

**AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR HIGH CHAPARRAL RANCH**

This AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS EASEMENTS AND RESTRICTIONS FOR HIGH CHAPARRAL RANCH (“Declaration”) is made and entered into this 20th day of December, 2011, by Karen Nulle LLC, a Colorado limited liability company (hereinafter referred to as the “Declarant”).

RECITALS

- A. WHEREAS, at the time of initial recordation of the Original Covenants as provided in Recital B below, Declarant was the owner of that certain real property situated in the Town of Gypsum, County of Eagle, State of Colorado, known as High Chaparral Ranch, which is described on Exhibit A attached hereto and incorporated herein by this reference (hereinafter referred to as the “Property”); and
- B. WHEREAS, that certain Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on April 26, 2007 as Reception No. 200710662, and amended on October 18, 2007 as Reception No.200728266; and
- C. WHEREAS, in accordance with Section 10.2 of the Original Declaration, by Affirmative Vote of the Majority of the Classes, the Declarant desires to amend and restate the Amended Declaration so as to replace the Amended Declaration with this Amended and Restated Declaration in order to address such matters as the Declarant deems appropriate; and
- D. WHEREAS, a common interest community may be created pursuant to the Act (as hereinafter defined) only by recording a declaration executed in the same manner as a deed. The declaration must be recorded in every county in which any portion of the common interest community is located and must be indexed in the grantee’s index in the name of the common interest community and in the name if the association, and in the grantor’s index in the name of each person executing the declaration. No common interest community is created until the plat or map for the common interest community is recorded; and
- E. WHEREAS, Declarant wishes to create a small planned community (as defined in the Act) by subdividing the Property’s approximate fifty-seven (57) acres into seventeen (17) lots or parcels and to subject and place upon the Property certain covenants, conditions, easements, restrictions, obligations, liabilities, charges and other provisions for the cooperative development, improvement, use, operation, maintenance, repair and enjoyment of such subdivision for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

DECLARATION

NOW THEREFORE, Declarant hereby declares that the Property is to be subdivided into seventeen (17) lots or parcels as defined and described in the Amended Final Plat (hereinafter "Final Plat") therefore recorded as Reception No. 200728265 in the Office of the Clerk and Recorder of Eagle County, Colorado. It is the intention of the Declarant, expressed by the execution of this instrument, that the Property shall be owned, held, conveyed, encumbered, leased, improved, used, occupied and enjoyed subject to the following covenants, conditions, easements and restrictions and to the provisions of the Colorado Common Interest Ownership Act that apply to small Planned Communities, as set forth in C.R.S. & 38-33.3-116(2), (the "Act"), as the Act may be amended from time to time. This Declaration shall: (i) run with the Property at law; (ii) bind all Persons having or acquiring any interest in the Property or any part thereof; (iii) inure to the benefit of and be binding upon every part of the Property and every interest therein; and (iv) inure to the benefit of, be binding upon, and be enforceable by Declarant and its successors in interest and assigns; each Owner and his or her heirs, successors in interest and assigns; and the Association and its successors in interest. Notwithstanding the fact that as of the date of this Declaration, Declarant is the owner of all of the Property, Declarant does not intend for such ownership to result in, and such ownership shall not result in, the merger and/or termination of any of the covenants, conditions, easements, restrictions, interests, rights or obligations created by this Declaration.

ARTICLE 1 **DEFINITIONS AND EXHIBITS**

Section 1.1 Definitions. The following initially capitalized terms when used in this Declaration shall have the meanings specified below:

"Access Road Easement" is defined in Section 3.1.

"Access Road System" means: (a) the road or roads now existing or hereafter installed within the Access Road Easement for the purpose of providing access through, between, from and to the Property, and (b) any roadway Improvement, real property or interest in real property owned, held or maintained by the Association for the purpose of providing access to and from the Property. The Access Road System shall include the roadway surface, walkways, grading, slopes, related drainage facilities, berms, vegetation, fencing and other Improvements related to the construction, safety, maintenance, repair and replacement of such road. The shared 30' access easements from the end of Chaparral Ranch Road and Marie Ranch Road are subject to the provisions of Section 4.5 (i), Driveways.

"Accessory Dwelling Unit or Accessory Apartment" means a second dwelling unit that is within or attached to the main structure.

"Accessory Building" means a building located on the same lot as the principal residence to which it is accessory and is clearly incidental, subordinated, secondary and devoted to the principal residence.

“Accessory Building Envelope” means the accessory building envelope on Lot 8, located east of the emergency access easement and intended to be the general location for the accessory building or buildings constructed on Lot 8.

“Act” means the Colorado Common Interest Community Act, C.R.S. §38-33.3-101, et. seq., as amended.

"Annual Budget" is defined in Section 6.1(a).

"Applicant" shall mean an Owner, except for Declarant, applying to the DRC to construct or make an Improvement.

“Arena” shall mean an indoor horseback riding Building or Accessory Structure.

"Articles" means the Articles of Incorporation of the Association that have been or shall be filed in the office of the Secretary of State of the State of Colorado, as amended from time to time.

“Assessment” means common Assessments and special Assessments, which are provided for in this Declaration. For purposes of Article 6, Sections 6.4 and 6.5 of this Declaration, “Assessment” means common Assessments, special assessments, and late charges, fines, fees, interest, costs, expenses, reasonable attorneys’ fees, and any other charges, which are provided for in this Declaration.

"Association" means High Chaparral Ranch Homeowners Association, a Colorado nonprofit corporation, presently formed or to be formed as described in Article 5 of this Declaration.

"Barn" means an enclosed, roofed Accessory Building that is used for any one or more of the following: (a) sheltering, feeding, riding or breeding of animals; (b) storing hay, or any animal feed; or (c) storing, maintaining or repairing farm machines or implements.

"Board" or "Board of Directors" means the board of directors of the Association.

"Building Envelope" means the area of each Parcel designated as such on the Map, without in any way limiting the effect of Section 4.5(c).

"Building Height" is limited to 33 feet and Accessory Building Height is limited to 25 feet, unless otherwise limited by the Design Guidelines, and is measured in accordance with the Design Guidelines and the applicable Town of Gypsum ordinances.

"Bylaws" mean the duly adopted Bylaws of the Association, as amended from time to time.

"Common Assessments" are defined in Section 6.2.

“Common Elements” means the Access Road System, including Chaparral Ranch Road between Spring Creek Road and the property, the Trail and Improvements located within the Access Road Easement, landscape and trail easements, landscaping, gates, fences and similar improvements intended to benefit members of the Association.

"Common Expenses" means, except for those costs and expenses expressly excluded below, all costs, expenses and financial liabilities incurred by the Association pursuant to this Declaration or the Bylaws including, without limitation: the Association's insurance expenses, as defined in Section 9.1 below, and all other costs of operating, managing, administering, securing, protecting, cleaning, maintaining, repairing, renewing, replacing or restoring (to the extent not covered by insurance or condemnation proceeds) the Access Road System and any other Common Elements; taxes on any property owned by the Association, if payable by the Association; and funding of working capital and reasonable reserves for such costs and expenses. Common Expenses shall not include Reimbursable Expenses, Special Service Expenses, Delinquency Costs, and any fees charged by the Association pursuant to Article 6.

"Declarant" means Karen Nulle LLC, a Colorado limited liability company, and its successors and assigns as the terms "successors and assigns" are herein limited. A party shall be deemed a "successor or assign" of Karen Nulle LLC, as Declarant under this Declaration only if specifically designated as such in a duly Recorded instrument and shall be deemed a successor or assign of Declarant under this Declaration only as to the particular rights or interests of Declarant under this Declaration that are specifically designated in such instrument, except that a party acquiring all or substantially all of the right, title and interest of Karen Nulle LLC, in the Property by foreclosure, judicial sale, bankruptcy proceedings or by other similar involuntary transfer, shall automatically be deemed a successor and assign of Karen Nulle LLC, as Declarant under this Declaration.

"Declaration" means this Declaration of Covenants, Conditions, Easements and Restrictions of the Association and any other recorded instruments, however denominated, that create the High Chaparral Ranch, including any supplements and amendments to this instrument and also including, but not limited to, maps and plats.

"Design Guidelines" means such requirements, rules, standards and regulations as may be adopted by the DRC pursuant to Article 8 and approved and ratified by the Board pursuant to Section 5.6 (g).

"DRC" means the design review committee created pursuant to Article 8.

"Director" means a member of the Board.

"First Mortgagee" means the legal holder of a Mortgage with first priority over other Mortgages.

"Force Majeure Delays" means delays caused by war, civil commotion, casualty losses, unusual weather condition, strikes, walkouts, shortages in labor or materials that could not reasonably have been anticipated and other conditions beyond the reasonable control of the Person experiencing the delay.

"Garage" means an enclosed, roofed Accessory Building designed and used for parking and storing automobiles or other motorized vehicles.

"Greeting Sign" means a sign installed on a Parcel generally in the location where the driveway for the Parcel intersects with the Access Road System.

"Guest" means any Person rightfully present on or in rightful possession of any portion of the Property, including, without limitation, (a) a tenant of an Owner or the Association or (b) an agent, employee, contractor, licensee, invitee, shareholder, partner, member or guest of an Owner, the Association or a tenant of either of them.

"Initially Unoccupied Parcels" mean only those Parcels which have not been conveyed to the initial Owner other than the Declarant.

"Junk" means any waste, scrap, surplus or discarded materials(s), included unlicensed vehicles and inoperable equipment and motorized vehicles.

"Law" means all laws, statutes, ordinances, resolutions, orders, codes, rules, regulations, judgments, decrees and other requirements (including requirements under permits, licenses, consents and approvals) of any federal, state, county, city, town or other governmental or quasi-governmental authority having jurisdiction over the Property or any activity on the Property.

"Livestock" for purposes of this declaration, shall be defined as: Horses, mules and seasonal 4-H livestock projects.

"Map" means the Amended Final Plat of High Chaparral Ranch that is recorded as Reception No. 200728265 in the Office of the Clerk and Recorder of Eagle County, Colorado in conjunction with and refers to this Declaration as such is amended or supplemented from time to time.

"Member" means a member of the Association, and "Membership" shall mean the rights and obligations associated with being a Member.

"Mortgage" means any mortgage or deed of trust or other such instrument, given voluntarily by the Owner of a Parcel, encumbering the Parcel to secure an evidence of debt or the performance of an obligation which is required to be released upon the payment of such debt or the performance of such obligation.

"Owner" means a Person or Persons (including Declarant) who is the owner of fee simple title of Record to a Parcel from time to time, but excluding the Association. The term "Owner" shall not include (a) a contract purchaser except a contract vendee under an installment land sales contract; (b) the vendor under an installment sales contract, or (c) a Person holding an interest in a Parcel merely as security for the performance of an obligation, unless and until such a security holder becomes an owner in fee simple of such Parcel.

"Parcel" is defined in Section 2.4.

"Permitted" means allowed pursuant to or not inconsistent with the provisions of this Declaration, the Bylaws, the Rules, and the Design Guidelines and in compliance with Law.

"Person" means any individual, corporation, partnership (general or limited, with or without limited liability), Limited Liability Company, estate, trust, joint venture, business trust, association or any other legal entity or any combination thereof.

"Plans and Specifications" means any and all documents and other materials designed to guide or control an Improvement, including, but not limited to, those indicating size, shape, configuration

or materials, all site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on building products and construction techniques, samples of exterior colors and materials, plans for utility facilities, and all other documentation or information relevant to the intended Improvement. The DRC shall have the authority to prescribe the necessary contents of Plans and Specifications for a particular proposed Improvement.

"Primary Residence" means a residence that is intended primarily for the use of the Owner of the Parcel on which the residence is located, but excluding any Accessory Dwelling Unit or Accessory Apartment or any other accessory structure on the Parcel.

"Property" means the real property legally described on Exhibit A along with any and all Improvements now in place or hereafter constructed thereon.

"Records" means the real property records of Eagle County, Colorado; to "Record" or "Recording" means to file or filing for recording in the Records.

"Reimbursable Expenses" is defined in Section 6.3(b).

"Reserve Fund" is defined in Section 6.1(a).

"Restrictions" means (i) this Declaration, and as amended from time to time, (ii) the Articles of Incorporation and Bylaws in effect and as amended from time to time, (iii) the Rules and Regulations in effect and as amended from time to time, and (iv) the Design Guidelines in effect and as amended from time to time.

"Rules" means the rules and regulations adopted by the Board of Directors pursuant to Section 5.6 (f) as such rules and regulations are amended from time to time.

"Seasonal 4-H Livestock projects" means: Livestock animals that are raised for show by students and subsequently sold. Seasonal 4-H Livestock projects are acquired in the Spring and sold at the "County Fair". The only 4-H livestock project animals approved in High Chaparral Ranch are steer, goat, or sheep. No 4-H livestock projects are allowed through the fall and winter.

"Special Assessments" are defined in Section 6.3.

"Special Declarant Rights" are defined in Section 7.1.

"Special Service Expenses" are defined in Section 6.3(a).

"Town" means the Town of Gypsum.

"Trail" means the trail easement and associated Improvement identified on the Map.

"Utility Services" means water, sewer, electricity, natural gas and other energy services and telephone, and other telecommunication services, including but not limited to all pipes, lines, cables, mains, pumps, conduits, transformers, vaults, and all other related surface and below ground appurtenances thereto that are approved by the Association or the Town for the Property. Provided, however, that nothing in this Declaration shall constitute or be deemed to constitute a

representation or guarantee that any particular Utility Services shall be available on the Property or any portion of it.

Section 1.2 Exhibits. The Exhibits listed below are attached to and incorporated in this Declaration:

Exhibit A - Legal Description of the Property.

ARTICLE 2 **CREATION OF THE COMMUNITY**

Section 2.1 Creation. Upon the Recording of this Declaration and the Map, the Property shall be a small planned community consisting of seventeen (17) separate Lots.

Section 2.2 Name. The name of the subdivision established by this Declaration is "High Chaparral Ranch."

Section 2.3 Small Planned Community/Exempt from the Act. Pursuant to Section 38-33.3-116 (2) of the Act, the small planned community created by Declarant shall not exceed twenty (20) Parcels. The Property subject to this Declaration is intended to be and is exempt from the Colorado Common Interest Ownership Act, C.R.S. & 38-33.3-116 et seq., as a small planned community. Accordingly, the Property subject to this Declaration shall only be subject to Sections 105, 106 and 107 of the Act and such other sections of the Act as specifically made applicable by the terms of this Declaration.

Section 2.4 Division and Conveyance of Property. The Property is hereby divided into the seventeen (17) lots or parcels identified by number and legally described on the Map (each a "Parcel" or "Lot"). The Parcels are hereby designated for separate ownership. A legal description of a Parcel may set forth the name of High Chaparral Ranch, the Recording data for this Declaration and the Map, and the identifying number of the Parcel as indicated on the Map. Such a description shall be a legally sufficient description of the Parcel and its appurtenances, including, without limitation, all rights, obligations, and interests appurtenant to the Parcel that are created by this Declaration or the Map.

ARTICLE 3 **EASEMENTS**

Section 3.1 Access Road Easement.

(a) Creation of Easement. A perpetual, nonexclusive easement is hereby created and established over, through and across the Access Road Easement Area as depicted on the Map as Chaparral Ranch Road and Marie Ranch Road for the purposes set forth in Section 3.1 (the "Access Road Easement"). The Access Road Easement shall be for the benefit of the Association and may be used by the Association, the Owners and their respective Guests.

(b) Purposes. Subject to the provisions of this Declaration, the Access Road Easement shall be for the following purposes: (i) construction, maintenance, service, improvement, repair and

replacement of the Access Road System by the Association or Declarant as appropriate; (ii) pedestrian, horseback, recreational and vehicular access on the Access Road System to and from the portions of the Property accessed by the Access Road System; (iii) ingress and egress to and from each Parcel to any public right-of-way accessible from the Access Road System; (iv) installation, maintenance, repair and replacement of Utility Services that provide common service to the Property, provided that such Utility Services shall, to the extent feasible, be installed underground; (v) Landscape easement as defined on Final Plat. Use of the Access Road Easement shall comply with the Law and shall be subject to the Rules. No Owner shall use or permit the use of the Access Road Easement in any manner that unreasonably interferes with any other Owner's or Guest's permitted use of the Access Road Easement.

(c) No Public Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of any portion of the Property to or for the general public for any public purpose whatsoever.

(d) Gates to Property. Declarant shall construct a decorative entrance gate to the Property located at the intersection of Spring Creek Road and Chaparral Ranch Road. Said decorative entrance will remain open year round, without exception. At the northeast corner of the Property on Chaparral Ranch Road, the Declarant or the Association may construct a gate to address the safety and security concerns of the Owners and their Guests. The security gate would be designed to allow passage of Owners and their Guests and for non-motorized access to the Property (i.e. bicycles, pedestrians, and horses) without restriction.

Section 3.2 Trail Easement.

(a) Creation. A perpetual, nonexclusive easement is hereby created and established over, through and across Trail Easement "A" for the benefit of and as an appurtenance to the High Chaparral Ranch and Owners for the purposes set forth in Section 3.2(b) (the "Trail Easement"). The Trail Easement shall be used and enjoyed only: (i) by Owner's or a lessee who has a leasehold interest in a Parcel as the tenant of the Owner; and (ii) by their Guests. The Trail Easement "A" may not be conveyed separately from title to individual Parcels.

Trail Easement "B" is for the benefit of and as an appurtenance to the High Chaparral Ranch and Owners for the purposes set forth in Section 3.2(b) (the "Trail Easement"). The Trail Easement shall be used and enjoyed only: (i) by Owner's or a lessee who has a leasehold interest in a Parcel as the tenant of the Owner; and (ii) by their Guests. All landscape and trail improvements shall be subject to DRC approval.

(b) Purposes. Subject to the provisions of this Declaration, the Trail Easement "A" and "B" shall be for the following purposes: (i) hiking, running, bicycling, horseback riding, and other similar non-motorized recreational activities. The Trail Easement shall not be used in any manner that unreasonably interferes with utility easements, the Permitted use(s) of any Parcel by the Owner of such Parcel or such Owner's Guests.

Section 3.3 Easements for Encroachments. In the event that any portion of any Improvement on or for the benefit of any Parcel or Common Elements now or hereafter encroaches upon any other Parcel or Common Elements, Declarant hereby establishes and grants an easement for the continued existence and maintenance of such encroachment which shall continue for so long as such encroachment exists and which shall burden the Parcel or Common Elements encroached

upon and benefit the Parcel or Common Elements on which is located or which is benefited by such Improvement. In no event however, shall an easement for any such encroachment be deemed established or granted if such encroachment is materially detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or Parcel(s) burdened by such encroachment or if such encroachment occurred due to willful and knowing misconduct on the part of the Owner claiming the benefit of such easement.

Section 3.4 Association Easements Over the Parcels. There is hereby created and established for the benefit of the Association, including the DRC, easements over, across, within and through the Parcels, as may be necessary or appropriate for the Association, including the DRC, to perform the duties and functions which it is obligated or permitted to perform under this Declaration.

Section 3.5 Declarant Easements Over the Parcels. As long as the Declarant owns two or more Parcels, Declarant shall have easements over, across, within and through the Parcels for the purposes of permitting Declarant to perform and exercise its obligations and rights under this Declaration.

Section 3.6 Utility Easements. There is hereby created a general easement upon, across, over, in, and under all of the Property outside the footprint of any buildings for ingress and egress and for installation, replacement, repair and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity and cable communication systems. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical, telephone and other communication services to erect and maintain the necessary equipment on the Property and to affix and maintain electrical, communications and telephone wires, circuits and conduits under the Property. Any utility company using this general easement shall use its best efforts to install and maintain the utilities provided without disturbing the uses of the Owners, the Association and Declarant. Any utility company using this general easement shall complete its installation and maintenance activities as promptly as reasonably possible; and shall restore any disturbed property 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, Declarant or Board shall have, and are hereby given, the right and authority to grant such an easement upon, across, over or under any part or all of the Property outside of the footprint of any building without conflicting with the terms hereof. The easements provided for in this Section shall in no way affect, avoid, extinguish or modify any other recorded easement on the Property.

Section 3.7 Utility, Map and Plat Easements. Easements for utilities and other purposes over and across the Parcels may be as shown upon recorded plats or maps and as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any recorded document.

Section 3.8 Easements for the Executive Board. Each Parcel shall be subject to an easement in favor of the Executive Board (including its agents, employees and contractors) to allow for their performance of obligations in this Declaration.

Section 3.9 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or

persons, now or hereafter servicing the Property, to enter upon any part of the Property in the performance of their duties.

ARTICLE 4
COVENANTS, CONDITIONS AND RESTRICTIONS

Section 4.1 Generally. Except as otherwise expressly provided in this Declaration, each Parcel shall be owned, used and conveyed subject to the covenants, conditions and restrictions of this Article 4. This Section 4.1 is not intended and shall not be construed to limit the effect of any provision contained in any other Article of this Declaration.

Section 4.2 Compliance with Law. Nothing shall be done or kept on any Parcel in violation of Law, and each Parcel shall be used, kept and maintained in compliance with Law.

Section 4.3 Permitted Use of the Parcels Generally. Except to the extent expressly permitted by this Declaration, the Parcels shall be improved and used solely for purposes that are consistent and in harmony with the residential, scenic, rural, agricultural, ranching, woodland, and pastoral characteristics of the Property. Without in any way limiting the effect of Article 8, the DRC shall have the authority to deny any proposed improvement that is designed for or shall result in a purpose or use that is not consistent with this Section 4.3.

Section 4.4 Parcels Restricted to Residential Use. Each Parcel is restricted to residential purposes and secondarily related purposes that are consistent with Section 4.3.

Section 4.5 Nature, Location and Size of Improvements.

(a) Design Guidelines. Every improvement on any Parcel shall comply with the Design Guidelines, and no improvement shall be made or permitted on any Parcel until such improvement has been approved by the DRC in accordance with Article 8.

(b) Residences Generally. No more than one Primary Residence may be constructed or maintained on each Parcel. One (1) Accessory Dwelling Unit is allowed upon parcels numbered 14, 15, 16 and 17. The Primary Residence must be constructed prior to or simultaneously to the construction of any barn, livestock shelter, and garage or similar accessory structure or out building. Accessory structures that are designed and approved by the DRC in conjunction with (at the same time) the Primary Residence may proceed to construction as approved by the DRC.

(c) Building Envelope. Except as defined herein, all improvements constructed, installed or made to or within a Parcel shall be located within the Building Envelope as depicted on the Map. Existing improvements, including non-habitable agricultural structures and fences may remain even if located outside the Building Envelope. Non-habitable accessory structures and fences may be located outside of the Building Envelope upon approval of the DRC. Without in any way limiting the effect of Article 8, the orientation of any Residence and Accessory Dwelling Unit, if allowed, within a Building Envelope shall be subject to the review and approval of the DRC in accordance with the Design Guidelines.

(d) BLM Access. The south and west boundaries of the Property will be fenced to restrict access to the adjacent BLM land. One (1) gate will be constructed by the HOA on the western

boundary of the Property on the Trail as depicted on the Map to allow Owners and their Guests access to BLM land. This gated entrance will allow for non-motorized access to BLM land for hiking, biking and horseback riding and similar recreational uses..

(e) Height Limit. No Residence or roofed accessory structure on any parcel shall exceed a Building Height of 33 feet except that Parcel 15 shall be limited as further defined in the Design Guidelines.

(f) Roof Materials. Roof materials shall be noncombustible materials with a low reflectivity value such as pre-rusted cor-ten, concrete tiles, slate or other synthetic non-combustible materials permitted by the Town of Gypsum or the Gypsum Fire Department and approved by the DRC.

(g) Architectural Integration. Without in any way limiting the effect of Article 8, the design of any Accessory Dwelling Unit located on a Parcel, if allowed as provided for herein, shall be architecturally integrated on such Parcel by the use of similar materials, colors, architectural form and building form.

(h) Garages and Parking Spaces. If a Primary Residence is constructed on a Parcel, then, at a minimum, two unenclosed parking spaces and a Garage containing at least two parking spaces shall be constructed within the Building Envelope of such Parcel.

(i) Driveways. Lot owners shall maintain paved driveways from the Access Road System to their Primary Residence. Each paved driveway shall be a minimum of 12 feet in width, without in any way limiting the effect of Article 8, the location, design and construction materials of driveways shall be subject to the approval of the DRC and shall be in accordance with the Design Guidelines. All lot owners obtaining access from the end of the cul-de-sacs via a 30 foot width access easement shall share the cost of any driveway construction remaining and driveway maintenance in accordance with a maintenance agreement approved by the Board. Horses and associated equestrian uses shall not be permitted on paved private driveways without owner's permission.

(j) Address/Greeting Signs. All address/greeting signs must be approved in accordance with the DRC guidelines.

(k) Utility Services. Except as dedicated to the Town, only Utility Services approved by the Association and of the type necessary and customary for the uses Permitted on the Parcels shall be constructed or installed on any Parcel. All Utility Services on each Parcel shall be placed underground, except such Utility Services as are required by their function, by the providers of the Utilities Services or by Law to be above ground. To the extent not underground, Utility Services shall be shielded from view with natural materials and made as unobtrusive as is reasonably possible. Utility Services may be installed or constructed within the Trail Easement; provided, however, that to the extent practicable, as determined by the DRC in its discretion, Utility Services installed within any Parcel shall be installed under or along the driveway of such Parcel. Utility Services should be installed in manner that minimizes disturbance of the natural environment.

Electricity service from transformer to each Parcel is the responsibility of the Owner. Solar collectors are allowed as long as they are incorporated into the primary residential structure. Stand alone collectors are not allowed. Windmills are not allowed.

(l) Temporary Buildings. No mobile home, tent, trailer or other temporary building shall be permitted on any Parcel, except recreational tents and similar recreational devices for occasional recreational use by Owners or their Guests without the approval of the Declarant and the DRC.

(m) Antennae, Clotheslines. No poles, clotheslines, antennae, satellite dishes wider than 24 inches in diameter or similar facilities shall be permitted on any Parcel except with the prior consent of the DRC.

(n) Repair of Improvements. No Improvement on any Parcel that has been damaged or partially or totally destroyed by fire, earthquake or other cause shall be allowed to remain in such state for more than twelve months following the date of damage or destruction, subject to Force Majeure Delays. Upon the occurrence of any such damage or destruction, the Owner of the Parcel shall promptly and with reasonable diligence, after acquiring any approvals from the DRC required by this Declaration, either rebuild the Improvement or raze the Improvement and restore the land on which the Improvement was located to the condition the land was in prior to construction of such Improvement.

(o) Exemption for Existing Improvements. The restrictions contained in this Section 4.5 shall not apply to Improvements that exist as of the date this Declaration is initially Recorded. However, Owner shall maintain said existing Improvements and keep them in reasonable repair.

(p) Water Conservation, Irrigation All Parcel Owners are encouraged to utilize best management practices for xeriscaping their individual Parcels. Outdoor irrigation with the Town domestic water is limited to 2,400 square feet per Parcel. All design review applications shall include a landscape plan, including documentation that the area proposed to be irrigated with Town of Gypsum domestic water is limited to 2,400 square feet per Parcel. The landscape plan shall be submitted to the Town of Gypsum along with the building permit application. Each Parcel's remaining 100 square feet of domestic water for irrigation purposes shall be donated to the Association for irrigation of Common Elements. The Board shall administer the Association's irrigation water in accordance with this Declaration and provide for appropriate irrigation monitoring and annual reporting to the Town.

Section 4.6 Town of Gypsum Fees based on EQR's The Town of Gypsum allows 3,000 square feet of residential living space plus a garage per Equivalent Residential Unit ("EQR"). All fees are based on EQR's.

(a) Water Rights Dedication Fee: Each Parcel owner will be responsible for paying the balance of the Water Rights Dedication fee prior to building permits being issued for any construction. The actual fee will be governed by the Town code at the time of application. The current in lieu water rights dedication fee is \$7,000 per EQR. The Declarant prepaid \$3,500.

(b) Water Service Tap Fees. Each lot owner will be responsible for paying the balance of the Water Service Tap Fee for their Parcel. Lot owners submitting a building permit request shall pay the remaining portion of Gypsum's water service tap fee before making the individual connection based on the water service tap fee charged by Gypsum at the time of connection and for the EQR determination made at that time. The current water service tap fee is \$6,000 per EQR. The Declarant prepaid \$600.00.

(c) Airport Water Service Area Surcharge. Prior to issuance of any building permits, the lot owner shall pay a fee in the amount of \$2,500 per EQR. Owner shall pay an additional Airport Water Service Area Surcharge per EQR to the extent the Owner changes the use of any portion of the Parcel or Property to increase the use of the Gypsum water system.

(d) Sewer Tap Fees. Each lot owner will be responsible for paying the balance of the Sewer Service Tap Fee. Lot owners submitting a building permit request shall pay the remaining portion of Gypsum's sewer service tap fee before making the individual connection based on the sewer service tap fee charged by Gypsum at the time of connection and for the EQR determination made at that time. The current sewer service tap fee is \$7,000 per EQR. The Declarant prepaid \$875.00.

(e) Airport Sewer Service Area Surcharge. Because the development is within the Airport Sewer Service Area, prior to the issuance of any building permits, the lot owner shall pay a fee in the amount of \$398.98 per EQR in cost recovery for the wastewater facilities previously installed which will provide service to the Property. To the extent the Owner of any lot changes the use of any portion of the Property to increase the use of the Gypsum sewer system the Owner shall pay an additional Airport Sewer Service Area Surcharge per EQR.

(f) Gateway Sewer Service Area Surcharge. Because the development is within the Gateway Sewer Service Area, prior to the issuance of any building permits, the Owner shall pay a fee in the amount of \$216.34 per EQR in cost recovery for the wastewater facilities previously installed which will provide service to the Property. To the extent the Owner of any lot changes the use of any portion of the Property to increase the use of the Gypsum sewer system the Owner shall pay an additional Gateway Sewer Service Area Surcharge per EQR.

(g) Booster/Pressure Tanks Paid by Owner. Portions of Lots 14, 15, 16 and 17 are located above the Town of Gypsum minimum water pressure zone and may require individual water booster/pressure tanks. If individual water booster/pressure tanks are required, the installation and maintenance of such tank are the responsibility of the Owner of the Lot for which such tank is required.

Section 4.6 Restriction on Animals. Domestic cats and dogs are the only outside animals permitted so long as they are (i) maintained in accordance with this Declaration, the rules and regulations of the Association, (ii) not kept, bred or maintained for any commercial purposes, and (iii) not a nuisance by any of the following: a) hazard to wildlife b) sound, c) destruction of property, d) smell e) pet waste. Other household pets are allowed if they comply with items (i) and (ii) above and are contained totally within the primary residence house. Animal hording is not allowed. Household pets include rabbits, hamsters, fish, bird, or similar small animals. Domestic livestock are not considered household pets.

Section 4.7 Livestock. Horses and Mules are the only year round livestock allowed within the High Chaparral Ranch. Seasonal 4-H livestock project may be permitted upon approval of the Board and/or DRC. Water and electricity must be available for horses and livestock prior to receiving approval by the Board and/or DRC. Electric tank heaters must be used for horse water tanks in the winter. Running water to prevent horse tanks from freezing is not allowed. Parcels or Lots 1-13 are limited to one (1) livestock animals per acre and must be permitted and maintained in accordance with applicable Town Ordinances. Board and/or DRC approval must accompany all Town application permits for seasonal livestock 4H projects. Parcels or Lots 14-

17 are limited to one (1) livestock animal per acre. No other animals are allowed including but not limited to bison, buffalo, domestic elk, donkeys, ostrich, chickens or ducks.

4.7.1 Livestock Containment. All proposed corrals or other shelter improvements for livestock animals must be approved by the DRC. Parcels or Lots 1-13 are allowed to build one (1) animal containment out of fence panels or wire fencing and must be limited to 7,000 square feet within the building envelope. Parcels or Lots 14-16 are allowed to build one (1) animal containment out of fence panels or wire fencing and must be limited to 15,000 square feet. Lots 14-16 may have an additional 20,000 square feet of wildlife friendly fencing with approval of the Board and/or DRC outside the building envelope. The additional 20,000 square feet is for occasional turn out of horses or mules with the responsibility to keep the vegetation stable. If Owners allows land vegetation to be depleted by livestock, Owner will be required to re-vegetate the land for the benefit of wildlife use only and no longer have the additional 20,000 square feet available for occasional turn out of horses or mules. As long as the Declarant or heirs owns Lot 17, Livestock Containment rules are only guidelines. If Declarant or heirs do not own Lot 17, the rules for Lots 14-16 will apply to Lot 17. All seasonal 4-H livestock must be contained in corrals. Corrals must be cleaned out on a regular basis and manure disposed of properly.

Section 4.8 Horses and Equestrian Facilities. Existing horses and related equestrian facilities at the time of Recording of this Declaration shall be permitted to remain. Except for the Declarant, all proposed horse or equestrian related improvements, including barns, arenas, shelters and fencing must be approved by the DRC. Except as herein defined, owners shall comply with all requirements of the Law, including the applicable Town ordinances.

Section 4.9 Lighting; Reflection. Only exterior lighting that is of low intensity and directed downward and in any event without unreasonable horizontal or upward spillage shall be permitted on any Parcel. If reflection of sunlight from glass or other glazing on an Improvement that is visible from any other Parcel creates an unreasonable amount of reflection or causes a nuisance on such other Parcel, the Owner of the Parcel from which such reflection originates shall use its best efforts to reduce or block such reflection with overhangs, trees or other landscaping, or other reasonable means otherwise Permitted. Materials requiring weathering in order to create a non-shiny or non-reflective surface shall be pre-weathered prior to installation.

Section 4.10 Fuel Tanks. No fuel tanks for the storage or dispensing of petroleum-based fuels or gases or other hazardous materials shall be permitted on any Parcel without prior written approval of the DRC. Small containers that are customarily utilized for residential domestic purposes (i.e. propane for BBQs) are allowed.

Section 4.11 Snowmobiles and Other Motorized Recreation Vehicles. No snowmobiles, dirt bikes, three-wheelers, four-wheelers, all-terrain vehicles or other similar motorized vehicles (hereinafter collectively referred to as "ATVs") shall be operated on any portion of the Property except as follows: ATVs may be operated on the Access Road System in accordance with the Law and provisions of this Declaration. Repeat travel or looping of the Access Road System for recreation shall be prohibited. Extreme consideration to not disturbing other Owners, horses, and wildlife will be required. Notwithstanding the foregoing, ATVs may be used on the Property as is necessary in connection with a bona fide emergency or maintenance functions. Parking and storage of snowmobiles, dirt bikes, three-wheelers, four-wheelers, all-terrain vehicles or other similar motorized vehicles (hereinafter collectively referred to as "ATVs") shall be within a

garage, within an accessory building or otherwise sufficiently screened as viewed from the roadway, driveway or adjacent properties as determined by the DRC.

Section 4.12 Helicopters and Other Aircraft. No helicopter or other aircraft shall be permitted to land or take off on the Property except in cases of medical evacuation and other bona fide emergencies.

Section 4.13 Removal of Trees. No tree of 5 inches or more in diameter on any Parcel shall be removed or destroyed, except if diseased, dead or dying or to the extent necessary for wildfire mitigation and to construct, install or make Improvements otherwise Permitted.

Section 4.14 No Hazardous Use. No activity shall be conducted and no Improvement shall be constructed, used, kept or maintained on any Parcel that is unreasonably unsafe or hazardous to any natural Person or property; provided, however, that hunting and other lawful uses of firearms on the Property shall be permitted subject to regulation by the Board and compliance with the Law.

Section 4.15 Noxious Activities and Storage. No loud, noxious or offensive activities shall be conducted on any Parcel or on the Property, and nothing shall be done or permitted to exist on any Parcel or the Property, including the storage of Junk, that may cause devaluation of property or unreasonable embarrassment, disturbance or annoyance to others.

Section 4.16 Annoying Sounds. No sound shall be emitted from any Parcel on the Property that is unreasonably loud or annoying, without limiting the generality of the foregoing, no firecrackers or exterior speakers, dogs barking or howling, horns, whistles, bells or other sound emitting devices shall be permitted to be used on any Parcel, other than security devices used exclusively for security purposes in bona fide cases of emergency.

Section 4.17 Wildlife Mitigation, Background. The applicant and the Town are committed to protecting wildlife habitat to foster and promote the continued existence of wildlife in the area. As agreed to in the Annexation Agreement, a wildlife mitigation fee of one-tenth of one percent (0.1%) of the sales price from each subsequent sale will be paid to the Town to preserve and enhance wildlife habitat. Parcel sizes, locations and building envelopes have been planned with consideration given to wildlife values at High Chaparral Ranch.

4.17.1 Restriction on Dogs. Dogs shall either be contained indoors or confined within the Building Envelope of a Parcel by an appropriate and adequate fenced kennel approved by the DRC. At all other times, dogs shall be on a leash or under the immediate control of the owner or pet custodian. Any dog harbored on-site must be licensed by the appropriate governmental entity (Eagle County or the Town) and must wear the numbered identification tags provided.

Contractors and subcontractors are prohibited from bringing dogs onto the High Chaparral Ranch. Violations of this policy shall result in immediate eviction of the dog and the dog's owner or owner's representative from the Property. In the event of repeated violations by the same dog and/or the same dog's owner or owner's representative, the dog and the dog's owner or owner's representative shall be immediately evicted from the Property and the offending person in question shall be prohibited from entering and/or working within the Property for the following five (5) consecutive calendar days.

Notwithstanding the foregoing, all Owners shall comply with this Declaration as well as any additional more restrictive Law which conflict with this Section. The Association may provide for additional regulations, facilities, personnel and/or funds to enforce these animal control restrictions and/or to exclude animals from the Property.

4.17.2 Wildlife Resistant Refuse/Trash/Garbage Containers. The type of exterior Refuse/Trash/Garbage containers used on any Parcel and/or Building Envelope shall be approved by the DRC so as to be "wildlife resistant" to the extent possible. Refuse/Trash/Garbage containers must remain inside and only placed outside for trash pick-up from dawn to dusk on the day of trash pick-up. Empty Refuse/Trash/Garbage containers must be returned inside prior to nightfall after trash collection. "Bear proof containers" will be required for all exterior trash or refuse if bears are seen in the High Chaparral Ranch. Owners and/or Guest are prohibited from using compost piles unless such piles are contained in an approved bear proof receptacle. With the exception of bird feeders, the feeding, baiting, salting or other means of attracting wildlife to the Property is prohibited.

4.17.3 Fencing. Fencing will be restricted throughout the development to facilitate wildlife movements and reduce wildlife mortality. Perimeter fencing along the Bureau of Land Management boundary is required to restrict domestic livestock grazing on adjacent properties. Permanent perimeter fencing along BLM and the north and east boundary shall be of a "see through" design. Lot owners adjacent to BLM boundaries (Lots 4, 12, 13, 14, 16, 17) and Lot owners on the East (Lots 1, 2, 3) and Lot owners to the North (Lots 8 and 11) are responsible for maintaining the boundary fencing with "wildlife friendly" fencing. "Wildlife friendly" fencing shall employ the two top strands, or three strands of smooth wire or equivalent material, with strands located at 16, 28, and 42 inches above mean ground level. If wood rail fencing is used it shall not exceed 42 inches in height and 12 inches in width (plan view) with an opening in the lower ½ of at least 16 inches to allow passage of fawns and similar wildlife. The wood rail fencing is only allowed with DRC approval. Fencing for Livestock Containment is detailed in Section 4.7.1.

Homeowner's are permitted a "non-wildlife friendly" privacy fence to enclose up to 2,400 square feet provided it is associated with the residence or accessory structure and located entirely within the building envelope. "Non-wildlife friendly" privacy fences must be approved by the DRC.

4.17.4 Enforcement. The authority to enforce these restrictions is granted to the Association. In the event that there is a violation of these rules by an Owner, then the following procedures shall be taken by the Association:

The Owner violating the Restrictions shall first receive a written warning of the violation. If a second offense occurs by an Owner of the same type of violation or the Owner does not correct the initial violation within seven (7) calendar days after receiving notice (or such reasonable time as is necessary to correct the violation), then a fine of one hundred dollars (\$100.00) will be assessed against the Owner. Upon the third offense of the same type of violation or the continuance of a violation in excess of four (14) calendar days after the Owner receives notice, a fine of one hundred and fifty dollars (\$150.00) will be

assessed against the Owner. Each violation of this Section, even if based on the same situation or animal, shall be considered a separate offense.

If an Owner does not pay a fine which has been assessed due to a violation of this Section within thirty (30) days of receipt of notice to pay the fine, then the late payment or nonpayment shall be considered a separate offense for which the Owner can be fined on the same terms as set forth above. In other words, an Owner may owe one amount for violating a specific provision of this Section and owe another amount for not timely paying the fine for such violation.

The fines collected under this section shall be deposited into the account of the High Chaparral Ranch Owner's Association general fund.

The Association may take such action as is reasonably necessary to cause the violation to cease, including entry onto the Owner's Parcel, without being deemed guilty of trespass. The Association may amend, delete or revise this Section as part of a Wildlife Mitigation Plan in accordance with the terms of this Declaration.

4.17.5 CDOW Indemnification. The applicant, the Association and Parcel/home owners shall indemnify the CDOW from any and all future wildlife damage claims and from and all actions that might be taken to control free-ranging pets that could pose hazards to wildlife.

Section 4.18 Drainage. There shall be no interference with the established drainage patterns over any portion of the Property unless adequate provision is made for proper drainage and approved by the DRC. Neither the Declarant nor its successors or assigns shall be liable for any loss of, use of, or damage done to any Improvements or the contents thereof on any Parcel caused by any water levels, rising waters or drainage waters.

Section 4.19 No Mining or Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth. This Section 4.21 shall not be construed to prohibit the drilling of water wells.

Section 4.20 Rubbish, Refuse, Debris. Except as customarily associated with and necessary to residential activities, no rubbish, refuse or debris of any kind shall be placed or permitted to accumulate upon any part of the Property and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly or offensive to others. Firewood shall be stored within a garage, within an accessory building for otherwise sufficiently screened as viewed from the roadway, driveway or adjacent properties as determined by the DRC.

Section 4.21 Exception for Construction. During the course of the construction of any Improvement that is Permitted on a Parcel, the DRC shall have the authority to grant temporary waivers to any of the restrictions of this Article 4 to the extent reasonably necessary to permit such work to be undertaken in a reasonable manner, provided that nothing is done in the course of such work that shall result in the violation of any restriction in this Article 4 upon the completion of the Improvement.

Section 4.22 Exemption for Declarant. Notwithstanding anything in this Declaration to the contrary, as long as the Declarant owns two or more Parcels, neither Declarant nor any of Declarant's activities on the Property shall be subject to the provisions of this Article 4 or to the jurisdiction of the DRC pursuant to Article 8.

Section 4.23 Exemption for Association. With respect to any Improvement constructed, maintained, repaired or replaced by the Association, the Association shall not be subject to the provisions of this Article 4 or the jurisdiction of the DRC pursuant to Article 8.

ARTICLE 5 **ASSOCIATION**

Section 5.1 Organization. The Association is or shall be a non-profit Colorado corporation created for the purpose of administering and managing certain aspects of the Property pursuant to its Articles of Incorporation, Bylaws and this Declaration. The Articles, Bylaws and any Rules promulgated by the Board shall not for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In case of conflict between the Declaration and the Articles, Bylaws or Rules, this Declaration shall control.

Section 5.2 Membership, Generally. Every Owner, including Declarant, shall be a Member of the Association. When an Owner consists of more than one Person, all such Persons shall, collectively, constitute one Member of the Association and all such Persons shall be jointly and severally obligated to perform the responsibilities of Owner. Membership in the Association shall automatically terminate when a Person ceases to be an Owner, whether through sale, intestate succession, testamentary disposition, foreclosure or otherwise. The Association shall recognize a new Owner as a Member upon presentation of satisfactory evidence of Record of the sale, transfer, succession, disposition, foreclosure or other transfer of a Parcel to such Owner. Membership in the Association may not be transferred, pledged or alienated in any way, except to a new Owner upon conveyance of a Parcel. Any attempted prohibited transfer of a membership in the Association shall be void and shall not be recognized by the Association.

Section 5.3 Voting Classes and Allocation of Votes. The Association shall have three (3) classes of voting members (the "Classes"), each of whom shall be entitled to one vote on each matter submitted to a vote of the Members.

5.3.1 Qualifications. The qualifications and rights of the members of each Class shall be set forth as follows:

- (i) Class A. Class A members shall be all of the owners of record of residential lots located within the Property. A Class A member shall be entitled to one vote for each Parcel owned by such member. In the event that there is more than one Owner of a Parcel, such Owners may vote in any manner in which they all agree as set forth in a written instrument delivered to the Association; otherwise they shall vote a fractional vote in accordance with their percentage ownership of the Parcel.
- (ii) Class B. Initially, the Class B member shall be Karen Nulle as long as she owns a Parcel within the Property, and thereafter any assignee, heir or successor who is related by blood or marriage, so long as the assigns, heirs or

successors own a Parcel within the Property. A Class B member shall be entitled to one vote for each Parcel owned by such member.

- (iii) Class C. The Class C member shall be Karen Nulle LLC, a Colorado limited liability company, and the Declarant under the Declaration, and any successor and/or assignee thereof so long as the Declarant and any successor and/or assignee own any Parcel within the Property. The Class C member shall be entitled to one vote for each Parcel owned by such member.

5.3.2 Voting Requirement. Except as provided in Subparagraph (c) below and Section 10 below, an affirmative vote of a majority of the members of at least two of the three Classes of members shall be required to act on any matter requiring a vote of the membership (the “Affirmative Vote of a Majority of the Classes”).

5.3.3 Dissolution of Classes B and C. At such time that there is no person qualified to be a Class C member, the only Class of members shall be the Class A members, in which case an affirmative vote of a majority of the Class A members shall be required the act on any matter requiring a vote of the membership unless otherwise provided herein..

5.3.4 Amendment. This Section 5.3 may be amended only by the Affirmative Vote of a Majority of the Classes, or if there are only Class A members, by the affirmative vote of a majority of Class A members.

Section 5.4 Board of Directors. The affairs of the Association shall be governed by the Board of Directors, which may, by resolution, delegate any portion of its authority to an executive committee or an officer or managing agent of the Association. Except as otherwise specifically provided by Law, or in this Declaration, the Articles or the Bylaws, the Board may exercise all rights and powers of the Association without a vote of the Members. The qualifications and number of Directors, the term of office of Directors, the manner in which Directors shall be appointed or elected and the manner in which Directors shall be replaced upon removal or resignation shall be as set forth in the Bylaws. In the performance of their duties, the Directors shall act according to their ordinary business judgment.

Section 5.5 Bylaws. The Association may adopt Bylaws for the regulation and management of the Association, provided that the provisions of the Bylaws shall not be inconsistent with the provisions of this Declaration. The Bylaws may include, without limitation, provisions regarding the appointment or election of the Board and the appointment or election of officers of the Association.

Section 5.6 Powers and Authority. The Association shall have the following powers and may perform each of the following duties for the benefit of its Members on the Property:

- (a) Maintenance of the Common Elements. The Association shall keep and maintain the Common Elements in good condition and repair and in compliance with the Law and the Restrictions. The Association shall improve, construct, replace or repair the Common Elements or any part thereof when necessary or desirable to do so in its judgment and discretion. Notwithstanding any other provisions of this Declaration, if any repairs to any Common Elements are necessitated by the negligent, reckless or intentionally wrongful act or omission of

any Owner or a Guest of an Owner, then such repairs shall be undertaken by the Association at the sole cost and expense of such Owner and such costs and expenses shall be Reimbursable Expenses and shall be assessed as a Special Assessment against the Parcel of such Owner pursuant to Section 6.3(b).

(b) Contract for services. The Association may contract for services for the Property and/or the Owners, including but not limited to trash collection services, snow plowing, fence construction, and weed control.

(c) Payment of Taxes. The Association shall pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any Common Element to the extent that such taxes and assessments are not levied directly upon the Owners. The Association shall have all rights granted by law, but not the obligation, to contest the legality and the amount of taxes and assessments levied upon any Common Element.

(d) Assessments. To determine, levy and collect Assessments as defined herein.

(e) Charges and Fees. To determine, levy and collect charges and fees.

(f) Rules. To make, establish and promulgate, and in its discretion to amend or repeal and reenact Rules, not in contradiction of this Declaration, as it deems proper covering any and all aspects of its functions and the Property. Without limiting the generality of the foregoing, such Rules may establish the regulations governing the operation, use and occupancy of any portion of the Property. Each Member may examine such Rules at any time during normal business hours at the principal office of the Association. Such properly promulgated Rules shall have the same purpose and effect as the covenants, conditions and restrictions included in this Declaration and shall be treated as incorporated herein.

(g) Design Guidelines. To ratify and approve the Design Guidelines and any amendments thereto duly promulgated by the DRC.

(h) Enforcement. To enforce, on its own behalf and on behalf of all Owners, all of the covenants, conditions and restrictions set forth in the Restrictions, and to perform all other acts reasonably necessary to enforce any of the provisions of the Restrictions, including, without limitation, the imposition of fines on Owners who violate or permit violations of the Restrictions.

(i) Management Company. To retain the services of a professional management company to manage some or all of the affairs of the Association.

(j) Borrowing. To borrow money and to incur indebtedness for the purposes of the Association.

(k) Assignment. To assign its right to future income, including the right to receive Assessments.

(l) Insurance. To maintain insurance coverage pursuant to Section 9.1.

(m) Access. To acquire real property or easement interests in real property as Common Elements and construct Improvements thereon for the purpose of securing or improving access to the Property.

(n) Other. To carry out all duties of the Association set forth in the Restrictions; provided, however, that the Association shall not have the power or authority to loan money to the Declarant.

Section 5.7 Financial Statement. The Association shall provide a financial statement (which need not be audited) for the immediately preceding fiscal year, free of charge, to a Member so requesting or to any First Mortgagee of a Parcel so requesting within a reasonable time after written request therefore by any such party.

Section 5.8 Association Books and Records. The Association shall make available to Owners, prospective purchasers, and First Mortgagees current copies of this Declaration, the Articles, Bylaws, Rules, Design Guidelines, books, records, and financial statements of the Association, except that: the Board may at any time(s) determine that items or parts of items are confidential and should not be made available – e.g., to protect the privacy or confidentiality of Owners, complainants or applicants; and the Owners accessing documents shall pay all costs associated therewith. "Available" shall mean available for inspection, upon request, at the office of the Association or its managing agent during normal weekday business hours or under other reasonable circumstances.

Section 5.9 Authenticated Electronic Representation. Notwithstanding anything to the contrary contained in this Declaration, the Articles of Incorporation or Bylaws of the Association, to the extent permitted by applicable law, the Association may use technology or electronic representation in completing its duties and responsibilities. In this regard, any reference in this Declaration to action, attendance, representation, notice, quorum, voting or acknowledgement, as well as any and all other matters, may be conducted by authenticated electronic activity, and to the extent permitted by applicable law, the provisions of this Declaration shall be deemed to include provisions which permit such authenticated electronic activity.

ARTICLE 6

FINANCIAL MATTERS AND ASSESSMENTS

Section 6.1 Annual Budget.

(a) Generally. Subject to Section 6.1(b), the Board shall cause to be prepared and adopt annually a Budget for the Association (the "Annual Budget"). The Annual Budget shall include all of the following: (i) the estimated Common Expenses and revenues of the Association for such fiscal year, in reasonable detail as to the various categories of expenses and revenues; (ii) the current cash balance in any reserve fund established and maintained by the Association for the purpose of funding the periodic repair or replacement of any of the Common Elements and for unbudgeted and unplanned Common Expenses incurred by the Association from time to time (the "Reserve Fund"); (iii) an estimate of the amount required to be spent during such fiscal year from the Reserve Fund; and (iv) an estimate of the amount required to be added to the Reserve Fund during such fiscal year to cover anticipated withdrawals and adequately address contingencies and anticipated needs in future fiscal years.

(b) Common Expenses. For the first fiscal year of the Association, the Board shall adopt the budget prepared by the Declarant for the Association as the Annual Budget. For each fiscal year of the Association following its first fiscal year, the Association's Common Expenses shall be estimated by the Board in the Annual Budget and as actually incurred by the Association for such fiscal year.

Section 6.2 Common Assessments. Except as provided for herein, each Parcel is liable for and subject to assessments for the Parcel's share for all Common Expenses (the "Common Assessments"). The Common Assessments shall be assessed, paid, adjusted and reconciled in accordance with the following provisions:

(a) Payment. The Board or the Declarant shall assess Common Assessments against each Parcel based on the Annual Budget. Each Owner is jointly and severally obligated to pay the Association the Common Assessments made against such Owner's Parcel, and the payment shall be due in equal quarterly or annual installments or in another reasonable manner designated by the Board or the Declarant. The Board or Declarant's failure to fix the Common Assessments prior to the commencement of any Fiscal Year shall not be deemed a waiver or modification of any of the provisions of this Declaration or a release of any Owner from its obligation to pay the Common Assessments or any installment of them for that Fiscal Year, but the Common Assessments fixed for the preceding Fiscal Year shall continue until the Board/Declarant fixes the new Common Assessments.

(b) Reconciliation. As soon as reasonably possible after the end of each fiscal year, the Board/Declarant shall reconcile the actual Common Expenses incurred by the Association during that fiscal year against the Common Assessments that the Association received and intended to cover such Common Expenses. To the extent that the Owners have paid more than the actual Common Expenses, the Board/Declarant may either (i) credit the overpayments against the Owners' Common Assessments for the next Fiscal Year; or (ii) deposit the overpayment into the Reserve Fund. To the extent the Owners have paid less than the actual Common Expenses, the Board/Declarant will include the amount of the underpayment in the Common Assessments for the next fiscal year.

(c) Payments to Working Capital Account. In order to provide the Association with adequate working capital funds, the Association may collect at the time of the sale from the purchaser of each Parcel an amount equal to \$650.00. Such payments to this fund shall not be considered advance payments of annual Common Assessments as defined herein. The working capital deposit shall be returned to each Owner upon the sale of their Parcel, provided that the new purchaser of the Parcel has deposited the required working capital deposit with the Association.

Section 6.3 Special Assessments and Additional Expenses

(a) Special Assessments. The Association's Executive Board may levy, in any fiscal year, with the approval of the votes of sixty-seven percent (67%) of a quorum of Association votes cast by Members voting in person or by proxy, at a meeting duly called for this purpose, a special assessment applicable to that fiscal year only, for the purpose of defraying in whole or in part the cost of any construction, restoration, unexpected repair or replacement of a capital improvement, or for the funding of any expense or deficit of the Association, or for carrying out the other responsibilities of the Association in accordance with this Declaration ("Special Assessments"). Any such Special Assessment shall be allocated equally among the Parcels. Each Owner shall

pay all Special Assessments assessed against the Owner's Parcel. Special Assessments shall be paid at the time(s) and in the manner (for example, by lump sum payment or in installments) reasonably determined by the Board or Declarant. The Board or Declarant may require that Special Assessments be paid before the subject services or materials are provided.

(b) Additional Expenses. The Association may levy, from time to time, the following expenses as applicable to any Owner in accordance with the terms of this Declaration as provided below:

(i) Special Service Expenses. The Association may, from time to time, offer certain special services to Owners (e.g., snow plowing and grading of private driveways) which an Owner may choose, but shall not be obligated, to receive. If an Owner chooses to receive such a special service, the Association shall assess the costs and expenses it incurs in providing the special service to the Owner ("Special Service Expenses") as a Special Assessment against the Owner's Parcel.

(ii) Reimbursable Expenses. If the Association incurs any costs or expenses as a result of or in connection with (i) the willful misconduct or negligence or violation of Law, this Declaration, the Bylaws or the Rules by an Owner or its Guests; or (ii) bringing an Owner or the Owner's Parcel into compliance with the provisions of this Declaration or any other Restrictions; then, in each such event, the Board shall assess the costs and expenses and file a lien against the Owner's property for all costs and expenses incurred.

(iii) Assessments/Charges for Services to Less than All Lots. The Association may, at any time from time to time, provide services to less than all of the Parcel(s) in the Property. If such services are not funded by the Association's Common or Special Assessments, then such services shall be provided, if at all, pursuant to a written document that includes terms of payment of the costs, fees and expenses for such services. Services which may be provided by the Association pursuant to this Section (and which are not to be provided to all of the Parcels) may include, without limitation, (a) the construction, care, operation, management, maintenance, upkeep, repair, replacement and renovation of Improvements or property owned by such Owner(s); (b) the provisions of any services or functions to or for such Parcel(s); (c) the enforcement of the provisions of any document or agreement for, on behalf of, and in the name of the applicable Owners; (d) the payment of taxes or other amounts for Owner(s) with funds provided by such Owner(s); and (e) the procurement of insurance for Owner(s).

Section 6.4 Payment of Assessments; Notice and Acceleration. Each Owner, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees and shall be personally obligated to pay to the Association any and all Assessments as provided for in this Declaration assessed against such Owner's Parcel, with such Assessments to be established and collected as hereinafter provided.

(a) Date of Commencement of Assessments: Due Dates. The Assessments shall commence as to all Parcels upon the purchase of said Parcel by an Owner. The first annual Common Assessment, or Initial Common Assessment as described below, shall be prorated according to the number of months remaining in the calendar year. Assessments shall be collected on a periodic basis as the Board of Directors or the Declarant may determine from time to time, but until the Board directs otherwise, Assessments shall be payable annually in advance on the first day of each calendar year following the Initial Common Assessment described below. The

Declarant shall not be liable for any Assessments or other dues or expenses incidental to lot ownership as set forth herein for Initially Unoccupied Parcels.

(b) Initial Common Assessments. Until the effective date of an Association budget that is adopted by the Board, the amount of the annual Common Assessment against each Parcel shall not exceed twelve hundred dollars (\$1,200.00) per Parcel per year. Said Initial Common Assessment shall be prorated and shall be paid in advance at the closing of Owner's purchase of a Parcel. The Initial Common Assessment will include household trash service, common electricity, common water, insurance and snowplowing of Chaparral Ranch Road and Marie Ranch Road. Private driveways will be plowed upon request of specific owners who will reimburse the Association for the cost of plowing private driveways.

(c) Personal Obligation for Assessments: Each Assessment is a separate, distinct and personal debt and obligation of the Owner against who's Parcel the Assessment is assessed. All Assessments are payable in full without offset for any reason whatsoever. Each Owner's obligation to pay Assessments is entirely independent of any obligation of the Association to the Owner or of Declarant or any other Owner to that Owner. Any Assessments or installment of Assessments not paid within 15 days after it becomes due is delinquent. If an Assessments or an installment of Assessments is delinquent, the Association may recover all of the following (collectively, the "Delinquency Costs"): (a) interest from the date due at the rate established from time to time by the Board (but not to exceed 24% per year); (b) late charges and other monetary penalties imposed by the Association pursuant to this Declaration; and (c) all collection and enforcement costs, including reasonable attorneys' fees, incurred by the Association. If an Assessment or an installment Assessment is delinquent, the Association shall notify the Owner of the delinquency and state in the notice (i) the amount of the delinquent Assessment or installment; (ii) the Delinquency Costs accrued to date; and (iii) the date by which the delinquent Assessment installment and all associated Delinquency Costs must be paid. If the Association gives such a notice and the delinquent Assessment or installment of Assessment and all associated Delinquency Costs are not paid in full by the due date specified in the notice, then the Board, at its option, may declare all unpaid installments of the subject Assessments for the current Fiscal Year to be immediately due and payable in full without further demand or notice and may enforce the collection of the Assessment (including any installments whose due dates were so accelerated) in accordance with Section 6.5. Notwithstanding any other provision of this Declaration, Declarant may pay and satisfy any Assessment levied against any Parcel owned by Declarant by providing services of equal value to the Association.

Section 6.5 Enforcement of Assessments. The amount of any delinquent Assessments (including any installments whose due dates are accelerated by the Board pursuant to Section 6.4) and associated Delinquency Costs may be enforced against the Owner for them in either or both of the following ways (to the extent permitted by law or regulation), at the option of the Board:

(a) Suit. The Association may bring a suit or suits at law to enforce the Owner's obligation to pay a delinquent Assessment (including any installments whose due dates are accelerated by the Board pursuant to Section 6.4) and associated Delinquency Costs. Each action shall be brought in the name of the Association. The judgment rendered in the action shall include, where permissible under applicable law, a sum for reasonable attorneys' fees in an amount adjudged by the court against the defaulting Owner. Upon full satisfaction of the judgment, the Association, by one of its officers, shall execute and deliver to the judgment debtor an appropriate satisfaction of the judgment.

(b) Lien and Foreclosure. Assessments (including any installments whose due dates are accelerated by the Board pursuant to Section 6.4) and associated Delinquency Costs constitute a lien on the Parcels against which they are assessed from the date due. Such lien shall be perfected upon the Recording of this Declaration, and no further claim of lien shall be required. If an Assessment is delinquent, if the Association gives a notice concerning the delinquency that substantially complies with the provisions of Section 6.4, and if the delinquent Assessment is not paid in full by the due date specified in the notice, then the Association may foreclose the lien securing the Assessment or any installments whose due dates are accelerated by the Board pursuant to Section 6.4, and any associated Delinquency Costs in accordance with the laws of the State of Colorado. Recording of the Original Declaration constituted record notice and perfection of the Association's lien. No further recordation of any claim of lien for Assessments is required. However, the Board or managing agent of the Association may prepare and record in the county in which the applicable Parcel is located, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner(s) of the Parcel, and a description of the Parcel. If a lien is filed, the costs and expenses thereof shall be added to the Assessments for the Parcel against which it is filed and collected as part and parcel thereof. The Association may undertake and conduct such foreclosure in the manner for foreclosure of mortgages under the laws of Colorado.

Section 6.6 Owners not Exempt from Liability. No Owner is exempt from liability for payment of Assessments by waiver of the use or enjoyment of any portion of the Common Elements, by abandonment of its Parcel, or otherwise.

Section 6.7 Declarant's Obligation. Declarant is not obligated to pay Assessments until the special declarant rights as established in Section 7.5 below are no longer in effect.

ARTICLE 7

SPECIAL DECLARANT RIGHTS

Section 7.1 Reservation of Special Declarant Rights. In addition to and without limiting any rights reserved or established by Declarant for its benefit in other sections of this Declaration, Declarant hereby reserves the right, from time to time, to perform the acts and exercise the rights hereinafter specified (the "Special Declarant Rights"), which may be exercised, where applicable, anywhere within the Property:

- (a) Completion of Improvements. The right to complete any Improvements indicated on the Map.
- (b) Sales, Management and Marketing. The right to maintain sales offices, management offices, and signs advertising the Property and High Chaparral Ranch within the Parcels and in the Common Elements until all lots of the Property have been sold by Declarant or its subsidiary or agent.
- (c) Construction Easements. The right to cross and otherwise use the Common Elements for the purpose of making improvements within the Property.
- (d) Control of Association and Board of Directors. The right to appoint and remove officers of the Association and members of the Board of Directors.

- (f) Amendment of Declaration. The right to amend this Declaration to correct any clerical, typographical or technical error.
- (g) Signs. The right to maintain signs on the Common Elements and in Parcels advertising the Property and the availability of Parcels for sale.
- (h) Use Agreements. The right to enter into, establish, execute, amend and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulation of parking and/or recreational facilities, which may or may not be a part of the Property, for the benefit of the Owners or the Association.
- (i) Easement Rights. The right to cross and otherwise use the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations under this Declaration or the Act. The right to grant or withdraw utility easements across the Property to and for the benefit of any utility company for the purpose of installing and providing Utility Services to any portion of the Property.

Section 7.2 Interference with Special Declarant Rights. Neither the Association nor any Owner may take any action or adopt any Rule or Regulation that will interfere with or diminish any Special Declarant Rights without the prior written consent of Declarant. In the event any controversy, dispute or litigation involving the exercise of the reserved Special Declarant Rights by Declarant, this Declaration shall be interpreted so as to give Declarant the broadest, most flexible Special Declarant Rights allowed by the Act.

Section 7.3 No Obligation. Declarant shall not be obligated to expand by adding any additional lands or creating any additional Parcels.

Section 7.4 Declarant's Property. The Declarant reserves the right to remove and retain all its property and equipment used in the sales, management, construction and maintenance of the Property, whether or not they have become fixtures.

Section 7.5 Limitations on Special Declarant Rights. Unless terminated earlier by an amendment to this Declaration executed by the Declarant, any Special Declarant Right may be exercised by the Declarant until the earlier of the following: (a) as long as Declarant is obligated under any warranty or obligation; (b) as long as the Declarant owns two (2) or more Parcels; (c) as long as the Declarant owns any Security Interest in two (2) or more Parcels; or (d) for ten (10) years after recording of this Declaration. Earlier termination of certain rights may occur by statute. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of this period, but in that event, the Declarant may require, for the duration of the period of Declarant control as provided herein, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

ARTICLE 8

DESIGN REVIEW

Section 8.1 Design Review Committee and Guidelines. There is hereby established a Design Review Committee ("DRC") which will be responsible for the establishment and administration of Design Guidelines to facilitate the purpose and intent of this Declaration.

Section 8.2 Purpose and General Authority. The DRC will review, study and either approve or reject proposed Improvements on the Property, which shall be reviewed for the compliance with (i) this Declaration; (ii) the Design Guidelines; (iii) any rules and regulations that the DRC may establish from time to time to govern its proceedings; and (iv) the Law. No Improvement will be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor will any construction, repair or reconstruction be commenced within High Chaparral Ranch until plans for the Improvements shall have been approved by the DRC; provided, however, Improvements that are completely within a structure may be undertaken without such approval. Upon approval of the plans for any Improvements by the DRC, a certificate of approval shall be executed by an officer of the DRC, which certificate shall be affixed to the approved plans. As such DRC approval shall be required by the Town as part of any application by an Owner for a building permit submitted to the Town, the Association hereby agrees to indemnify and hold harmless the Town, its officers, agents and insurers from and against all liability, claims and demands, including the Town's reasonable attorneys' fees and costs, which arise out of or in any manner are connected with the Town's refusal to issue a building permit if such liability, claim or demand is alleged to be caused in whole or in part by the acts, omissions, errors, mistakes or negligence of the DRC in refusing to issue a certificate of approval as set forth above.

Any modification of an approved building envelope shall require approval from the DRC and the Town. Any modification to such approved building envelope shall be requested by the Owner or building architect prior to any DRC concept approval. The proposed modified building envelope shall be indicated graphically on a landscape/site plan. Following approval of a request for a modified building envelope by the DRC, such request shall then be submitted to the Town for approval.

Section 8.3 Board Discretion. The DRC 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 building site, height, grade and finished ground elevation, landscaping, and the schemes and aesthetic considerations set forth in the Design Guidelines and other Association documents. The DRC, 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. The approval by the DRC of Improvements on the Property shall carry no precedential weight when reviewing subsequent requests for approvals, and the DRC shall not be required to approve requests for the same or similar improvements.

Section 8.4 Design Guidelines. The Design Guidelines may include, among other things, at the sole discretion of the DRC, the restrictions and limitations set forth below:

- 8.4.1 Procedures and necessary fees for making applications to the DRC for design review approval, including the documents submitted and the time limits in which the DRC must act to approve or disapprove any submission.
- 8.4.2 Time limitations for the completion, within specified periods after approval, of the Improvements for which approval is required under the Design Guidelines.
- 8.4.3 Landscaping regulations, with limitations and restrictions prohibiting the removal or requiring the replacement of existing trees, the type and use of plants, and other

practices benefiting the protection of the environment, conservation of water, aesthetics and architectural harmony of High Chaparral Ranch.

- 8.4.4 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 or utility lines or conduits on the Property, addressing matters such as loading areas, waste storage, trash removal, equipment and materials storage, grading, transformers and meters.

Section 8.5 Modification of Design Guidelines. The DRC may amend, repeal and augment the Design Guidelines from time to time, in the DRC's sole discretion. The Design Guidelines will be binding on all Owners and other persons governed by this Declaration. Notwithstanding the foregoing, the DRC is empowered in its discretion to grant variances from the requirements of the Design Guidelines under unique or unusual circumstances.

Section 8.6 DRC Membership. The DRC will be composed of not less than three (3) persons nor more than five (5) persons. The DRC need not include any Member of the Association. All of the members of the DRC will be appointed, removed and replaced by the Declarant, in its sole discretion, until all the Parcels comprising the Property are sold unless required otherwise by the Act, or such earlier time as Declarant may elect to voluntarily waive this right by written notice to the Association, and at that time the Board will succeed to Declarant's right to appoint, remove or replace the members of the DRC. One of the members of the DRC may be a paid planning or architectural consultant registered with AICP or AIA.

Section 8.7 Organization and Operation of DRC.

- 8.7.1 The term of office of each member of the DRC, subject to Section 8.6, will be one year starting January 1 of each year, and continuing until his/her successor shall have been appointed. Should a DRC member die, retire or become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed as provided below.
- 8.7.2 So long as Declarant appoints the DRC, Declarant will appoint the chairman. At such time as the DRC is appointed by the Board, the chairman will be elected annually from the members of the DRC by a majority vote of such members. In the absence of a chairman, the party responsible for appointing or electing the chairman may appoint or elect a successor, or if the absence is temporary, an interim chairman.
- 8.7.3 The DRC chairman will take charge of and conduct all meetings and will provide reasonable notice to each member of the DRC prior to any meeting. The notice will set forth the time and place of the meeting, and notice may be waived by any member.
- 8.7.4 The affirmative vote of a majority of the members of the DRC will govern its actions and be the act of the DRC.

8.7.5 The DRC may avail itself of other technical and professional advice and consultants as it deems appropriate, and the DRC may delegate its plan review responsibilities to one or more of its members or to consultants retained by the DRC. Upon that delegation, the approval or disapproval of plans and specifications by such member or consultant will be equivalent to approval or disapproval by the entire DRC.

Section 8.8 Expenses. Except as provided in this Section below, all expenses of the DRC will be paid by the Association and will constitute a Common Expenses. The DRC will have the right to charge a fee for each application submitted to it for review, in an amount which may be established by the DRC from time to time, and such fees will be collected by the DRC and remitted to the Association to help defray the expenses of the DRC's operation. Further, the DRC may retain the services of a third party consultant to assist the DRC in reviewing a particular application. In such event, the DRC will charge the applicant for the professional fees incurred in retaining such consultant.

Section 8.9 Other Requirements. Compliance with the Association's design review process is not a substitute for compliance with the Town's building requirements, including any building envelope requirements, zoning and subdivision regulations, and each Owner is responsible for obtaining all approvals, licenses, and permits as may be required prior to commencing construction. Further, the establishment of the DRC and procedures for architectural review will not be construed as changing any rights or restrictions upon Owners to maintain and repair their Improvements as otherwise required under the Restrictions.

Section 8.10 Limitation of Liability. The DRC will use reasonable judgment in accepting or disapproving all plans and specifications submitted to it. Neither the DRC nor any individual DRC member will be liable to any person for any official act of the DRC in connection with submitted plans and specifications, except to the extent the DRC or any individual DRC member acted with malice or wrongful intent. Approval by the DRC does not necessarily assure approval by the appropriate governmental body or commission for the Town. Notwithstanding that the DRC has approved plans and specifications, neither the DRC 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 relating to the Improvements. Neither the Board, the DRC, 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 Restrictions, nor for any structural or other defects in any work done according to such plans and specifications. In all events the DRC will be defended and indemnified by the Association in any such suit or proceeding which may arise by reason of the DRC's decisions. The Association, however, will not be obligated to indemnify each member of the DRC to the extent that any such member of the DRC is adjudged to be liable for malice or wrongful intent in the performance of his/her duty as a member of the DRC, unless and then only to the extent that the court in which such action or suit may be brought determines upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

Section 8.11 Enforcement.

- 8.11.1 Any member or authorized consultant of the DRC, or any authorized officer, employee or agent of the Association may enter upon any Parcel 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 Parcel to determine whether the Improvements have been or are being built in compliance with the Restrictions and the plans and specifications approved by the DRC.
- 8.11.2 Before any Primary Residence or Accessory Dwelling Unit may be occupied, the Owner of the Parcel will be required to obtain a temporary certificate of compliance issued by the DRC indicating substantial compliance and completion of the improvements in accordance with the plans and specifications approved by the DRC, and imposing such conditions for issuance of a final certificate of compliance issued by the DRC as the DRC may determine appropriate in its reasonable discretion. Without limiting the generality of the preceding sentence, the DRC may impose conditions and require that the Owner deposit with the DRC such sums as may be necessary to complete the construction and landscaping by a specified date. If the construction and landscaping are not completed as scheduled, the DRC may apply the deposit to cover the cost of completing the work 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 this Section.
- 8.11.3 Upon completion of the construction, the DRC will issue a certificate of compliance setting forth generally whether, to the best of the DRC's knowledge, the Improvement is in compliance with the approved plans and the terms and conditions of the Design Guidelines.
- 8.11.4 Every violation of these covenants is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against an Owner will be applicable. Without limiting the generality of the foregoing, these covenants may be enforced as provided below:
- 8.11.4.1 The DRC may adopt a schedule of fines for failure to abide by the DRC rules and the Design Guidelines, including fines for failure to obtain any required approval from the DRC.
- 8.11.4.2 The Association, upon request of the DRC and after reasonable notice to the offender and, if different, to the Owner, may enter upon any Parcel 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 Improvements will immediately reimburse the Association for all expenses incurred in connection with such removal. If the Owner fails to reimburse the Association within thirty (30) days after the Association gives the Owner notice of the expenses, the sum owed to the Association will bear interest at the maximum rate allowed by Law from the date of the advance by the Association through the date of reimbursement in full, and all such sums and interest will be a Reimbursable Expense.

8.11.5 All Improvements commenced on the Parcel will be prosecuted diligently to completion and will be completed within eighteen (18) months after commencement, unless an exception is granted in writing by the DRC.

Section 8.12 Binding Effect. The actions of the DRC in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it or with respect to any other matters before it, will be conclusive and binding on all interested parties.

Section 8.13 No Implied Waiver or Estoppel. No action or failure to act by the DRC shall constitute a waiver or estoppel with respect to future action by the DRC with respect to any Improvement. Specifically, the approval by the DRC of any Improvement shall not be deemed a waiver of any right or an estoppel to withhold approval or consent to any similar Improvement or any similar proposals, plans, specifications or other materials submitted with respect to any other Improvement.

ARTICLE 9

INSURANCE AND INDEMNITY

Section 9.1 Association's Insurance. The Association has the following responsibilities with respect to insurance and, except as otherwise expressly provided in this Declaration, the cost of all insurance maintained by the Association under this Section 9.1 shall be included in Common Expenses:

(a) Property Insurance. The Association shall maintain property insurance covering risks of direct physical loss for all insurable Common Elements, if any, with limits sufficient to cover the full replacement costs of such insurable Common Elements. The Association's property insurance may exclude land, excavations, foundations and other items normally excluded from property policies. The Association's property insurance shall be maintained in the name of the Association. To the extent available on reasonable terms and at a reasonable cost, such property insurance also may (i) contain no provisions by which the insurer may impose a so-called "co-insurance" penalty; (ii) be written as a primary policy, not contributing with and not supplemental to any coverage that any Owner carries; (iii) provide that no act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, voids the policy or is a condition to recovery under the policy; (iv) provide that it may not be cancelled, nor may coverage be reduced, without 30 days prior notice to the Association; (v) include a so-called "inflation guard" endorsement; and (vi) provide for a waiver of subrogation by the insurer as to claims against each Owner and each Owner's Guests.

(b) Liability Insurance. The Association shall maintain bodily injury and property damage liability insurance for the benefit of the Association and its officers, directors, agents and employees in amounts and with coverage as determined from time to time by the Board. All Owners shall be named as additional insured for claims and liabilities arising from their Membership in the Association. To the extent available on reasonable terms, such liability insurance shall (i) have a per occurrence limit of not less than \$1,000,000.00; (ii) be on a commercial general liability form; (iii) contain a "severability of interest" or "cross-liability" endorsement which precludes the insurer from denying the claim of any named or additional insured due to the negligent acts, errors or omissions of any other named or additional insured; (iv) be written as a primary policy, not contributing with and not supplemental to any coverage that any Owner may carry; (v) provide that no act or omission by any Owner, unless acting within

the scope of such Owner's authority on behalf of the Association, voids the policy or is a condition to recovery under the policy; (vi) insure all of the named and additional insured parties against liability for negligence resulting in death, bodily injury or property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements; (vii) provide that it may not be cancelled, nor may coverage be reduced, without 30 days' prior notice to the Association and all additional insured named in the policy; and (viii) provide for a waiver of subrogation by the insurer as to claims against each Owner and each Owner's Guests.

(c) Worker's Compensation and Employer's Liability. If the Association hires employees, the Association shall maintain worker's compensation and employer's liability insurance as determined from time to time by the Board. At a minimum, the Association shall maintain such insurance in amounts and with coverage required by applicable law.

(d) Automobile Insurance. If the Association operates owned, hired or non-owned vehicles, the Association shall maintain comprehensive automobile liability insurance at a limit of liability of not less than \$300,000.00 for combined bodily injury and property damage.

(e) Other Insurance. The Association may procure and maintain other insurance as the Board from time to time deems appropriate to protect the Association or the Owners, which insurance shall include, without limitation, property insurance and commercial general liability insurance. In addition, the Association may maintain insurance against such other risks as the Board may elect from time to time, including, but not limited to, fidelity insurance, personal liability insurance to protect directors or officers of the Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Association, worker's compensation insurance, and may maintain insurance on such other property and/or against such other risks as the Board may elect in its discretion from time to time.

(f) Licensed Insurers. All policies of insurance required to be maintained by the Association shall be placed with insurers licensed in the State of Colorado.

Section 9.2 Residence Parcel Owner's Insurance. Each Owner of a Residence Parcel may obtain insurance, at its own expense, to the extent and in the amount the Owner deems necessary to protect its interests.

Section 9.3 Association's Indemnity. The Association shall be liable to and shall protect, defend, indemnify and hold harmless each Owner from and against any and all damages, claims, demands, liens (including, without limitation, mechanics' and materialmen's liens and claims), losses, costs and expenses (including, without limitation, reasonable attorneys' fees, court costs and other expenses of litigation) and liabilities of any kind or nature whatsoever suffered or incurred by, or threatened or asserted against, the Owner as a result of or in connection with the use, enjoyment or ownership of the Common Elements by the Association, and its directors, officers, agents and employees acting within the scope of their authority. Nothing contained in this Section 9.3 shall be construed to provide for any indemnification that violates Law or voids any or all of the provisions of this Section 9.3.

Section 9.4 Residence Parcel Owners' Indemnity. Each Owner of a Residence Parcel shall be liable to and shall protect, defend, indemnify and hold harmless the Association and each other Owner from and against any and all damages, claims, demands, liens (including, without limitation, mechanics' and materialmen's liens and claims), losses, costs and expenses (including,

without limitation, reasonable attorneys' fees, court costs and other expenses of litigation) and liabilities of any kind or nature whatsoever suffered or incurred by, or threatened or asserted against, the Association or any such other Owner as a result of or in connection with the use, enjoyment or ownership of any portion of such indemnifying Owner's Parcel or the Common Elements by the indemnifying Owner or its Guests and caused by the negligence, recklessness or intentionally wrongful acts or omissions of the indemnifying Owner or its Guests. Nothing contained in this Section 9.4 shall be construed to provide for any indemnification that violates Law or voids any or all of the provisions of this Section 9.4. All amounts owed by an Owner of a Residence Parcel to the Association pursuant to this Section 9.4 shall be Reimbursable Expenses for which the Association may levy Special Assessments against such Owner's Parcel.

Section 9.5 Proceeds and Adjustment. The Board is solely responsible for adjustment of any losses under insurance policies maintained by the Association and is hereby irrevocably appointed the agent of all Owners, Mortgagees and other Persons having an interest in the High Chaparral Ranch for purposes of adjusting all claims arising under insurance policies maintained by the Association and executing and delivering releases when claims are paid. The Association may receive all proceeds of any insurance policy maintained by the Association, except other insured parties under liability insurance policies shall be entitled to proceeds arising out of their insured losses.

ARTICLE 10

MISCELLANEOUS PROVISIONS

Section 10.1 Term of Declaration. Except as provided below in this Section 10.1, all provisions of this Declaration shall continue in effect in perpetuity unless this Declaration is terminated by the unanimous vote, by written ballot, of 100% of the Owners. The termination of this Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary of the Association, stating that this Declaration has been terminated by the Owners as provided herein, and if applicable, approved by Declarant as provided herein.

Section 10.2 Amendment of Declaration. Except as otherwise provided in this Declaration, provisions of this Declaration or the Map may be amended or repealed at any time and from time to time upon approval of an Affirmative Vote of a Majority of the Classes as defined in Section 5.3 above, present in person or by proxy at a duly constituted meeting of such Members. At such time that the only Class of voting Members shall be the Class A members, provisions of this Declaration or the Map may be amended or repealed at any time and from time to time upon approval of at least 67% of the Class A members, present in person or by proxy at a duly constituted meeting of such Members.

Notwithstanding the foregoing, any amendment that would effectively terminate this Declaration must be approved as provided in Section 10.1. The amendment or repeal shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association, setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved by the Members (and, if applicable, Declarant) as provided herein. Notwithstanding anything in this Section 10.2 to the contrary, the Board shall have the authority to make minor technical and clerical amendments to the Declaration or the Map without the consent of any Owner, provided that such amendments shall

not change the intended substantive meaning (as determined by the Board in its discretion) of any provision of this Declaration or the Map.

Section 10.3 Special Rights of First Mortgagees. Any First Mortgagee of any Parcel, upon giving notice of a request therefore to the Association (which request shall include the address for such First Mortgagee to be used for any notices given hereunder), shall be entitled to receive (a) notice from the Association of any default by the Owner of such Parcel in the performance of the Owner's obligations under this Declaration, the Articles, the Bylaws or the Rules, which default is not cured within 60 days after the Association learns of such default; and (b) a copy of any Notice of Noncompliance issued by the DRC to the Owner of such Parcel.

Section 10.4 Association Right to Mortgage Information. Each Owner hereby authorizes any First Mortgagee holding a Mortgage on such Owner's Parcel to furnish information to the Association concerning the status of such Mortgage and the loan that it secures.

Section 10.5 Notices. Any notice permitted or required to be given under this Declaration shall be in writing and shall be deemed properly given and received on the earlier of (a) when actually received if delivered personally, by messenger service, by fax or telecopy delivery, or otherwise; (b) on the next business day after deposit for delivery (specifying next day delivery) with any recognized overnight carrier service; or (c) three business days after mailing, by registered or certified mail, return receipt requested. All such notices shall be furnished with delivery or postage charges paid, addressed (which term, for purposes of this Section 10.5, shall include the facsimile number in the case of a notice given by facsimile) as follows: (i) to the Association or the DRC at the address established for the Association by the Board; and (ii) to an Owner of a Parcel and Declarant at the address for such Person maintained in the Association's records; provided, however, that if the Association does not provide an address for an Owner or Declarant, then notice to such person may be given in any manner in which notice is permitted to be given to a Person under the Law of the State of Colorado in connection with the foreclosure of mortgages, including publication. Each Owner and Declarant shall give notice to the Association at its mailing or street address and, with each change of its address, shall give notice of such change promptly, in the manner provided for giving notice to the Association in this Section 10.5.

Section 10.6 Persons Entitled to Enforce Declaration. The Association (acting by authority of the Board), Declarant, and any Owner shall each have the right to enforce any or all of the Restrictions contained in this Declaration against all or any portion of the Property and the Owner(s) thereof; provided, however, that no Owner shall be permitted to bring any enforcement action under this Declaration unless the Association declines to bring a similar action. The Association shall be deemed to have declined to bring an enforcement action if (a) an Owner gives notice to the Association, in accordance with Section 10.5, that such Owner intends to bring an enforcement action (which notice shall specify the Restriction at issue and shall briefly summarize the circumstances prompting such action), and (b) the Association gives notice to such Owner, in accordance with Section 10.5, that the Association declines to enforce the Restriction or the Association fails to initiate an enforcement action otherwise cause compliance with the Restriction within 60 days after the date of such Owner's notice to the Association. The right of enforcement shall include the right to bring an action for damages as well as any equitable relief, including any action to enjoin any violation or specifically enforce the Restriction or other provision of this Declaration. Declarant shall have no obligation to enforce or to see to the enforcement of all or any of the Restrictions and shall have no liability to any

Person for any default under this Declaration by any Owner (other than Declarant) or any failure by any Person to enforce any of the Restrictions.

Section 10.7 Violations Constitute a Nuisance. Any violation of any Restriction or other provision of this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Declaration.

Section 10.8 Violations of Law. Any violation of any Law pertaining to the ownership, occupation or use of any of the Property is hereby declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

Section 10.9 Remedies Cumulative. Each remedy that is provided under this Declaration is cumulative and not exclusive.

Section 10.10 No Implied Waivers. Failure to enforce any Restriction or other provision of this Declaration shall not operate as a waiver of that Restriction or provision or of any other Restriction or provision of this Declaration.

Section 10.11 Costs and Attorneys' Fees. In any action or proceeding under this Declaration, the party determined by the court or arbitrator, as the case may be, to be the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees.

Section 10.12 No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant, the Association, the Board or by any of their officers, directors, members, partners, agents or employees by this Declaration in connection with any portion of the Property, or any Improvement thereon, or their physical condition, structural integrity, freedom from defects, zoning, compliance with Law, fitness for intended use, cost of maintenance, taxes or regulation thereof. The release and waiver set forth in Section 10.20 (Waiver) shall apply to this Section.

Section 10.13 Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration. With respect to matters addressed by more than one Restriction, the more restrictive shall be interpreted to override the less restrictive. The term "including," unless otherwise specified, shall be interpreted in its broadest sense to mean "including without limitation."

Section 10.14 Governing Law. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 10.15 Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

Section 10.16 Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

Section 10.17 Captions for Convenience. The titles, headings and captions used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration. Reference to Articles, Sections and Exhibits in this Declaration are to the indicated provisions and Exhibits of this Declaration unless otherwise specified.

Section 10.18 Disclaimer Regarding Safety. DECLARANT, THE ASSOCIATION, AND THE BOARD, AND THEIR OFFICERS, DIRECTORS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE HIGH CHAPARRAL RANCH. BY ACCEPTING A DEED TO A PARCEL, EACH OWNER ACKNOWLEDGES THAT DECLARANT, THE ASSOCIATION, AND THE BOARD, AND THEIR OFFICERS, DIRECTORS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION, BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN HIGH CHAPARRAL RANCH. THE RELEASE AND WAIVER SET FORTH IN SECTION 10.20 (WAIVER) SHALL APPLY TO THIS SECTION.

10.19 Limitation on Liability. The Association, the Board, the Declarant and the officers, directors, members, partners, agents and employees of the same, shall not be liable to any Person for any action or for any failure to act unless the action or failure to act was not in good faith and was done or withheld with malice. The release and waiver set forth in Section 10.20 (Waiver) shall apply to this Section.

Section 10.20 Waiver. By acceptance of a deed to a Parcel, each Owner hereby releases, waives, and discharges the Declarant, the Association, the Board, and their respective officers, directors, members, partners, agents and employees, heirs, personal representatives, successors and assigns, from all losses, claims, liabilities, costs, expenses, and damages, arising directly or indirectly from any hazards, disclosures or risks set forth in this Declaration, including without limitation, those contained in Section 10.12, 10.18 and 10.19.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

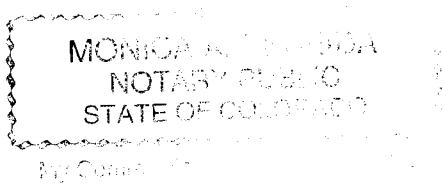
KAREN NULLE LLC, a Colorado limited liability company

Karen Nulle
By: Karen Nulle, Member

STATE OF COLORADO)
)ss.
COUNTY OF EAGLE)

The foregoing instrument acknowledged before me this 20 day of December, 2011, by Karen Nulle as Member of Karen Nulle LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires:



Monica A. Ferrel
Notary Public

Exhibit A
Legal Description of the Property

High Chaparral Ranch, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17; A Part of Tract 79, Section 9, Township 5 South, Range 85 West of the Sixth Principal Meridian, Town of Gypsum, Eagle County, Colorado.

**FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR HIGH CHAPARRAL RANCH**

This First Amendment to the Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch is made this 18th day of April, 2013 by Karen Nulle, LLC, a Colorado limited liability company (also referred to as "Declarant").

RECITALS

A. WHEREAS, that certain Declaration of Covenants, Conditions, Easements and Restrictions for the High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on April 26, 2007 as Reception No. 200710662, and amended on October 18, 2007 as Reception No. 200728266; and

B. WHEREAS, that certain Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch (also referred to as "Amended and Restated Declaration") was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on December 21, 2011 as Reception No. 201123707; and

C. WHEREAS, in accordance with Section 10.2 of the Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch, the Declarant desires to amend the Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch.

AMENDED DECLARATION

Article 3, Section 3.10 of the Amended and Restated Declaration shall be added as a new section to state as follows:

3.10. **Well and Utility Easement.** Section 3.6 of the Amended and Restated Declaration notwithstanding, a Well and Utility Easement shall exist for the purpose of use, maintaining, improving or replacing well and utility facilities as stated herein. The Well and Utility Easement location is as designated on the Amended Final Plat, High Chaparral Ranch filed October 24, 2007. The Well and Utility Easement is excluded from the High Chaparral Ranch Homeowners Association and shall not be considered an easement, common element or otherwise for the benefit of the High Chaparral Ranch. The Well Permit associated with the Well referenced herein is owned individually and not by the High Chaparral Ranch Homeowners Association and is currently owned by Karen Nulle. The Well associated with the Well and Utility Easement referenced herein is located on Lot 5 of the High Chaparral Ranch and shall benefit Lot 6 of the

Eagle County, CO
Teak J Simonton
Pgs: 2
REC: \$16.00
DOC: \$0.00

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**CORRECTION TO THE FIRST AMENDMENT TO THE AMENDED
AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR HIGH CHAPARRAL RANCH**

This Corrected First Amendment to the Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch ("Correction") is made this 10th day of December, 2013 by Karen Nulle, LLC, a Colorado limited liability company (the "Declarant").

RECITALS

A. WHEREAS, that certain Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on April 26, 2007 as Reception No. 200710662; that certain Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on November 24, 2007 as Reception No. 200728266; that certain Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on December 21, 2011 as Reception No. 201123707; and that certain First Amendment to the Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on April 18, 2013 as Reception No. 201307758 (the "First Amendment") (hereinafter collectively referred to as the "Declaration"); and

B. WHEREAS, Declarant wishes to correct typographical errors in the First Amendment by amending and restating the First Amendment in its entirety; and

C. WHEREAS, in accordance with Section 10.2 of the Declaration and by Affirmative Vote of the Majority of the Classes, the Declarant hereby amends the Declaration as follows:

1. Section 3.10 is hereby added to Article 3, Easements, of the Declaration as follows:

3.10. Well and Utility Easement. Notwithstanding Section 3.6 of the Declaration, a Well and Utility Easement shall exist for the purpose of use, maintaining, improving or replacing well and utility facilities as stated herein. The Well and Utility Easement location is as designated on the Amended Final Plat, High Chaparral Ranch filed October 24, 2007. The Well and Utility Easement is excluded from the High Chaparral Ranch Homeowners Association and shall not be considered an easement, common element or otherwise for the

benefit of the High Chaparral Ranch. The Well Permit associated with the Well referenced herein is owned individually and not by the High Chaparral Ranch Homeowners Association and is currently owned by Karen Nulle. The Well associated with the Well and Utility Easement referenced herein is located on Lot 5 of the High Chaparral Ranch and shall benefit Lot 6 of the High Chaparral Ranch and/or any other property in the High Chaparral Ranch owned by Karen Nulle or Karen Nulle, LLC. The Utility Easement associated with the Well referenced herein is for the benefit of Lot 6 of the High Chaparral Ranch and/or other property in the High Chaparral Ranch owned by Karen Nulle or Karen Nulle, LLC. Lot 5 of the High Chaparral Ranch has no right to use the Well, does not own the Well and has a servient property right to the owner of the Utility Easement.

2. Section 4.16, Annoying Sounds, of Article 4, Covenants, Conditions and Restrictions, of the Declaration is hereby amended and restated in its entirety as follows:

4.16 Annoying Sounds. No sound shall be emitted from any Parcel on the Property that is unreasonably loud or annoying, without limiting the generality of the foregoing, no firecrackers, exterior speakers emitting unreasonably loud or annoying sound, dogs barking or howling, horns, whistles, bells or other sounds emitting devices shall be permitted to be used on any Parcel, other than security devices used exclusively for security purposes in bona fide cases of emergency.

3. Effectiveness of Declaration. Except as hereinabove expressly amended and modified, the Declaration shall be and remain in full force and effect.

Executed the day and year first written above.

KAREN NULLE LLC,
a Colorado limited liability company

Karen Nulle, member
By: Karen Nulle, Member

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument acknowledged before me this 10 day of December, 2013, by Karen Nulle as Member of the Karen Nulle, LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires:

My Commission Expires **03/04/2015**

Trish Stone
Notary Public



**SECOND AMENDMENT
TO THE AMENDED
AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR HIGH CHAPARRAL RANCH**

This Second Amendment to the Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch is made this 28 day of April, 2015 by Western Living, LLC, a Colorado limited liability company (the "Declarant").

RECITALS

A. WHEREAS, that certain Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on April 26, 2007 as Reception No. 200710662; that certain Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on November 24, 2007 as Reception No. 200728266; that certain Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on December 21, 2011 as Reception No. 201123707; and that certain First Amendment to the Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on April 18, 2013 as Reception No. 201307758 (the "First Amendment"); and that the Correction To The First Amendment To The Amended And Restated Declaration Of Covenants, Conditions, Easements And Restrictions For High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on December 12, 2013 as Reception No. 201324489, (hereinafter collectively referred to as the "Declaration"); and

B. WHEREAS, Declarant has determined that additional amendments to the Declaration are necessary and appropriate; and

C. WHEREAS, in accordance with Section 10.2 of the Declaration and by Affirmative Vote of the Majority of the Classes, the Declarant hereby amends the Declaration as follows:

1. Section 4.24 is hereby added to Article 4 as follows:

4.24.1. Irrefutable Presumption of Negligence/Damage to Entrance Gate. In any circumstances where a vehicle operated by an Owner or by any guests or family members of the Owner

comes into physical contact with any portion of either the front entrance gate to the development, or the security gate on Chaparral Ranch Road, with resulting damage or marking to either gate, or any of their supporting systems and structures, there will be a presumption of negligence on the part of the operator of the vehicle that may not be rebutted. In any situation of this nature, the costs and expenses to restore any gate and its supporting systems and structures to their prior condition shall be billed to the Owner. In addition, a special assessment will be charged against the Owner's parcel in the event the Association is not reimbursed in full for the billed expenses by the payment due date.

The Owner and any family members and guests of the Owner shall have no claim or right of action against the Association for any vehicular or other damages that may result from any incident of this nature, and any such claim or right of action shall be deemed to have been fully waived.

4.24.2. Security Gate. Vehicles may not proceed through the security gate on High Chaparral Ranch Road until the gate is fully open. Any violation of this requirement will be deemed and irrefutable act of negligence attributable to the Owner with whom the vehicle is associated.

2. Section 6.3(b)(ii) is hereby added amended as follows:

6.3 (b) (ii). Reimbursable Expenses. In any situation where the Association incurs costs or expenses because of the conduct or inaction of an Owner in connection with (a) willful misconduct, an act of negligence or the violation of any of the Association's governing documents or of any applicable law or regulation by an Owner or by any guests or family members of the Owner; or (b) actions by the Association to bring an Owner or the Owner's Parcel into compliance with the provisions of the Association's governing documents or any other applicable Restrictions; then, in each such event, the Board may assess the resulting costs and expenses incurred by the Association as a special assessment and lien against the Owner's Parcel and property in the same manner as any other common or special assessment.

3. Effectiveness of Declaration. Except as hereinabove expressly amended and modified, the Declaration shall be and remain in full force and effect.

ASSIGNMENT OF DECLARANT RIGHTS
FOR HIGH CHAPARRAL RANCH

This ASSIGNMENT OF DECLARANT RIGHTS FOR HIGH CHAPARRAL RANCH ("Assignment") is made and entered into this 16th day of December, 2013, by Karen Nulle LLC, a Colorado limited liability company (hereinafter referred to as the "Declarant").

RECITALS

A. WHEREAS, that certain Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on April 26, 2007 as Reception No. 200710662; that certain Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on November 24, 2007 as Reception No. 200728266; that certain Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral Ranch was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on December 21, 2011 as Reception No. 201123707; and that certain First Amendment to the Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for High Chaparral was recorded in the Office of the Clerk and Recorder of Eagle County, Colorado on April 18, 2013 as Reception No. 201307758 as corrected under Reception No. 201324489 (hereinafter collectively referred to as the "Declaration"); and

B. WHEREAS, Declarant wishes to designate its successor and assign as provided for in the Declaration under Article 1, Definitions and Exhibits, for the defined term "Declarant" as to the particular rights or interests of Declarant under the Declaration that are specifically designated herein.

ASSIGNMENT

NOW THEREFORE, Declarant hereby assigns the following particular rights and interests of the Declarant under the Declaration as follows:

1. Successor and Assign. Western Living, LLC, whose address is P.O. Box 839, Edwards, Colorado 81632, is hereby designated the successor and assign of Declarant under the Declaration. All references to Declarant in the Declaration shall apply to Western Living, LLC.

2. Particular Rights and Interests Assigned. The following sections and Article of the Declaration are hereby assigned to Western Living, LLC as successor and assign of Declarant:

Section 3.1 Access Road Easement.

Section 3.3	<u>Easements for Encroachments.</u>
Section 3.5	<u>Declarant Easements Over the Parcels.</u>
Section 3.6	<u>Utility Easements.</u>
Section 4.5	<u>Nature, Location and Size of Improvements.</u>
Section 4.7.1	<u>Livestock Containment.</u>
Section 4.8	<u>Horses and Equestrian Facilities.</u>
Section 4.18	<u>Drainage.</u>
Section 4.22	<u>Exemption for Declarant.</u>
Section 5.2	<u>Membership, Generally.</u>
Section 5.3.1 (iii)	<u>Voting, Classes and Allocation of Votes, Qualifications, Class C.</u>
Section 6.2	<u>Common Assessments.</u>
Section 6.3	<u>Special Assessments and Additional Expenses.</u>
Section 6.4	<u>Payment of Assessments; Notice and Acceleration.</u>
Section 6.7	<u>Declarant's Obligation.</u>
Article 7	<u>SPECIAL DECLARANT RIGHTS</u>
Section 8.6	<u>DRC Membership.</u>
Section 8.7	<u>Organization and Operation of DRC.</u>
Section 8.10	<u>Limitation of Liability.</u>
Section 10.1	<u>Term of Declaration.</u>
Section 10.2	<u>Amendment of Declaration.</u>
Section 10.5	<u>Notices.</u>
Section 10.6	<u>Persons Entitled to Enforce Declaration.</u>
Section 10.12	<u>No Representations or Warranties.</u>
Section 10.18	<u>Disclaimer Regarding Safety.</u>
Section 10.19	<u>Limitation on Liability.</u>
Section 10.20	<u>Waiver.</u>

3. Effectiveness of Declaration. Except as hereinabove expressly amended and modified, the Declaration shall be and remain in full force and effect.

Executed the day and year first written above.

KAREN NULLE LLC, a Colorado limited liability company

Karen Nulle, member
By: Karen Nulle, Member

STATE OF COLORADO)
)ss.
COUNTY OF EAGLE)

The foregoing instrument acknowledged before me this 16th day of December, 2013, by Karen Nulle as Member of Karen Nulle LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires: 5/21/2016



My Commission Expires 05/21/2016

Monica A. Pereida
Notary Public