size capable of causing obstruction or other interference with the proper operation of the Harrington Ditch, the water treatment plant or other facility receiving any discharge from the Harrington Ditch, such as, but not limited to ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, underground garbage, whole blood, paunch manure, hair and fleshing, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders; and

e. Any pesticides, fertilizer, paint and stains, detergents, solvents, deck-washes, and other substances; and

f. Any waters or waste containing any toxic metals such as lead, mercury, selenium, or the like.

iii. The Town is hereby expressly authorized and accepts the responsibility to enforce subsection (ii) above against the Association if the Association fails to comply with subsection (ii) hereof.

iv. The City of Salida Public Works Department, Attn: Director, 8475 County Road 120, Salida, CO 81201, telephone (719) 539-6257 should be contacted in the event of any problems or issues encountered in connection with the Harrington Ditch.

D. Special Uses of Common Areas. The Association may, in its sole and subjective discretion, assess fees to Members for limited fishing access to the South Arkansas River bordering Lot B and Lot C. The Association may use the fees collected to maintain and improve said fishing areas.

ARTICLE IV
DESIGN REVIEW COMMITTEE

4.1. Guidelines. The Board of Directors shall establish an architectural control policy and guidelines ("Architectural Design Guidelines"). The Board may amend, repeal, and augment the Architectural Design Guidelines from time to time, in the Board's sole discretion. The Architectural Design Guidelines will be binding on all Owners and other persons governed by this Declaration. The Architectural Design Guidelines may include, among other things, those restrictions and limitations set forth below:

A. Procedures for making application to the Design Review Committee for design review approval, including the documents to be submitted and the time limits in which the Committee must act to approve or disapprove any submission.

B. Time limitations for the completion, within specified periods after approval, of the Improvements for which approval is required under the Design Guidelines.

C. Designation of the Dwelling Unit Site on a Lot.

D. Minimum and maximum square foot areas of living space that may be developed on any Lot. All residential dwellings shall be no less than 1,500 square feet of living space and shall require a minimum two-car fully enclosed attached garage, with the exception of the Dwelling Units built on Lot 18 and Lot 37. Dwelling Units on Lot 18 and Lot 37 shall be no less than 1,200 square feet of living space with the same garage requirements as above. Square footage will be calculated from the outside wall. No credit will be given for garages, decks or covered porches. Due to its close proximity to the South Arkansas River and the Harrington & Murray ditches, basements are strictly prohibited in Little River Ranch.

E. Landscaping regulations, with limitations and restrictions prohibiting the removal or requiring the replacement of existing trees, the use of plants suitable to the area's growing conditions, and other practices benefiting the protection of the environment, aesthetics and architectural harmony of the Property.

F. General instructions for the construction, reconstruction, refinishing or alteration of any Improvement, including any plan to excavate, fill or make any other temporary or permanent change in the natural or existing surface contour or drainage or any installation of utility lines or conduits on the Property, addressing matters such as loading areas, waste storage, trash removal, equipment and material storage, grading, transformers, utility meters, and propane tanks.

4.2. Committee. There is hereby established a Design Review Committee (also referred to herein as "Committee"), which will be responsible for the administration of the Architectural Design Guidelines to facilitate the purposes and intent of this Declaration.

A. Committee Membership. The Board of Directors shall appoint the Committee to administer the architectural approvals required pursuant to the Declaration. It shall consist always of either three (3) or five (5) members. Absent a specific appointment by the Board, the members of the Board shall be the members of the Committee. The Board may reduce the number of members of the Committee to three and increase it to five as often as it wishes. Members of the Committee may be removed at any time without cause by the Board of Directors. From among the members of the Committee, the Board may appoint a Chairman of the Committee who shall coordinate the operation of the Committee.

B. Purpose and General Authority. The Committee will review, study and either approve or reject proposed Improvements on the Property, all in compliance with this Declaration and as further set forth in the Architectural Design Guidelines and such rules and regulations as the Committee may establish from time to time to govern its proceedings. No Improvement will be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor will any construction, repair or reconstruction be commenced until plans for the Improvements shall have been approved by the Committee; provided, however, that Improvements that are completely within a Dwelling Unit may be undertaken without such approval. All Improvements will be constructed only in accordance with approved plans.

C. Committee Discretion. The Committee will exercise its best judgment to see that all Improvements conform and harmonize with any existing structures as to external design, quality and type of construction, seals, materials, color, location on the Dwelling Unit Site, height, grade and finished ground elevation, and the schemes and aesthetic considerations of the Property. The Committee, in its sole discretion, may excuse compliance with such requirements as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements.

4.3. Organization and Operation of Committee.

A. Term. The term of office of each member of the Committee, subject to Section 3.2., will be two (2) years, and continuing until his successor shall have been appointed. Should a Committee member die, retire, or become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed as provided in Section 4.2.

B. Operations. The Committee Chairman will take charge of and conduct all meetings and will provide for reasonable notice to each member of the Committee prior to any meeting. The notice will set forth the time and place of the meeting, and notice may be waived by any member.

C. Voting. The affirmative vote of a majority of the members of the Committee will govern its actions and be the act of the Committee.

D. Expert Consultation. The Committee may avail itself of technical and professional advice and consultants as it deems appropriate, and the Committee may delegate its plan review responsibilities, except final review and approval, to one or more of its members or to consultants retained by the Committee.

4.4. Expenses. Except as provided in this section below, all expenses of the Committee will be paid by the Association and will constitute a Common Expense.

4.5. Other Requirements. Compliance with the Association design review process is not a substitute for compliance with the Town of Poncha Springs building, zoning, and subdivision regulations, and any other applicable state, federal, or local code or regulation. Each Owner is responsible for obtaining all approvals, licenses, and permits as may be required prior to commencing construction.

Further, the establishment of the Committee and procedures for architectural review will not be construed as changing any rights or restrictions upon Owners to maintain and repair their Lots and Improvements as otherwise required under the Association Documents.

4.6. Limitation of Liability. The Committee will use reasonable judgment in accepting or disapproving all plans and specifications submitted to it. Neither the Committee nor any individual Committee member will be liable to any person for any official act of the Committee in connection with submitted plans and specifications. Approval by the Committee does not necessarily assure approval by the appropriate governmental board or commission for the Town of Poncha Springs. Notwithstanding that the Committee has approved plans and specifications, neither the Committee nor any of its members will be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim, or expense which may arise by reason of such approval or denial of the construction of the Improvements. Neither the Board, the Committee, nor any agent thereof, nor Declarant, nor any of its partners, employees, agents, or consultants will be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Association Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the Committee will be defended and indemnified by the Association in any such suit or proceeding which may arise by reason of the Committee's decision.

4.7. Enforcement.

A. Construction Deposit. The Owner of the Lot is required to provide to the Committee a construction security deposit in the amount of $3,000.00 for the benefit of the Association. Such deposit must be received prior to the Committee's approval of any submission for an Improvement on a Lot. The Construction Deposit shall be held to ensure satisfactory completion of the Improvements in accordance with the approved plans, including but not limited to landscaping, reclamation of the Property and roads, erosion control, reseeding, and trash removal.

In the event the Improvements are not satisfactorily completed, the Committee shall notify the Owner of the Lot of the required action and time frame, which shall be a minimum of forty-five (45) days, in which to complete the action. If the needed action is not completed by Owner within the specified time frame, the Committee may apply the Construction Deposit to cover the cost of completing the work, assess any costs exceeding $3,000.00 against the Owner, and enforce such other remedies as are available to the Association for the failure of the Owner to comply with these covenants, including without limitation the remedies set forth in Section VIII.

B. Inspection. Any member or authorized consultant of the Design Review Committee, or any authorized officer, director, employee or agent of the Association may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect Improvements constructed or under construction on the Lot to determine whether the Improvements have been or are being built in compliance with the Association Documents and the plans and specifications approved by the Committee.

C. Certificate of Compliance. Before any Improvements on a Lot may be occupied and upon completion of construction, the Owner of the Lot will be required to obtain a certificate of compliance issued by the Committee setting forth generally whether, to the best of the Committee's knowledge, the Improvements on a particular Lot are in compliance with the terms and conditions of the Architectural Design Guidelines.

i. Fines for Violations. The Board may adopt a schedule of fines for failure to abide by the Committee rules and the Architectural Design Guidelines, including fines for failure to obtain any required approval from the Committee.

ii. Removal of Nonconforming Improvements. The Association, upon request of the Committee and after reasonable notice to the offender and, if different, to the Owner, may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, and remove any Improvement constructed, reconstructed, refinished, altered, or maintained in violation of these Covenants. The Owner of the Improvement will immediately reimburse the Association for all expenses incurred in connection with such removal.

4.8. Continuity of Construction. All exterior construction of Improvements commenced on the Lot will be completed within twelve (12) months after commencement, in accordance with the plans and specification as approved by the Committee, unless an exception is granted in writing by the Committee. If an Improvement is commenced and construction is then abandoned for more than ninety (90) days, or if exterior construction is not completed within the required twelve(12) month period, then after notice and opportunity for hearing, the Association may impose a fine of not less than $100.00 per day (or such other reasonable amount as the Association may set) to be charged against the Owner of the Lot until construction is resumed, or the Improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the Board that such abandonment is for circumstances beyond the Owner's control.

ARTICLE V
PROPERTY USE RESTRICTIONS

5.1. General Restriction. The Property will be used only for the purposes set forth in this Declaration, as permitted by the applicable ordinances of the Town of Poncha Springs and the laws of the State of Colorado and the United States, and as set forth in the Association Documents or other specific recorded covenants affecting all or any part of the Property.

5.2. Residential Use of Lots.

A. Lots and Improvements located thereon may only be used for residential purposes, except that Declarant may conduct sales and construction activities. In no event shall there be constructed more than one principal single-family dwelling per Lot. The maximum height for any Dwelling Unit constructed within the building envelope upon such Lot as designated by the Committee per Section 4.1 of this Declaration, shall not exceed twenty-eight (28) feet, and shall be measured and determined in the manner provided by the Town of Poncha Springs Land Use Code. All such Improvements located on a Lot shall be of similar design and construction so that their appearance is reasonably uniform within the Lot. Any exterior construction of the Dwelling Unit, or other Improvement permitted herein, shall be completed within twelve (12) months of commencement of construction.

B. Subject to Board approval on an annual basis, residential purposes may include home occupations and long term residential rentals (for a lease term of no less than twelve (12) months) of Lot Improvements, so long as such activity does not: create excessive vehicular traffic to and from such Lot; employ persons for home occupation purposes at such Lot other than those residing at such Lot; require storage of any significant materials, machinery, inventory or other items at such Lot; require processing of materials and the finish of products or the assembly of parts produced off-site; require additional parking at such Lot, whether for customers, delivery or otherwise; or otherwise violate any provision of this Declaration or violate any county or town regulation governing home occupations. There shall be no exterior signage or advertising on the Lots in conjunction with any use of the Lot. This restriction shall be interpreted and enforced by the Committee.

C. The exterior of any Dwelling Unit, or any other Improvement constructed on any Lot, shall be surfaced with log or log siding, cedar, stone, stucco, or other approved siding, which is a natural material. Vinyl siding or other comparable synthetic materials will not be allowed. Color may vary, but must be approved by the Committee.

D. D. All roofs shall be a minimum 6-12 pitch and shall meet the Uniform Building Code snow load requirements. Roofing materials such as fire retardant treated shingles and shakes, slate, tile or other non-reflective/low glare materials are encouraged. Metal roofs shall be prohibited, with the exception that standing seam metal roofs may be approved if they are an integral part of the overall building aesthetic.

E. No mobile home, portable home, or modular home shall be permitted to be placed on any Lot.

5.3. Dwelling Unit Envelope Area. All Lots shall be subject to a building envelope area as shown on the Plat. Except for one driveway, a minimum of fourteen (14) feet in width and not to exceed twenty-four (24) feet in width, any roadway, driveway, access of any kind, Dwelling Unit and Improvements shall be limited to said building envelope area, with said driveway to intersect the roadway at an approximate ninety (90) degree angle, or as close thereto. Each Lot shall be permitted one (1) driveway.

A. The design, material, height, location and construction of all fences must be approved by the Committee, according to the Architectural Design Guidelines. Permitted fencing shall be game-friendly or exclusionary and the specifications of such fencing shall comply with current wildlife management practices as determined by the Colorado Division of Wildlife. No chain link, metal, plastic (PVC), or wire fencing material will be allowed.

5.4. No Partition or Subdivision. No part of any Lot may be partitioned, separated or subdivided from any other part thereof. Nothing in this subsection shall prohibit Declarant or an Owner from subdividing a Lot for the sole purpose of annexing all subdivided portions of such Lot to other adjacent Lots, in which event, the share of the Common Expenses of such subdivided Lot shall be added proportionally to the Lots receiving all or a portion of such subdivided Lot.

5.5. Consolidating Lots. If Declarant or an Owner consolidates two or more Lots with the intent of creating one Lot therefrom, such resulting Lot shall continue to have the full share of Common Expenses originally assigned to the Lots so combined.

5.6. Vehicles, Equipment, Machinery and Parking. No abandoned, inoperable, or unlicensed vehicles of any kind will be stored or parked on any portion of the Lot; however, vehicles parked by Owners while on vacation or residing away from the Property shall not be considered abandoned. All recreational vehicles, whether motorized or non-motorized, trail bikes, snowmobiles, campers, boats, trailers of any kind, oversized vehicles, snow removal equipment, garden maintenance equipment, and all other similar vehicles, equipment and machinery, other than passenger automobiles or pickup or utility trucks with a capacity of one ton or less, will be parked, kept, or stored on any portion of the Lot except in a fully enclosed building.

Owners will not park motor vehicles on any road within the subdivision overnight. Owners will park all allowable vehicles in garages, carports, driveways, or designated parking areas overnight.

5.7. Electrical, Television and Telephone Service. All electrical, television and telephone service installations will be placed underground.

5.8. Animals and Pets. No animals, livestock, or poultry of any kind will be kept, raised, or bred on any portion of the Lot, except for domestic household pets, which must be physically restrained and shall not be allowed to run free. The kind and number of pets may be regulated as permitted from time to time by the Rules; however, no Owner shall keep more than two (2) dogs on the Lot. Owners shall regularly pick up after their animals. No animals shall be kept within the Property, which bother or constitute a nuisance to any other Owner, Declarant, or adjoining landowner. The owner of any animal shall at all times be personally liable and responsible for all actions of such animals and any damage caused by such animal.

5.9. Drainage. No Owner will do or permit any work, place any landscaping or install any other Improvements or suffer the existence of any condition whatsoever which will alter or interfere with the drainage pattern for the Lot, except to the extent such alteration and drainage pattern is approved in writing by the Committee or the Board, and except for the rights reserved to Declarant to alter or change drainage patterns.

5.10. Trash. No trash, ashes, garbage construction materials or other refuse will be allowed to accumulate or be paced on any Lot or thrown or dumped on any land or area within the Property. All refuse shall be kept and disposed of in a sanitary manner, so as to be protected from the wind and animal disturbances. Burning is not allowed on any Lot.

5.11. Outside Clotheslines. Laundry hung outside any Dwelling Unit will be screened from the road(s) and public's view.

5.12. Antennae. No towers or exposed radio, television, or other electronic antennae (including satellite dishes) shall be allowed on any Lot, except any satellite dish or similar antennae which when installed is less than twenty-one (21) inches in diameter and is directly attached to the exterior of the residence.

5.13. Lighting. All exterior lighting on Lots shall comply with the lighting plan set forth in the Architectural Design Guidelines and shall be subject to approval by the Committee for harmonious development and the prevention of lighting nuisances to other Lots within the Property. No light shall be emitted from any location within the Property which is unreasonably bright or causes unreasonable glare. All exterior lights shall be fully shielded from above, and directed downward only, to reduce excessive glare and light trespass to adjoining property. The Committee shall interpret and enforce this paragraph.

5.14. Chemicals. No chemicals or other products detrimental to water quality shall be used on the Lots or Common Areas. Owners are encouraged to limit the use of household chemicals.

5.15. House Numbers. Each Dwelling Unit will have a house number with a design and location approved by the Committee.

5.16. Mailboxes. Mailboxes are strictly prohibited and shall not be placed on any Lot within the Property. This does not exclude the Association from installing community mailboxes, at a location to be determined, for the benefit of all Owners.

5.17. Nuisance. No activity shall be conducted which generates excessively loud noises, offensive odors, nor any activity be conducted which is or may become a nuisance or cause significant disturbance or annoyance to others. No activity shall be conducted or Improvements constructed within the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no hunting, or use or discharge of firearms shall be allowed within the Property; and no open fire shall be lighted or permitted within the Property except (i) in a contained barbecue unit while attended and used for cooking purposes, or (ii) within a safe and well designed interior stove or fireplace, or exterior patio fireplace or stove. No Owner shall cause, permit, or allow anything which will increase the rate charged for or cause the cancellation of any insurance maintained by Declarant, or any activity which would violate any law.

5.18. Land Use. No portion of the Property shall be used for purposes of commercial wood harvesting, mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, or earth. This shall not preclude the Declarant from removing rock, soil and gravel from any Lot owned by the Declarant for the purpose of construction material to benefit the Lots and/or roads with the Property.

5.19. Tanks. No buried tanks of any kind shall be placed or permitted on any Lot. Any elevated tanks must be concealed from view from any roads or adjoining Lots or Common Areas.

5.20. Construction Erosion, Sediment, and Weed Control. The Property is subject to the Construction Erosion, Sediment, and Weed Control Plan on file with the Town of Poncha Springs. All Owners shall be responsible for controlling construction erosion, sediment, and the growth and spread of noxious weeds on their Lot in accordance with the Construction Erosion, Sediment, and Weed Control Plan and all applicable laws or regulations. All disturbed areas shall be re-vegetated with native materials.

ARTICLE VI
OWNERS' OBLIGATIONS FOR MAINTENANCE

6.1. Low Pressure Sewer Line. The low pressure sewer line, which serves portions of the Property shall be owned and maintained by Declarant until such time as the Town of Poncha Springs accepts said sewer line. Owners shall be responsible for installation and maintenance of the grinder pump and service line from their residence to the main sewer line, which shall be installed in accordance with Rules established by the Board.

6.2. Management of Common Areas. The Association shall be responsible for the management and control of the Common Areas and all improvements thereon, and shall keep them in a good, clean, attractive and pleasant condition and shall maintain and repair the same consistent with the purposes and uses of the Common Areas as set forth in the Association Documents.

6.3. Owner's Responsibility for Lot. Except as provided in the Association Documents or by written agreement with the Association, all maintenance of a Lot and the Improvements located thereon will be the sole responsibility of the Owner. Each Owner will maintain his Lot in accordance with the community wide standard for the Property. The Association will, at the discretion of the Board, assume the maintenance responsibilities of such Owner if, in the opinion of the Board, the Owner fails to satisfy such standard. Before assuming the maintenance responsibilities, the Board will give the Owner written notice of the needed maintenance, removal, or repair, and if the Owner has not commenced and diligently pursued remedial action within thirty (30) days after the mailing of such written notice, the Association will proceed and assess the costs of same against Owner which shall be reimbursable to the Association by Owner within the thirty (30) days following the Board's action.

ARTICLE VII
ASSESSMENT OF COMMON EXPENSES

7.1. Personal Obligation for Common Expense Assessments. Each Owner of any Lot, by accepting a deed for a Lot, is deemed to covenant to pay to the Association (i) the Annual Common Expense Assessments imposed by the Board as necessary to fund the maintenance of the Common Areas (as shown on the Plat) and to generally carry out the functions of the Association; (ii) Special Assessments for capital improvements and other purposes as stated in this Declaration; and (iii) default assessments which may be assessed against a Lot pursuant to the Association Documents for the Owner's failure to perform an obligation under the Association Documents or because the Association has incurred an expense on behalf of the Owner under the Association Documents.

7.2. Annual Common Expense Assessments.

A. Calculation of Annual Common Expense Assessments. The Board of Directors shall prepare a budget prior to the beginning of each fiscal year of the Association, and not less than thirty (30) days prior to the commencement of each fiscal year, the Board shall adopt a final budget and shall determine, levy, and assess the Association's Assessments for the following year in accordance with procedures to be adopted by the Boards. Annual Common Expense Assessments will be based upon the estimated net cash flow requirements of the Association to cover items including, without limitation, the cost of routine maintenance, repair and operation of the Common Areas; expenses of management; and premiums for insurance coverage as deemed desirable or necessary by the Association; snow removal, landscaping, care of grounds and common lighting within the Common Areas; routine renovations within the Common Areas; wages; common water and utility charges for the Common Areas; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any deficit remaining from a previous Assessment period; and the supplementing of the reserve fund for general, routine maintenance, repairs and replacement of improvements within the Common Areas on a periodic basis.

B. Apportionment of Annual Common Expense Assessments. Each Owner will be responsible for that Owner's share of the Common Expenses, which will be divided equally among the Lots included in the Property under this Declaration from time to time, and apportioned according to the number of Lots owned by the Owner.

C. Collection. Annual Common Expense Assessments will be collected as the Board may determine from time to time, but until the Board directs otherwise, they will be prorated at the time of closing for the then current year and thereafter payable each calendar year within thirty (30) days of mailing of assessment notice.

7.3. Special Assessments.

A. Determination by Board. The Board may levy in any fiscal year one (1) or more Special Assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Common Areas and private roads, including the necessary fixtures and personal property related thereto, or after adopting and submitting a revised budget to the Association to make up any shortfall in the current year's budget. In addition to the foregoing, a Special Assessment may include a Common Expense attributable to fewer than all Lots as follows:

i. Any insurance premium increase attributable to a particular Lot by virtue of activities in, or construction of, the Lot shall be assessed against that Lot.

ii. Each Owner will reimburse the Association for any damages to the Common Areas caused intentionally, negligently or by the failure to properly maintain, repair or make replacements to a Lot, including drainage. If a Common Expense is caused by the misconduct of an Owner, the Association may charge the Owner for such Common Expense, and assess that expense exclusively against that Owner's Lot.

iii. Fees, charges, late charges, attorney's fees, taxes, impositions, fines, collection costs and interest charged against an Owner pursuant to the Association Documents and Colorado law may be assessed against that Owner's Lots as Common Expense Assessments.

iv. Any Common Expense benefitting fewer than all of the Lots may be assessed exclusively against the Lots benefitted, including without limitation the Lots appurtenant to the driveway bridge improvements within the Common Areas.

B. Notice. Notice of the amount and due dates for such Special Assessments must be sent to each Owner at least thirty (30) days prior to the due date.

ARTICLE VIII
ENFORCEMENT OF ASSESSMENTS

8.1. Nonpayment of Common Expense Assessments. Any Common Expense Assessment which is not paid within thirty (30) days of the due date shall be deemed delinquent. In the event that any Common Expense Assessment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

A. Assess a late charge of not more than ten percent (10%) of the amount due and owing per each delinquency.

B. Assess an interest rate charge from the date of delinquency at the rate of one and one-half percent (1½ %) per month, or such other rate as shall be established by the Board.

C. Suspend the voting rights of the Owner during any period of delinquency.

D. Bring an action against any Owner personally obligated to pay the delinquent Common Expense Assessment.

E. File a Statement of Lien with respect to the Lot and foreclose such lien in the manner hereafter set forth. The Association may file a Statement of Lien by recording with the Clerk and Recorder of Chaffee County, Colorado, a written statement with respect to the Lot, setting forth the name of the Owner, the legal description of the Lot, the name of the Association and the amount of the delinquent Common Expense Assessments then owing, which Statement of Lien shall be signed and acknowledged by the President, Vice President, or Secretary of the Association and which shall be sent by certified mail, postage prepaid, to the Owner of the Lot at the latest address the Association may have in its records as to the Owner. Thirty (30) days following the mailing of such notice, the Association may proceed to foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Colorado. Such Statement of Lien shall secure all Common Expense Assessments accruing or assessed subsequent to the date of recording of such Statement of Lien until the same have been satisfied and released, together with the Association's attorneys' fees and costs incurred in the preparation and recording of such Statement of Lien and any release thereof. In any action for the payment or foreclosure of such Common Expense Assessment, the Association shall be entitled to recover as part of the action, the interest, costs, and reasonable attorneys' fees with respect to the action.

F. The Lien shall be superior to all other liens and encumbrances on such Lot, except only any tax and assessment liens levied by any government entity and the lien of any First Security Interest. Provided, however, at all times the lien of the Association shall have priority and status over any other lien or mortgage as provided by operation of law.

8.2. Successors' Liability for Common Expense Assessment. In addition to the personal obligation of each Owner of a Lot to pay all Common Expense Assessments and the Association's lien on a Lot for such Common Expense Assessments, all successors to the ownership of a Lot shall be jointly and severally liable with the prior Owner for any and all unpaid Common Expense Assessments, interest, costs, expenses, and attorneys' fees against such Lot.

8.3. Liens for Unpaid Common Expense Assessments.

A. The Association has a lien on a Lot for a Common Expense Assessment levied against the Lot or fines imposed against its Owner from the time the Common Expense Assessment or fine becomes due. Fees, charges, late charges, fines, and interest charged pursuant to the Association Documents are enforceable as assessments under this Section. If a Common Expense Assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations. Recording of the Declaration constitutes record notice and perfection of the lien. Further recording of a claim of lien for a Common Expense Assessment is not required.

B. A lien under this Section is prior to all other liens and encumbrances on a Lot except: (i) liens and encumbrances recorded before the recordation of the Declaration; (ii) a First Security Interest on the Lot recorded before the date on which the Common Expense Assessment sought to be enforced became delinquent; and (iii) liens for real estate taxes and other governmental assessments or charges against the Lot. A lien under this Section is also prior to all Security Interests described in subdivision (ii) of this subsection to the extent that the

Common Expense Assessments are based on the periodic budget adopted by the Association pursuant to this Declaration and would have become due in the absence of acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association's lien of an action or a nonjudicial foreclosure either to enforce or extinguish the Association's lien. This subsection does not affect the priority of mechanic's or materialmen's liens or the priority of a lien for other assessments made by the Association. A lien under this Section is not subject to the exemptions provided by Colorado homestead laws, which are specifically waived by an Owner as evidenced by acceptance of a deed to a Lot.

ARTICLE IX
INSURANCE AND ASSUMPTION OF RISK

9.1. Authority to Purchase. All insurance policies relating to the Association, will be purchased by the Board or its duly authorized agent, upon expiration of the Period of Declarant Control. The Board and Declarant will not be liable for failure to obtain any coverage required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable costs. Notwithstanding the foregoing, if the insurance described in Sections 9.3 and 9.4 below is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy having been obtained, the Association will promptly provide written notice to all Owners and any other parties in interest, at their respective last known address.

9.2. General Insurance Provisions. All such insurance coverage obtained by the Board will be governed by the following provisions:

A. The deductible, if any, on any insurance policy purchased by the Board may be treated as a Common Expense payable from Annual Common Expense Assessments or Special Assessments (allocable to all of the Lots or to only some of the Lots, if the claims for damages arise from the negligence of particular Owners, or if the repairs benefit only particular Owners), or as an item to be paid from working capital reserves established by the Board.

9.3. Physical Damage Insurance on Common Area. The Association will obtain insurance for all insurable Common Improvements, if any, in an amount equal to the full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundation, excavation, depreciation on personal property, and other items normally excluded from coverage), which will include all building service equipment and the like, common personal property and supplies, and any common fixtures or equipment. In addition, such policy will afford protection against at least the following:

A. Loss or damage by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement covering debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage.

B. Such other risks as will customarily be covered with respect to projects similar in construction, location, and use to the Property.

9.4 Liability Insurance. The Association will obtain a comprehensive policy of public liability insurance (including libel, slander, false arrest, and invasion of privacy coverage) and property damage insurance with such limits as the Board may from time to time determine, insuring each member of the Board, the Association and the respective employees, agents, and all persons acting as agents against any liability to the public or the Owners (and their guests, invitees, tenants, agents, and employees) arising in connection with the ownership, operation, maintenance, or use of the Common Areas and roads within the Property and any other areas under the control of the Association.

Such comprehensive policy of public liability insurance will include the following:

A. Coverage for contractual liability, liability for non-owned and hired automobiles, and, if applicable, host liquor liability, employer's liability, and such other risks as will customarily be covered with respect to developments similar to the Property in construction, location, and use.

B. A cross liability endorsement under which the rights of a named insured under the policy will not be prejudiced with respect to an action against another insured.

C. A "severability of interest" endorsement which will preclude the insurer from denying liability coverage to an Owner because of the negligent act of the Association or another Owner.

The Board will review the coverage limits at least once every two (2) years, but, in no event will such coverage be less than $1,000,000 for all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits will also be obtained in an amount not less than $2,000,000.

9.5 Provisions Common to Physical Damage Insurance, Liability Insurance, and Fidelity Insurance. Any insurance coverage obtained by the Association under the provisions of this Article above will be subject to the following provisions and limitations:

A. The named insured under any such policies will include Declarant as an additional insured, until all of the Lots in the Property have been conveyed to Owners other than Declarant, and the Association, as attorney-in-fact for the Owners, or the authorized representative of the Association, who will have exclusive authority to negotiate losses under such policies.

B. Each Owner will be included as additional insured person with respect to claims and liabilities arising in connection with the existence, use or management of the Common Areas and Owner's membership in the Association.

C. In no event will the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their mortgagees.

D. The policies will provide that coverage will not be prejudiced by (i) any act or neglect of any Owner (including an Owner's family, tenants, servants, agents, invitees and guests) when such act or neglect is not within the control of the Association, or (ii) any act or neglect or failure of the Association to comply with any warranty or condition with regard to any portion of the Property over which the Association has no control.

E. The policies will contain the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and provide that coverage may not be cancelled in the middle or at the end of any policy year or other period of coverage or substantially modified or reduced (including cancellation for nonpayment of premiums) without at least ten (10) days' prior written notice mailed to the Association, at its last known address.

F. The policies will contain a waiver by the insurer of any right to claim by way of subrogation against Declarant, the Board, the Association, the manager, and any Owner and their respective agents, employees, or tenants, and in the case of Owners, members of their households.

G. The policies described in Sections 9.3 and 9.4 above will provide that any "no other insurance" clause will expressly exclude individual Owners' policies form its operation so that the physical damage policy or policies purchased by the Board will be deemed primary coverage, and any individual Owners' policies will be deemed excess coverage.

9.6 Personal Liability Insurance of Officers and Directors. To the extent obtainable at reasonable cost, appropriate officers' and directors' personal liability insurance will by obtained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Association.

9.7 Workmen's Compensation Insurance. The Association will obtain workmen's compensation or similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.

9.8 Other Insurance. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it deems appropriate with respect to the Association's responsibilities and duties.

9.9 Insurance Obtained by Owners. Each Owner will have the right to obtain insurance for such Owner's benefit, at such Owner's expense, covering the Owner's Lot and Improvements, personal property and personal liability. However, no insurance coverage obtained by an Owner will operate to decrease the amount which the Board, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that coverage. Any such insurance obtained by an Owner will include a waiver of the particular insurance company's right of subrogation against the Association and other Owners.

Each Owner for himself, herself, or themselves, as the case may be and for their family members, guests, invitees, and licensees coming upon their Lot (other than Ditch owners, their invitees, or licensees in the performance of their maintenance functions with respect to the ditch) hereby expressly and explicitly assume the risk of any and all injury to person or property occurring in, on, or about the ditch or laterals and ditch and lateral easement areas of all irrigation ditches as shown on the Plat.

ARTICLE X
SPECIAL DECLARANT RIGHTS
AND ADDITIONAL RESERVED DEVELOPMENT RIGHTS

10.1. Addition of Unspecified Real Estate. Declarant reserves the right for itself and any successor Declarant, at any time, to subject unspecified real property to the provisions of this Declaration.

10.2. Reserved Development Rights of Expansion. Declarant reserves the right for itself and any successor Declarant, at any time, to subject the Expansion Property to the provisions of this Declaration and to expand the Common Areas.

A. Expansion of Definitions. In the event of such expansion, the definitions used in this Declaration shall be expanded automatically to encompass and refer to the Property subject to this Declaration as so expanded. For example, "Lot" shall mean the Lots as shown on the Plat plus any additional Lots added by any supplemental Declarations and supplemental Plats, and reference to this Declaration shall mean this Declaration as supplemented. All conveyances of Lots shall be effective to transfer rights in the Property as expanded.

B. Declaration Operative on Expansion Property. Any Lots added by virtue of supplemental Declarations and Plats shall be subject to all of the terms and conditions of this Declaration and of any supplemental Declarations upon recording the supplemental Plat(s) depicting the Expansion Property and supplemental Declaration(s) with the Clerk and Recorder. In the event that a portion of the Expansion Property is submitted to the provisions of this Declaration, Declarant shall retain the right to, but shall not be obligated to, submit any additional portion of the Expansion Property to the provisions of this Declaration. The rights of the Declarant and any successor Declarant, as described herein, shall apply to all Lots which are added to this Declaration in accordance with these provisions relating to enlargement thereof.

No rights or obligations of any character of any Owner in the Expansion Property shall attach until a supplemental Declaration and supplemental Plat are filed with the Clerk and Recorder annexing the Lots constructed in such area to the Property.

C. Notwithstanding any inclusion of additional Lots under this Declaration, each Owner (regardless of whether such Owner is the owner of a Lot shown on the original Plat or is the Owner of a Lot constructed in the Expansion Property and included by a supplemental Declaration and Plat) shall remain fully liable with respect to his obligation for the payment of the Common Expenses of the Association, including the expenses for such new Common Area(s), costs and fees, if any. The recording of a supplemental Declaration or supplemental Plat shall not alter the amount of the Common Expenses assessed to a Lot prior to such recording.

10.3. Reservation of Withdrawal Rights. Declarant reserves the right for itself and any successor Declarant, at any time, to withdraw from the provisions of this Declaration individual

Lots and/or Common Areas, provided however that none of the real estate may be withdrawn after any Lot has been conveyed by Declarant to a purchaser.

10.4. Other Reserved Rights. Declarant reserves the right for itself and any successor Declarant, at any time, to: (i) complete improvements indicated on the Plats and Maps, (ii) maintain and relocate sales offices, management offices, signs advertising the Property and models, of any size, within one or more Lots and within the Common Areas so long as Declarant or successor Declarant continues to be an Owner of a Lot or, if earlier, five (5) years from the recording of this Declaration with the Clerk and Recorder, (iii) to subject the project to a master association, (iv) to make merge or consolidate the Property with a common interest community of the same form of ownership, (v) to appoint or remove any officer of the Association or any Board member during the Period of Declarant Control set forth in Article 3 above.

10.5. Termination of Rights Reserved. Except as otherwise expressly reserved in this Declaration, all rights reserved by and to the Declarant terminate seven (7) years after the date upon which this Declaration is recorded or upon the sale of all Lots within the Property (including the Lots in the Expansion Property) , whichever shall first occur; provided, however, such reserved rights may be: (i) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Board may impose; (ii) extended as allowed by law; or (iii) terminated in whole or in part by a written instrument executed by the Declarant.

10.6. Utility Easements. Limited to underground utilities only, there is hereby created a general easement upon, across, in, and under the Property for ingress and egress and for installation, replacement, replat, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electrical, television and a master communications system. By virtue of this easement, it will be expressly permissible and proper for the companies providing such utility services to install and maintain necessary equipment on the Property and to affix and maintain electrical, television, communications, and telephone wires, circuits, and conduits under the Property. Any utility company using this general easement will use its best efforts to install and maintain the utilities provided for without disturbing the uses of the Owners, the Association and Declarant; will prosecute its installation and maintenance activities as promptly and expeditiously as reasonably possible; and will restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement request a specific easement by separate recordable document, either Declarant or the Association will have, and are hereby given, the right and authority to grant such easement upon, across, or under any part or all of the Property without conflicting with the terms of this Declaration. This general easement will in no way affect, avoid, extinguish, or modify any other recorded easement on the Property.

10.7. Maintenance Easement. An easement is hereby reserved to Declarant for itself and its successors and assigns and granted to the Association, and any member of the Board, and their respective officers, agents, employees and assigns, upon, across, over, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Association Documents, including the right to enter upon any Lot for the purpose of performing maintenance to the landscaping or the exterior of Improvements to such Lot, as required by the Association Documents.

10.8. Drainage Easement. An easement is hereby reserved to Declarant for itself and its successors and assigns and granted to the Association, its officers, agents, employees, successors and assigns to enter upon, across, over, in, and under any portion of the Property for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water. Reasonable efforts will be made to use this easement so as not to disturb the uses of the Owners, the Association and Declarant, as applicable, to the extent possible; to prosecute such drainage work promptly and expeditiously; and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work. Declarant, or its officers, agents, employees, successors and assigns must inform the Board prior to undertaking such drainage work.

10.9. Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all roads and upon the Property in the proper performance of their duties.

10.10. Easements on Plat. Each Lot shall be encumbered by perpetual non-exclusive easements as shown or described on the Plat. Easements for installation or maintenance of utilities and irrigation ditches are reserved as shown on the Plat. Within these easements and irrigation ditch no structures, planting, or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of the ditch or lateral, or which may change the directional flow of the irrigation ditch in the easement, or may obstruct or retard the flow of water through the irrigation ditch, and or the easement. The easement area of each Lot and all Improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible. The owners of the irrigation ditches have the right to ingress and egress in the designated access points to maintain and improve their irrigation ditch as well as an easement for access and egress to the designated access points as described on the Plat.

10.11. Easements for the Association. Each Lot shall be subject to an easement in favor of the Association and the Board (including its agents, employees and contractors) to perform their obligations pursuant to this Declaration.

ARTICLE XI
ENFORCEMENT

11.1. Violation Deemed a Nuisance. Every violation of this Declaration and the other Association Documents shall be deemed to be a nuisance and is subject to all the remedies provided for the abatement thereof.

11.2. Failure to Comply. The failure to comply with this Declaration and the other Association Documents shall be grounds for an action to recover damages, or for injunctive relief or for specific performance, or any of them under the following terms and conditions:

A. Written notice of any violation or failure to comply with this Declaration and the other Association Documents shall first be given to any Owner or person as to such violation or failure to comply.

B. Such Owner or person shall be given ten (10) days from the date of such notice to correct such violation or failure to comply.

C. In the event that any Owner or person believes that he or she is not in violation or failure to comply, he or she may request an opportunity for a hearing by the Board prior to the Association taking further action or commencing any legal proceeding against such Owner or person.

D. Any action by the Association as against any such Owner or person shall be by resolution of the Board following notice as above provided and granting to such Owner or person an opportunity to be heard before the Board.

11.3 Enforcement. Except as otherwise provided herein, enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in this Declaration and the Association Documents, as amended, may be by any proceeding at law or in equity against any person or persons, including without limitation, the Association, violating or attempting to violate any such provision. The Association and any aggrieved Owner shall have the right to institute, maintain and prosecute any such proceedings, and the Association shall further have the right to levy and collect fines and enforce other established penalties for the violation of any provision of any of the Association Documents. In any action instituted or maintained for enforcement, the prevailing party shall be entitled to recover its costs and reasonable attorney's fees incurred pursuant thereto, as well as any and all other sums awarded by the court.

11.4. No Waiver. The failure of the Board, the Association, or any Owner to enforce or obtain compliance as to any covenant, restriction, or other provision contained in this Declaration or any of the Association Documents, shall not be deemed a waiver of the right to do so thereafter or for any subsequent violation or the right to enforce any part of such documents.

ARTICLE XII
DURATION OF THESE COVENANTS AND AMENDMENT

12.1. Amendment. Subject to amendment at any time as set forth herein, the covenants, conditions, restrictions and liens of the Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Prior to the transfer of the first Lot to any third party not related to or associated with Declarant, Declarant may amend this Declaration and the Plat at the Declarant's sole discretion. In addition, Declarant hereby reserves and is granted the right and power to record minor and technical amendments to this Declaration and the Plat at any time for the purpose of correcting spelling, grammar, dates, typographical errors, or as may otherwise be deemed necessary by the Declarant to clarify the meaning of any provisions, without the consent of any of the Owners or first mortgagees. After the transfer of the first Lot as provided herein, this Declaration may be amended, at any time, by an instrument signed by the Owners of sixty-seven percent (67%) of all Lots. If an Owner consents to any amendment to this Declaration, it will be conclusively presumed that such Owner has the authority to so consent and that there is no contrary provision in any mortgage or contract between Owner and a third party that will affect the validity of such consent.

12.2. Declarant's Approval. Notwithstanding the provisions of Section 12.1, no termination, extension, modification or amendment of this Declaration will be effective in any event during the Period of Declarant Control unless the written approval of Declarant is first obtained.

12.3. Notice of Amendment. No amendment or revocation of this Declaration will be effective unless a written notice of the proposed amendment is sent to every Owner thirty (30) days in advance of any action taken or purported to be taken and such Owner has been given the opportunity to vote or give its consent thereto.

12.4. Effective on Recording. Any modification, amendment or revocation will be immediately effective upon recording in Chaffee County, Colorado, a copy of such amendment, modification, or revocation executed and acknowledged by the necessary number of Owners (and by Declarant, as required).

ARTICLE XIII
MISCELLANEOUS

13.1 Captions. The captions contained in the Association Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents or the intent of any provision thereof.

13.2 Waiver. No provision contained in the Association Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

13.3 Invalidity. The invalidity of any provision of the Association Documents does not impair or affect in any manner the validity, enforceability or effect of the remainder, and if a provision is invalid, all of the other provisions of the Association Documents shall continue in full force and effect.

13.4 Conflict. The Association Documents are intended to comply with the requirements of the Colorado Revised Nonprofit Corporation Act. If there is any conflict between the Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

13.5 Severability. All provisions of the Association Documents are severable. Invalidation of any of the provisions of any such Documents, by judgment, court order or otherwise, shall in no way affect or limit any other provisions which shall remain in full force and effect.

13.6 Registration of Mailing Address. Each Owner shall, and each holder of a First Security Interest, insurer or guarantor of a Security Interest may register their mailing address with the Association, and except for assessment statements and other routing notices, all other notices or demands intended to be served upon an Owner or upon a holder of a First Security Interest, insurer or guarantor of a Security Interest, shall be either delivered to them or sent by first class mail, postage prepaid, addressed in the name of such person or entity at such registered mailing address. However, if any Owner fails to notify the Association of a registered address, any notice or demand may be delivered or sent, as aforesaid, to such Owner at the address of such Owner's Lot. All notices, demands or other notices intended to be served upon the Board or the Association shall be sent by registered or certified mail, postage prepaid, to the Association's manager or registered agent.

13.7 Indemnification. The Association shall indemnify every present and former director, officer, committee member, agent or employee against loss, costs and expenses, including attorney's fees, reasonably incurred in connection with any action, suit or proceeding in which such person may be made a party by reason of being, or having been, such director, officer, committee member, agent or employee of the Association, except for wanton or willful acts or omissions, or if such person shall be finally adjudged to be liable for any breach of the director's duty of loyalty to the Association or its Members, acts or omissions not in good faith, or which involve intentional misconduct or a knowing violation of law, or any transaction from which the director derived an improper personal benefit. Any such indemnification may be limited to, and paid out of, the insurance proceeds provided by an insurer furnishing Directors and Officers liability coverage, errors and omissions coverage, or similar protection and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles or public liability, property damage, medical and other similar coverage. In the event of an insurance settlement, the settlement shall be approved by the Board and paid by the insurance carrier out of the insurance proceeds.

13.8 Disclaimer Regarding Security. The Association may, but shall not be required to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. The Association, Declarant, any builder or any representative or agent of the foregoing shall in no way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that access gates constitute any form of security, and no representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will, in all cases, prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform all permitted users of the terms of this Section 13.8, and such permitted user and anyone within the Property assumes all risks for loss or damage to persons and to property resulting from acts or failure to act of third parties.

13.9 Assignment. Declarant may assign all or any part of the Special Declarant Rights or any of Declarant's other rights and reservations hereunder to any successor who takes title to all or part of the Property in a bulk purchase for the purpose of development and sale. Such successor will be identified, the particular rights being assigned will be specified, and, to the extent required, concomitant obligations will be expressly assumed by such successor, all in a written instrument duly recorded in the records of the Clerk and Recorder of Chaffee County, Colorado.

IN WITNESS WHEREOF, Adria L. Hooker subscribed her name this 11th day of August, 2005.

LITTLE RIVER RANCH, LLC

Adria L Hooker

By: Adria L. Hooker
Its: Manager

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 11th day of August, 2005, by Adria L. Hooker, as Manager of Little River Ranch, LLC.

Witness my hand and official seal.

NOTARY PUBLIC
Erika
Ray
STATE OF COLORADO

Erika Ray
Notary Public

My commission expires: 5/9/2006.

352897 8/24/2005 9:40 AM JOYCE M. RENO
33 of 37 COVE R$186.00 D$0.00 Chaffee County Clerk

EXHIBIT A
Legal Description of the Property

PARCEL A
All that certain tract or parcel of land being a portion of a tract which was called 880 acres and conveyed from Bailey Hutchinson, et al to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder [also know as Chaffee County Deed Records (CCDR)], also being a portion of the West Half of the Southwest Quarter (W½SW¼) of Section 11, and the East Half of the Southeast Quarter (E½SE¼) of Section 10, Township 49 North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado, said tract being more particularly described by metes and bounds as follows, to wit:
Beginning at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and the West ½ section corner of Section 11, said iron rod also being the southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al to Randy Guy Hatcher, by an instument of record as Reception No. 303387, CCDR;
thence South 88°44'54" East, 262.39 feet along the north line of the South Half (S½) of Section 11, and south line of the North Half (N½) of Section 11, to a 5/8 inch iron rod set for northeast corner;
thence departing said north line, South 01°15'08" West, 1068.07 feet to the intersection with the center of theSouth Arkansas River for southeast corner;
thence generally along the center of the South Arkansas River by the following courses:
first North 33°36'06" West 18.50 feet;
thence North 60°28'21" West 31.33 feet;
thence South 82°24'42" West 36.37 feet;
thence South 34°56'45" West 30.98 feet;
thence South 03°38'43" East 52.48 feet;
thence South 69°35'38" West 33.58 feet;
thence North 76°13'18" West 89.12 feet;
thence North 32°36'38" West 81.76 feet;
thence North 76°51'39" West 39.58 feet;
thence South 88°38'17" West 61.37 feet;
thence South 63°16'12" West 29.54 feet;
thence South 24°13'07" West 42.45 feet;
thence South 04°19'15" West 37.30 feet;
thence South 05°56'09" East 49.29 feet;
thence South 40°18'34" West 22.75 feet;
thence South 76°39'52" West 27.14 feet;
thence North 61°45'41" West 160.56 feet;
thence North 45°49'07" West 33.26 feet;
thence North 06°34'59" East 23.34 feet;
thence North 39°03'51" East 33.39 feet;
thence North 14°18'06" West 22.54 feet;
thence North 36°44'29" West 62.67 feet;
thence North 71°02'23" West 143.74 feet;
thence North 57°48'45" West 139.86 feet;
thence North 89°45'02" West 67.99 feet;
thence South 69°16'02' West 36.50 feet;
thence North 79°12'13" West 276.41 feet;
thence South 75°00'22" West 139.59 feet;
thence North 76°57'56" West 45.07 feet;
thence North 67°11'46" West 23.54 feet;

EXHIBIT A CONTINUED

thence North 40°48'40" West 26.79 feet;
thence North 27°38'29" West 36.91 feet;
thence North 56°27'48" West 29.33 feet;
thence North 85°34'57" West 35.20 feet;
thence South 78°46'08" West 29.96 feet to a point for southwest corner at the intersection with the West line of the E½SE¼ of Section 10, also being the east line of a tract which was called 75 acres Tract 10, and conveyed from Lawrence W. Bender and Christine Bender to Lawrence W. Bender, Christine Bender and Lillian A. Bender, by an instrument of record in Volume 505, Page 982, CCDR;
thence North 0°31'04" East 797.09 feet along the east line of said Bender tract to a fence corner post found marking the northeast corner of said Bender tract;
thence South 88°53'00" East along the north line of the S½ of Section 11, and the south line of the N½ of Section 11 at 1283.30 feet pass a 5/8 inch iron rod found at the southwest corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR), and continuing for a distance in all of 1323.23 feet to the place of beginning.
All that certain tract or parcel of land being a portion of a tract which was called 880 acres and conveyed from Bailey Hutchinson, et al to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder [also known as Chaffee County Deed Records (CCDR)], also being a portion of the East Half of the Southeast Quarter (E½SE¼) of Section 10, Township 49 North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado, said tract being more particularly described by metes and bounds as follows, to wit:
Beginning at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and the West ½ section corner of Section 11, said iron rod also being the southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al to Randy Guy Hatcher, by an instrument of record as Reception No. 303387, CCDR;
thence departing the north line of the S½ of Section 11, and the south line of the N½ of Section 11, South 0°18'42" West 40.00 feet along the common line of Sections 10 and 11, to a point for corner; thence departing said common line, North 88°53'00" West 1283.38 feet along a line 40 feet South of and parallel to the north line of the S½ of Section 11, and the south line of the N½ of Section 11, to a point for corner;
thence South 0°31'04" West 751.30 feet along a line 40 feet East of and parallel to the west line of the E½SE¼ of Section 10, also being the east line of a tract which was called 75 acre Tract 10, and conveyed from Lawrence W. Bender and Christine Bender to Lawrence W. Bender, Christine Bender and Lillian A. Bender, by an instrument of record in Volume 505, Page 982, CCDR, to a point for corner at the intersection with the center of the South Arkansas River;
thence North 85°34'57" West 10.69 feet along the center of said River to an angle point;
thence South 78°46'08" West 29.96 feet continuing along said River to a point for southwest corner at the intersection with the west line of the E½SE¼ of Section 10, also being the east line of said Bender tract;
thence North 0°31'04" East 797.09 feet along the east line of said Bender tract to a fence corner post found marking the northeast corner of said Bender tract;
thence South 88°53'00" East, along the north line of the S½ of Section 10, and the south line of the N½ of Section 10 at 1283.30 feet pass a 5/8 inch iron rod found at the southeast corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR), and continuing for a distance in all of 1323.23feet to the place of beginning.
SUBJECT TO all that certain tract or parcel of land being a portion of a tract which as called 880 acres and conveyed from Bailey Hutchinson, et al to Wendel F. Hutchinson, by an instument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder [also known as Chaffee County Deed Records (CCDR)], also being a portion of the West Half of the Southwest Quarter (W½SW¼) of Section 11, Township 49North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado, said tract being moreparticularly described by metes and bounds as follows, to wit:
Beginning at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and the West ½

EXHIBIT A CONTINUED

section corner of Section 11, said iron rod also being the southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al to Randy Guy Hatcher, by an instrument of record as Reception No. 303387, CCDR;
thence South 88°44'54" East 262.39 feet along the north line of the S½ of Section 11, and the south line of the N½ of Section 11, to a 5/8 inch iron rod set for northeast corner;
thence departing said north line, South 01°15'08" West 40.00 feet to a 5/8 inch iron rod set for southeast corner;
thence North 88°45'58" West 301.67 feet to a 5/8 inch iron rod set for southwest corner;
thence North 0°18'37" East 40.00 feet to a 5/8 inch iron rod found for northwest corner, also being the southwest corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR);
thence South 88°53'00" East 39.94 feet along the north line of the S½ of Section 11, and the south line of the N½ of Section 11, to the place of beginning.
TOGETHER WITH AND SUBJECT TO ADJUSTMENTS OR CHANGES as per Boundary Line Agreement filed August 27, 2001, at the Chaffee County Land Records at Reception No. 320154 and the Easement Agreement filed August 27, 2001, at Reception No. 320155 and Easement Agreement recorded March 6, 2001 at Reception No. 316435.

PARCEL B
All that certain tract or parcel containing 35.0 acres of land being a portion of tract which was called 880 acres and conveyed from Bailey Hutchinson, et al, to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder (also know as the Chaffee County Deed Records-CDDR), also being a portion of the West ½ of the Southwest ¼ of Section 11, and the North ½ of the Northwest ¼ of Section 14, Township 49 North, Range 8 East of the New Mexico Principal Meridian, in Chaffee County, Colorado, said 35.0 acres being more particularly described by metes and bounds as follows, to wit;

COMMENCING FOR REFERENCE at a 5/8 inch iron rod found marker the East ½ section corner of Section 10, and West ½ section corner of Section 11, said iron rod also being the Southeast corner of a 40 foot roadway and utility easement Granted by Wendel F. Hutchinson, et al, to Randy Guy Hatcher, by an instrument of record at Reception No. 303387, CCDR.
thence South 88°44'54" East 262.39 feet along the North line of the South ½ of Section 11, and South line of the North ½ of Section 11, to a 5/8 inch iron rod set for the Northwest corner and Place of Beginning of the tract herein described;
thence continuing South 88°44'54" East, 1055.88 feet to a fence corner post found for Northeast corner, lying in the East line of the West ½ of the Southwest ¼ of Section 11, also being the West line of a tract which was conveyed from Michael David Denison and Belda Jo Denison to Nancy L. Kearly, by an instrument of record as Reception No. 293945, CCDR;
thence South 0°17'06" West 486.75 feet along the West line of said Kearly tract and East line of the West ½ of the Southwest ¼ of Section 11, to the intersection whith the South Arkansas River, being the Southwest corner of said Kearly tract and Northwest corner a tract which was conveyed from W. Drake Patterson to Jorian C. Sartorius and Mara Sartorial, by an instrument of record in Volume 554 at Page 515 (Reception No. 276423) CCDR.
thence South 0°58'11" West along the West line of said Sartorius tract and East line of the West ½ of the Southwest ¼ of Section 11, at 15 feet past a 5/8 inch iron rod with washers (reference) found, at 909.42 feet past a 5/8 inch iron rod with washers found marking the Southwest corner of said Sartoius tract, and continuing for a distance in all of 959.73 feet to a 5/8 inch iron rod set for Southeast corner;
thence departing the East line of the West ½ of the Southwest ¼ of Section 11, North 87°16'01" West, 1069.19 feet to a 5/8 inch iron rod set for Southwest corner;
thence North 01°15'08" East, at 350.69 feet past the center of the Arkansas River, and continuing for a

EXHIBIT A CONTINUED

distance in all 1418.76 feet to the Place of Beginning and containing 35.0 acres of land, more or less. This description is accompanied by a certified plat prepared under the same job number as a part of this professional service.

TOGETHER, with a roadway and utility easement for ingress and egress across the East 40 feet of the Southeast Quarter of the Northeast Quarter (SE¼NE¼) of Section 10, Township 49 North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado being described as follows: Commencing at a point on the Southerly boundary of U.S. Highway No. 50 from whence the Southwest corner of Section 11, Township 49 North, Range 8 East of the New Mexico Principal Meridian bears South 18°14'30" West 4184.40 feet;

thence along said southerly boundary of U.S. Highway No. 50 first, South 79°00'06" West 1299.70 feet to a highway right-of-way marker Station No. 2082+00 (brass cap);

thence North 82°25'10" West 107.20 feet;

thence South 79°04'26" West 42.80 feet to the point of beginning of the tract herein described;

thence proceeding around said tract South 00°18'42" West along the line between Sections 10 and 11 as is fenced 1094.21 feet;

thence North 89°10'40" West along the South boundary of said Southeast Quarter of the Northeast Quarter (SE¼NE¼) of Section 10 as is fenced 40.00 feet;

thence North 00°18'42" East parallel to said line between Sections 10 and 11 as is fenced 1086.08 feet, more or less, to the Southerly boundary of U.S. Highway No. 50;

thence North 79°04'26" East along said Southerly boundary 40.75 feet to the point of beginnig.

TOGETHER WITH all that certain tract or parcel containing 0.278 acre of land being a portion of tract which was called 880 acres and conveyed from Bailey Hutchinson, et al, to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder (also known as the Chaffee County Deed Records, CCDR), also being a portion of the West Half of the Southwest Quarter (W½SW¼) of Section 11, Township 49 North, Range 8 East of the New Mexico Principal Meridian, in Chaffee County, Colorado, said 0.278 acre being more particularly described by metes and bounds as follows to wit:

BEGINNING at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and West ½ section corner of Section 11, said iron rod also being the Southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al, to Randy Guy Hatcher, by an instrument of record at Reception No. 303387, CCDR;

thence South 88°44'54" East 262.39 feet along the North line of the South ½ of Section 11, and South line of the North ½ of Section 11, to a 5/8 inch iron rod set for Northeast corner;

thence departing said North line, South 01°15'08" West, 40.00 feet to a 5/8 inch iron rod set for Southeast corner;

thence North 88°45'58" West, 301.67 feet to a 5/8 inch iron rod set for Southwest corner;

thence North 0°18'37" East, 40.00 feet to a 5/8 inch iron rod found for Northwest corner, also being the Southwest corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR);

thence South 88°53'00" East, 39.94 feet along the North line of the South ½ of Section 11, and South line of the North ½ of Section 11, to the PLACE OF BEGINNING and containing 0.278 acre of land, more or less. This description is accompanied by a certified plat prepared under the same job number as a part of this professional service.

Known as Little River Ranch Phase 1, 2 and 3.

352897 8/24/2005 9:40 AM JOYCE M. RENO
37 of 37 COVE R$186.00 D$0.00 Chaffee County Clerk

EXHIBIT B
Legal Description of Expansion Property

Parcel 7 and Parcel 8 of "THE CANYONS – Lot Split" per Plat recorded August 7, 2001 as Reception No. 320156 Chaffee County, Colorado.

ANNEXATION TO DECLARATION OF PROTECTIVE COVENANTS FOR LITTLE RIVER RANCH

This Annexation to the Declaration of Protective Covenants ("Annexation") is executed this 29th day of October, 2007 by Little River Ranch, LLC, a Colorado Limited Liability Company ("Declarant").

RECITALS:

A. Declarant executed that certain Declaration of Protective Covenants for Little River Ranch dated August 11, 2005 and recorded August 24, 2005 at Reception #352897 in the records of the Clerk and Recorders Office in Chaffee County, Colorado ("Initial Covenants").

B. Declarant executed that certain First Supplement of Declaration of Protective Covenants for Little River Ranch dated September 18, 2006 and recorded September 21, 2006 at Reception #361500 in the records of the Clerk and Recorders Office in Chaffee County, Colorado ("First Supplement").

C. Declarant executed that certain Second Supplement of Declaration of Protective Covenants for Little River Ranch dated November 21, 2006 and recorded January 11, 2007 at Reception #363894 in the records of the Clerk and Recorders Office in Chaffee County, Colorado ("Second Supplement").

D. The Initial Covenants, First Supplement, and Second Supplement bind, inure, govern and affect the real property known as Little River Ranch Phase 1, 2, and 3 (Lots 1-84) according to the plat recorded March 29, 2005 at Reception #349843 in the records of the Clerk and Recorders Office in Chaffee County, Colorado.

E. The Initial Covenants, First Supplement, and Second Supplement shall hereinafter be collectively referred to as the "Covenants".

F. The Declarant desires to file this Annexation to supplement and amend the Covenants.

NOW THEREFORE, the Covenants are supplemented and amended by this Annexation as follows:

1. The Recitals are incorporated herein by reference.

2. Pursuant to Article X of the Covenants, the Expansion Property, as defined therein and more particularly described on Exhibit A attached hereto and incorporated herein, is hereby annexed into the Covenants as if fully set forth in the Covenants. All other terms and conditions of the Covenants are incorporated herein by reference as if set out in detail herein.

3. The Declarant, as defined in Article 2.10 shall be expanded to include Little River Ranch, LLC, a Colorado limited liability company <u>and</u> Little River Ranch, Inc., a Colorado corporation, or their successors or assigns, as acknowledged by their signatures below.

4. The Property, when referred to in the Covenants, shall include the Expansion Property incorporated herein by Annexation. The Plat, when referred to in the Covenants shall also include the supplemental plat to be recorded for the Expansion Property, entitled Little River Ranch II, and to be known as Little River Ranch Phase 4, 5, and 6 (Lots 85-157), including any Common Areas.

5. Lot or Lots, when referred to in the Covenants, shall mean Lots 1- 157, unless the provision specifically states otherwise.

6. The Common Areas, as described in Article 3.4, shall be expanded to include Lots F, G, H, I, K and L, all as shown on the supplemental plat to be recorded for the Expansion Property.

7. All references to the word "Covenants" in the Initial Covenants shall hereafter be deemed to refer to the Initial Covenants, First Supplement, Second Supplement <u>and</u> this Annexation.

8. The Initial Covenants are hereby amended for Lots 85-157 as follows:

5.2 <u>Residential Use of Lots.</u>
(B) The term "home occupations" shall be replaced with "in-home small businesses."

5.9 <u>Drainage.</u> No Owner will do or permit any work, place any landscaping or install any other Improvements or suffer the existence of any condition whatsoever which will alter or interfere with the drainage pattern for the Lot, except to the extent such alteration and drainage pattern is approved in writing by the Committee or the Board and the Town of Poncha Springs, and except for the rights reserved to Declarant to alter or change drainage patterns.

6.1 <u>Low Pressure Sewer Line.</u> The low pressure sewer line, which serves portions of the Property shall be owned and maintained by Declarant until such time as the Town of Poncha Springs accepts said sewer line. Owners shall be responsible for installation and maintenance of the grinder pump and service line from their residence to the main sewer line, which shall be installed in accordance with Rules established by the Board. Only E-One grinder pumps and approved parts may be installed on the wastewater system, unless alternate manufacturers are specifically approved by the Town of Poncha Springs.

10.3 <u>Reservation of Withdrawal Rights.</u> The section shall not apply.

9. Except as otherwise provided herein, the Initial Covenants shall remain in full force and effect and Declarant hereby ratifies and reaffirms the same.

IN WITNESS WHEREOF, the Declarant has executed this Annexation as of the date provided above.

LITTLE RIVER RANCH, LLC

Adria L Robinson

By: Adria L. Robinson, Manager

NOTARY PUBLIC Erika Ray STATE OF COLORADO

State of Colorado)
) ss.
County of El Paso)

The foregoing instrument was acknowledged before me this 29 day of October, 2007 by Adria L. Robinson, as Manager of Little River Ranch, LLC.

Witness my hand and official seal. My commission expires: May 9, 2010

Erika Ray

Notary Public

LITTLE RIVER RANCH, INC.

By: David Martin, President

NOTARY PUBLIC Erika Ray STATE OF COLORADO

State of Colorado)
) ss.
County of El Paso)

The foregoing instrument was acknowledged before me this 29 day of October, 2007 by David Martin, as President of Little River Ranch, Inc.

Witness my hand and official seal. My commission expires: May 9, 2010

Erika Ray

Notary Public

EXHIBIT A
Legal Description of the Expansion Property

Parcel 7 and Parcel 8 of "THE CANYONS – Lot Split" per Plat recorded August 7, 2001 as Reception No. 320156 in the records of the Chaffee County, Colorado clerk and recorders office. Upon recordation of the plat entitled Little River Ranch II, the Expansion Property will be more commonly known as Little River Ranch Phase 4, 5, and 6 (Lots 85-157), including all Common Areas included therein.

361500 9/21/2006 1:21 PM JOYCE M. RENO
1 of 2 SUPP R$11.00 D$0.00 Chaffee County Clerk

MAY 1 '09 AM 9:13

380747 5/1/2009 9:13 AM JOYCE M. RENO
1 of 6 COV R$31.00 D$0.00 Chaffee County Clerk

FIRST SUPPLEMENT OF DECLARATION OF PROTECTIVE COVENANTS FOR LITTLE RIVER RANCH

This first Supplemental Declaration of Protective Covenants ("First Supplemental") is executed this 18th day of September, 2006 by Little River Ranch, LLC, a Colorado Limited Liability Company ("Declarant").

RECITALS:

A. Declarant executed that certain Declaration of Protective Covenants for Little River Ranch dated August 11, 2005 and recorded at Reception #352897 in the records of the Clerk and Recorders Office in Chaffee County, Colorado ("Initial Covenants").

B. The Initial Covenants bind, inure, govern and affect the real property located in Chaffee County, known as Little River Ranch, as more particularly described on Exhibit A attached hereto and incorporated herein ("Property").

C. The Declarant desires to file this First Supplement to supplement and amend the Initial Covenants.

re-record to attach legal description

NOW THEREFORE, the Initial Covenants are amended and supplemented by this First Supplement as follows:

1. The Recitals are incorporated herein by reference.

2. The Initial Covenants are hereby amended to revise Section 7.3 as follows:

7.3 Special Assessments.

A. Determination by Board. The Board may levy in any fiscal year one (1) or more Special Assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described existing capital improvement upon the Common Areas and private roads, including the necessary fixtures and personal property related thereto, or after adopting and submitting a revised budget to the Association to make up any shortfall in the current year's budget. In addition to the foregoing, a Special Assessment may include a Common Expense attributable to fewer than all Lots as follows:

i. Any insurance premium increase attributable to a particular Lot by virtue of activities in, or construction of, the Lot shall be assessed against that Lot.

ii. Each Owner will reimburse the Association for any damages to the Common Areas caused intentionally, negligently or by the failure to properly maintain, repair or make replacements to a Lot, including drainage. If a Common Expense is caused by the misconduct of an Owner, the Association may charge the Owner for such Common Expense, and assess that expense exclusively against that Owner's Lot.

iii. Fees, charges, late charges, attorney's fees, taxes, impositions, fines, collection costs and interest charged against an Owner pursuant to the Association Documents and Colorado law may be assessed against that Owner's Lots as Common Expense Assessments.

iv. Any Common Expense benefitting fewer than all of the Lots may be assessed exclusively against the Lots benefitted, including without limitation the Lots appurtenant to the driveway bridge improvements within the Common Areas.

B. Approval by Association. Proposals for Special Assessments relating to a new capital improvement must be presented to the Association at the Annual Meeting or a Special Meeting of the Members as defined in the Association Documents, and shall require a vote of approval of no less that sixty-seven percent (67%) of the Owners of all Lots in order to be levied.

C. Notice. Notice of the amount and due dates for such Special Assessments must be sent to each Owner at least thirty (30) days prior to the due date.

3. All references to the word "Covenants" in the Initial Covenants shall hereafter be deemed to refer to the Initial Covenants and this First Supplement.

4. Except as otherwise provided herein, the Initial Covenants shall remain in full force and effect and Declarant hereby ratifies and reaffirms the same.

IN WITNESS WHEREOF, the Declarant has executed this First Supplement as of the date provided above.

LITTLE RIVER RANCH, LLC

Adria L Robinson

By: Adria L. Robinson
Its: Manager

State of Colorado)
) ss.
County of El Paso)

The foregoing instrument was acknowledged before me this 18th day of September, 2006 by Adria L. Robinson, as Manager of Little River Ranch, LLC.

Witness my hand and official seal.

My commission expires: 5/9/2010

Erika Ray

Notary Public

NOTARY PUBLIC
Erika Ray
STATE OF COLORADO

EXHIBIT A
LEGAL DECRIPTION OF PROPERTY

PARCEL A
All that certain tract or parcel of land being a portion of a tract which was called 880 acres and conveyed from Bailey Hutchinson, et al to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder [also know as Chaffee County Deed Records (CCDR)], also being a portion of the West Half of the Southwest Quarter (W½SW¼) of Section 11, and the East Half of the Southeast Quarter (E½SE¼) of Section 10, Township 49 North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado, said tract being more particularly described by metes and bounds as follows, to wit:
Beginning at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and the West ½ section corner of Section 11, said iron rod also being the southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al to Randy Guy Hatcher, by an instument of record as Reception No. 303387, CCDR;
thence South 88°44'54" East, 262.39 feet along the north line of the South Half (S½) of Section 11, and south line of the North Half (N½) of Section 11, to a 5/8 inch iron rod set for northeast corner;
thence departing said north line, South 01°15'08" West, 1068.07 feet to the intersection with the center of theSouth Arkansas River for southeast corner;
thence generally along the center of the South Arkansas River by the following courses:
first North 33°36'06" West 18.50 feet;
thence North 60°28'21" West 31.33 feet;
thence South 82°24'42" West 36.37 feet;
thence South 34°56'45" West 30.98 feet;
thence South 03°38'43" East 52.48 feet;
thence South 69°35'38" West 33.58 feet;
thence North 76°13'18" West 89.12 feet;
thence North 32°36'38" West 81.76 feet;
thence North 76°51'39" West 39.58 feet;
thence South 88°38'17" West 61.37 feet;
thence South 63°16'12" West 29.54 feet;
thence South 24°13'07" West 42.45 feet;
thence South 04°19'15" West 37.30 feet;
thence South 05°56'09" East 49.29 feet;
thence South 40°18'34" West 22.75 feet;
thence South 76°39'52" West 27.14 feet;
thence North 61°45'41" West 160.56 feet;
thence North 45°49'07" West 33.26 feet;
thence North 06°34'59" East 23.34 feet;
thence North 39°03'51" East 33.39 feet;
thence North 14°18'06" West 22.54 feet;
thence North 36°44'29" West 62.67 feet;
thence North 71°02'23" West 143.74 feet;
thence North 57°48'45" West 139.86 feet;
thence North 89°45'02" West 67.99 feet;
thence South 69°16'02' West 36.50 feet;
thence North 79°12'13" West 276.41 feet;
thence South 75°00'22" West 139.59 feet;
thence North 76°57'56" West 45.07 feet;
thence North 67°11'46" West 23.54 feet;
thence North 40°48'40" West 26.79 feet;
thence North 27°38'29" West 36.91 feet;
thence North 56°27'48" West 29.33 feet;
thence North 85°34'57" West 35.20 feet;

thence South 78°46'08" West 29.96 feet to a point for southwest corner at the intersection with the West line of the E½SE¼ of Section 10, also being the east line of a tract which was called 75 acres Tract 10, and conveyed from Lawrence W. Bender and Christine Bender to Lawrence W. Bender, Christine Bender and Lillian A. Bender, by an instrument of record in Volume 505, Page 982, CCDR;

thence North 0°31'04" East 797.09 feet along the east line of said Bender tract to a fence corner post found marking the northeast corner of said Bender tract;

thence South 88°53'00" East along the north line of the S½ of Section 11, and the south line of the N½ of Section 11 at 1283.30 feet pass a 5/8 inch iron rod found at the southwest corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR), and continuing for a distance in all of 1323.23 feet to the place of beginning.

All that certain tract or parcel of land being a portion of a tract which was called 880 acres and conveyed from Bailey Hutchinson, et al to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder [also known as Chaffee County Deed Records (CCDR)], also being a portion of the East Half of the Southeast Quarter (E½SE¼) of Section 10, Township 49 North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado, said tract being more particularly described by metes and bounds as follows, to wit:

Beginning at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and the West ½ section corner of Section 11, said iron rod also being the southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al to Randy Guy Hatcher, by an instrument of record as Reception No. 303387, CCDR;

thence departing the north line of the S½ of Section 11, and the south line of the N½ of Section 11, South 0°18'42" West 40.00 feet along the common line of Sections 10 and 11, to a point for corner; thence departing said common line, North 88°53'00" West 1283.38 feet along a line 40 feet South of and parallel to the north line of the S½ of Section 11, and the south line of the N½ of Section 11, to a point for corner; thence South 0°31'04" West 751.30 feet along a line 40 feet East of and parallel to the west line of the E½SE¼ of Section 10, also being the east line of a tract which was called 75 acre Tract 10, and conveyed from Lawrence W. Bender and Christine Bender to Lawrence W. Bender, Christine Bender and Lillian A. Bender, by an instrument of record in Volume 505, Page 982, CCDR, to a point for corner at the intersection with the center of the South Arkansas River;

thence North 85°34'57" West 10.69 feet along the center of said River to an angle point;

thence South 78°46'08" West 29.96 feet continuing along said River to a point for southwest corner at the intersection with the west line of the E½SE¼ of Section 10, also being the east line of said Bender tract;

thence North 0°31'04" East 797.09 feet along the east line of said Bender tract to a fence corner post found marking the northeast corner of said Bender tract;

thence South 88°53'00" East, along the north line of the S½ of Section 10, and the south line of the N½ of Section 10 at 1283.30 feet pass a 5/8 inch iron rod found at the southeast corner of the aforementioned 40 footroadway and utility easement (Reception No. 303387, CCDR), and continuing for a distance in all of 1323.23feet to the place of beginning.

SUBJECT TO all that certain tract or parcel of land being a portion of a tract which as called 880 acres and conveyed from Bailey Hutchinson, et al to Wendel F. Hutchinson, by an instument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder [also known as Chaffee County Deed Records (CCDR)], also being a portion of the West Half of the Southwest Quarter (W½SW¼) of Section 11, Township 49North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado, said tract being moreparticularly described by metes and bounds as follows, to wit:

Beginning at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and the West ½ section corner of Section 11, said iron rod also being the southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al to Randy Guy Hatcher, by an instrument of record as Reception No. 303387, CCDR;

thence South 88°44'54" East 262.39 feet along the north line of the S½ of Section 11, and the south line of the N½ of Section 11, to a 5/8 inch iron rod set for northeast corner;

thence departing said north line, South 01°15'08" West 40.00 feet to a 5/8 inch iron rod set for southeast corner;
thence North 88°45'58" West 301.67 feet to a 5/8 inch iron rod set for southwest corner;
thence North 0°18'37" East 40.00 feet to a 5/8 inch iron rod found for northwest corner, also being the southwest corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR);
thence South 88°53'00" East 39.94 feet along the north line of the S½ of Section 11, and the south line of the N½ of Section 11, to the place of beginning.
TOGETHER WITH AND SUBJECT TO ADJUSTMENTS OR CHANGES as per Boundary Line Agreement filed August 27, 2001, at the Chaffee County Land Records at Reception No. 320154 and the Easement Agreement filed August 27, 2001, at Reception No. 320155 and Easement Agreement recorded March 6, 2001 at Reception No. 316435.

PARCEL B
All that certain tract or parcel containing 35.0 acres of land being a portion of tract which was called 880 acres and conveyed from Bailey Hutchinson, et al, to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder (also know as the Chaffee County Deed Records-CDDR), also being a portion of the West ½ of the Southwest ¼ of Section 11, and the North ½ of the Northwest ¼ of Section 14, Township 49 North, Range 8 East of the New Mexico Principal Meridian, in Chaffee County, Colorado, said 35.0 acres being more particularly described by metes and bounds as follows, to wit;

COMMENCING FOR REFERENCE at a 5/8 inch iron rod found marker the East ½ section corner of Section 10, and West ½ section corner of Section 11, said iron rod also being the Southeast corner of a 40 foot roadway and utility easement Granted by Wendel F. Hutchinson, et al, to Randy Guy Hatcher, by an instrument of record at Reception No. 303387, CCDR.
thence South 88°44'54" East 262.39 feet along the North line of the South ½ of Section 11, and South line of the North ½ of Section 11, to a 5/8 inch iron rod set for the Northwest corner and Place of Beginning of the tract herein described;
thence continuing South 88°44'54" East, 1055.88 feet to a fence corner post found for Northeast corner, lying in the East line of the West ½ of the Southwest ¼ of Section 11, also being the West line of a tract which was conveyed from Michael David Denison and Belda Jo Denison to Nancy L. Kearly, by an instrument of record as Reception No. 293945, CCDR;
thence South 0°17'06" West 486.75 feet along the West line of said Kearly tract and East line of the West ½ of the Southwest ¼ of Section 11, to the intersection whith the South Arkansas River, being the Southwest corner of said Kearly tract and Northwest corner a tract which was conveyed from W. Drake Patterson to Jorian C. Sartorius and Mara Sartorial, by an instrument of record in Volume 554 at Page 515 (Reception No. 276423) CCDR.
thence South 0°58'11" West along the West line of said Sartorius tract and East line of the West ½ of the Southwest ¼ of Section 11, at 15 feet past a 5/8 inch iron rod with washers (reference) found, at 909.42 feet past a 5/8 inch iron rod with washers found marking the Southwest corner of said Sartoius tract, and continuing for a distance in all of 959.73 feet to a 5/8 inch iron rod set for Southeast corner;
thence departing the East line of the West ½ of the Southwest ¼ of Section 11, North 87°16'01" West, 1069.19 feet to a 5/8 inch iron rod set for Southwest corner;
thence North 01°15'08" East, at 350.69 feet past the center of the Arkansas River, and continuing for a distance in all 1418.76 feet to the Place of Beginning and containing 35.0 acres of land, more or less. This description is accompanied by a certified plat prepared under the same job number as a part of this professional service.
TOGETHER, with a roadway and utility easement for ingress and egress across the East 40 feet of the Southeast Quarter of the Northeast Quarter (SE¼NE¼) of Section 10, Township 49 North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado being described as follows: Commencing at a point on the Southerly boundary of U.S. Highway No. 50 from whence the Southwest corner of Section 11, Township 49 North, Range 8 East of the New Mexico Principal Meridian bears South 18°14'30" West 4184.40 feet;

thence along said southerly boundary of U.S. Highway No. 50 first, South 79°00'06" West 1299.70 feet to a highway right-of-way marker Station No. 2082+00 (brass cap);
thence North 82°25'10" West 107.20 feet;
thence South 79°04'26" West 42.80 feet to the point of beginning of the tract herein described;
thence proceeding around said tract South 00°18'42" West along the line between Sections 10 and 11 as is fenced 1094.21 feet;
thence North 89°10'40" West along the South boundary of said Southeast Quarter of the Northeast Quarter (SE¼NE¼) of Section 10 as is fenced 40.00 feet;
thence North 00°18'42" East parallel to said line between Sections 10 and 11 as is fenced 1086.08 feet, more or less, to the Southerly boundary of U.S. Highway No. 50;
thence North 79°04'26" East along said Southerly boundary 40.75 feet to the point of beginnig.
TOGETHER WITH all that certain tract or parcel containing 0.278 acre of land being a portion of tract which was called 880 acres and conveyed from Bailey Hutchinson, et al, to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder (also known as the Chaffee County Deed Records, CCDR), also being a portion of the West Half of the Southwest Quarter
(W½SW¼) of Section 11, Township 49 North, Range 8 East of the New Mexico Principal Meridian, in Chaffee County, Colorado, said 0.278 acre being more particularly described by metes and bounds as follows to wit:
BEGINNING at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and West ½ section corner of Section 11, said iron rod also being the Southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al, to Randy Guy Hatcher, by an instrument of record at Reception No. 303387, CCDR;
thence South 88°44'54" East 262.39 feet along the North line of the South ½ of Section 11, and South line of the North ½ of Section 11, to a 5/8 inch iron rod set for Northeast corner;
thence departing said North line, South 01°15'08" West, 40.00 feet to a 5/8 inch iron rod set for Southeast corner;
thence North 88°45'58" West, 301.67 feet to a 5/8 inch iron rod set for Southwest corner;
thence North 0°18'37" East, 40.00 feet to a 5/8 inch iron rod found for Northwest corner, also being the Southwest corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR);
thence South 88°53'00" East, 39.94 feet along the North line of the South ½ of Section 11, and South line of the North ½ of Section 11, to the PLACE OF BEGINNING and containing 0.278 acre of land, more or less. This description is accompanied by a certified plat prepared under the same job number as a part of this professional service.

Known as Little River Ranch Phase 1, 2 and 3.

SECOND SUPPLEMENT OF DECLARATION OF PROTECTIVE COVENANTS FOR LITTLE RIVER RANCH

This Second Supplemental Declaration of Protective Covenants ("Second Supplemental") is executed this 21st day of November, 2006 by Little River Ranch, LLC, a Colorado Limited Liability Company ("Declarant").

RECITALS:

A. Declarant executed that certain Declaration of Protective Covenants for Little River Ranch dated August 11, 2005 and recorded at Reception #352897 in the records of the Clerk and Recorders Office in Chaffee County, Colorado ("Initial Covenants").

B. Declarant executed that certain First Supplement of Declaration of Protective Covenants for Little River Ranch dated September 18, 2006 and recorded at Reception #361500 in the records of the Clerk and Recorders Office in Chaffee County, Colorado ("First Supplement")

C. The Initial Covenants and First Supplement bind, inure, govern and affect the real property located in Chaffee County, known as Little River Ranch, as more particularly described on Exhibit A attached hereto and incorporated herein ("Property").

D. The Declarant desires to file this Second Supplement to supplement and amend the Initial Covenants.

NOW THEREFORE, the Initial Covenants and First Supplement are amended and supplemented by this Second Supplement as follows:

1. The Recitals are incorporated herein by reference.

2. The Initial Covenants are hereby amended to add Section 5.21.

   5.21. <u>Propane Gas</u>. All propane service installations shall be placed underground. Owner shall be responsible for installation and maintenance of service lines from the main propane gas system to their residence, including appropriate gas piping and connection stubs. All water heaters, central heating and/or furnaces, fireplaces and cook tops in any Dwelling Unit shall be designed for service by propane gas, except that wood-burning fireplaces will be allowed so long as they are either plumbed for gas log sets or contain a gas starter. Additionally, all Dwelling Units shall be plumbed to accommodate gas dryers. No propane gas tank may be maintained on any Lot except: (i) the propane tank(s) to be maintained by HBH pursuant to the Propane Agreement; and (ii) personal portable propane tanks not exceeding thirty (30) lbs. Owners' submittal to the Design Review Committee for the construction of Improvements shall include plumbing for propane gas as referenced above. Should an Owner elect not to connect to the central propane system, Owner shall be required to pay an opt out fee of four thousand dollars ($4,000) per Dwelling Unit to HBH Systems II, LP or its assignee. Such payment is required at the time of the Design Review Committee's approval of submittal.

3. All references to the word "Covenants" in the Initial Covenants shall hereafter be deemed to refer to the Initial Covenants, First Supplement <u>and</u> this Second Supplement.

4. Except as otherwise provided herein, the Initial Covenants shall remain in full force and effect and Declarant hereby ratifies and reaffirms the same.

IN WITNESS WHEREOF, the Declarant has executed this Second Supplement as of the date provided above.

LITTLE RIVER RANCH, LLC

Adria L Robinson

By: Adria L. Robinson
Its: Manager

State of Colorado)
) ss.
County of El Paso)

The foregoing instrument was acknowledged before me this 21st day of November 2006 by Adria L. Robinson, as Manager of Little River Ranch, LLC.

Witness my hand and official seal.

NOTARY PUBLIC
Erika
Ray
STATE OF COLORADO

My commission expires: 5/9/2010

Erika Ray
Notary Public

ACKNOWLEDGED AND AGREED:

HBH SYSTEMS II, LLC
a Texas Limited Liability Company

By: Harris M. Baker
Its: President

EXHIBIT A
Legal Description of the Property

PARCEL A
All that certain tract or parcel of land being a portion of a tract which was called 880 acres and conveyed from Bailey Hutchinson, et al to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder [also know as Chaffee County Deed Records (CCDR)], also being a portion of the West Half of the Southwest Quarter (W½SW¼) of Section 11, and the East Half of the Southeast Quarter (E½SE¼) of Section 10, Township 49 North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado, said tract being more particularly described by metes and bounds as follows, to wit:
Beginning at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and the West ½ section corner of Section 11, said iron rod also being the southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al to Randy Guy Hatcher, by an instrument of record as Reception No. 303387, CCDR;
thence South 88°44'54" East, 262.39 feet along the north line of the South Half (S½) of Section 11, and south line of the North Half (N½) of Section 11, to a 5/8 inch iron rod set for northeast corner;
thence departing said north line, South 01°15'08" West, 1068.07 feet to the intersection with the center of the South Arkansas River for southeast corner;
thence generally along the center of the South Arkansas River by the following courses:
first North 33°36'06" West 18.50 feet;
thence North 60°28'21" West 31.33 feet;
thence South 82°24'42" West 36.37 feet;
thence South 34°56'45" West 30.98 feet;
thence South 03°38'43" East 52.48 feet;
thence South 69°35'38" West 33.58 feet;
thence North 76°13'18" West 89.12 feet;
thence North 32°36'38" West 81.76 feet;
thence North 76°51'39" West 39.58 feet;
thence South 88°38'17" West 61.37 feet;
thence South 63°16'12" West 29.54 feet;
thence South 24°13'07" West 42.45 feet;
thence South 04°19'15" West 37.30 feet;
thence South 05°56'09" East 49.29 feet;
thence South 40°18'34" West 22.75 feet;
thence South 76°39'52" West 27.14 feet;
thence North 61°45'41" West 160.56 feet;
thence North 45°49'07" West 33.26 feet;
thence North 06°34'59" East 23.34 feet;
thence North 39°03'51" East 33.39 feet;
thence North 14°18'06" West 22.54 feet;
thence North 36°44'29" West 62.67 feet;
thence North 71°02'23" West 143.74 feet;
thence North 57°48'45" West 139.86 feet;
thence North 89°45'02" West 67.99 feet;
thence South 69°16'02' West 36.50 feet;
thence North 79°12'13" West 276.41 feet;
thence South 75°00'22" West 139.59 feet;
thence North 76°57'56" West 45.07 feet;
thence North 67°11'46" West 23.54 feet;

EXHIBIT A CONTINUED

thence North 40°48'40" West 26.79 feet;
thence North 27°38'29" West 36.91 feet;
thence North 56°27'48" West 29.33 feet;
thence North 85°34'57" West 35.20 feet;
thence South 78°46'08" West 29.96 feet to a point for southwest corner at the intersection with the West line of the E½SE¼ of Section 10, also being the east line of a tract which was called 75 acres Tract 10, and conveyed from Lawrence W. Bender and Christine Bender to Lawrence W. Bender, Christine Bender and Lillian A. Bender, by an instrument of record in Volume 505, Page 982, CCDR;
thence North 0°31'04" East 797.09 feet along the east line of said Bender tract to a fence corner post found marking the northeast corner of said Bender tract;
thence South 88°53'00" East along the north line of the S½ of Section 11, and the south line of the N½ of Section 11 at 1283.30 feet pass a 5/8 inch iron rod found at the southwest corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR), and continuing for a distance in all of 1323.23 feet to the place of beginning.
All that certain tract or parcel of land being a portion of a tract which was called 880 acres and conveyed from Bailey Hutchinson, et al to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder [also known as Chaffee County Deed Records (CCDR)], also being a portion of the East Half of the Southeast Quarter (E½SE¼) of Section 10, Township 49 North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado, said tract being more particularly described by metes and bounds as follows, to wit:
Beginning at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and the West ½ section corner of Section 11, said iron rod also being the southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al to Randy Guy Hatcher, by an instrument of record as Reception No. 303387, CCDR;
thence departing the north line of the S½ of Section 11, and the south line of the N½ of Section 11, South 0°18'42" West 40.00 feet along the common line of Sections 10 and 11, to a point for corner; thence departing said common line, North 88°53'00" West 1283.38 feet along a line 40 feet South of and parallel to the north line of the S½ of Section 11, and the south line of the N½ of Section 11, to a point for corner;
thence South 0°31'04" West 751.30 feet along a line 40 feet East of and parallel to the west line of the E½SE¼ of Section 10, also being the east line of a tract which was called 75 acre Tract 10, and conveyed from Lawrence W. Bender and Christine Bender to Lawrence W. Bender, Christine Bender and Lillian A. Bender, by an instrument of record in Volume 505, Page 982, CCDR, to a point for corner at the intersection with the center of the South Arkansas River;
thence North 85°34'57" West 10.69 feet along the center of said River to an angle point;
thence South 78°46'08" West 29.96 feet continuing along said River to a point for southwest corner at the intersection with the west line of the E½SE¼ of Section 10, also being the east line of said Bender tract;
thence North 0°31'04" East 797.09 feet along the east line of said Bender tract to a fence corner post found marking the northeast corner of said Bender tract;
thence South 88°53'00" East, along the north line of the S½ of Section 10, and the south line of the N½ of Section 10 at 1283.30 feet pass a 5/8 inch iron rod found at the southeast corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR), and continuing for a distance in all of 1323.23feet to the place of beginning.
SUBJECT TO all that certain tract or parcel of land being a portion of a tract which as called 880 acres and conveyed from Bailey Hutchinson, et al to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder [also known as Chaffee County Deed Records (CCDR)], also being a portion of the West Half of the Southwest Quarter (W½SW¼) of Section 11, Township 49North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado, said tract being more particularly described by metes and bounds as follows, to wit:

EXHIBIT A CONTINUED

Beginning at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and the West ½ section corner of Section 11, said iron rod also being the southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al to Randy Guy Hatcher, by an instrument of record as Reception No. 303387, CCDR;
thence South 88°44'54" East 262.39 feet along the north line of the S½ of Section 11, and the south line of the N½ of Section 11, to a 5/8 inch iron rod set for northeast corner;
thence departing said north line, South 01°15'08" West 40.00 feet to a 5/8 inch iron rod set for southeast corner;
thence North 88°45'58" West 301.67 feet to a 5/8 inch iron rod set for southwest corner;
thence North 0°18'37" East 40.00 feet to a 5/8 inch iron rod found for northwest corner, also being the southwest corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR);
thence South 88°53'00" East 39.94 feet along the north line of the S½ of Section 11, and the south line of the N½ of Section 11, to the place of beginning.
TOGETHER WITH AND SUBJECT TO ADJUSTMENTS OR CHANGES as per Boundary Line Agreement filed August 27, 2001, at the Chaffee County Land Records at Reception No. 320154 and the Easement Agreement filed August 27, 2001, at Reception No. 320155 and Easement Agreement recorded March 6, 2001 at Reception No. 316435.

PARCEL B
All that certain tract or parcel containing 35.0 acres of land being a portion of tract which was called 880 acres and conveyed from Bailey Hutchinson, et al, to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder (also know as the Chaffee County Deed Records-CDDR), also being a portion of the West ½ of the Southwest ¼ of Section 11, and the North ½ of the Northwest ¼ of Section 14, Township 49 North, Range 8 East of the New Mexico Principal Meridian, in Chaffee County, Colorado, said 35.0 acres being more particularly described by metes and bounds as follows, to wit;

COMMENCING FOR REFERENCE at a 5/8 inch iron rod found marker the East ½ section corner of Section 10, and West ½ section corner of Section 11, said iron rod also being the Southeast corner of a 40 foot roadway and utility easement Granted by Wendel F. Hutchinson, et al, to Randy Guy Hatcher, by an instrument of record at Reception No. 303387, CCDR.
thence South 88°44'54" East 262.39 feet along the North line of the South ½ of Section 11, and South line of the North ½ of Section 11, to a 5/8 inch iron rod set for the Northwest corner and Place of Beginning of the tract herein described;
thence continuing South 88°44'54" East, 1055.88 feet to a fence corner post found for Northeast corner, lying in the East line of the West ½ of the Southwest ¼ of Section 11, also being the West line of a tract which was conveyed from Michael David Denison and Belda Jo Denison to Nancy L. Kearly, by an instrument of record as Reception No. 293945, CCDR;
thence South 0°17'06" West 486.75 feet along the West line of said Kearly tract and East line of the West ½ of the Southwest ¼ of Section 11, to the intersection whith the South Arkansas River, being the Southwest corner of said Kearly tract and Northwest corner a tract which was conveyed from W. Drake Patterson to Jorian C. Sartorius and Mara Sartorial, by an instrument of record in Volume 554 at Page 515 (Reception No. 276423) CCDR.
thence South 0°58'11" West along the West line of said Sartorius tract and East line of the West ½ of the Southwest ¼ of Section 11, at 15 feet past a 5/8 inch iron rod with washers (reference) found, at 909.42 feet past a 5/8 inch iron rod with washers found marking the Southwest corner of said Sartoius tract, and continuing for a distance in all of 959.73 feet to a 5/8 inch iron rod set for Southeast corner;

EXHIBIT A CONTINUED

thence departing the East line of the West ½ of the Southwest ¼ of Section 11, North 87°16'01" West, 1069.19 feet to a 5/8 inch iron rod set for Southwest corner;
thence North 01°15'08" East, at 350.69 feet past the center of the Arkansas River, and continuing for a distance in all 1418.76 feet to the Place of Beginning and containing 35.0 acres of land, more or less. This description is accompanied by a certified plat prepared under the same job number as a part of this professional service.
TOGETHER, with a roadway and utility easement for ingress and egress across the East 40 feet of the Southeast Quarter of the Northeast Quarter (SE¼NE¼) of Section 10, Township 49 North, Range 8 East of the New Mexico Principal Meridian, Chaffee County, Colorado being described as follows:
Commencing at a point on the Southerly boundary of U.S. Highway No. 50 from whence the Southwest corner of Section 11, Township 49 North, Range 8 East of the New Mexico Principal Meridian bears South 18°14'30" West 4184.40 feet;
thence along said southerly boundary of U.S. Highway No. 50 first, South 79°00'06" West 1299.70 feet to a highway right-of-way marker Station No. 2082+00 (brass cap);
thence North 82°25'10" West 107.20 feet;
thence South 79°04'26" West 42.80 feet to the point of beginning of the tract herein described;
thence proceeding around said tract South 00°18'42" West along the line between Sections 10 and 11 as is fenced 1094.21 feet;
thence North 89°10'40" West along the South boundary of said Southeast Quarter of the Northeast Quarter (SE¼NE¼) of Section 10 as is fenced 40.00 feet;
thence North 00°18'42" East parallel to said line between Sections 10 and 11 as is fenced 1086.08 feet, more or less, to the Southerly boundary of U.S. Highway No. 50;
thence North 79°04'26" East along said Southerly boundary 40.75 feet to the point of beginning.
TOGETHER WITH all that certain tract or parcel containing 0.278 acre of land being a portion of tract which was called 880 acres and conveyed from Bailey Hutchinson, et al, to Wendel F. Hutchinson, by an instrument of record in Volume 263, Page 575, in the office of the Chaffee County Clerk & Recorder (also known as the Chaffee County Deed Records, CCDR), also being a portion of the West Half of the Southwest Quarter (W½SW¼) of Section 11, Township 49 North, Range 8 East of the New Mexico Principal Meridian, in Chaffee County, Colorado, said 0.278 acre being more particularly described by metes and bounds as follows to wit:
BEGINNING at a 5/8 inch iron rod found marking the East ½ section corner of Section 10, and West ½ section corner of Section 11, said iron rod also being the Southeast corner of a 40 foot roadway and utility easement granted by Wendel F. Hutchinson, et al, to Randy Guy Hatcher, by an instrument of record at Reception No. 303387, CCDR;
thence South 88°44'54" East 262.39 feet along the North line of the South ½ of Section 11, and South line of the North ½ of Section 11, to a 5/8 inch iron rod set for Northeast corner;
thence departing said North line, South 01°15'08" West, 40.00 feet to a 5/8 inch iron rod set for Southeast corner;
thence North 88°45'58" West, 301.67 feet to a 5/8 inch iron rod set for Southwest corner;
thence North 0°18'37" East, 40.00 feet to a 5/8 inch iron rod found for Northwest corner, also being the Southwest corner of the aforementioned 40 foot roadway and utility easement (Reception No. 303387, CCDR);
thence South 88°53'00" East, 39.94 feet along the North line of the South ½ of Section 11, and South line of the North ½ of Section 11, to the PLACE OF BEGINNING and containing 0.278 acre of land, more or less. This description is accompanied by a certified plat prepared under the same job number as a part of this professional service.

Known as Little River Ranch Phase 1, 2 and 3.

Joyce M. Reno Chaffee County Clerk
Reception #: 407670
Pages Recorded: 1 of 2 Recording Fee: $16.00
Document Type: COVAMD
Date Recorded: 6/4/2013 1:32:00 PM

THIRD SUPPLEMENT OF DECLARATION OF PROTECTIVE COVENANTS FOR LITTLE RIVER RANCH CLARIFICATION STATEMENT REGARDING ARTICLE 5.21 PROPANE GAS

JUN 4 '13 PM 1:32

This Third Supplemental Declaration of Protective Covenants ("Third Supplement") is executed this 31st day of May, 2013 by Little River Ranch, LLC, a Colorado Limited Liability Company ("Declarant 1") and Little River Ranch, Inc. ("Declarant 2").

RECITALS:

A. Declarant 1 executed that certain Declaration of Protective Covenants for Little River Ranch dated August 11, 2005 and recorded at Reception #352897 in the records of the Clerk and Recorders Office in Chaffee County, Colorado ("Initial Covenants").

B. Declarant 1 executed that certain First Supplement of Declaration of Protective Covenants for Little River Ranch dated September 18, 2006 and recorded at Reception #361500 in the records of the Clerk and Recorders Office in Chaffee County, Colorado ("First Supplement")

C. Declarant 1 executed that certain Second Supplement of Declaration of Protective Covenants for Little River Ranch dated November 21, 2006 and recorded at Reception #363894 in the record of the Clerk and Recorders Office in Chaffee County, Colorado ("Second Supplement")

D. Declarants 1 and 2 executed that certain Annexation to Declaration of Protective Covenants for Little River Ranch dated October 29, 2007 and recorded at Reception #370647 in the records of the Clerk and Recorders Office in Chaffee County, Colorado ("Annexation")

E. The Initial Covenants, First Supplement, Second Supplement and Annexation ("Covenants") bind, inure, govern and affect the real property located in Chaffee County, known as Little River Ranch, as more particularly described as:

Little River Ranch, per plat recorded March 29, 2005 as Reception No. 349843, Town of Poncha Springs, Chaffee County, Colorado; and

Little River Ranch II, per plat recorded November 7, 2007 as Reception No. 370649, Town of Poncha Springs, Chaffee County, Colorado,

which taken together constitute the Property ("Property").

F. Article XII of the Initial Covenants (more specifically 12.1 Amendment) grants Declarant the right and power to record minor and technical amendments to the Covenants at any time for the purpose of correcting spelling, grammar, dates, typographical errors, or as may otherwise be deemed necessary by the Declarant to clarify the meaning of any provisions, without the consent of any of the Owners or first mortgagees.

G. Declarants 1 and 2 desire to file this Third Supplement to supplement, clarify, and amend the Covenants.

NOW THEREFORE, the Covenants are amended and supplemented by this Third Supplement as follows:

1. The Recitals are incorporated herein by reference.

2. Declarants desire to clarify the Covenants with respect to Article V (Property Use Restrictions), Subsection 21 (Propane Gas). Article 5.21 was incorporated and added to the Covenants by filing the Second Supplement due to the fact that Declarants were proceeding with plans to service the Property with an underground propane gas system and anticipated the completion of such. However, those plans did not come to fruition and the development plans were modified to provide service by connecting to an existing natural gas system in the area. Therefore, Article 5.21 is not applicable to the Property, any existing structures on the Property, or any Owners (past and present) of the Property.

Joyce R. Reno Chaffee County Clerk
Reception #: 407670
Pages Recorded: 2 of 2 Recording Fee: $16.00
Document Type: COVAMD
Date Recorded: 6/4/2013 1:32:00 PM

3. **The Covenants are hereby amended as follows.**
Article 5.21, Propane Gas, as referenced in the Second Supplement shall be deleted in its entirety and of no force and effect with regard to the Property or any Owners of the Property.

4. All references to the word "Covenants" shall hereafter be deemed to refer to the Initial Covenants, First Supplement, Second Supplement, Annexation and this Third Supplement.

5. Except as otherwise provided herein, the Initial Covenants shall remain in full force and effect and Declarant hereby ratifies and reaffirms the same.

IN WITNESS WHEREOF, Declarant 1 has executed this Third Supplement as of the date provided above.
LITTLE RIVER RANCH, LLC

Adria L Robinson
By: Adria L Robinson Its: Manager

State of Colorado)
) ss.
County of Chaffee)
The foregoing instrument was acknowledged before me this 31st day of May, 2013 by Adria L Robinson, as Manager of Little River Ranch, LLC.

Witness my hand and official seal. My commission expires: 09-13-16

JENNIFER S. LEIGHTON SCANGA NOTARY PUBLIC STATE OF COLORADO SEAL My Commission Expires 09/13/2016

Notary Public

IN WITNESS WHEREOF, Declarant 2 has executed this Third Supplement as of the date provided above.
LITTLE RIVER RANCH, INC

Adria L Robinson
By: Adria L. Robinon Its: Vice-President

State of Colorado)
) ss.
County of Chaffee)
The foregoing instrument was acknowledged before me this 31st day of May, 2013 by Adria L. Robinson, as Vice-President of Little River Ranch, Inc.

Witness my hand and official seal. My commission expires: 09-13-16

JENNIFER S. LEIGHTON SCANGA NOTARY PUBLIC STATE OF COLORADO My Commission Expires 09/13/2016

Notary Public

BY-LAWS
of

Little River Ranch
Homeowners Association, Inc.

INCORPORATED UNDER THE LAWS OF THE STATE OF

COLORADO

CORP-KIT NORTHWEST, INC.

BYLAWS OF
LITTLE RIVER RANCH HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. OFFICES

The name of the corporation is Little River Ranch Homeowners Association, Inc., a Colorado nonprofit corporation, hereinafter referred to as the "Association". The principal office of the Association in the State of Colorado shall be 225 E. Cheyenne Mountain Blvd, Suite 200, Colorado Springs, Colorado 80906, County of El Paso. The Association may have such other offices, either within or without the State of Colorado, as the Board of Directors may designate or as the business of the Association may require from time to time.

ARTICLE II. MEMBERS

SECTION 1. The Developer when referred to in these Bylaws is Little River Ranch, LLC, a Colorado limited liability company. Owners when referred to in these Bylaws are those parties who purchase a lot or lots from the Developer in that certain real estate known as Little River Ranch subject to the Declaration of Protective Covenants recorded at Reception # 352897 in the records of the Clerk and Recorder of Chaffee County, Colorado on August 24, 2005 ("Declaration"). Each Owner shall also be a Member of the Association, as set forth in the Declaration. Property, when referred to in these Bylaws, shall mean Little River Ranch Lots 1-84, including common areas, improvements, any additional improvements erected thereon, and any subsequent annexed property. Association Documents, when referred to in these Bylaws, shall means the Declaration, Articles of Incorporation, Bylaws, Architectural Design Guidelines, and the Rules and Regulations.

SECTION 2. Annual Meeting. The annual meeting of the Members shall be determined by the Board of Directors. The purpose of the meeting shall be to elect Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Colorado, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting of the Members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as conveniently may be.

SECTION 3. Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President at the request of not less than ten percent of all the Members of the Association.

SECTION 4. Place of Meetings. The Board of Directors may designate any place, either within or without the State of Colorado unless otherwise prescribed by statute, as place of meeting for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, either within or without the State of Colorado, unless otherwise prescribed by statute, as place for the holding of such meeting. If no designation is made, or if any special meeting be otherwise called, the place of meeting shall be the registered office of the Association in the State of Colorado.

SECTION 5. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of special meetings, the purpose or purposes for which the meetings is called, shall unless otherwise prescribed by statute, be delivered not less than thirty (30) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary or the persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the books of the

Association, with postage thereon prepaid, but if three successive letters mailed to the last known address of any Member of record are returned as undeliverable, no further notices to such Member shall be necessary until another address for such Member is made known to the Association.

SECTION 6. Quorum. A majority of the Members of the Association entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Members. If less than a majority of the Members are represented at a meeting, a majority of the Members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

SECTION 7. Majority of Quorum. Unless otherwise expressly provided in these Bylaws or the Declaration, any action which may be taken by the Association may be taken by a majority of a quorum of the Members of the Association.

SECTION 8. Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by Member or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Interest(s) held by a personal representative, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such membership into his name. Membership standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote a membership held by him without a transfer of such membership into his name.

SECTION 9. Informal Action by Members. Unless otherwise provided by law, any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the membership, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

ARTICLE III. BOARD OF DIRECTORS

SECTION 1. Powers and Duties. The business and affairs of the Association shall be managed by its Board of Directors. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property. Such powers and duties of the Board shall include, but shall not be limited to the following, all of which shall be done for and on behalf of the Owners of the Lots:

(a) To administer and enforce the covenants, easements, uses, limitations, obligations and all other provisions set forth in the Association Documents and any supplements and amendments thereto;

(b) To establish, make and enforce compliance with such rules and regulations as may be necessary for the operation, use and occupancy of all of the Lots with the right to amend the same from time to time. A copy of such rules and regulations shall be delivered or mailed to each Member upon the adoption thereof;

(c) To incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the areas in the Property required to be maintained by the Association;

(d) To obtain and maintain all insurance required or permitted under the Declaration or otherwise deemed advisable by the Association;

(e) To prepare a budget for the Association in the manner set forth in the Declaration, to determine the amount of the common expense assessments payable by the Owners to meet the expenses of the Property, and allocate and assess such expenses among the Owners as set forth in the Declaration and to adjust, decrease or increase the amount of the common expense assessments;

(f) To levy and collect special assessments as set forth in the Declaration;

(g) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a Member as is provided in the Declaration and these Bylaws. The Board shall have the duty, rights, power and authority to suspend the voting rights of any Member in the event that any assessment made remains unpaid more than 30 days from the due date for payment of it. Such rights may also be suspended for a period not to exceed 60 days for infraction of published rules and regulations of the Association;

(h) To borrow funds to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary and, upon the written consent of the Members entitled to vote, to give security therefor. Such indebtedness shall be the several obligations of all of the Members in the manner set forth in the Declaration. The Persons who shall be authorized to execute promissory notes and security instruments on behalf of the Association shall be the President or Vice President and Secretary or Assistant Secretary;

(i) To enter into contracts to carry out their duties and powers and to hire and fire all personnel necessary for the operation, maintenance, repair and replacement of the areas for which the Association is responsible under the Declaration;

(j) To establish a bank account or accounts for the treasury and for all separate funds of the Association that are required or may be deemed advisable;

(k) To make repairs, additions, alterations and improvements to the areas required to be maintained by the Association;

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to allow examination thereof at any reasonable time by each Member and First Mortgagees of Lots, and to cause a certified public accountant to prepare a compilation or review financial statement of the books and records of the Association at the end of each fiscal year. At the option of the Board, an annual review or audited financial statement may be required;

(m) To prepare and deliver annually to each Member the reports prepared under subsection (l) above;

(n) To meet at least annually;

(o) To supervise all officers, agents and employees of this Association, and to see that their duties are properly done;

(p) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual common expense assessment against each Lot;

(2) Fix the amount of a special assessment against each Lot;

(3) Send written notice of each annual common expense assessment and special assessment to every Owner by causing to be prepared, delivered or mailed to each Owner, at least 30 days in advance of each annual assessment period a payment statement setting forth the assessment(s). The assessment(s) shall be due and payable in one annual installment within 30 days of receipt of the payment statement, unless the Board otherwise directs;

(4) Collect late charges and default interest for failure to timely pay the annual common expense assessment and any special assessments; and

(5) Foreclose the lien against any Lot for which any assessments are not paid within 90 days after the due date or bring an action at law against the Owner personally obligated to pay the same;

(q) Subject to the provisions of the Declaration: to issue or to cause an appropriate officer to issue, upon demand by a person, a certificate setting forth whether any assessment has been paid; a reasonable charge may be made by the Board of Directors for the issuance of these certificates; if a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment to that person who relies thereon to his detriment;

(r) To cause all officers and employees having fiscal responsibilities to be bonded, if and as it may deem appropriate;

(s) Employ the services of a manager or managing agent, or both, and such independent contractors or other employees as they deem necessary, and delegate any of their duties to such persons; provided, however, when so delegated, the Board of Directors shall not be relieved of its responsibilities under the Association Documents; and

(t) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable to carry out the governing and the operation of the Property.

SECTION 2. <u>No Waiver of Rights.</u> The omission or failure of the Association or any Owner to enforce the covenants, easements, uses, limitations, obligations or other provisions of the Association Documents, shall not constitute or be deemed a waiver, modification or release thereof, and the Board or the managing agent shall have the right to enforce the same thereafter.

SECTION 3. <u>Number, Tenure and Qualifications.</u> The number of Directors of the Association shall be no less than three or more than ten. The number of Directors shall be set at any special or annual meeting of Directors, but the Members shall be three until changed at a subsequent meeting of Directors. Each Director shall hold office until the next annual meeting of Members or for a term of service as set by the Members, and until his successor shall have been elected and qualified.

SECTION 4. <u>Control of Homeowners Association.</u> Notwithstanding anything else contained herein to the contrary, until all infrastructure and amenities are complete and/or as long as Developer owns in fee simple greater than twenty (20) percent of the property subject to the Declaration, including any subsequently annexed property, the Developer shall be entitled to appoint the Directors on the Board of Directors for the Association entitled to be elected pursuant to the Bylaws.

SECTION 5. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately after, and at the same place as, the annual meeting of the Members. The Board of Directors, by resolution, fix the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 6. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for holding any special meeting of the Board of Directors called by them.

SECTION 7. Telephone Meetings. Members of the Board of Directors or of any committee designated by the Board may participate in any meeting of the Board or Committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

SECTION 8. Notice. Notice of any special meeting shall be given at least ten (10) days previously thereto by written notice delivered personally, electronically or mailed to each Director at his address of record with the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given electronically, such notice shall be deemed to be delivered when the email is delivered to the recipient's address. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called on convened.

SECTION 9. Quorum. A majority of the number of Directors fixed by Section 3 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

SECTION 10. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 11. Action Without a Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so to be taken, shall be signed by all of the Directors.

SECTION 12. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors may be filled by election by the Board of Directors for a term of office continuing only until the next election of Directors by the Members.

SECTION 13. Compensation. By resolution of the Board of Directors, each Director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as Director or a fixed sum for attendance at each meeting of the Board of Directors or both. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

SECTION 14. Presumption of Assent. A Director of the Association who is present at a meeting of the Board of Directors at which action or any Association matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE IV. OFFICERS

SECTION 1. Number. The officers of the Association shall be a President, a Vice-President, if elected by the Board of Directors, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors.

Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary. The officers of the Association shall be natural persons of the age of eighteen years or older.

SECTION 2. Election and Term of Office. The officers of the Association to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner herein after provided.

SECTION 3. Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgement, the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. President. The President shall be the principal executive officer of the Association and, subject to control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Members and of the Board of Directors, unless a different Chairman has been otherwise designated or elected. He may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signed and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. Vice-President. In the absence of the President or in the event of death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 7. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal duly authorized; (d) keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; and (e) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 8. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositaries as shall be selected in accordance with provisions of Article V of these Bylaws; and (c) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of these duties in such sum and with such surety of sureties as the Board of Directors shall determine.

SECTION 9. Salaries. The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Director of the Association.

ARTICLE V. CONTRACTS LOANS, CHECKS, AND DEPOSITS

SECTION 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

SECTION 2. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3. Checks, drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. Deposits. All funds of the Association, not otherwise employed, shall be deposited from time to time to the credit of the Association in such banks, savings institutions, trust companies or other depositaries as the Board of Directors may select.

ARTICLE VI. FISCAL YEAR

The fiscal year of the Association shall begin on January 1 and end on December 31 in each year.

ARTICLE VII. CORPORATE SEAL

The Board of Directors shall provide an Association seal which shall be either circular in form and shall have inscribed thereon the name of the Association and the state of incorporation and the word "Seal", or shall be a rubber seal in substantially the same form as provided above.

ARTICLE VIII. WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any Member or Director of the Association under the provision of these Bylaws or under the provision of the Colorado Corporation Code, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX. AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors, subject to the rights of Members to repeal or amend Bylaws as provided by law.

LITTLE RIVER RANCH HOMEOWNERS ASSOCIATION, INC.

BY: Adria L Hooker

Adria L. Hooker, President

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 30th **day of** August**, 2005, by Adria L. Hooker, President of LITTLE RIVER RANCH HOMEOWNERS ASSOCIATION, INC.**

Witness my hand and seal.

My commission expires: 5/9/2006

Erika Ray
Notary Public

4581 Range Creek Dr.
Notary Address

Colorado Springs, CO 80922
Notary City, State, Zip

NOTARY PUBLIC
Erika Ray
STATE OF COLORADO

Architectural Design Guidelines

for

Little River Ranch

Little River Ranch

revised 4.27.09

1.0 INTRODUCTION

1.1 APPROACH. The Architectural Design Guidelines have been created to ensure that all Improvements at Little River Ranch preserve the natural beauty of its mountain setting, to provide harmonious residential design, and to protect and enhance property values. The development plan for Little River Ranch is a design of neighborhoods, open space, roads, hiking paths and parks, that has taken into consideration the environmentally sensitive areas and wildlife habitat that abounds in this community.

The Guidelines have been adopted by the Architectural Review Committee to supplement the Covenants and establish standards, rules and regulations applicable to all Improvements constructed or installed on Lots within Little River Ranch. The Guidelines apply to all new construction and installation, as well as any subsequent additions or alterations to any Lot.

The Guidelines are administered and enforced by the Committee in accordance with the procedures set forth in this document and the Covenants. The Committee's role is to provide assistance to all Owners and their chosen design professionals and to ensure that the design process is a smooth, efficient, and satisfactory experience.

The Committee encourages environmentally friendly designs, which may incorporate the use of new materials and/or methods that are developed in the future. As technological advances are made, the Committee reserves the right to amend the Guidelines or allow variances based on such, as long as it is in keeping with the Little River Ranch community as a whole. Other variances to the Guidelines may be granted on a case-by-case basis, determined by the merits of an individual situation. In no way shall it be construed as precedence set and obligate the Committee to grant variances under different circumstances. The Committee may also promulgate construction and design criteria that are more restrictive than those established by applicable Town or County land use and building regulations.

Initially, the Committee will be the Board of Directors of the Association. The Board may appoint and/or replace members to the Committee to fulfill such review and approval functions, as it deems appropriate.

1.2 APPLICABILITY. The Guidelines shall be binding upon all Owners, their architects, consultants, contractors, agents, and representatives and shall be enforced throughout the construction period. It is the responsibility of all parties to be familiar with and abide by the Guidelines and the applicable sections of the Covenants.

To the extent that the applicable Town, County or other governmental regulations, rules, codes, ordinances or laws are more restrictive in their allowable building and land utilization than these Guidelines, they shall supersede these Guidelines and govern at all times.

2.0 DEFINITIONS

2.1 Architect. Any person retained by an Owner to assist in the preparation of plans and other documents required in connection with the review and approval process contemplated by these Guidelines and the Covenants.

2.2 Approval Letter. The letter issued by the Committee granting final approval for a plan submittal made relating to the construction of any Improvement.

2.3 Association. Little River Ranch Homeowners Association, Inc., a non-profit corporation formed under that name whose Articles of Incorporation are filed with the Colorado Secretary of State.

2.4 Committee. Little River Ranch Architectural Review Committee, which is charged with the right and responsibility to review and approve all plans for Improvements to be constructed or installed within Little River Ranch.

2.5 Construction Site. The area of a Lot where construction of a Home or other Improvement has been approved by the Committee.

2.6 Contractor. A person(s) or entity engaged by an Owner for the purpose of constructing a Home or other Improvements on such Owner's Lot. The Contractor and Owner may be the same person or entity.

2.7 County. Chaffee County, Colorado.

2.8 Covenants. The Declaration of Protective Covenants for Little River Ranch, recorded with the Office of the Clerk and Recorder of Chaffee County, Colorado, including any supplements and/or amendments thereto.

2.9 Declarant. Little River Ranch, LLC, a Colorado limited liability company and Little River Ranch, Inc., a Colorado corporation, who are the owners and developers of Little River Ranch.

2.10 Dwelling or Home. A single-family residential dwelling constructed or proposed to be constructed on a Lot within Little River Ranch.

2.11 Guidelines. The Architectural Design Guidelines for Little River Ranch, which is this document, including any amendments hereto.

2.12 Improvements. Without limiting the generality of the definition of "Improvements" contained in the Covenants, all of the following are Improvements and require review and approval by the Committee:

a. New construction of a Home or Dwelling.

b. Drainage improvements or alterations.

c. Road or driveway construction.

d. Walkway construction.

e. Utility construction or installation.

f. Any grading and/or disturbance of vegetation.

g. New construction of other structures and site features such as hot tubs, gazebos, bridges, fencing, retaining walls, landscaping, any type of enclosure, play/sports equipment, exterior lighting, columns, etc.

h. Additions to, or renovations of, existing structures such as room additions, construction of solar facilities, etc. that alter the exterior appearance.

2.13 Little River Ranch. Certain real property, together with all appurtenances thereto and all improvements now or hereafter thereon, as shown on the plats. The property is also commonly referred to as Little River Ranch Phases 1-7, which is delineated as follows:

Phase 1 – Lots 1-37, 46-50
Phase 2 – Lots 38-45, 51-63, 83, 84
Phase 3 – Lots 64-82
Phase 4 – Lots 99-120
Phase 5 – Lots 94-97, 121-126, 149-153
Phase 6 – Lots 89-93, 128-131, 148, 154, 155
Phase 7 – Lots 85-88, 132-147, 156, 157

2.14 Lot. Those portions of the property designated as such on the plat(s) for Little River Ranch.

2.15 Owner. Any person, persons, or legal entity holding the recorded fee simple interest in a Lot or Lots at Little River Ranch. If more than one person holds such title, all such persons are referred to collectively as "Owner."

2.16 Plat. The plat maps for Little River Ranch and Little River Ranch II including any amendments thereto, as recorded with the Office of the Clerk and Recorder for Chaffee County, Colorado.

2.17 Town. Poncha Springs, Colorado.

3.0 ARCHITECTURAL DESIGN GUIDELINES

It is the intent of these Guidelines and the desire of the Declarant to encourage quality homes, built with sensitivity to the existing features in mind. Therefore, the following criteria shall apply to all Improvements in Little River Ranch.

3.1 Site Planning. Each Construction Site within Little River Ranch has its own specific qualities and characteristics. The Committee will critically review the site plans to determine whether existing features are respected and sensitively utilized. Plans that minimize disturbance of existing vegetation and drainage patterns are preferred. Ordinarily, only minimal disturbance to existing ground cover, vegetation and grades will be allowed outside the Construction Site.

Respect for adjacent development is also essential. Coordination of elements such as building mass and material compatibility will be helpful in obtaining approval of plans. All construction and development within Little River Ranch must comply with applicable Town & County land use and building regulations.

3.2 Setbacks & Easements. The development plan for Little River Ranch provides for minimum setbacks as shown on the Plat. Building envelopes have been established on each Lot, as shown on the Plat, to avoid encroaching on environmentally sensitive areas, such as wetlands. Areas designated as wetlands are depicted as shaded areas on the Plat.

All easements are described on the Plat and in the Covenants. Easements for the installation and maintenance of utilities, roadways and such other purposes incidental to development of Little River Ranch shall be readily accessible for use, service and maintenance.

3.3 Home Size. All residential dwellings shall be no less than 1,500 square feet of living space and shall require a minimum two-car fully enclosed attached garage, with the exception of those dwellings built on Lot 18 and Lot 37. Residential dwellings on Lots 18 and 37 shall be no less than 1,200 square feet of living space with the same garage requirements as above. Square footage will be calculated from the outside wall. No credit will be given for basements, garages, decks or covered porches. Conditional variances may be considered based on site constraints.

3.4 Basements. Due to its close proximity to the South Arkansas River and the Harrington & Murray ditches, basements are strictly prohibited in Phases 1 & 2 of Little River Ranch.

3.5 Home Styles. Architectural standards are established so Owners may benefit from the natural advances of its location. All buildings must be designed to fit the natural contours of the Lot without excessive grading. In reviewing the plans of a proposed building, proportions and overall scale of the building in relation to the site and neighboring properties will be examined.

3.6 Height. Maximum building heights have been established by the Town. Building heights shall not exceed 35 feet from the ground level of the building pad. However, all building heights over 28 feet are subject to approval by the Chaffee County Fire Department. The height of a building for the purpose of this requirement means the distance measured on a vertical plane from the average pre-construction or post-construction grade around the perimeter of a building or structure, whichever is lower, to the highest point on the roof surface of the building structure.

Dwellings built upon Lots in Phase 1 are restricted to 24 feet maximum height in order to protect the views from those Lots located in Phases 2 & 3. Dwellings built upon Lots 38 through 51 are restricted to 28 feet maximum height.

In addition to the maximum building height, Owners are strongly encouraged to consider the qualities of the site, especially the visual and climatic exposure created by the combination of existing slopes, vegetation and orientation. Lower buildings are generally more appropriate on more exposed sites, while taller buildings can be incorporated into those sites which are less visible and/or more protected.

The Committee may impose lower maximum heights on specific Lots, where deemed necessary to protect mountain view corridors and/or neighboring Owners.

3.7 Foundations. Engineered foundations are required for all occupied structures in Phases 3 through 7, according to the plat(s) and the Terracon Geotechnical Report(s).

3.8 Exterior Walls & Finishes. The exterior walls of a building are obviously an important part of its overall visual impact and should be carefully considered for effect on proportions, continuity and illumination. The connection from the walls to the foundation should be treated so the transition from one material to the next is smooth.

The exterior walls of any building shall be surfaced with log or log siding, cedar, stone, stucco, or other approved siding, which is a natural material. Vinyl siding or other comparable synthetic materials will not be allowed. Color may vary, but must be approved by the Committee.

The use of stone or timber accents is strongly encouraged, as it adds visual interest to the exterior walls. This will be reviewed on a case-by-case basis and may be required by the Committee.

The Committee will exercise its best judgment to see that all improvements conform and harmonize with existing structures as to external design, quality & type of construction, seals, materials, color, and aesthetics.

3.9 Doors & Trim. Exterior trim and front doors must be designed as integral elements of the home using compatible forms, materials, and colors.

Garage doors and front doors shall be wood, metal or other synthetic material, with the color and texture to complement the exterior design and color of the home.

Colors for trim, front doors and garage doors must be approved by the Committee.

3.10 Roofs. Roofs potentially have one of the greatest impacts on the overall image of a building and other viewpoints within Little River Ranch, including open spaces and neighboring Lots. For that reason, roof design will be a carefully reviewed element by the Committee.

Gable, hip and shed roofs are generally acceptable for residential construction, while gambrel, flat, mansard and A-frame roofs will not be accepted. However, these roofs and any other unique forms developed will be reviewed according to their merits on a case-by-case basis.

All roofs shall be a minimum 6-12 pitch and must meet uniform building code snow load requirements.

Roofing materials such as fire retardant treated 30 year (or greater) architectural shingles and shakes, slate, tile, or other non-reflective/low glare materials are encouraged. Standing seam metal roofs may be approved if they are an integral part of the overall building aesthetic. All other metal roofs shall be prohibited.

The color of all roofs shall be in the darker range (i.e. slate gray, gray green, dark red, dark brown, dark blue), whereas the color and texture should reflect other materials on the home and adjacent properties. Roofing materials, whether for new construction or for replacement of an existing roof, are to be submitted to the Committee for approval.
All extensions from the roof, such a chimneys, flues, skylights, etc., should be carefully located and finished to complement other elements of the design. No bright, unfinished surfaces shall be allowed. All metallic surfaces such as roof vents, fireplace flues and gutters shall be coated or painted.

3.11 Building Projections. The use of outdoor living areas such as porches, patios, decks, walkways, and courtyards, connected to, and coordinated with the Home are encouraged. Such projections, including privacy walls, must be designed as integral elements of the home using compatible forms, materials, and colors to which they are appurtenant.

Walks extending from the outdoor living space to the remainder of the Lot and/or to the other common areas are often desirable. These should be aligned to fit easily with the existing terrain and vegetation, and should be built of stable, subdued materials appropriate to the expected used.

3.12 Landscaping. Following construction in all areas, including sloping terrain, bare soil shall be re-seeded by the Owner to prevent erosion and dust. Reseeding should be with grasses and wildflowers native to the area or with grass seed in an area to be maintained as lawn.

When either 30% of more of the front yard or back yard contains a grass lawn, Owners are required to have an automatic irrigation system installed in that respective yard(s).

All landscaping must be complete within one year of issuance of the Certificate of Occupancy. Exceptions may be allowed for custom designed landscaping and/or irrigation systems.

A street tree of a minimum 1.5" caliper must be planted within one year of issuance of building permit as required by the Town of Poncha Springs. Owner is responsible for ensuring that the tree survives for a minimum of one year after planting.

Irrigation systems should efficiently distribute water to those plants which require it and be concealed below the topsoil. Low-water consumption systems are encouraged.

3.13 Retaining Walls. Owners are encouraged to keep retaining walls as low as possible; however all retaining walls shall not exceed 4 feet in height. If retainage of a slope higher than 4 feet is necessary, retaining walls should be terraced so that no single wall exceeds a maximum height of 4 feet, in order to minimize impact.

Materials used should complement the natural surroundings and the architecture of the Home with the use of rock boulders, stone, masonry or other materials compatible with the exterior of the Home.

3.14 Fences and Screening. Perimeter fencing is not allowed on the street side of any Lots within Little River Ranch except that decorative fencing, not exceeding 3 feet in height, may be allowed with approval by the Committee.

Privacy fencing, not greater than six feet in height, shall be permitted and must be attached to the edge of the Home. No privacy fencing shall be allowed on the street side of the Home, except for a side fence on a corner lot, and must be offset a minimum 5 feet from the front edge of the Home.

No fencing or screening may be erected without prior approval in writing from the Committee. All fencing must be of natural materials only. Chain link, plastic (PVC), metal or wire fencing will not be allowed.

3.15 Driveways and Parking. All driveways shall be constructed to comply with the Town of Poncha Springs Land Use Code, but shall be a minimum of ten (10) feet and a maximum of twenty feet (20) in width, and shall provide adequate drainage structures, so as not to interfere with any natural drainage or to create any additional erosion to Little River Ranch.

Owners are responsible for restoring all roads, including the graveled and/or paved surface and ditches, within Little River Ranch, to its original condition when they are disturbed and/or damaged due to the installation of driveways, culverts, utilities, or construction of any Improvement to Owner's respective Lot.

Driveways should intersect the road at an approximate angle of 90 degrees, or as close thereto, to obtain maximum visibility in both directions along the road. The access and approach from the main street should be as gentle as possible without overly emphasizing parking areas or the garage.

Owners are required to pave driveways using concrete or asphalt within one year from start of residential construction, at Owner's expense, provided that the main road has already been paved or within six months of the main road being paved, whichever is later. A 16' wide x 8' deep pad in front of the garage must be paved using concrete material, and asphalt will not be allowed in this area. Colored concrete shall be permitted with the Committee's approval. Owners shall assume the responsibility for the removal or clearance of snow upon any portion of the driveway approach, even though deposited in the course of snow removal for the main roads.

All vehicles will be parked so as not to inhibit traffic or damage surrounding natural landscape or adjoining property. Vehicles shall not be left on community roads overnight. No recreational vehicles or utility trailers may be parked on a Lot unless enclosed within the garage or other fully enclosed building.

3.16 Accessory Structures. If any accessory building or other Improvement is to be constructed or installed on a Lot, including but not limited to, gazebos, enclosed porches, play/sports equipment, walkways, etc., they should adhere to applicable guidelines for buildings and site planning. It is important that the mass and scale, as well as forms, materials and other detailing, be well coordinated with the main structure on the site.

3.17 Lighting. Lighting regulations have been implemented in the Town, in order to preserve the beauty and quality of the night sky. These regulations are intended to minimize light pollution, glare, light trespass and conserve energy, while protecting the visual environment.

The following shall apply to exterior lighting for all Improvements in Little River Ranch:

> All light fixtures shall be fully shielded. For purposes of this section, fully shielded shall mean fixtures constructed so that light rays emitted are projected below the horizontal plane of the fixture.
>
> Lighting shall be so placed as to prevent rays or illumination from being cast beyond the property lines.
>
> All metal halide and fluorescent fixtures shall be filtered with glass, acrylic or translucent enclosures.
>
> Low- level landscape lighting immediately adjacent to the Home may be permitted; however, up-lighting of any sort is strictly prohibited.

Light bulbs of less than 7.5 watts used for holiday decorations from November 1 through January 15 are allowed and are excluded from the above requirements.

3.18 Signs. One sign of no more than 4 square feet shall be allowed on any Lot within Little River Ranch. This provision shall not restrict Declarant, or a licensed real estate broker/contractor in the employ of Declarant from placing signs for sale, construction, safety or other use prior to the full sellout of all Lots owned by Declarant. One temporary construction sign identifying the Contractor, allowed during the time of construction only, shall be permissible on any Lot. All signs are subject to Committee approval for appropriate use of materials and suitable location.

3.19 Trash Receptacles. All areas used for storage of solid waste shall be screened from off-site views using materials and forms complementary to the main Home. Except on designated trash pick-up days, no trash receptacle shall be kept outside of an enclosed screened area. Rubbish, garbage or other waste shall be kept and disposed of in a sanitary manner. No burning of trash or rubbish shall be permitted on any Lot.

3.20 Antennae and Satellite Dishes. A standard 21" diameter satellite dish will be allowed to be placed on the exterior of any Home. All other forms of antennas or satellite dishes are strictly prohibited.

3.21 Play/Sports Equipment. Wood structures are encouraged; however, metal and plastic equipment of subtle coloring (i.e. browns, beiges, greens) that causes the structure to blend into the surrounding environment is allowed.

All play/sports equipment (i.e. trampolines, swing sets, slides) are to be placed so as to minimize the visual impact from neighboring properties or roadways and shall be located in back yards only.

Basketball backboards may be located either on the Home or on a separate support minimizing visual impact. Clear plexiglass backboards are strongly encouraged. All backboards must be well maintained, with new paint and netting.

3.22 Mailboxes. Mailboxes are strictly prohibited within Little River Ranch. The Association reserves the right to install community mailboxes at a location(s) for the benefit of all Owners.

4.0 CONSTRUCTION PRACTICES & REGULATIONS

4.1 Construction Site Boundary Limits. The Contractor is encouraged to prepare a detailed plan of the Construction Site boundary limits prior to construction. Where appropriate due to existing ground cover, the plan may be implemented with snow fencing, rope barricades or like material prior to construction. The plan may also include size and location for construction materials, storage areas, limits of excavation, access areas, parking, chemical toilet location, temporary structures, dumpster, fire extinguisher, utility trenching and a construction sign.

4.2 Excavation/Grading. Excess excavation material shall be removed from the Lot and shall not be placed in common areas, roads or other Lots, except as approved on a site-specific basis by the Committee. Excavation, except for utility trenching, shall be on the Owner's Lot only. Contractors are expressly prohibited, during backfill and final grading operations, from spreading excess debris or material over the remainder of the Lot without prior approval of the Committee.

All plans should be designed to minimize the extent of grading required. Techniques for doing this include "stepping" down slopes, providing access across slopes instead of down them, and using low retaining walls. Where grading is necessary, cut and fill slopes should be kept to a maximum of 2:1, with steeper slopes permitted (if approved by soils engineer) when excessive disturbance of ground would otherwise result. All graded slopes should be "rolled" back into existing slopes so after re-vegetation, no sharp contrast exists between existing and disturbed slopes. All areas that are to be preserved (trees, shrubs, etc.) shall be marked and protected throughout the construction period.

4.3 Utilities. All future electric and telephone lines shall be extended underground, and construction of utilities shall be carefully coordinated with existing site conditions so minimal disturbance occurs. All utility trenches and ditches shall be properly compacted according to the requirements of the Town and the utility company. All construction, including storage of excavated and backfill materials, shall respect all boundaries of areas to be preserved.

4.4 Debris and Trash Removal. Daily clean up of the Construction Site is mandatory. All construction trash and debris shall be stored in a commercial container and shall be removed from the trash disposal area on a weekly basis. All soil and debris flowing into the street(s) from the Construction Site shall be cleaned on a daily basis. Enclosed trash containers and maintenance thereof will be required during construction.

4.5 Sanitary Facilities. Chemical toilets shall be provided by the Contractor and placed in an approved location. All chemical toilets shall be confined to the street side of the Lots, and will be kept as far from the curb as possible.

4.6 Daily Operating Hours. Working hours for each Construction Site shall be between 7:00 a.m. and 7:00 p.m. daily, or as approved by the Committee. These guidelines shall not prevent Declarant from constructing, maintaining, or completing any work within Little River Ranch.

4.7 Drainage. No Owner shall interfere with or redirect the intended flow of any drainage or runoff, nor construct any Improvement, place any landscaping, or allow the existence of any condition that will alter the drainage plan as intended. Disruption to the existing drainage plan shall be kept to a minimum. Where disruption or realignment must occur, reconstruction should occur in a naturalized manner allowing water to flow in a non-destructive drainage course. If culverts or structural channels are required, they should blend in with existing environments and drainage plan.

On most Lots, the location and the volume of water that has historically entered and departed the Lot must be accepted. Within the Lot, adjustments can be made as described above.

4.8 Erosion Control. Whenever existing vegetation or the topography of a Lot is disrupted, approved techniques for controlling erosion (within the Lot and on adjacent Lots) shall be used according to the Construction Erosion, Sediment, and Weed Control Plan on file with the Town of Poncha Springs. Proper revegetation shall begin as quickly as possible after soil disturbance. Grading shall be maintained at all times so as to conduct irrigation and surface waters away from structures.

4.9 Dust, Noise and Odor. Every effort shall be made by the Contractor to control dust, noise and odor emitted from a Construction Site. The Contractor will be responsible for watering or screening dust problem areas as well as controlling noise and offensive odors from the Lot.

4.10 Fire Extinguishers. The minimum number and type of fire extinguisher(s) required by the County shall be located on each Lot in a conspicuous location.

4.11 Additional Restrictions. The following items are prohibited in Little River Ranch:

A. Changing the oil of vehicles and equipment without proper receptacles and removal procedures.

B. Concrete equipment cleaning or concrete dumping.

C. Removing any rocks, trees, plants or topsoil from any portions of Little River Ranch other than the Owner's Lot.

D. Careless treatment or destruction of trees or preservation areas.

E. No surface or sub-surface water source may be used for any purpose.

F. Careless use of cigarettes or flammable items.

G. Discharge of firearms.

5.0 DESIGN REVIEW PROCEDURES

The process for establishing the Committee and defining the specific duties and powers conferred on it is set forth in the Covenants. This process is hereby incorporated as part of these Guidelines and shall be referred to when appropriate.

The construction or installation of all Improvements undertaken in Little River Ranch, whether new residential construction, subsequent exterior renovations or site construction such as walks, driveways, drainage improvements, etc., is subject to review under the Guidelines. Additionally, a building permit may be required from the Town and County.

5.1 Review Procedures. All Owners, Architects, Contractors, their agents and any other designated representatives of Owners shall comply with the following process in order to obtain approval from the Committee for any Improvement:

A. The Owner or Contractor shall submit two (2) sets of plans, along with the $3,000.00 Construction Security Deposit, at the beginning of the plan review process. One set will be retained by the Committee for permanent record, and the other set will be signed and returned to the Owner or Contractor upon approval. Plans submitted to the Committee shall satisfy the requirements contained in Article 6 below.

B. The Committee shall respond in writing to the Owner and/or Contractor within thirty (30) calendar days after receiving a complete submittal. The response may approve or disapprove the plans, approve the plans with conditions, or make recommendations for changes or adjustments deemed necessary or appropriate by the Committee. If the Committee does not respond to the Owner within 30 days after receiving a complete submittal, the response period will automatically be extended for an additional 15 days. If a response from the Committee is not received following this 15-day response extension, the plans shall be considered approved.

C. Should the Committee provide written disapproval, the reason(s) shall be so stated with suggested changes, which if adopted, would result in approval.

D. An Owner and/or Contractor shall have the right to appeal any decision made by the Committee. The Owner can initiate such an appeals procedure by submitting, in writing, a document stating the reason for the appeal. The Committee will set a meeting date to review the appeal and notify the Owner of such date. The Owner and/or Contractor, or representative, may be present at the meeting to review the appeal. The Committee will render a decision at a scheduled meeting and provide the reasons for denying or approving the appeal in writing within fifteen (15) days. The Owner also has the right, as a last resort, to appeal to the Board of Directors of the Association, if the Owner considers that all established avenues of communication with the Committee have been exhausted.

E. Once the Committee has approved a plan submittal and construction documents, it shall issue the Approval Letter to the Owner and/or Contractor. No construction may begin until the approval letter and required permits have been issued.

F. Approval by the Committee is valid for only one year after the date of the Approval Letter. If construction does not begin within that time period, the Owner must re-submit the plans and construction documents for approval, and the process described above will be repeated. All exterior construction shall be completed within twelve months from the date of commencement of construction, unless a time extension is requested and granted by the Committee.

G. In order to monitor compliance of construction with the approved plans, a representative of the Committee may make periodic visits to the Construction Site.

6.0 IMPROVEMENT PLAN SUBMITTALS

Plans shall contain enough information for the Committee to accurately assess impacts to the Lot and Construction Site and adjacent Lots, and should give an exact indication of building location(s), mass and materials, access and limits of disturbance.

6.1 Submittal Requirements. The requirements for a plan submittal are as outlined below. Drawings to be submitted must be a 24” x 36” format.

A. Detailed site survey at a maximum scale of 1" = 50', including at least the following:

- i. Survey and legal description of Lot boundaries and any easements provided by a licensed surveyor.
- ii. Horizontal and vertical location of all adjacent roads.
- iii. Indication of north arrow and scale.
- iv. Name, address and telephone number of legal Owner(s) and Builder.

B. Construction program at a maximum scale of 1" = 50', including at least the following:

- i. Precise building location(s).
- ii. Precise driveway and parking location(s).
- iii. Location of any patios, decks, fences or other structural construction.
- iv. Routing of any required utilities, including locations of any above-grade enclosures (switching boxes, transformers, etc.).
- v. Location of 1.5" caliper street tree.

C. The plans shall also include:

- i. Schematic Floor and Roof Plans at one-fourth (1/4) inch = one (1) foot scale.
- ii. Schematic Elevations at one-fourth (1/4) inch = one (1) foot scale for all sides of proposed construction, including roof heights and existing and finish grades adjacent to these elevations.
- iii. Pertinent sections.
- iv. Sample Material & Color Boards depicting all exterior materials, colors and textures for:
  - a. Roof
  - b. Exterior walls
  - c. Exterior trim
  - d. Windows
  - e. Exterior doors
  - f. Stone/rock construction
  - g. Decorative & privacy fencing

D. A complete set of specifications.

E. A proposed schedule of construction including starting and completion dates for building construction.

6.2 <u>Staking Requirements</u>

A. Not less than 14 days prior to commencement of construction, the footprint for all proposed buildings and other Improvements must be defined with wood or steel stakes and outlined by string connecting the stakes. The Committee shall have the right to conduct an on-site inspection of such staking as part of the final approval process.

6.3 <u>Construction Security Deposit.</u> Along with the submittal of plans, the Owner or Contractor shall submit a Construction Security Deposit, (i.e. certificate of deposit, cash, etc.) in the amount of $3,000.00 for the benefit of the Association. The deposit is held to ensure satisfactory compliance of the Guidelines and completion of the Improvements in accordance with the approved plans, including but not limited to, reclamation of the Lot and roads, erosion control, and debris & trash removal. Owner or Contractor will be reimbursed the deposit upon approval of satisfactory completion from the Committee, unless it is necessary to use all or part of the deposit for satisfactory completion.

In the event the Improvements are not satisfactorily completed, the Committee shall notify the Owner or

Contractor of the needed action. If the needed action is not completed by the Owner or Contractor within the specified time frame, the Committee, at its option, may contract with a third party for the needed work, use the deposit towards expenses incurred, and assess any costs exceeding $3,000.00 against the Owner.

6.4 Variances. If an Owner or Contractor is requesting that a variance be granted from these Guidelines, the plan submittal shall include such request. A variance request needs to cite the section of the Guidelines from which relief is being considered, along with supporting documentation as to why the variance should be granted, its impacts on the Lot, other adjacent Lots, and the Little River Ranch community as a whole.

The Committee will review variance requests based on the merits on each individual situation and provide notice to the Owner and/or Contractor with approval or disapproval under the same time frame outlined in Article 5 above.