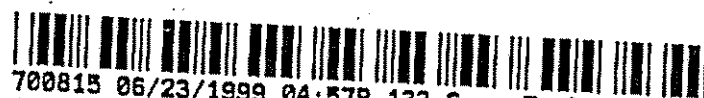


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DECLARATION

FOR

EAGLE RANCH



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DECLARATION

FOR

EAGLE RANCH

THIS DECLARATION FOR EAGLE RANCH (this "Declaration"), dated as of May 26th, 1999, shall be effective upon recordation and is made by West Eagle Ranch LLC, a Delaware limited liability company ("Declarant"). Declarant is the owner of certain real property in Eagle County, Colorado, more particularly described on Exhibit A attached hereto and made part of this Declaration by this reference (the "Property"), and Declarant and other third parties are the owners of additional real property located in Eagle County, Colorado, more particularly described on Exhibit B (the "Expansion Property"). Declarant hereby makes the following grants, submissions, and declarations:

ARTICLE 1 IMPOSITION OF COVENANTS

Section 1.1 Purpose. The purpose of this Declaration is to create a Large Planned Community known as Eagle Ranch pursuant to Section 38-33.3-103(17.5) of the Colorado Common Interest Ownership Act. As permitted by the Act, Declarant hereby exercises those certain exemptions as described in Section 38-33.3-116.3 of the Act.

Section 1.2 Intention of Declarant. Declarant intends to develop the Property as a mixed use community, including residential, commercial and recreational uses for the benefit of all persons residing, visiting or doing business in Eagle Ranch. Declarant desires to protect the value and desirability of the Property, to own and operate certain common amenities and properties for the benefit of the owner(s) of the Property and the separate projects which may be formed thereon and to promote and safeguard the health, comfort, safety, convenience, and welfare of the owners in Eagle Ranch.

Section 1.3 Number of Units. The Town Documents (as that term is hereinafter defined) in effect as of the date hereof permit the development of a maximum of eleven hundred (1,100) Residential Units and one hundred twenty thousand (120,000) square feet of commercial area within Eagle Ranch, and Declarant hereby reserves the right to create such residential and commercial areas. In contemplation that such commercial areas will be divided into Commercial Units of not less than one hundred fifty (150) square feet per Commercial Unit, Declarant reserves the right to create eight hundred (800) Commercial Units under the Town Documents in effect as of the date hereof, making the total maximum number of Units permitted under the Town Documents as of the date hereof nineteen hundred (1,900). In order to allow flexibility in the operation of this Declaration in the event that the Town Documents are revised in the future, Declarant reserves the right to create a maximum of two thousand (2,000) Residential Units and one thousand (1,000) Commercial Units for a total maximum of three thousand (3,000) Units provided the Town Documents permit such residential and commercial areas.

Section 1.4 Declaration. To accomplish the purposes and intentions recited above, Declarant hereby submits the Property, together with all improvements, appurtenances, and facilities



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relating to or located on the Property now and in the future, to the provisions of the Act, except to the extent the Property is exempt from certain provisions of the Act as a Large Planned Community as defined in the Act, and hereby imposes upon all of the Property the covenants, conditions, restrictions, easements, reservations, and other provisions of this Declaration below, and Declarant hereby declares that all of the Property shall be held, sold, conveyed, encumbered, leased, rented, occupied and improved subject to the provisions of this Declaration.

Section 1.5 Covenants Running With the Land. All provisions of this Declaration shall be deemed to be covenants running with the land, or equitable servitudes, as the case may be. The benefits, burdens, and other provisions contained in this Declaration shall be binding upon and shall inure to the benefit of Declarant, all Owners, and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

ARTICLE 2 DEFINITIONS

The following words, when used in this Declaration or any Supplemental Declaration, shall have the meanings designated below unless the context shall expressly provide otherwise:

Section 2.1 "Act" means the Colorado Common Interest Ownership Act as set forth in the Colorado Revised Statutes, Section 38-33.3-101, et. seq.

Section 2.2 "Agency" means any agency or corporation such as the Department of Housing and Urban Development, Veteran's Administration, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, the Government National Mortgage Association or Federal Housing Administration that purchases, guarantees or insures residential mortgages.

Section 2.3 "Assessment Obligation" means the apportionment of Assessments for which a Unit is responsible as calculated pursuant to Section 5.4 below.

Section 2.4 "Assessments" means the annual, special, default and transfer Assessments levied pursuant to Article 5 below. Assessments are also referred to as a Common Expense Liability under the Act.

Section 2.5 "Association" means Eagle Ranch Association, a Colorado nonprofit corporation, and its successors and assigns. The Association acts through its Executive Board unless a vote of the Owners is otherwise specifically required by the Act, this Declaration or the articles of incorporation or bylaws of the Association.

Section 2.6 "Association Documents" means the basic documents governing the Association, including, but not limited to, this Declaration, the articles of incorporation and bylaws of the Association, and any procedures, rules, regulations, or policies relating to the Association adopted under such documents by the Association or the Executive Board.

Section 2.7 "Building" means any building (including all fixtures and improvements contained within it) located on the Property.



Section 2.8 "Business Association" shall have the definition set forth in Subsection 5.9.3.1 hereof.

Section 2.9 "Commercial Unit" means any separate Unit located on the Property which is permitted to be used for commercial purposes.

Section 2.10 "Common Area" means, to the extent of the Association's interest in such real property or improvements, if any, any real property or improvements within Eagle Ranch (a) that are owned by the Association, (b) that are owned by a person or entity other than the Association, but in which the Association has rights of use or possession pursuant to a lease, license, easement or other agreement, or (c) that the Association is otherwise required to operate, manage, maintain or repair, together with any improvements located thereon. Declarant is legally obligated to construct landscaping, parks, trails and additional similar improvements within and/or outside of the Property as required by the Town Documents. The Common Areas which Declarant anticipates may be constructed, maintained or operated by the Association are as follows: landscaping (including landscaping within dedicated public rights-of-way serving the Property), parks, trails, raw water irrigation system, alleys, recreation facilities and parking facilities, together with any related improvements or amenities associated with any of the foregoing.

Section 2.11 "Common Expenses" means (a) all expenses expressly declared to be common expenses by this Declaration or the bylaws of the Association; (b) all other expenses of administering, servicing, conserving, managing, maintaining, repairing or replacing the Common Area; (c) insurance premiums for the insurance carried under Article 9; and (d) all expenses lawfully determined to be common expenses by the Executive Board.

Section 2.12 "Declarant" means West Eagle Ranch LLC, a Delaware limited liability company, and its successors and assigns. No party other than West Eagle Ranch LLC shall exercise the rights and privileges reserved herein to Declarant unless such party shall receive and record in the real property records of Eagle County, Colorado a written assignment from West Eagle Ranch LLC of all or a portion of such rights and privileges.

Section 2.13 "Declarant Control Period" shall have the meaning given it in Section 4.4 of this Declaration.

Section 2.14 "Declaration" means this Declaration for Eagle Ranch, together with any supplement or amendment to this Declaration, recorded by Declarant in the office of the Clerk and Recorder of Eagle County, Colorado.

Section 2.15 "Design Guidelines" means the guidelines and rules published and amended and supplemented from time to time by the Design Review Board.

Section 2.16 "Design Review Board" means and refers to the Design Review Board defined in and created pursuant to Article 6 below.

Section 2.17 "Director" means a member of the Executive Board.



Section 2.18 "District" means the Eagle Ranch Metropolitan District.

Section 2.19 "Eagle Ranch" means the entirety of the Property subject to the terms and provisions of this Declaration.

Section 2.20 "Eagle Ranch Wildlife Protection Board" shall have the meaning set forth in Subsection 5.9.2 below.

Section 2.21 "Eligible Mortgage Holder" means a First Mortgagee or any insurer or guarantor of a First Mortgage, or any Agency, which has notified the Association in writing of its name and address and its status as the holder, insurer or guarantor of a First Mortgage. Such notice shall be deemed to include a request that the Eligible Mortgage Holder be given the notices and other rights described in Article 16 below, regardless of whether such Article requires notice to such party.

Section 2.22 "Executive Board" means the governing body of the Association, as provided in this Declaration and in the articles of incorporation and bylaws of the Association.

Section 2.23 "Expansion Property" means the real property located in Eagle County, Colorado, more particularly described on Exhibit B attached hereto and incorporated herein by this reference, which Declarant may subject to this Declaration by one or more duly recorded Supplemental Declarations.

Section 2.24 "First Mortgage" means a Mortgage which has priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens, special and governmental transfer assessments).

Section 2.25 "First Mortgagee" means the Mortgagee under a First Mortgage.

Section 2.26 "Function" means any activity, function or service required under this Declaration to be undertaken or performed by the Association as well as any activity, function or service otherwise undertaken or performed by the Association.

Section 2.27 "Golf Course" means that certain golf course and related facilities and improvements described in the Town Documents and located adjacent to portions of the Property subjected to this Declaration.

Section 2.28 "Guest" means any family member, customer, agent, employee, independent contractor, guest, invitee or Lessee of an Owner and any person or persons, entity or entities who have any right, title or interest in a Unit which is not the fee simple title to the Unit (including a Lessee), and any family member, customer, agent, employee, independent contractor, guest or invitee of such person or persons, entity or entities.

Section 2.29 "Housing Corporation" shall have the meaning set forth in Subsection 5.9.1 below.

Section 2.30 "Lessee" means the person or persons, entity or entities which constitute the lessee under a lease of all or any part of a Unit. The term Lessee shall include Declarant to the extent



it is a Lessee as defined above and shall include a sublessee, but it shall not include the Association or any governmental entity (which term shall include but is not limited to special districts formed pursuant to Colorado law).

Section 2.31 "Management Agreement" means any contract or arrangement entered into for purposes of discharging the responsibilities of the Executive Board relative to the operation, maintenance and management of the Common Area or for purposes of undertaking or discharging any Function.

Section 2.32 "Managing Agent" means a person, firm, corporation, or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Common Area and/or the Association.

Section 2.33 "Map" or "Maps" means and includes any engineering survey or surveys of the Property locating a Project on a Neighborhood Center Lot, or the Units in the respective Buildings and the Buildings on the Property depicting the floor plans of the Units, together with other drawings or diagrammatic plans and information regarding any portion of the Property as recorded in the office of the Clerk and Recorder of Eagle County, Colorado.

Section 2.34 "Maximum Rate" shall mean two percentage points greater than that rate of interest charged by a bank designated from time to time by the Executive Board to the best commercial customers of the designated bank for short-term loans and identified as the "prime rate" by such bank as of the date on which such Maximum Rate is imposed with respect to any amount payable under this Declaration, or if less, the maximum rate allowed by law.

Section 2.35 "Mortgage" means any unpaid and outstanding mortgage, deed of trust, or other security instrument recorded in the office of the Clerk and Recorder of Eagle County, Colorado, which secures financing for the construction or development of any portion of the Property or which encumbers a Unit.

Section 2.36 "Mortgagee" means any person or entity named as a mortgagee or beneficiary under any Mortgage, or any successor to the interest of any such person under such Mortgage.

Section 2.37 "Neighborhood" means each separately developed residential, commercial or mixed use area within Eagle Ranch in which the Owners of Units have demonstrated to the Executive Board that they have common interests other than those common to all members of the Association. There shall be a minimum of five (5) Units in a Neighborhood. For example, and by way of illustration and not limitation, each townhome development, cluster home development, single-family detached housing development, commercial area or mixed use area may constitute a separate Neighborhood, or a Neighborhood may be composed of more than one housing or use type with other features in common. In addition, each parcel of land intended for development as any of the above may constitute a Neighborhood subject to division into more than one Neighborhood upon development.

Section 2.38 "Neighborhood Center Lot" means, individually or collectively, any separately numbered lot(s) designated in the Town Documents as "Neighborhood Center" in use for

residential and/or commercial purposes and shown on the Plat or any Supplemental Plat for any portion of the Property, recorded in the office of the Clerk and Recorder of Eagle County, Colorado, as the same may be amended from time to time. Unless restricted in the Town Documents or otherwise, a Neighborhood Center Lot may be resubdivided for multi-family or commercial use and subjected to a condominium or planned community regime in accordance with the terms of the Act and the Town Documents.

Section 2.39 "Non-Association Amenities" means certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Property, which are privately or publicly owned and operated by persons other than the Association for recreational, commercial and related purposes, on a membership basis or otherwise, and shall include, without limitation, the Golf Course and those certain amenities located on those tracts designated in the Town Documents as "Recreation Open Space".

Section 2.40 "Owner" means any record owner (including Declarant, and including a contract seller, but excluding a contract purchaser), whether a natural person or persons or an entity, of a fee simple title interest in and to any Unit, excluding, however, any record owner with an interest therein merely as a Mortgagee (unless such Mortgagee has acquired fee simple title interest in the Unit pursuant to foreclosure or any proceedings in lieu of foreclosure).

Section 2.41 "Plat" means that certain Final Plat of Eagle Ranch, Filing No. 1, recorded in the office of the Clerk and Recorder of Eagle County, Colorado, as amended from time to time.

Section 2.42 "Project" or "Projects" means one or more Buildings, together with the Neighborhood Center Lot on which such Building(s) are located and which lot is submitted to a condominium or planned community regime by a Project Declaration and the associated Map.

Section 2.43 "Project Association" or "Project Associations" means the association(s), formed for the purpose of representing owners of Units within a particular Project.

Section 2.44 "Project Declaration" means each Declaration creating a Common Interest Community upon a Neighborhood Center Lot as defined in the Act and subject to this Declaration.

Section 2.45 "Property" means the real property described in the attached Exhibit A.

Section 2.46 "Residential Lot" means, individually or collectively, any separately numbered lot(s) designated in the Town Documents as "Residential" in use for single family homesites, and shown on the Plat or any Supplemental Plat for any portion of the Property, recorded in the office of the Clerk and Recorder of Eagle County, Colorado, as the same may be amended from time to time.

Section 2.47 "Residential Unit" means any separate Unit located on the Property which is permitted to be used for residential purposes in the Town Documents, such as the Residential Lots, or a Unit improved for residential purposes on a Neighborhood Center Lot, including Units within a Project developed on a Neighborhood Center Lot for residential purposes and including Restricted Units.



Section 2.48 "Restricted Unit" shall have meaning as set forth in Section 8.2 below.

Section 2.49 "Supplemental Declaration" means an instrument which subjects any part of the Expansion Property to this Declaration, as more fully provided in Article 15 below.

Section 2.50 "Supplemental Plat" means a subdivision plat which depicts any part of the Expansion Property becoming subject to this Declaration through a Supplemental Declaration, as more fully provided in Article 15 below.

Section 2.51 "Town" means the Town of Eagle, State of Colorado, the municipality which has the planning and zoning authority with respect to the Property.

Section 2.52 "Town Documents" means those certain documents relating to the planned unit development for Eagle Ranch covering, without limitation, the Property, the Golf Course and other property, such documents to include, without limitation, zoning requirements, annexation agreements, subdivision improvement agreements, the Eagle Ranch PUD Guide, PUD Development Plan and Subdivision Plans.

Section 2.53 "Undeveloped Property" means any portion of the Property which (i) has not been subdivided into Residential Lots or Neighborhood Center Lots following the recording of this Declaration and the Town Documents, or (ii) has not been improved as Residential Units and/or Commercial Units.

Section 2.54 "Unit" means the fee simple interest in and to any parcel of real property subject to this Declaration which is designated for separate ownership and that may be conveyed in fee in compliance with all applicable subdivision regulations, including subdivided parcels of real property whether currently existing or created by subsequent resubdivision of the Property. Each Residential Lot shall be a "Unit" as defined herein. Each Neighborhood Center Lot shall be an individual "Unit" as defined herein until and unless a Project Declaration is recorded creating a Project on the Neighborhood Center Lot, at which time, each unit within the Project shall be a "Unit." Each parcel of Undeveloped Property shall be an individual "Unit" as defined herein until and unless the Undeveloped Property is subdivided into Residential Lots and/or Neighborhood Center Lots, or until and unless a Project Declaration is recorded creating a Project on all or any portion of such Undeveloped Property. The term "Unit" may refer to either a Residential Unit or a Commercial Unit.

Section 2.55 "Voting Allocation" means the apportionment of voting rights of an Owner as calculated pursuant to Section 4.3 below.

Section 2.56 "Wildlife Plan" means Eagle Ranch PUD Wildlife Mitigation and Enhancement Plan attached hereto as Exhibit C.

Each capitalized term not otherwise defined in this Declaration or in the Plat shall have the same meanings specified or used in the Act.



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ARTICLE 3
ASSOCIATION FUNCTIONS AND DUTIES

Section 3.1 Property Maintenance Function. The Association shall provide for the care, operation, management, maintenance, repair and replacement of all Common Areas. Moreover, the Association may provide for the care and maintenance of other areas of the Property if the Executive Board, in its sole and exclusive discretion, deems such care and maintenance to be necessary or desirable for access to the boundary of or full utilization of any Unit or any improvements within Eagle Ranch. Such Function may include, without limitation: maintenance of alleys and any other property which has been dedicated to the Town but which is required to be maintained by the Association in accordance with the Town Documents; removal of snow from and application of sand, salt and other de-icing materials to roads, walks, drives, trails and other similar Common Areas as necessary for their customary use and enjoyment; maintenance and care of bike and/or pedestrian paths, trails, open space or unimproved areas included in the Common Area and of plants, trees and shrubs in such open space or unimproved areas; protection, enhancement or restoration of natural habitats within the Common Area, including stream corridors, wetlands and wildlife habitats, in accordance with the uses permitted in the Town Documents; and maintenance of lighting provided for roads, walks, drives, bike paths, trails and other similar Common Areas. The Executive Board shall be the sole judge as to the appropriate maintenance, operation and management of the Common Area and other areas of the Property.

Section 3.2 District or Town Functions. In accordance with the functions and obligations to be performed by the Town as set forth in the Town Documents, the Town shall supply water through the Town's municipal water system for Eagle Ranch, which system shall not be used for any irrigation purposes within the Property (except within the Neighborhood Center Lots or as otherwise permitted by the Town Documents) if the Town determines that a separate raw water irrigation system is required to be installed. In such event, the foregoing prohibition against the use of municipal water for irrigation shall not be modified without the prior written consent of the Town. If the Town requires a separate raw water irrigation system, prior to the first conveyance of a Unit to a purchaser, Declarant shall cause to be recorded in the office of the Clerk and Recorder of Eagle County, Colorado a detailed operational plan, prepared by a professional approved by the Town, specifying how the raw water irrigation system will be operated and maintained and what party will operate such system. If a separate raw water irrigation system will not be required and the Town will supply all water for Eagle Ranch, Declarant shall cause to be recorded a written document to that effect prior to the first conveyance of a Unit to a purchaser. The Association may do all things that are within the power of the District or the Town which are not being adequately performed by the District or the Town, as applicable, and which may be reasonably necessary or desirable to keep and maintain Eagle Ranch as a safe, attractive and desirable community; provided, however, that the Association may only assume the duties and responsibilities within the power of the District or Town upon the prior written consent from the District or Town.

Section 3.3 Animal Control Function. The Association may provide for regulations, facilities, personnel and funds to enforce animal control or exclude animals from Eagle Ranch. In addition, the Association shall be entitled to enforce the terms of the Wildlife Plan in accordance with Section 1.16 of such Wildlife Plan.



Section 3.4 Exterior Maintenance Function.

3.4.1 All Owners are expected to maintain their Units, and all Project Associations are expected to maintain their Projects, in accordance with the standards of quality typical within Eagle Ranch and the Town of Eagle, and the Association does not intend to provide any exterior maintenance and repair of such property. In addition, each Owner or Project Association, if applicable, shall be required to maintain the landscaping within any right of way adjacent to such Owner's or Project Association's property. If any Owner fails to maintain its Unit, or any Project Association fails to maintain its Project, related improvements or property, or fails to perform any acts of maintenance or repair required under this Declaration, the Association may provide, by the affirmative vote of the Executive Board or a majority of the members of the Design Review Board present at any meeting thereof, exterior maintenance and repair upon such property after thirty (30) days notice of such failure to the Owner of such Unit or the applicable Project Association. In addition, the Association may, without notice, make such emergency repairs and maintenance as may in its judgment be necessary for the safety of any person or to prevent damage to any other property. The cost of such exterior maintenance and repairs of a Unit shall be assessed against the Owner of such Unit, shall be a lien and obligation of the Owner and shall become due and payable in all respects as set forth in Article 5 herein. The cost of such maintenance or repairs of a Project shall be assessed against all Owners of Units within such Project and shall be a lien and obligation of such Owners pursuant to Article 5 herein. For the purpose of performing the exterior maintenance authorized by this Section, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner or Project Association, to enter upon such Unit or Project during reasonable hours on any day. The Association or its designee is hereby granted an irrevocable license over all property in Eagle Ranch to inspect (in a reasonable manner) property within Eagle Ranch in order to determine whether any maintenance or repair is necessary under this Section.

3.4.2 Neither Declarant, the Association, nor any of their respective directors, members, officers, agents or employees, shall be liable for any incidental or consequential damages for failure to inspect any Unit or Project or improvements or portion thereof or to repair or maintain the same. Declarant, the Association or any member of the general public, firm or corporation undertaking such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any Unit or Project or improvements or portion thereof.

Section 3.5 Right to Make Rules and Regulations. The Association shall be authorized to and shall have the power to adopt, amend and enforce rules and regulations applicable within Eagle Ranch with respect to any Common Area or Function, and to implement the provisions of this Declaration or other Association Documents, including but not limited to, rules and regulations to regulate use of any and all Common Area in order to assure compliance with the Town Documents or to protect the natural features thereof or the interests of all Owners and Guests; to prevent or reduce fire hazard; to prevent disorder and disturbances of the peace; to regulate pedestrian and vehicular traffic; to regulate animals (including enforcement of the Wildlife Plan); to protect wildlife (including enforcement of the Wildlife Plan); to regulate signs; to regulate weed and pest control on property within Eagle Ranch; to promote the general health, safety and welfare of persons residing,



visiting and doing business within Eagle Ranch; and to protect and preserve property and property rights. All rules and regulations shall comply with the Association Documents, the Town Documents, the Wildlife Plan, and other applicable land use restrictions for Eagle Ranch. The rules and regulations shall be reasonable and shall be uniformly applied, except such rules may differentiate between reasonable categories of Units, Projects, Neighborhoods, Owners, Lessees, Guests or members of the general public. The Association may provide for enforcement of any such rules and regulations through reasonable and uniformly applied fines and penalties, through exclusion of violators from the Common Area or from enjoyment of any Functions, or otherwise. Each Project Association, Owner, Lessee, Guest and member of the general public shall be obligated to and shall comply with and abide by such rules and regulations and pay such fines or penalties upon failure to comply with or abide by such rules and regulations, and such unpaid fines and penalties shall be enforceable as a default Assessment in accordance with Section 5.10.

Section 3.6 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 of each Unit an amount equal to \$125.00. Such payments to this fund shall not be considered advance payments of annual Assessments. The working capital deposit shall be returned to each Owner upon the sale of his Unit, provided that the new purchaser of the Unit has deposited the required working capital deposit with the Association.

Section 3.7 Taxes. The Association shall pay all ad valorem real estate taxes, special improvement and other assessments (ordinary and extraordinary), ad valorem personal property taxes, and all other taxes, duties, charges, fees and payments required to be made to any governmental or public authority which shall be imposed, assessed or levied upon, or arise in connection with the Common Area or Functions.

Section 3.8 Right to Dispose of Common Area: Third Party Rights in Common Area. Subject to Subsection 3.11.7 below, the Association shall have the full power and authority to sell, lease, grant easements, rights-of-way, licenses, leases or concessions in or to, transfer, encumber, abandon or dispose of any Common Area provided that such action does not result in a violation of the Town Documents and provided that the Association obtains the prior written consent of the Town prior to the transfer of any Common Area. The Association shall be entitled to grant easements to third parties and take other actions which do not constitute a transfer in fee of a Common Area without the consent of the Town. The Association shall be entitled to contract with third parties, including, without limitation, other residential or recreational associations or individuals, allowing such persons the use and enjoyment of all or a portion of the Common Area under such terms and for such charges as may be acceptable to the Executive Board.

Section 3.9 Governmental Successor. Subject to applicable provisions of the Act, any Common Area and any Function may be turned over to a governmental or quasi-governmental entity including any special district or metropolitan district which is willing to accept and assume the same upon such terms and conditions as the Association shall deem to be appropriate.

Section 3.10 Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with Section 38-33.3-316(8) of the Act concerning statements



of unpaid assessments. All financial and other records shall be made available for examination by any Owner or such Owner's authorized agents during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials.

Section 3.11 Implied Rights of the Association. The Association shall have and may exercise any right or privilege given to it expressly in this Declaration or, except to the extent limited by the terms and provisions of this Declaration, given to it by law and shall have and may exercise every other right, privilege, power and/or authority necessary or desirable to fulfill its obligations under this Declaration, including without limitation the rights to:

3.11.1 adopt and amend the bylaws and rules and regulations of the Association;

3.11.2 adopt and amend budgets for revenues, expenditures and reserves and collect Assessments, including, without limitation, Assessments for Common Expenses, from Owners;

3.11.3 hire and terminate Managing Agents and other employees, agents and independent contractors. Notwithstanding any provisions contained in this Declaration to the contrary, it is the intent of this Declaration that the Executive Board shall not be able to independently terminate the Management Agreement pursuant to Section 38-33.3-305 of the Act without a vote of Owners representing an aggregate voting interest of fifty-one percent (51%) or more. The Managing Agent shall not have the authority to make expenditures except upon prior approval and direction by the Executive Board. The Executive Board shall not be liable for any omission or improper exercise by a Managing Agent of any duty, power or Function so delegated by written instrument executed by or on behalf of the Executive Board;

3.11.4 institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting Eagle Ranch;

3.11.5 make contracts and incur liabilities;

3.11.6 regulate the use, maintenance, repair, replacement and modification of the Common Area;

3.11.7 acquire, hold, encumber and convey in its own name any right, title or interest in real or personal property; provided, however, that the fee interest of any Common Area may not be conveyed or subjected to a security interest unless (a) such action receives approval of Owners holding a majority of the total voting interest in the Association or any greater level of approval if required by the Act; (b) such action is evidenced by a written agreement, or a written ratification of an agreement, executed in the same manner as a deed by the required number of Owners; and (c) such action does not deprive any Unit of its rights of ingress, egress and support;

3.11.8 impose and receive any payments, fees or charges for the use, rental or operation of Common Area;



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3.11.9 impose charges for late payments of Assessments, recover reasonable attorney's fees and disbursements and other costs of collection for Assessments and other actions to enforce the rights of the Association, regardless of whether or not suit was initiated, and after notice and opportunity to be heard, levy reasonable fines and penalties for violations of the Association Documents and the Wildlife Plan;

3.11.10 impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid Assessments;

3.11.11 provide for the indemnification of the Association's officers and directors and maintain directors' and officers' liability insurance;

3.11.12 assign its right to future income, including without limitation, its right to receive Assessments (by way of example and not limitation, the Association may assign its rights to receive transfer Assessments to secure financing for improvements to the Common Area or performance of Functions);

3.11.13 obtain and pay for legal, accounting and other professional services;

3.11.14 perform any Function by, through or under contractual arrangements, licenses or other arrangements with any governmental or private entity as may be necessary or desirable; and

3.11.15 enjoy and exercise any other power or authority which similar associations may now or hereafter enjoy or exercise in the state of Colorado.

Section 3.12 Association Documents. Each Owner shall comply with and may benefit from each term, provision, covenant, condition, restriction, reservation and easement contained in the Association Documents. The obligations, burdens and benefits of membership in the Association touch and concern the Property and are, and shall be, covenants running with each Unit for the benefit of all other Units and the Common Area.

Section 3.13 Indemnification. The Association shall be obligated to and shall indemnify Declarant and hold it harmless from all liability, loss, cost, damage and expense, including without limitation attorneys' fees and disbursements, arising with respect to any operations of the Association or any of the Common Area or any Functions undertaken by the Association pursuant to this Declaration.

Section 3.14 Owner's Negligence. In the event that the need for maintenance, repair, or replacement of all or any portion of the Common Area is caused through or by the negligent or willful act or omission of an Owner or an Owner's Guest or Lessee, or by any Project Association, then the expenses incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner or, in the case of a negligent or willful act or omission of a Project Association, then of all Owners of Units within that Project; and, if an Owner fails to repay the expenses incurred by the Association within seven (7) days after notice to the Owner of the amount owed, then the failure to so repay shall be a default by the Owner under the provisions of



this Declaration, and such expenses shall automatically become a default Assessment determined and levied against such Unit, enforceable by the Association in accordance with Sections 5.10, 5.11 and 5.12 below.

Section 3.15 Enforcement of Association Documents. The Association or any aggrieved Owner or Project Association may take judicial action against any Owner or Project Association to enforce compliance with the rules and regulations of the Association and with the other provisions of the Association Documents to obtain damages for noncompliance or for injunctive relief, or both, all to the extent permitted by law.

Section 3.16 Cooperation with Other Associations. The Association may contract or cooperate with the Project Associations or with other homeowners' associations or entities as convenient or necessary to provide services and privileges and to fairly allocate costs among the parties utilizing such services and privileges which may be administered by the Association or such other organizations, for the benefit of Owners and their Lessees and Guests. The costs associated with such efforts by the Association (to the extent not chargeable to other organizations) shall be a Common Expense.

Section 3.17 Assistance to Project Associations. The Executive Board shall assist the Project Associations in the performance of their duties and obligations under their respective Project Declarations and other documents governing the applicable Project, and the Association shall cooperate with each Project Association so that each of those entities may most efficiently and economically provide their respective services to Owners. It is contemplated that from time to time the Association and the various Project Associations may use the services each of the other in the furtherance of their respective obligations, and they may contract with each other to better provide for such cooperation. The payment for such contract services or a variance in services provided may be reflected in an increased Assessment by the Association for the Owners of Units in the particular Project or by an item in the Project Association's budget which shall be collected through the assessments of such Project Association and remitted to the Association. If a Project Association fails, neglects or is unable to perform a duty or obligation required by its Project Declaration or other Project documents, then the Association may, after reasonable notice and an opportunity to cure given to the Project Association, perform such duties or obligations until such time as the Project Association is able to resume such functions, and the Association may charge the Project Association a reasonable fee for the performance of such functions.

Section 3.18 Neighborhoods. Owners of no less than five (5) Units may petition the Executive Board to be a Neighborhood in order to request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood. Even if the Executive Board determines that the Units constitute a Neighborhood, the Executive Board shall have the option, in its sole discretion, whether to provide the requested services. All requests must be in compliance with the Town Documents and the Design Guidelines. The cost of such services, if provided, shall be assessed against the Units within such Neighborhood as part of the annual Assessment for such Neighborhood pursuant to Article 5.

Section 3.19 LIMITATION OF LIABILITY OF ASSOCIATION. NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR THE COMMON AREA, AND EXCEPT TO THE EXTENT COVERED BY ASSOCIATION INSURANCE AS DESCRIBED IN ARTICLE 9, THE ASSOCIATION SHALL NOT BE LIABLE TO OWNERS OR THE PROJECT ASSOCIATIONS FOR INJURY OR DAMAGE, OTHER THAN FOR THE COST OF MAINTENANCE AND REPAIR, CAUSED BY ANY LATENT CONDITION OF THE COMMON AREA TO BE MAINTAINED AND REPAIRED BY THE ASSOCIATION OR CAUSED BY THE ELEMENTS OR OTHER OWNERS OR PERSONS OR THE PROJECT ASSOCIATIONS.

ARTICLE 4 MEMBERSHIP IN ASSOCIATION

Section 4.1 Association Membership. Every Owner shall be a member of the Association, and the Owners of the Neighborhood Center Lots shall be members until such time, if at all, as a Neighborhood Center Lot is further subdivided in accordance with a Project Declaration or otherwise, at which time each Owner of such subdivided Units within the Project shall be a member for the period of the Owner's ownership of the Unit. No Owner, whether one or more persons, shall have more than one membership per Unit owned, as applicable. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Unit.

Section 4.2 Classes of Membership. There shall be two classes of membership in the Association as follows:

4.2.1 "Residential Unit Members" shall be all Owners of Residential Units, including Owners of Residential Lots and Declarant so long as Declarant continues to own an interest in a Residential Unit. An Owner of any Undeveloped Property (including Declarant if Declarant continues to own an interest in any such Undeveloped Property) shall be a member of this class only if such Undeveloped Property is approved to contain a Residential Unit or Units as provided in the Town Documents, subject to having voting rights described in Section 4.3 below.

4.2.2 "Commercial Unit Members" shall be all Owners of Commercial Units and Declarant so long as Declarant continues to own an interest in a Commercial Unit. An Owner of any Undeveloped Property (including Declarant if Declarant continues to own an interest in any such Undeveloped Property) shall be a member of this class only if such Undeveloped Property is approved to contain a Commercial Unit or Units as provided in the Town Documents, subject to having voting rights described in Section 4.3 below.

Based on the variety of uses which may be permitted on a Neighborhood Center Lot or on Undeveloped Property, the Owner of a Neighborhood Center Lot or a parcel of Undeveloped Property may be both a Residential Unit Member and a Commercial Unit Member.

Section 4.3 Voting Rights. Each Unit shall be allocated a number of votes for the purpose of matters relating to Association issues as set forth below ("Voting Allocation").



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4.3.1 Residential Units. Each Residential Unit (excluding Undeveloped Property) shall be allocated one (1) vote.

4.3.2 Commercial Units. Each Commercial Unit (excluding Undeveloped Property) shall be allocated the greater of: (a) one (1) vote for such Commercial Unit; or (b) one (1) vote for every 500 square feet of space contained in such Commercial Unit. In the event that the calculation of the voting allocation of a Commercial Unit results in what would otherwise be a fractional vote, such voting allocation shall be rounded down to the nearest whole number of votes.

4.3.3 Undeveloped Property. Until such time as individual Residential Units or Commercial Units are created as contemplated by the Town Documents by further subdivision of any Undeveloped Property, each separately owned parcel of Undeveloped Property shall be allocated one (1) vote with respect to each class of membership in the Association to which the Undeveloped Property belongs unless the Owner of such parcel of Undeveloped Property shall give written notice to the Association of its election to be allocated votes as follows:

4.3.3.1 one (1) vote with respect to each approved but undeveloped Residential Unit which may be constructed on the Undeveloped Property based upon the maximum residential density of such Undeveloped Property; and

4.3.3.2 one (1) vote for every 500 square feet of approved but undeveloped commercial space which may be constructed on the Undeveloped Property based upon the maximum commercial density of such Undeveloped Property. In the event that the calculation of the voting allocation of a parcel of Undeveloped Property relating to approved but undeveloped commercial space results in what would otherwise be a fractional vote, such voting allocation shall be rounded down to the nearest whole number of votes.

Notwithstanding the foregoing, if an Owner elects to have votes allocated as set forth in Section 4.3.3.1 and/or 4.3.3.2, and the Undeveloped Property is permitted to have both residential and commercial uses thereon, then in no event shall such Owner have voting rights in each class which, when combined, constitute more voting rights than the maximum density of the Undeveloped Property, based on a mix of commercial and residential uses, would allow.

The election described in this Subsection may be made no more often than once during any calendar year, unless such Undeveloped Property is transferred or conveyed to a new Owner, in which event such new Owner may make a new election. Such election shall contain an allocation of votes between residential and commercial as provided in this Subsection.

4.3.4 Phasing Within a Project. Each Project may be developed in phases. In the event that less than all of the Units permitted to be developed on a Neighborhood Center Lot are created by subdivision at one time, then (i) the Owner of each subdivided, developed Unit shall be entitled to cast the vote on Association matters with respect to such Unit, and (ii) the Owner of the remainder of the Neighborhood Center Lot which has not been made subject to the Project Declaration and/or further subdivided shall be entitled to the remaining votes with respect to such Neighborhood Center Lot.

Section 4.4 Election of Directors. During the period that Declarant is entitled to appoint the majority of the members of the Executive Board (such period, the "Declarant Control Period" as more particularly described in Section 4.5 below and the bylaws of the Association), the Directors shall be elected as provided in the bylaws of the Association without regard to the categories of Directors or the election thereof by certain categories of members as described in this Section below. It is hereby determined that, after the expiration of the Declarant Control Period, in order to protect the valid interests of the various classes of Owners, each class requires representation on the Executive Board and is hereby entitled to elect certain Directors thereto. After the expiration of the Declarant Control Period, the Executive Board shall consist of seven (7) persons, of which the class of Residential Unit Members shall be entitled to nominate and elect four (4) of the seven (7) Directors, and the class of Commercial Unit Members shall be entitled to nominate and elect three (3) of the seven (7) Directors. All members of the Executive Board shall be entitled to participate in all Association affairs which affect Eagle Ranch.

Section 4.5 Declarant Control. Notwithstanding anything to the contrary provided for herein and in accordance with applicable law, Declarant shall be entitled to appoint and remove the members of the Association's Executive Board and officers of the Association as set forth in the bylaws of the Association, which base Declarant's control of the Executive Board on the maximum number of Units permitted to be constructed within Eagle Ranch pursuant to the Town Documents in effect as of the date hereof as described in Section 1.3. The specific restrictions and procedures governing the exercise of Declarant's right to so appoint and remove Directors and officers shall be set out in the bylaws of the Association. Declarant may voluntarily relinquish such power evidenced by a notice executed by Declarant and recorded in the office of the Clerk and Recorder for Eagle County, Colorado but, in such event, Declarant may at its option require that specified actions of the Association or the Executive Board as described in the recorded notice, during the period Declarant would otherwise be entitled to appoint and remove Directors and officers, be approved by Declarant before they become effective.

Section 4.6 Fairness Standard. The Executive Board, the officers of the Association and the Association shall have the duty to represent the interests of both Commercial Unit Members and Residential Unit Members in a fair and just manner on all matters that may affect either or both classes of Owners. In upholding their duties, the Executive Board, the officers and the Association shall be held in their decisions to the standards of good faith and reasonableness with respect to such matters, taking into account the effect, if any, of the matter on Eagle Ranch as a whole.

Section 4.7 Voting by Association Members. To the extent a matter is required by this Declaration or the Act to be submitted to the vote of the members of the Association, all members shall be entitled to participate in the vote on such matter.

Section 4.8 Owner's and Association's Address for Notices. All Owners of an individual Unit shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters. The Owner or Owners shall furnish such registered address to the secretary of the Association within five (5) days after transfer of title to the Unit to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners or by such persons as are authorized by law to



represent the interests of all Owners. Notwithstanding the foregoing, the Association shall be entitled to rely upon any such registration or other notice of a change in address of the Owners of the Unit which is signed by less than all of the Owners of such Unit.

If the address of the Unit is the registered address of the Owners, then any notice shall be deemed duly given if delivered to any person occupying the Unit or, if the Unit is unoccupied, if the notice is held and available for the Owners at the principal office of the Association.

All notices and demands intended to be served upon the Executive Board shall be sent to the following address or such other address as the Executive Board may designate from time to time by notice to all of the Owners:

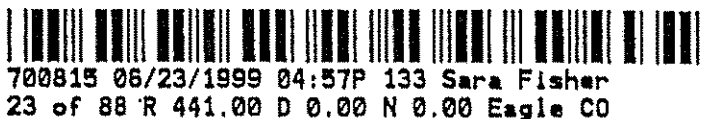
Executive Board
Eagle Ranch Association
803 Brush Creek Road
P.O. Box 1630
Eagle, Colorado 81631

All notices given in accordance with this Section shall be sent by personal delivery, which shall be effective upon receipt; by overnight courier service, which shall be effective one business day following timely deposit with the courier service; or regular, registered or certified mail, postage prepaid, which shall be effective three days after deposit in the U.S. mail.

ARTICLE 5 ASSESSMENTS

Section 5.1 Covenant of Personal Obligation of Assessments. Declarant and every other Owner of a Unit, by acceptance of the deed or other instrument of transfer of his Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), is deemed to personally covenant and agree, jointly and severally, with every other Owner and with the Association, and hereby does so covenant and agree to pay to the Association the (a) annual Assessments, (b) special Assessments, (c) default Assessments, and (d) transfer Assessments applicable to the Owner's Unit. No Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for in this Declaration by not using the Common Area or the facilities contained in the Common Area or by abandoning or leasing his Unit. The Project Associations are hereby empowered and authorized, and upon the request of the Association are hereby required, to levy and collect from Owners of Units within their respective Projects the Assessments owing to the Association as part of such Project Association's own assessment procedures and to promptly remit such Assessments collected by the Project Association to the Association. Assessments shall be levied against each Unit but, upon formation, each Project Association is hereby designated as the agent of each Owner of a Unit within such Project for receipt of notices of Assessments and the collection of Assessments and remittance to the Association.

Section 5.2 Purpose of Assessments. The Assessments levied by the Association shall be used for the purpose of promoting the health, safety, convenience, and general welfare of the Owners and the improvement and maintenance of the Common Area and the performance of



Functions, and of the services and facilities located on the Common Area. Proper uses of the Assessments may include, but are not limited to, the following:

5.2.1 Protecting, repairing, replacing, renovating and maintaining any of the Common Area or other improvements maintained by the Association not made the responsibility of the Owners by Section 3.4 above or other provisions of this Declaration;

5.2.2 Furnishing garbage and trash pickup and water, sewer and other utility services to the Common Area;

5.2.3 Obtaining and maintaining insurance in accordance with the provisions of Article 9 below;

5.2.4 Establishing and maintaining reserves for repairs, replacement, maintenance, taxes, capital improvements, and other purposes;

5.2.5 Protecting and managing wildlife within, affecting or affected by the Property or Eagle Ranch;

5.2.6 Protecting, enhancing or restoring any environmental features or concerns within the Property;

5.2.7 Promoting affordable housing within the Property and throughout Eagle County, Colorado for residents thereof;

5.2.8 Carrying out all other powers, rights, and duties of the Association specified in the Association Documents; and

5.2.9 Generally, addressing any other expenses necessary to meet the primary purposes of the Association.

Section 5.3 Amount of Total Annual Assessments. The total annual Assessments against all Units shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such fiscal year, as approved pursuant to Section 5.5 below, which estimates may include, among other things, the costs associated with the items enumerated in Section 5.2 above, together with any other costs and fees which may reasonably be expected to be incurred by the Association for the benefit of the Owners under or by reason of the Association Documents. In the event of surplus funds remaining after payment of or provision for Common Expenses and any prepayment of or provision for reserves, the Executive Board may within its discretion apply the surplus funds (a) into reserves, (b) toward the following year's Common Expenses, (c) toward a credit to Owners against future Assessments or in the form of a distribution, or (d) any combination of the foregoing.

Section 5.4 Apportionment of Annual Assessments.

5.4.1 The total annual Assessment for any fiscal year of the Association shall be assessed to the Owners of the Units in the same proportion that the number of votes in

Association matters appurtenant to the Unit bears to the total number of votes entitled to be cast on Association matters by Owners of all Units.

5.4.2 Any Owner's Assessment obligation computed in accordance with Subsection 5.4.1 above is hereinafter referred to as its "Assessment Obligation".

5.4.3 Notwithstanding any terms in this Section to the contrary, (a) the Executive Board, with the assistance of any company providing insurance for the benefit of the Owners under Article 9, may reasonably adjust the allocation to each Owner of the cost of premiums for any insurance carried for, and to be charged to, a particular Owner, as more fully detailed in Article 9; and (b) in the event a specific item in the Association's budget may more directly benefit a certain Project, Neighborhood (including, without limitation, any budget item which arises as the result of a request for additional services by a Neighborhood as provided in Section 3.18), Unit or group of Units, or residential or commercial use classification in excess of its Assessment Obligation, or in the event the Association has provided services to such Project, Neighborhood, Units or classification in excess of those provided to other Projects, Neighborhoods, Units or classifications within the Property, the rate of Assessments levied with respect to such item or services may be modified to reflect such additional benefit at the sole and exclusive discretion of the Executive Board; provided, however, that such rate of Assessments shall be uniform within each Project, Neighborhood, Units or classification benefited and shall not be used to circumvent the Assessment apportionment formulas as set forth in this Declaration.

5.4.4 The total annual Assessments of the Association shall be apportioned among all Units as provided in this Section.

Section 5.5 Annual Budget. Any budget proposed to be adopted by the Executive Board shall include (i) the estimated Common Expenses, other costs and proposed capital expenditures which will be chargeable to the Association to fulfill its obligations under the Association Documents; (ii) the estimated income and other funds which will be received by the Association; and (iii) the estimated total amounts required to be raised by the annual, special, transfer and default Assessments to cover such costs, expenses and capital expenditures of the Association and to provide a reasonable reserve. Within thirty (30) days after the adoption of any proposed budget for the Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all Owners of Units and shall set a date for a meeting to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting Owners of a majority of all votes entitled to be cast on Association matters reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified in accordance with this Section must be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board. The Executive Board shall adopt a budget and submit the budget to a vote as provided herein no less frequently than annually. The Executive Board shall levy and assess the Association's annual Assessments in accordance with the annual budget.

Section 5.6 Special Assessments. In addition to the annual Assessments authorized above, the Executive Board, if permitted under the Act, may at any time and from time to time



determine, levy, and assess in any fiscal year (without the vote of the members of the Association, except as provided in the Act and in this Section below) a special Assessment applicable to that particular fiscal year (and for any such longer period as the Executive Board may determine) for the purpose of defraying, in whole or in part, the unbudgeted costs, fees, and expenses of any construction, reconstruction, repair, demolishing, replacement, renovation or maintenance of the Common Area, any facilities located on the Common Area or any other improvements maintained and operated by the Association, specifically including any related fixtures and personal property. Any amounts determined, levied, and assessed pursuant to this Section shall be assessed to the Units in the same manner as described with respect to annual Assessments in Section 5.4 above; provided, however, that any extraordinary insurance costs incurred as a result of the value of a particular Owner's Unit or the actions of a particular Owner (or his agents, servants, Guests or Lessees) shall be borne by that Owner. Special Assessments shall be based on a budget adopted in accordance with Section 5.5 provided that if necessary, the Association may adopt a new budget pursuant to Section 5.5 prior to levying a special Assessment. Such special Assessment(s) shall be due and payable as determined by the Executive Board.

Section 5.7 Due Dates for Assessment Payments. Unless otherwise determined by the Executive Board, the annual Assessments and any special Assessments which are to be paid in installments shall be paid quarterly in advance and shall be due and payable to the Association at its office or as the Executive Board may otherwise direct in any Management Agreement, without notice (except for the notices required by this Article), on the first day of each calendar quarter. If any such installment shall not be paid within fifteen (15) days after it shall have become due and payable, then the Board may assess a "late charge" on the installment in an amount of fifteen percent (15%) of the amount outstanding or such other charge as the Executive Board may fix by rule from time to time as provided in the bylaws of the Association to cover the extra expenses involved in handling such delinquent Assessment installment. An Owner's Assessment shall be prorated if the ownership of a Unit commences or terminates on a day other than the first day or last day, respectively, of a quarter or other applicable payment period.

Section 5.8 Declarant's Obligation to Pay Assessments. Declarant shall be obligated to pay the annual and special Assessments (including installments thereof) on each Unit owned by it.

Section 5.9 Transfer Assessments: Wildlife Protection and Housing Assistance. No term or provision set forth in this Section below shall be repealed, deleted or amended without the prior written consent of the Town.

5.9.1 Purpose and Use of Funds. The transfer Assessments shall be levied on transfers of Units as described in this Section for the purposes of (a) protecting and managing wildlife within, affecting or affected by Eagle Ranch through the establishment of the Eagle Ranch Wildlife Protection Board (as defined below), (b) supporting programs for assistance in providing housing for permanent residents of Eagle County, Colorado by providing funding to an independent nonprofit organization called Eagle Ranch Housing Corp. (the "Housing Corporation") established for such purposes relating to housing assistance, (c) maintenance, repair or replacement of Common Area within the Property or, to the extent required by the Town Documents, outside of the Property, including landscaping, parks, trails, paths, alleys, a raw water irrigation system, parking facilities



and any other property to be maintained or Functions to be performed by the Association, and (d) in the discretion of the Executive Board (or a committee appointed thereby) as set forth below, a portion of the transfer Assessments may be contributed towards the maintenance, repair or replacement of improvements within Brush Creek Park owned by the Town.

5.9.2 Assessable Transfers and Allocation. Upon the occurrence of any transfer, as defined below, the transferee under such transfer shall pay to the Association a real estate transfer Assessment equal to one percent (1%) of the fair market value, as defined below, of the Unit subjected to transfer. The use of such Assessment shall be as follows: (a) .2% for the purpose of wildlife protection through the Eagle Ranch Wildlife Protection Board as described above, (b) .2% to be delivered to the Housing Corporation in order to promote housing assistance as described above, and (c) .6% in connection with maintaining the Common Area and, in the discretion of the Executive Board, as a contribution to the maintenance of Brush Creek Park owned by the Town. The Executive Board will establish a separate account for each of the purposes of wildlife protection and Common Area maintenance, into which the allocated funds from each transfer will be deposited and from which expenditures for such purposes will be made in the manner described below. The amount of the transfer Assessments allocated for the purpose of housing assistance will be delivered directly to the Housing Corporation to be used in accordance with the goals and procedures established by such entity.

In order to administer the portion of the transfer Assessments to be disbursed by the Association for wildlife protection, the Executive Board will create a separate committee for that purpose (the "Eagle Ranch Wildlife Protection Board"). The Eagle Ranch Wildlife Protection Board shall formulate a reasonable budget for the use of amounts allocated from the transfer Assessments for the purposes described above. Expenditures by the Eagle Ranch Wildlife Protection Board will be made in accordance with the approved budget from the separate account created.

The Eagle Ranch Wildlife Protection Board will be appointed as set forth in this subsection below, and members of the committee appointed by the Executive Board need not be members of the Executive Board or the Association. The members of the Eagle Ranch Wildlife Protection Board will serve for such periods as determined by the Executive Board. The Eagle Ranch Wildlife Protection Board shall have five (5) members, one (1) of whom shall be appointed by the Department of Wildlife, at its option, one (1) of whom shall be appointed by the Town of Eagle, at its option, and the other three (3) being appointed by the Executive Board. The committee will operate in a manner similar to the Design Review Board as described in Article 6, except that all expenses of the committee shall be paid from the funds allocated to the Eagle Ranch Wildlife Protection Board by the transfer Assessments. The committee shall be entitled to the same limitations on liability and indemnities by the Association as described in Section 6.10 hereof. In its discretion, the Eagle Ranch Wildlife Protection Board may cooperate with other entities or groups whose goals are similar to those of the Eagle Ranch Wildlife Protection Board in a joint effort to most efficiently serve the purpose of wildlife protection.

In order to administer the portion of the transfer Assessments to be disbursed by the Association for Common Area maintenance or as a contribution to the maintenance of Brush Creek Park, the Executive Board may create a separate committee for such purpose or may assume the



responsibilities of and act as such committee. The Executive Board (or the committee appointed thereby) shall formulate a reasonable budget for the use of amounts allocated from the transfer Assessments for the purposes described above. Expenditures will be made in accordance with the approved budget from the separate account created.

The Executive Board shall also be entitled to appoint such members of the executive board for the Housing Corporation to the extent provided by the documents governing such entity.

5.9.3 Definitions.

5.9.3.1 Transfer. For purposes of this Section 5.9, "transfer" means and includes, whether in one transaction or in a series of related transactions, any conveyance, assignment, lease or other transfer of beneficial ownership of any Unit, including but not limited to (i) the conveyance of fee simple title to any Unit (including any conveyance arising out of an installment land contract or a lease containing an option to purchase), (ii) the transfer of more than 50 percent of the outstanding shares of the voting stock of a corporation (other than Declarant) which, directly or indirectly, owns one or more Units, and (iii) the transfer of more than 50 percent of the interest in net profits or net losses of any partnership, limited liability company, joint venture or other entity (each referred to hereinafter as a "Business Association") which, directly or indirectly, owns one or more Units, but "transfer" shall not mean or include the transfers excluded under Subsection 5.9.4.

5.9.3.2 Transferee. For purposes of this Section 5.9, "transferee" means and includes all parties to whom any interest in a Unit passes by a transfer, and each party included in the term "transferee" shall have joint and several liability for all obligations of the transferee under this Section.

5.9.3.3 Fair Market Value. In the case of a transfer that is in all respects a bona fide sale, "fair market value" of the Unit subjected to transfer shall be the consideration, as such term is defined below, given for the transfer. In the case of a transfer that is a long-term lease not exempt under Subsection 5.9.4 or is otherwise not in all respects a bona fide sale, fair market value of the Unit subjected to transfer shall be determined by the Association. The Association shall, upon request by the Town, deliver notice to the Town of any determination of fair market value for a Unit as determined by the Association for a transfer not otherwise exempt from the transfer Assessment under Subsection 5.9.4. A transferee may make written objection to the Association's determination within fifteen (15) days after the Association has given notice of such determination, in which event the Association shall obtain an appraisal, at the transferee's sole expense, from a real estate appraiser of good reputation, who is qualified to perform appraisals in Colorado, who is familiar with Eagle County real estate values, and who shall be selected by the Association. The appraisal so obtained shall be binding on both the Association and the transferee. The above provisions to the contrary notwithstanding, where a transferee does not make a full report of a transfer within fifteen (15) days after the time required by this Section for making such report, the transferee shall be deemed to have waived all right of objection concerning fair market value, and the Association's determination of such value shall be binding. The Town may also request an appraisal in the circumstances in which the Association is making a determination of fair market



value and, if the fair market value of the relevant Unit is appraised in excess of ten percent (10%) more than the fair market value as determined by the Association, the cost of the appraisal shall be paid by the transferee. If the fair market value is appraised at less than ten percent (10%) in excess of the fair market value determined by the Association, then the Town shall pay for the cost of the appraisal.

5.9.3.4 Consideration. For purposes of this Section 5.9, "consideration" means and includes the total of money paid and the fair market value of any property delivered, or contracted to be paid or delivered, in return for the transfer of any Unit, and includes any money or property paid or delivered to obtain a contract right to purchase any Unit, and the amount of any note, contract indebtedness (including without limitation, obligations which could be characterized as contingent land gain), or rental payment reserved in connection with such transfer, whether or not secured by any lien, mortgage, or other encumbrance, given to secure the transfer price, or any part thereof, or remaining unpaid on the property at the time of transfer, whether or not assumed by the transferee. The term "consideration" does not include the amount of any outstanding lien or encumbrance for taxes, special benefits or improvements in favor of the United States, the state of Colorado, or a municipal or quasi-municipal governmental corporation or district.

5.9.4 Exclusions. The transfer Assessment shall not apply to any of the following, except to the extent that they are used for the purpose of avoiding the transfer Assessment:

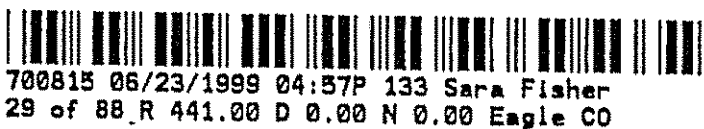
5.9.4.1 any transfer to the United States, or any agency or instrumentality thereof, the state of Colorado, any county, city and county, municipality, district or other political subdivision of the State of Colorado;

5.9.4.2 any transfer to Declarant, any Successor Declarant or the Association;

5.9.4.3 any transfer, whether outright or in trust, that is for the benefit of the transferor or his or her relatives, but only if there is no more than nominal consideration for the transfer. For the purposes of this exclusion, the relatives of a transferor shall include all lineal descendants of any grandparent of the transferor, and the spouses of the descendants. Any person's stepchildren and adopted children shall be recognized as descendants of that person for all purposes of this exclusion. For the purposes of this exclusion, a distribution from a trust shall be treated as a transfer made by the grantors of the trust, in the proportions of their respective total contributions to the trust;

5.9.4.4 any transfer arising solely from the termination of a joint tenancy or the partition of property held under common ownership, except to the extent that additional consideration is paid in connection therewith;

5.9.4.5 any transfer or change of interest by reason of death, whether provided for in a will, trust or decree of distribution;



5.9.4.6 any transfer made (i) by a majority-owned subsidiary to its parent corporation or by a parent corporation to its majority-owned subsidiary, or between majority-owned subsidiaries of a common parent corporation, in each case for no consideration other than issuance, cancellation or surrender of the subsidiary's stock; or (ii) by a partner, member or a joint venturer (each, a "Business Association Member") to a Business Association in which the Business Association Member has not less than a 50 percent interest, or by a Business Association to a Business Association Member holding not less than a 50 percent interest in such Business Association, in each case for no consideration other than the issuance, cancellation or surrender of the interests in the Business Association, as appropriate; or (iii) by a corporation to its shareholders, in connection with the liquidation of such corporation or other distribution of property or dividend in kind to shareholders, if the Unit is transferred generally pro rata to its shareholders, and no consideration is paid other than the cancellation of such corporation's stock; or (iv) by a Business Association to its Business Association Members, in connection with a liquidation of the Business Association or other distribution of property to the Business Association Members, if the Unit is transferred generally pro rata to its Business Association Members, and no consideration is paid other than the cancellation of the Business Association Members' interests; or (v) to a corporation or Business Association where such entity is owned in its entirety by the persons transferring the Unit and such persons have the same relative interests in the transferee entity as they had in the Unit immediately prior to such transfer, and no consideration is paid other than the issuance of each such persons' respective stock or other ownership interests in the transferee entity; or (vi) by any person(s) or entity(ies) to any other person(s) or entity(ies), whether in a single transaction or a series of transactions where the transferor(s) and the transferee(s) are and remain under common ownership and control as determined by the Executive Board in its sole discretion applied on a consistent basis; provided, however, that no such transfer or series of transactions shall be exempt unless the Executive Board finds that such transfer or series of transactions (x) is for no consideration other than the issuance, cancellation or surrender of stock or other ownership interest in the transferor or transferee, as appropriate, (y) is not inconsistent with the intent and meaning of this Subsection 5.9.4.6, and (z) is for a valid business purpose and is not for the purpose of avoiding the obligation to pay the transfer Assessment. In connection with considering any request for an exception under Subsection 5.9.4.6(vi), the Executive Board may require the applicant to submit true and correct copies of all relevant documents relating to the transfer setting forth all relevant facts regarding the transfer, stating that in their opinion the transfer is exempt under this Subsection 5.9.4.6(vi), and setting forth the basis for such opinion;

5.9.4.7 any transfer made solely for the purpose of confirming, correcting, modifying or supplementing a transfer previously recorded, making minor boundary adjustments, removing clouds on titles, or granting easements, rights-of-way or licenses, and any exchange of Units between Declarant and any original purchaser from Declarant of the one or more Units being transferred to Declarant in such exchange. To the extent that consideration in addition to previously purchased Units is paid to Declarant in such an exchange, the additional consideration shall be a transfer subject to Assessment. To the extent that Declarant, in acquiring by exchange Units previously purchased from Declarant, pays consideration in addition to transferring Units, the amount of such additional consideration shall be treated as reducing the original assessable transfer and shall entitle an original purchaser from Declarant, who exchanges with Declarant Units



previously purchased from Declarant, to a refund from the Association of the amount of the transfer Assessment originally paid on that portion of the original transfer;

5.9.4.8 any transfer pursuant to any decree or order of a court of record determining or vesting title, including a final order awarding title pursuant to a condemnation proceeding, but only where such decree or order would otherwise have the effect of causing the occurrence of a second assessable transfer in a series of transactions which includes only one effective transfer of the right to use or enjoyment of a Unit;

5.9.4.9 any lease of any Unit (or assignment or transfer of any interest in any such lease) for a period of less than thirty (30) years;

5.9.4.10 any transfer to secure a debt or other obligation or to release property which is security for a debt or other obligation, including transfers in connection with foreclosure of a deed of trust or mortgage or transfers in connection with a deed given in lieu of foreclosure;

5.9.4.11 the subsequent transfer(s) of a Unit involved in a "tax free" or "tax deferred" trade under the Internal Revenue Code wherein the interim owner acquires property for the sole purpose of reselling that property within thirty (30) days after the trade. In these cases, the first transfer of title is subject to transfer Assessment, and subsequent transfers will only be exempt as long as a transfer Assessment has been paid in connection with the first transfer of such Unit in such exchange;

5.9.4.12 the transfer of a Unit to an organization which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, as amended (or any comparable statute), provided that the Executive Board specifically approves such exemption in each particular case;

5.9.4.13 any transfer made by a corporation or other entity, for consideration, (1) to any other corporation or entity which owns 100 percent of its equity securities (a "Holding Company"), or (2) to a corporation or entity whose stock or other equity securities are owned, directly or indirectly, 100 percent by such Holding Company;

5.9.4.14 any transfer from a partially-owned direct or indirect subsidiary corporation to its direct or indirect parent corporation where consideration is paid for, or in connection with, such transfer; however, unless such transfer is otherwise exempt, such exemption shall apply only to the extent of the direct or indirect beneficial interest of the transferee in the transferor immediately prior to the transfer. For example, if corporation A owns 60 percent of corporation B, and corporation B owns 100 percent of corporation C and corporation C conveys a Unit to corporation A for \$2,000,000, 60 percent of the transfer Assessment would be exempt and a transfer Assessment would be payable only on \$800,000 (i.e., 40 percent of the \$2,000,000 consideration);

5.9.4.15 the consecutive transfer of a Unit wherein the interim owner acquires such Unit for the sole purpose of immediately reconveying such Unit, but only to the extent



there is no consideration to the interim owner and such interim owner receives no right to use or enjoyment of such Unit, provided the Executive Board specifically approves such exemption in each particular case. To the extent that consideration is paid to, or for the benefit of, the interim owner, the additional consideration shall be a transfer subject to Assessment. In these cases, the first transfer of title is subject to the transfer Assessment and subsequent transfers will only be exempt as long as a transfer Assessment has been paid in connection with the first transfer of such Unit in such consecutive transaction and only to the extent there is no consideration to the interim owner; and

5.9.4.16 a transfer of a Unit to or from the Housing Corporation.

5.9.5 Payment and Reports. The transfer Assessment shall be due and payable by the transferee to the Association at the time of the transfer giving rise to such transfer Assessment. With such payment, the transferee shall make a written report to the Association on forms prescribed by the Association, fully describing the transfer and setting forth the true, complete and actual consideration for the transfer, the names of the parties thereto, the legal description of the Unit transferred, and such other information as the Association may reasonably require. If the transfer Assessment is not paid within thirty (30) days of when due, the transferee shall pay a penalty to the Association in the amount of 150% percent of the amount of the transfer Assessment (such penalty being in addition to any late charges or interest due based on default in payment of the Assessment). The Association shall obtain periodic reports of or check all transfers of record in the office of the Clerk and Recorder of Eagle County, Colorado for the purpose of verifying the transfer Assessments due.

Section 5.10 Default Assessments. All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner and collected in accordance with this Declaration shall become liens against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such default Assessment shall be sent to the Owner subject to the Assessment at least thirty (30) days prior to the due date.

Section 5.11 Lien for Assessments. The annual, special, transfer and default Assessments (including installments of the Assessments) arising under the provisions of this Declaration (together with any and all interest, costs, late charges, expenses, and reasonable attorneys' fees, including legal assistants' fees, which may arise under the provisions of Section 5.12 below) shall be burdens running with, and a perpetual lien in favor of the Association upon, the specific Unit to which such Assessments apply. To further evidence such lien upon a specific Unit, the Association may, but shall not be obligated to, prepare a written lien notice setting forth the description of the Unit, the amount of Assessments on the Unit unpaid as of the date of such lien notice, the rate of default interest as set by Section 5.12 below, the name of the Owner or Owners of the Unit, and any and all other information that the Association may deem proper. Any such lien notice shall be signed by a member of the Executive Board, an officer of the Association, or the Managing Agent and shall be recorded in the office of the Clerk and Recorder of Eagle County, Colorado. Any such lien notice shall not constitute a condition precedent or delay the attachment of the lien, but such lien is a



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perpetual lien upon the Unit and attaches without notice at the beginning of the first day of any period for which any Assessment is levied.

Section 5.12 Effect of Nonpayment of Assessments. If any annual, special, transfer or default Assessment (or any installment of the Assessment) is not fully paid within thirty (30) days after the same becomes due and payable, then as often as the same may happen, (i) interest shall accrue at the Maximum Rate on any amount of the Assessment which was not paid within such 30-day period or on the amount of Assessment in default, whichever shall be applicable, accruing from the due date until date of payment, (ii) the Association may declare due and payable all unpaid monthly or other installments of the annual Assessment or any special Assessment otherwise due during the fiscal year during which such default occurred, (iii) the Association may thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same, and (iv) the Association may proceed to foreclose its lien against the particular Unit in the manner and form provided by Colorado law for foreclosure of real estate mortgages.

An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments (or any installment thereof) may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments. If any such Assessment (or installment thereof) is not fully paid when due and if the Association commences such an action (or counterclaims or cross-claims for such relief in any action) against any Owner personally obligated to pay the same, or proceeds to foreclose its lien against the particular Unit, then all unpaid installments of annual and special Assessments and all default and transfer Assessments (including any such installments or Assessments arising during the proceedings of such action or foreclosure proceedings), any late charges under Section 5.7 above, any accrued interest under this Section, the Association's costs, expenses, and reasonable attorneys' fees (including legal assistants' fees) incurred for any such action and/or foreclosure proceedings shall be taxed by the court as part of the costs of any such action or foreclosure proceedings and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds from the foreclosure sale of the particular Unit in satisfaction of the Association's lien.

Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from again foreclosing or attempting to foreclose its lien for any subsequent Assessments (or installments thereof) which are not fully paid when due or for any subsequent default Assessments. The Association shall have the power and right to bid in or purchase any Unit at foreclosure or other legal sale and to acquire and hold, lease, or mortgage the Unit, and to convey, or otherwise deal with the Unit acquired in such proceedings.

Section 5.13 Successor's Liability for Assessments. Notwithstanding the personal obligation of each Owner of a Unit to pay all Assessments on the Unit, and notwithstanding the Association's perpetual lien upon a Unit for such Assessments, all successors in interest to the fee simple title of a Unit, except as provided in Section 5.14 and Section 5.15 below, shall be jointly and severally liable with the prior Owner or Owners of the Unit for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees against such Unit, without prejudice to any such successor's right to recover from any prior Owner any amounts paid thereon by such successor. However, such successor in interest shall be entitled to rely upon the existence and status of unpaid

Assessments, interest, late charges, costs, expenses, and attorneys' fees as shown upon any certificate issued by or on behalf of the Association to such named successor in interest pursuant to the provisions of Section 5.15 below.

Section 5.14 Waiver of Homestead Exemption; Subordination of Association's Lien for Assessments. By acceptance of the deed or other instrument of transfer of a Unit, each Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended. The Association's perpetual lien for Assessments shall be superior to all other liens and encumbrances except the following:

5.14.1 Real property ad valorem taxes and special assessment liens duly imposed by a Colorado governmental or political subdivision or special taxing district, or any other liens made superior by statute; and

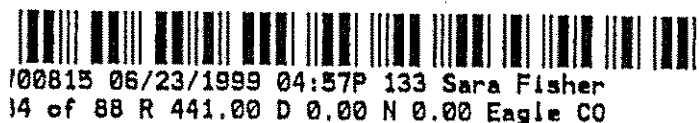
5.14.2 The lien of a First Mortgage except that the Association's lien is prior to the lien of a First Mortgage to the extent of an amount equal to the portion of annual Assessments based on a periodic budget adopted by the Association which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution of an action or a nonjudicial foreclosure either to enforce or extinguish the lien.

With respect to the foregoing Subsection 5.14.2, to the extent permitted under the Act, any First Mortgagee who acquires title to a Unit by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Unit free of any claims for unpaid Association Assessments, interest, late charges, costs, expenses, and attorneys' fees against the Unit which accrue prior to the time such First Mortgagee or purchaser acquires title to the Unit, and the amount of the extinguished lien may be reallocated and assessed to all Units as a Common Expense at the direction of the Executive Board.

All other persons not holding liens described in Subsection 5.14.1 above and obtaining a lien or encumbrance on any Unit after the recording of this Declaration shall be deemed to consent that any such lien or encumbrance shall be subordinate and inferior to the Association's future liens for Assessments, interest, late charges, costs, expenses, and attorneys' fees, as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

A sale or other transfer of any Unit, including but not limited to a foreclosure sale, except as provided in Subsections 5.14.1 and 5.14.2 above, and except as provided in Section 5.15 below, shall not affect the Association's lien on such Unit for Assessments, interest, late charges, costs, expenses, and attorneys' fees due and owing prior to the time such purchaser acquires title and shall not affect the personal liability of each Owner who shall have been responsible for the payment thereof. Further, no such sale or transfer shall relieve the purchaser or transferee of a Unit from liability for, or the Unit from the lien of, any Assessments made after the sale or transfer.

Section 5.15 Statement of Status of Assessments. Upon fourteen (14) calendar days' written request to the Managing Agent, Executive Board or the Association's registered agent and



payment of a reasonable fee set from time to time by the Executive Board, any Owner, prospective purchaser of a Unit, or Mortgagee shall be furnished, by personal delivery or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party (in which event the date of posting shall be deemed the date of delivery), a statement of the Owner's account setting forth:

5.15.1 The amount of any unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees then existing against a particular Unit;

5.15.2 The amount of the current installments of the annual Assessment and the date that the next installment is due and payable;

5.15.3 The date of the payment of any installments of any special Assessments then existing against the Unit; and

5.15.4 Any other information deemed proper by the Association, including the amount of any unpaid lien created or imposed under the terms of the Declaration and collected by the Association as permitted under this Declaration.

Upon the issuance of such a certificate signed by a member of the Executive Board, by an officer of the Association, or by a Managing Agent, the information contained therein shall be conclusive upon the Association as to the person or persons to whom such certificate is addressed and who rely on the certificate in good faith. Unless such a statement of status of Assessments is delivered as described above within said fourteen (14) calendar day period, the Association shall have no right to assert a priority lien upon the Unit over the inquiring party's interest for unpaid Assessments which were due as of the date of the request.

Section 5.16 Liens. Except for annual, special, transfer and default Assessment liens as provided in this Declaration, mechanics' liens (except as provided in Article 10 below), tax liens, judgment liens, other liens validly arising by operation of law and liens arising under Mortgages, there shall be no other liens obtainable against the Common Area.

ARTICLE 6 DESIGN REVIEW

Section 6.1 Design Review Board and Guidelines. There is hereby established a Design Review Board (the "Design Review Board"), which will be responsible for the establishment and administration of Design Guidelines to facilitate the purpose and intent of this Declaration.

Section 6.2 Purpose and General Authority. The Design Review Board will review, study and either approve or reject proposed improvements on the Property, which shall be reviewed for compliance with (i) this Declaration, (ii) the Design Guidelines, (iii) any rules and regulations that the Design Review Board may establish from time to time to govern its proceedings, and (iv) the Town Documents. No improvement will be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor will any construction, repair or reconstruction be commenced within Eagle Ranch until plans for the improvements shall have been approved by the Design Review Board; 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 Design Review Board, a certificate of approval shall be executed by an officer of the Design Review Board, which certificate shall be affixed to the approved plans. As such Design Review Board 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 Design Review Board in refusing to issue a certificate of approval as set forth above.

The Design Review Board shall have the sole responsibility for interpreting and enforcing the Design Guidelines. The Town shall have no responsibility to interpret or enforce such Design Guidelines. The Design Review Board shall also have the responsibility to interpret and enforce the PUD Guide in accordance with the terms of this Declaration while acknowledging that the Town has the independent right and responsibility to interpret and enforce the PUD Guide. Within the Town Documents, the Town has expressly reserved the right to refuse to approve any application for a building permit or certificate of occupancy for the construction or occupancy of any building or structure within the Project if any building or structure fails to comply with the requirements set forth under the Town Documents in the Town's sole determination. This provision shall not be construed as a waiver by Declarant, an Owner or the Association of any right to appeal the Town's refusal to approve any application pursuant to the appeal rights otherwise available under the Municipal Code of the Town or other applicable law.

Any modification of an approved building envelope shall require approval from the Design Review Board and the Town. Any modification to such approved building envelope shall be requested by the Owner or building architect prior to any Design Review Board concept approval. The proposed modified building envelope shall be indicated graphically on a landscape/site plan. The landscape/site plan shall also include calculations to indicate that the building envelope does not exceed 16,500 square feet for Units limited to this size by the Town Documents. Following approval of a request for a modified building envelope by the Design Review Board, such request shall then be submitted to the Town for approval. The Town has reserved the right in the Town Documents not to issue a building or site improvement permit until a designated building envelope, if required, has been approved by the Town. Any term or provision set forth in this Section which benefits the Town shall not be modified, amended or repealed without the prior written consent of the Town.

Section 6.3 Board Discretion. The Design Review Board 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 Design Review Board, 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 Design Review Board of improvements on the Property shall carry no precedential



weight when reviewing subsequent requests for approvals, and the Design Review Board shall not be required to approve requests for the same or similar improvements.

Section 6.4 Design Guidelines. The Design Guidelines may include, among other things, at the sole discretion of the Design Review Board, the restrictions and limitations set forth below:

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

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

6.4.3 Designation of the building site on a Neighborhood Center Lot or Residential Lot and establishing the maximum developable area of the Neighborhood Center Lot or Residential Lot.

6.4.4 Minimum and maximum square foot areas of living or commercial space that may be developed on any Neighborhood Center Lot or Residential Lot.

6.4.5 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 Eagle Ranch.

6.4.6 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.

The Design Review Board is authorized to adopt different Design Guidelines to apply to different portions of or Neighborhoods within Eagle Ranch at the discretion of the Design Review Board.

Section 6.5 Modification of Design Guidelines. The Design Review Board may amend, repeal and augment the Design Guidelines from time to time, in the Design Review Board's sole discretion. The Design Guidelines will be binding on all Owners and other persons governed by this Declaration. Notwithstanding the foregoing, the Design Review Board is empowered in its discretion to grant variances from the requirements of the Design Guidelines under unique or unusual circumstances.

Section 6.6 Design Review Board Membership. The Design Review Board will be composed of not less than three (3) persons nor more than five (5) persons. The Design Review Board need not include any member of the Association. All of the members of the Design Review Board will be appointed, removed and replaced by Declarant, in its sole discretion, until all the Units



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 Executive Board will succeed to Declarant's right to appoint, remove or replace the members of the Design Review Board.

Section 6.7 Organization and Operation of Design Review Board.

6.7.1 The term of office of each member of the Design Review Board, subject to Section 6.6, will be one year, commencing January 1 of each year, and continuing until his successor shall have been appointed. Should a Design Review Board 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.

6.7.2 So long as Declarant appoints the Design Review Board, Declarant will appoint the chairman. At such time as the Design Review Board is appointed by the Executive Board, the chairman will be elected annually from among the members of the Design Review Board 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.

6.7.3 The Design Review Board chairman will take charge of and conduct all meetings and will provide reasonable notice to each member of the Design Review Board prior to any meeting. The notice will set forth the time and place of the meeting, and notice may be waived by any member.

6.7.4 The affirmative vote of a majority of the members of the Design Review Board will govern its actions and be the act of the Design Review Board.

6.7.5 The Design Review Board may avail itself of other technical and professional advice and consultants as it deems appropriate, and the Design Review Board may delegate its plan review responsibilities to one or more of its members or to consultants retained by the Design Review Board. 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 Design Review Board.

Section 6.8 Expenses. Except as provided in this Section below, all expenses of the Design Review Board will be paid by the Association and will constitute a Common Expense. The Design Review Board 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 Design Review Board from time to time, and such fees will be collected by the Design Review Board and remitted to the Association to help defray the expenses of the Design Review Board's operation. Further, the Design Review Board may retain the services of a third party consultant to assist the Design Review Board in reviewing a particular application. In such event, the Design Review Board may charge the applicant for the professional fees incurred in retaining such consultant.



Section 6.9 Other Requirements. Compliance with the Association's design review process is not a substitute for compliance with the Town of Eagle 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 Design Review Board and procedures for architectural review will not be construed as changing any rights or restrictions upon Owners to maintain and repair their Units and improvements as otherwise required under the Association Documents.

Section 6.10 Limitation of Liability. The Design Review Board will use reasonable judgment in accepting or disapproving all plans and specifications submitted to it. Neither the Design Review Board nor any individual Design Review Board member will be liable to any person for any official act of the Design Review Board in connection with submitted plans and specifications, except to the extent the Design Review Board or any individual Design Review Board member acted with malice or wrongful intent. Approval by the Design Review Board does not necessarily assure approval by the appropriate governmental body or commission for the Town of Eagle. Notwithstanding that the Design Review Board has approved plans and specifications, neither the Design Review Board 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 Executive Board, the Design Review Board, nor any agent thereof, nor Declarant, nor any of its partners, employees, agents or consultants will be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Association Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the Design Review Board will be defended and indemnified by the Association in any such suit or proceeding which may arise by reason of the Design Review Board's decisions. The Association, however, will not be obligated to indemnify each member of the Design Review Board to the extent that any such member of the Design Review Board is adjudged to be liable for malice or wrongful intent in the performance of his duty as a member of the Design Review Board, 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 6.11 Enforcement.

6.11.1 Any member or authorized consultant of the Design Review Board, or any authorized officer, Director, employee or agent of the Association may enter upon any Unit 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 Unit to determine whether the improvements have been or are being built in compliance with the Association Documents and the plans and specifications approved by the Design Review Board.

6.11.2 Before any Unit may be occupied, the Owner of the Unit will be required to obtain a temporary certificate of compliance issued by the Design Review Board indicating



substantial completion of the improvements in accordance with the plans and specifications approved by the Design Review Board, and imposing such conditions for issuance of a final certificate of compliance issued by the Design Review Board as the Design Review Board may determine appropriate in its reasonable discretion. Without limiting the generality of the preceding sentence, the Design Review Board may require that the Owner deposit with the Design Review Board such sums as may be necessary to complete the construction and landscaping by a specified date. The Design Review Board may require that such deposit be made at any time, including without limitation, prior to plan approval and commencement of construction. If the construction and landscaping are not completed as scheduled, the Design Review Board 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.

6.11.3 Upon completion of construction, the Design Review Board will issue an acknowledged certificate of compliance setting forth generally whether, to the best of the Design Review Board's knowledge, the Unit or Project is in compliance with the terms and conditions of the Design Guidelines.

6.11.4 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:

6.11.4.1 The Design Review Board may adopt a schedule of fines for failure to abide by the Design Review Board rules and the Design Guidelines, including fines for failure to obtain any required approval from the Design Review Board.

6.11.4.2 The Association, upon request of the Design Review Board and after reasonable notice to the offender and, if different, to the Owner, may enter upon any Unit or Project 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 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 default Assessment enforceable as provided in Article 5.

6.11.5 All improvements commenced on the Residential Lots will be prosecuted diligently to completion and will be completed within fifteen (15) months after commencement, unless an exception is granted in writing by the Design Review Board. All improvements commenced on the Neighborhood Center Lots will be prosecuted diligently to completion and will be completed within the time period prescribed in writing by the Design Review Board, if any. If an improvement is commenced and construction is then abandoned for more than ninety (90) days, or if construction is not completed within the required period of time, then after notice and



opportunity for hearing as provided in the bylaws of the Association, the Association may impose a fine of \$1,000 per day (or such other reasonable amount as the Association may set) to be charged against the Owner of the Unit or Project until construction is resumed, or the improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the Executive Board that such abandonment is for circumstances beyond the Owner's control. Such charges will be a default Assessment and lien as provided in Article 5.

Section 6.12 Binding Effect. The actions of the Design Review Board 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 matter before it, will be conclusive and binding on all interested parties.

ARTICLE 7 EASEMENTS

Section 7.1 Easement of Enjoyment. Every Owner shall have a nonexclusive easement for the use and enjoyment of the Common Area, which shall be appurtenant to and shall pass with the title to every Unit, subject to the easements set forth in this Article. Such easement is subject to such reasonable regulation on access and use as described in Article 8 and as otherwise imposed by the Association or the Town Documents.

Section 7.2 Delegation of Use. Any Owner may delegate, in accordance with the Association Documents, the Owner's right of enjoyment in the Common Area to the Owner's Guests or Lessees.

Section 7.3 Recorded Easements. The Property shall be subject to any easements, rights-of-way or other matters as shown on any recorded Plat or Supplemental Plat affecting the Property, as shown on the recorded Maps, as reserved or granted under the Project Declarations, or as reflected in any other recorded documents.

Section 7.4 Easements for Encroachments. The Common Area, and all portions of it, are subject to easements hereby created for encroachments of any portion of a Project or the Common Area as follows:

7.4.1 In favor of the Association so that it shall have no legal liability when any part of the Common Area encroaches upon a Unit or any portion of a Project;

7.4.2 In favor of each Project Association so that the Project Association shall have no legal liability when any part of the common area or common elements of a Project encroaches upon the Common Area;

7.4.3 In favor of all Owners, the Project Associations and the Association for the existence, maintenance and repair of such encroachments.

Encroachments referred to in this Section include, but are not limited to, encroachments of improvements located on the Common Area onto Units, or common area or common elements of Projects, encroachments of overhangs or other portions of Buildings or other improvements which



are part of the common area or common elements of the Projects onto the Common Area, and other encroachments caused by error or variance from the original plans in the construction of improvements on the Common Area or within a Project, by error in a Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any part of the improvements on the Common Area or the Projects. Such encroachments shall not be considered to be encumbrances upon any Unit, any part of the Projects or the Common Area.

Section 7.5 Utility Easements. There is hereby created a general easement upon, across, over, in, and under all of the Property outside the footprint of any Building 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 a cable communication system. 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 Project Associations, the Association and Declarant; shall prosecute 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 the Executive Board shall have, and are hereby given, the right and authority to grant such easement upon, across, over or under any part or all of the Property outside 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 7.6 Reservation of Easements, Exceptions and Exclusions. Declarant reserves for itself and its successors and assigns and hereby grants to the Association the concurrent right to establish from time to time by declaration or otherwise, utility and other easements for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues and conduit installation areas, consistent with the ownership of the Property for the best interest of all of the Owners and the Association, in order to serve all the Owners.

Section 7.7 Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

Section 7.8 Maintenance Easement. An easement is hereby granted to the Association and any Managing Agent and their respective officers, agents, employees, and assigns upon, across, over, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

Section 7.9 Drainage Easement. An easement is hereby reserved to Declarant and its successors and assigns and granted to the Association and its officers, agents, employees, successors



and assigns to enter upon, across, over, in and under any portion of the Property outside the footprint of any Building for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water on the Property.

Section 7.10 Easements of Access for Repair, Maintenance and Emergencies. Some portions of the Common Area or the facilities serving same are or may be located on or within certain Units or common area or common elements of certain Projects, or may be conveniently accessible only through certain Units or common area or common elements of certain Projects. The Association shall have the irrevocable right to have access to each Unit and to all common elements or common areas of any Project from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal or replacement of any of the Common Area therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Area or to any Unit. Additionally there is hereby created an easement for such Common Area as it currently exists within the Units. Subject to the provisions of Section 3.4 above, damage to the interior of any part of a Unit resulting from the maintenance, repair, emergency repair, removal or replacement of any of the Common Area or as a result of emergency repair within another Unit at the instance of the Association shall be a Common Expense.

Section 7.11 Declarant's Rights Incident to Construction and Marketing. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Property and the right to store materials on the Property and to make such other use of the Property as may be reasonably necessary or incident to the complete construction of improvements on the Property and/or sale of the Units and the Projects, including, but not limited to, construction trailers, temporary construction offices, sales offices, and directional and marketing signs. Declarant may designate a portion of the Common Area for the foregoing construction and other purposes in connection with the development of a particular Unit or Project. Declarant, for itself and its successors and assigns, hereby retains a right to maintain any Unit or Units as sales offices, management offices or model residences so long as Declarant, or its successors or assigns, continues to be an Owner of a Unit. The use by Declarant of any Unit as a model residence, office or other use shall not affect the Unit's designation on the Plat, Supplemental Plat or any Map as a separate Unit. Declarant further reserves exclusive easement rights over and across the Property for the purpose of marketing, sales and rental of Units or of other projects developed or marketed by Declarant or its affiliates from time to time, including, without limitation, the right to show the Property and to display signs and other promotional devices. Declarant also reserves the right to lease unsold Units. None of the foregoing rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access by any Owner, Lessee, or Guest, or so as to be in contravention of applicable laws, regulations, rules, or other governmental requirements.

Section 7.12 Governmental Requirements. Declarant hereby reserves the right to grant such easements and rights-of-way across the Property, from time to time, as may be required by any government agency. Such easements and rights-of-way shall specifically include, but not be limited to, any public rights-of-way and any environmental easements required by federal, state or local environmental agencies, for so long as the Declarant holds an interest in any Unit subject to this Declaration.



Section 7.13 Declarant Easements. Declarant reserves unto itself, its successors, assigns, Lessees and Guests, for so long as it holds any interest in any Unit, the same easement rights granted to Owners under this Declaration and specific easement rights over and across the Property as it may deem necessary for its use from time to time.

Section 7.14 Right of Declarant and Association to Own Units and to Use Common Area. An easement is hereby reserved by Declarant for itself and its successors and assigns and granted to the Association and its officers, agents, employees, successors and assigns to maintain offices, storage areas, conference areas and recreational areas for use by the Association within the Common Area, subject to all rules and regulations established under this Declaration. The Association shall also have the right (but not the obligation) to purchase and own any Unit for the purpose of maintaining an office for the Association or for any other use which the Association determines is consistent with the operation of Eagle Ranch. The costs and carrying charges incurred by the Association in purchasing and owning any such Unit shall be part of the Common Expenses.

Section 7.15 Remodeling Easement. Declarant, for itself and its successors and assigns, including Owners, retains a right and easement in and about the Buildings for the construction and installation of any duct work, additional plumbing, or other additional services or utilities serving the Common Area in connection with the maintenance, repair, improvement or alteration of the Common Area, including the right of access to such areas of the Property as are reasonably necessary to accomplish such improvements. In the event of a dispute among Owners with respect to the scope of the easement reserved in this Section, the decision of the Executive Board shall be final.

Section 7.16 Reservation for Expansion. Declarant hereby reserves for itself and the Association and/or for Owners in all future phases of Eagle Ranch an easement and right-of-way over, upon and across the Property for construction, utilities, drainage, and ingress and egress from the Expansion Property, and other properties abutting and contiguous to the Property and the Expansion Property, and for use of the Common Area as may be reasonably necessary or incident to the construction of improvements on the Residential Lots and Neighborhood Center Lots or other improvements on the Property or the Expansion Property; provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment or access to Eagle Ranch by the Owners. The location of these easements and rights-of-way may be made certain by Declarant or the Association by instruments recorded in the office of the Clerk and Recorder of Eagle County, Colorado.

Section 7.17 Easement for Golf Course.

7.17.1 All Units, Projects and Common Areas are burdened with an easement permitting golf balls unintentionally to come upon the Units, Projects or Common Areas in the vicinity of the Golf Course and for golfers at reasonable times and in a reasonable manner to come upon the exterior portions of Units, Common Areas or common areas or common elements of any Project to retrieve errant golf balls. However, if any Unit, Project or Common Area is fenced or walled, the golfer must obtain the permission of the applicable Owner, Project Association or the Association before entry. The existence of this easement shall not relieve golfers of liability for



damage caused by errant golf balls. Under no circumstances shall any of the following persons be liable for any damage or injury resulting from errant golf balls or the exercise of this easement: the Association and Declarant and their respective successors and assigns; successors-in-title to the Golf Course, or assigns; any Successor Declarant, or any other person or entity submitting property to this Declaration; any builder or contractor (in their capacities as such); any officer, director, partner, shareholder, member or employee of any of the foregoing, or any officer, director, shareholder, member or employee of any partner.

7.17.2 The owner of the Golf Course, its respective agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Area reasonably necessary for the operation, maintenance, repair and replacement of the Golf Course.

7.17.3 Those portions of the Property adjacent to the Golf Course are hereby burdened with a non-exclusive easement in favor of the Golf Course for overspray of water from any irrigation system serving the Golf Course. Under no circumstances shall the Association or the owners of the Golf Course be held liable for any damage or injury resulting from overspray or the exercise of this easement.

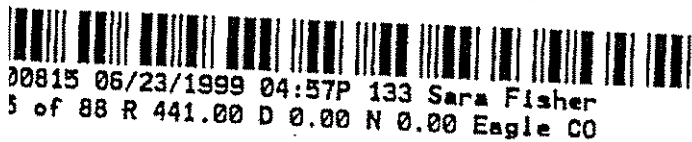
7.17.4 The owner(s) of the Golf Course, its respective successors and assigns, shall have a perpetual, non-exclusive easement of access over the Property for the purpose of retrieving golf balls from the Common Area lying within the range of golf balls hit from the Golf Course.

Section 7.18 Golf Course Boundary Easement. Declarant hereby reserves to itself, its successors and assigns, and grants to the owner of the Golf Course, a blanket easement upon, across, over and under those Units and portions of the Common Area and common areas or common elements of the Projects lying adjacent to the Golf Course, if any, with the exception of building envelopes, for the purpose of blending the grading of the Golf Course with such Units, Common Area and/or common area or common elements of any Project and for grass sodding and landscaping of such borders of the Golf Course as Declarant, its successors and assigns, or the owner of the Golf Course deems necessary or desirable. The Owner of any such Unit, the Project Associations and the Association are prohibited from disturbing such grading, sodding and landscaping as are placed on such property pursuant to this easement. Maintenance and upkeep of such areas is the responsibility of the owner of the Golf Course.

Section 7.19 Easements Deemed Created. All conveyances of Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article, even though no specific reference to such easements or to this Article appears in the instrument for such conveyance.

ARTICLE 8 RESTRICTIONS ON USE

Section 8.1 Land Use Restrictions. In addition to the restrictions found in this Article 8, all or any portion of the Property shall be further restricted in its use, density or design according to



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the Town Documents; any supplemental declarations of land use restrictions for Eagle Ranch recorded with the Clerk and Recorder of Eagle County, Colorado, if any such supplemental declarations are recorded prior to the time Declarant transfers or conveys any such Property to the Association or to any third party; and the rules and regulations of the Association. Each Owner shall comply with all other terms, provisions, covenants, conditions, restrictions, easements and reservations on the Owner's part to be complied with under this Declaration. During the period in which Declarant retains Expansion and Development Rights as defined in Section 15.6 hereof, no Owner shall be entitled to apply for any change to the Town Documents affecting the zoning of such Owner's property without Declarant's consent.

Section 8.2 Affordable Housing Restrictions. In order to further the goal of the Association to assist in providing housing for permanent residents of the area, certain Residential Units (the "Restricted Units") may be restricted in one or more manners, including, without limitation, the following: (a) the sales prices of such Restricted Units, whether applicable to the initial sale from Declarant or any subsequent sale, may be restricted to an amount which is less than fair market value, (b) the amounts of rent chargeable for the rental of the Restricted Units may be restricted to amounts that may be less than fair market value, (c) the amounts of income of the Owners and the tenants of the Restricted Units may be restricted to amounts which are less than the amounts made by other Owners and tenants, and (d) the Restricted Units may be restricted in occupancy as primary residences by Owners or their tenants who satisfy certain requirements. The Restricted Units may or may not be part of a Project Association. The terms of the restrictions imposed on the Restricted Units shall be set forth either in the deed transferring the Restricted Unit to an Owner or in a separate instrument recorded in the real property records of Eagle County, Colorado. Such terms may include monitoring or other requirements which may be administered by the Housing Corporation, a Project Association or another governmental or non-governmental entity. The Housing Corporation, Project Association or other entity may be granted a right of first refusal to purchase the Restricted Units as they are sold, as well as certain rights upon the default of an Owner on a loan made for the purchase of a Restricted Unit by such Owner. This Section shall not be changed, deleted, or repealed without the prior written consent of the Town.

Section 8.3 Use Limitations. All Residential Units may be used only for dwelling or lodging purposes and typical residential activities incident thereto in accordance with applicable zoning regulations in effect from time to time. Owners may rent or lease their Units to others for these purposes. Except as otherwise provided in Section 8.12 or as expressly permitted in writing by the Design Review Board, no trailers, or temporary structures shall be permitted on the Property. All Units must comply with the Uniform Building Code approved and enforced by the Town.

Section 8.4 Maintenance of Property. Units, except for any portion of the Property then undergoing major construction, including all improvements on such Property, shall be kept and maintained by the Owner thereof in a clean, safe, attractive and sightly condition and in good repair, and no trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Unit or common area or common elements of a Project so that they are visible from, or are a nuisance in any way to, any other Unit, the Common Area or any road.



Section 8.5 Use of Property During Construction. It shall be expressly permissible and proper for Declarant and any Owner acting in accordance with the Design Review Guidelines or with the prior written consent of the Design Review Board, and their respective employees, agents, independent contractors, successors and assigns involved in the construction of improvements on, or the providing of utility service to, the Property, to perform such activities and to maintain upon portions of the Property as they deem necessary such facilities as may be reasonably required, convenient, necessary or incidental to such construction and development of the Property. However, no activity by an Owner will be performed and no facility will be maintained by an Owner on any portion of the Property in such a way as to unreasonably interfere with the use or access of any other Owner or its Guests or Lessees to such Owner's Unit. If any Owner's use under this provision is deemed objectionable by the Design Review Board, then the Design Review Board, in its sole discretion, may withdraw any permission granted.

Section 8.6 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Unit or the Common Area nor shall anything be done or placed on any Unit, the common area or common elements of any Project or the Common Area which is or may become a nuisance. As used herein, the term "noxious or offensive activity" shall not include any activities of an Owner, Declarant or their respective designees which are reasonably necessary to the development of and construction on the Property so long as such activities do not violate Association Documents or the statutes, rules or regulations of any governmental authority having jurisdiction with respect thereto and do not unreasonably interfere with any Owner's use of its Unit or with any Owner's ingress and egress to or from its Unit and a roadway. Further, the reasonable odors and noises associated with the commercial use of the Commercial Units shall not constitute noxious or offensive activity.

Section 8.7 No Hazardous Activities. No activities shall be conducted on any Unit, the common area or common elements of any Project or the Common Area and no improvements shall be constructed on any part of Property, which are or might be unsafe or hazardous to any person or property.

Section 8.8 No Unsightliness. No unsightliness shall be permitted on any Unit or the common area or common elements of any Project. Without limiting the generality of the foregoing:

8.8.1 All unsightly structures, facilities, equipment, objects and conditions shall be kept within an enclosed structure at all times;

8.8.2 Mobile homes, travel trailers, tent trailers, trailers, trucks (except pickup trucks), snowmobiles, golf carts, boats, boat trailers, tractors, detached campers, camper shells, snow removal equipment and garden or maintenance equipment shall be kept in an enclosed structure at all times, except when in actual use; provided that such equipment may be parked on parking lots or other areas specifically designated by the Design Review Board for such equipment; and

8.8.3 Pipes for water, gas, sewer, drainage or other purposes, wires, cables, poles, antennas and other facilities for the transmission or reception of audio or visual signals or electricity, utility meters or other utility facilities, gas, oil, water or other tanks, and sewage disposal systems or devices shall be kept and maintained within an enclosed structure or below the surface



of the ground, and satellite dishes shall be appropriately regulated by the Design Review Board as permitted by applicable law.

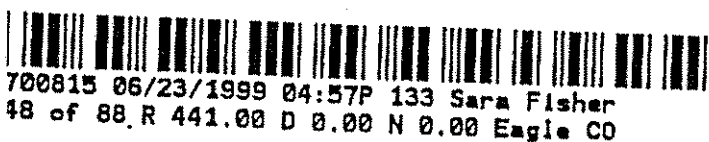
All structures, including tennis courts, outdoor swimming pools, outdoor hot tubs or jacuzzis, or similar facilities shall be in compliance with the rules and regulations of the Design Review Board as in effect from time to time. The Design Review Board shall have the power to grant a variance from the provisions of this Section from time to time as it deems necessary or desirable.

Section 8.9 Restriction on Animals. No animals of any kind shall be raised, bred or kept on any Unit or Project except domestic cats, dogs or other household pets permitted by the Association so long as they are (i) maintained in accordance with this Declaration, the rules and regulations of the Association and any other Association Document, and (ii) not a nuisance or kept, bred or maintained for any commercial purposes. No person shall allow any dog owned or controlled by such person to roam within Eagle Ranch unattended. Dogs shall either be contained indoors or confined within the boundary of a Unit in a manner approved by the Design Review Board. At all other times, dogs shall be on a leash and under the direct control and supervision of their owners. Contractors and subcontractors shall be prohibited from bringing dogs into Eagle Ranch, and such prohibition shall even apply to dogs kept inside motor vehicles. Violations of this policy shall result in the immediate eviction of the dog and the dog's owner or owner's representative from Eagle Ranch. In the event of a second violation 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 Eagle Ranch, and the offending person in question shall be prohibited from entering or working within Eagle Ranch for the following seven (7) consecutive calendar days. In the event of a third violation, the offending person in question shall be prohibited from entering or working within Eagle Ranch for the following six (6) consecutive calendar months. Notwithstanding the foregoing, all Owners shall comply with the Wildlife Plan attached hereto as Exhibit C, which Wildlife Plan may only be amended with the prior written consent of the Town, as well as any additional more restrictive rules, laws or regulations which conflict with this Section implemented by the Colorado Department of Wildlife or any other governmental or quasi-governmental entity.

Section 8.10 Restriction on Signs. Except as otherwise provided in Section 8.12, no signs or advertising devices of any nature shall be erected or maintained on any Unit or the common area or common elements of any Project in such a manner as to be visible from any other Unit or the Common Area except signs approved by the Design Review Board, political signs, signs required by applicable law or legal proceedings, signs which are required by law to be allowed, identification signs for work under construction (as approved by the Design Review Board), temporary signs to caution or warn of danger or the Association signs necessary or desirable to give directions or advise of rules or regulations and permitted signs identifying businesses located in the Commercial Units. Permitted signs shall be subject to the reasonable regulation by the Design Review Guidelines.

Section 8.11 Drainage Restriction. The flow of any surface drainage into any sewer system on the Property, except into storm sewers constructed for that purpose, shall be prohibited.

Section 8.12 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent (i) the exercise by Declarant of any special declarant rights (as that term is



defined in the Act); or (ii) the erection or maintenance by Declarant or its duly authorized agents, of temporary structures, trailers, improvements or signs necessary or convenient to the development, marketing or sale of property within Eagle Ranch; provided, however, that Declarant shall comply with all applicable laws in the exercise of the rights in this Section.

Section 8.13 Health, Safety and Welfare. In the event additional uses, activities and/or facilities are deemed by the Executive Board to be nuisances or to adversely affect the health, safety or welfare of Owners or members of the general public or the value of any Property, the Executive Board may adopt rules and regulations restricting or regulating the same.

Section 8.14 Compliance with Law. In addition to the compliance requirements set forth in Section 8.1 above, no portion of the Property shall be used, occupied, altered, changed, improved or repaired except in compliance with all present and future laws, rules, requirements, orders, directions, ordinances and regulations of the United States of America, State of Colorado, County of Eagle, Town of Eagle and all other municipal, governmental or lawful authority whatsoever, affecting the Property or the improvements thereon or any part thereof, and of all their departments, bureaus and officials. Furthermore, no Owner shall release, discharge or emit from the Property or dispose of, or allow any person under such Owner's control or direction to release, discharge or emit from the Property or dispose of, any material on, above or under the Property that is designated as a pollutant or contaminant under any federal, state or local law, regulation or ordinance.

Section 8.15 Subdivision of Units.

8.15.1 Prior to the recording in the office of the Clerk and Recorder of Eagle County, Colorado, of an instrument submitting any portion of the Property to further subdivision, including without limitation, the creation of townhome Units or condominium Units, the applicant Owner (other than Declarant, whose rights to subdivide Units shall be as provided in Subsection 8.15.2 below) of such property shall submit to the Association for its review and approval, copies of the proposed subdivision documents, and such other information as may be reasonably requested by the Association, which may include, without limitation, an owners' association declaration, any maps or plats, and articles of incorporation and bylaws of the owners' association. Upon request, the applicant Owner shall also submit a deposit against attorneys' fees and costs which the Association will incur in reviewing and effectuating the application for approval, in an amount reasonably estimated by the Association. The Association shall separately approve any plats, maps and owners' association declarations that are required for each such subdivision, or shall disapprove the documents. If such documents are disapproved by the Association, the Association shall set forth the specific reasons for such disapproval, and the applicant Owner shall thereafter either modify its application to satisfy such concerns or terminate its subdivision application with the Town of Eagle. The approval of the Association under this Section shall not be unreasonably withheld or delayed. So long as the proposed density, type of use and size of any such resubdivision are in compliance with the Town Documents and Section 1.3 above, such considerations shall not be deemed a reasonable basis for the Association to withhold its consent to a proposed resubdivision of a Unit. All costs and attorneys' fees incurred by the Association as a result of an application for approval shall be the sole obligation of the applicant Owner.



8.15.2 Declarant hereby reserves all rights and privileges defined as "development rights" under the Act with respect to the Neighborhood Center Lots, the Residential Lots and the Units. Without limiting the generality of the foregoing, Declarant shall have the right to subdivide any Unit owned by Declarant in conformance with applicable zoning, without the necessity of any approval or review by the Association. Declarant shall have the absolute right to submit the Neighborhood Center Lots to further subdivision, including, without limitation, the creation of townhome Units or condominium Units, and/or common areas or common elements, so long as such subdivision complies with applicable zoning restrictions, and the total number of Units subject to this Declaration does not exceed the maximum number of Units permitted pursuant to Section 1.3. The rights of Declarant set forth in this Subsection 8.15.2 shall expire twenty (20) years from the date of recording of this Declaration, unless terminated earlier pursuant to the terms and provisions of the Act, or unless such rights are (i) extended as allowed by law, or (ii) reinstated or extended by the Association, subject to whatever terms, conditions and limitations the Executive Board may impose on the subsequent exercise of such rights by Declarant.

Section 8.16 No Timeshare. No Unit shall be used for the operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant, Declarant's affiliates (defined as person or entities controlling, controlled by or under common control with Declarant), Declarant's successors and specific assigns and their respective officers, agents, employees, and assigns may operate such a program with respect to any Unit or Units which it or they own.

Section 8.17 Violation. Determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this Article 8 shall be made by the Executive Board after notice and an opportunity to be heard and shall be final.

ARTICLE 9 INSURANCE AND FIDELITY BONDS

Section 9.1 General Insurance Provisions. The Association shall maintain, to the extent reasonably available:

9.1.1 Property insurance on the Common Area for broad form covered causes of loss; except that the total amount of insurance must be not less than the full insurable replacement costs of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date; and

9.1.2 Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Area and the Association insuring the Executive Board, the Association, the Managing Agent and their respective employees, agents and all persons acting as agents. Limits of liability will be determined by the Executive Board and will be at least \$5,000,000 for any injuries or death sustained by any person in any single occurrence, and at least \$1,000,000 for property damage resulting from each occurrence. Such policy will include coverage for contractual liability, liability for non-owned and hired automobiles, and such other risks as are customarily covered with respect to developments



similar to Eagle Ranch in construction, location and use. Declarant shall be included as an additional insured in Declarant's capacity as an Owner and Executive Board member. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Area. The insurance shall cover claims of one or more insured parties against other insured parties.

9.1.3 The Association may carry such other and further insurance that the Executive Board considers appropriate, including insurance on Units and/or common areas or common elements of Projects that the Association is not obligated to insure to protect the Association or the Owners.

Section 9.2 Cancellation. If the insurance described in Section 9.1 above is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners.

Section 9.3 Policy Provisions. Insurance policies carried pursuant to Section 9.1 above must provide that:

9.3.1 Each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area or membership in the Association;

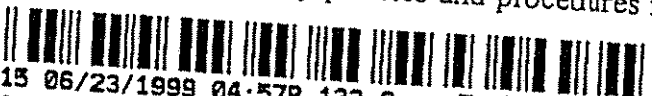
9.3.2 The insurer waives its rights to subrogation under the policy against any Owner or member of his household;

9.3.3 No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

9.3.4 If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 9.4 Insurance Proceeds. Any loss covered by the property insurance policy described in Section 9.1 above must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and First Mortgagees as their interests may appear. Subject to the provisions of Article 12 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and First Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.

Section 9.5 Association Policies. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for



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deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to the Property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all or any equitable portion of the deductibles paid by the Association.

Section 9.6 Insurer Obligation. An insurer that has issued an insurance policy for the insurance described in Section 9.1 above shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses.

Section 9.7 Common Expenses. Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses.

Section 9.8 Fidelity Insurance. Fidelity bonds must be maintained by the Association to protect against dishonest acts on the part of its officers, Directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than two (2) months' current Assessments plus reserves as calculated from the current budget of the Association. The Association must also secure and maintain, or require to be secured or maintained by any parties handling the collection, deposit, transfer or disbursement of Association funds, fidelity insurance with aggregate coverage of not less than two (2) months' Assessments plus reserves, as calculated from the then-current budget of the Association; provided, however, in no event shall the coverage for third parties handling the collection, deposit, transfer or disbursement of Association funds be less than \$50,000. In addition all funds and accounts of the Association being held by a Managing Agent or other third persons shall be kept in an account separate from the funds of other parties held by such Managing Agent or third party, and all reserves of the Association shall be kept in an account separate from the operational account of the Association. Any fidelity coverage shall name the Association as an obligee, and such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 9.9 Workmen's Compensation Insurance. The Association shall obtain workmen's compensation or similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 9.10 Other Insurance. The Association shall also maintain insurance to the extent reasonably available and in such amounts as the Executive Board may deem appropriate on behalf of Directors against any liability asserted against a Director or incurred by him in his capacity of or arising out of his status as a Director. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to its responsibilities and duties.




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Section 9.11 Insurance Obtained by Owners. It shall be the responsibility of each Owner or Project Association (as set forth in the applicable Project Declaration), at such party's expense, to maintain physical damage insurance on such Owner's Unit and personal property and furnishings and on the common areas or common elements of such Project and public liability insurance covering such Owner's Unit and the common areas or common elements of such Project in a limit of not less than \$1,000,000.00 for each Project and \$500,000.00 for each Owner's Unit in respect to bodily injury or death to any number of persons arising out of one accident or disaster, or for damage to property, and if higher limits shall at any time be customary to protect against tort liability, such higher limits shall be carried. In addition, an Owner may obtain such other and additional insurance coverage on and in relation to the Owner's Unit as the Owner in the Owner's sole discretion shall conclude to be desirable, and a Project Association may obtain such other and additional insurance coverage on and in relation to the common areas or common elements of such Project as the Project Association, in its sole discretion, shall conclude to be desirable. However, none of such insurance coverages shall affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage, nor shall such insurance coverage of an Owner result in apportionment of insurance proceeds as between policies of insurance of the Association, the Project Association and/or the Owner. An Owner or Project Association shall be liable to the Association for the amount of any such diminution of insurance proceeds to the Association as a result of insurance coverage maintained by the Owner or Project Association, and the Association shall be entitled to collect the amount of the diminution from the individual Owner or all Owners of Units within the Project as if the amount were a default Assessment, with the understanding that the Association may impose and foreclose a lien for the payment due. Any insurance obtained by an Owner or Project Association shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners or Project Associations.

The Executive Board may require an Owner or Project Association who purchases insurance coverage as described herein to file copies of such policies with the Association within thirty (30) days after purchase of the coverage to eliminate potential conflicts with any master policy carried by the Association.

ARTICLE 10 MECHANICS' LIENS

Section 10.1 Mechanics' Liens. Subsequent to the recording of this Declaration, no labor performed or materials furnished for use and incorporated in any Unit with the consent of or at the request of the Owner of the Unit or the Owner's agent, contractor or subcontractor shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Area or the common areas or common elements of any Project. Each Owner shall indemnify and hold harmless each of the other Owners, the Project Associations and the Association from and against any liability or loss arising from the claim of any mechanic's lien for labor performed or for materials furnished in work on such Owner's Unit against the Unit of another Owner, the common elements or common areas of any Project or against the Common Area, or any part thereof.


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Section 10.2 Enforcement by the Association. At its own initiative or upon the written request of any Owner or Project Association (if the Association determines that further action by the Association is proper) the Association shall enforce the indemnity provided by the provisions of Section 10.1 above by collecting from the Owner of the Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanic's lien, including all costs and reasonable attorneys' fees incidental to the lien, and obtain a release of such lien. In the event that the Owner of the Unit on which the labor was performed or materials furnished refuses or fails to so indemnify within seven (7) days after the Association shall have given notice to such Owner of the total amount of the claim, or any portions thereof from time to time, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section, and such amount to be indemnified shall automatically become a default Assessment determined and levied against such Unit, and enforceable by the Association in accordance with Sections 5.10, 5.11 and 5.12 above.

ARTICLE 11 ASSOCIATION AS ATTORNEY-IN-FACT

Section 11.1 Appointment. Each and every Owner hereby irrevocably constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Common Area upon its damage, destruction, condemnation, or obsolescence as provided below in Articles 12, 13 and 14. In addition, the Association, or any insurance trustee or substitute insurance trustee designated by the Association, is hereby appointed as attorney-in-fact under this Declaration for the purpose of purchasing and maintaining insurance under Article 9 above, including: the collection and appropriate disposition of the proceeds of such insurance; the negotiation of losses and the execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any insurance trustee, shall hold or otherwise properly dispose of any insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointments of the attorneys-in-fact as provided above.

Section 11.2 General Authority. As attorney-in-fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE 12 DAMAGE OR DESTRUCTION

Section 12.1 Casualty to Common Area. In the event of damage or destruction to any part of the Common Area due to fire or other adversity or disaster, any insurance proceeds shall be collected by and paid to the Association and such insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Association to such reconstruction and repair. If the insurance proceeds with respect to such damage or destruction are insufficient to repair and reconstruct the damaged or destroyed Common Area, as applicable, or if there are no insurance



proceeds, the Executive Board shall levy an Assessment pursuant to Article 5 in the aggregate amount of such deficiency and shall proceed to make such repairs or reconstruction. Notwithstanding the foregoing, the Association shall have no obligation to repair or reconstruct the damaged or destroyed Common Area if such repair or reconstruction would be illegal under any state or local statute or ordinance governing health or safety or if within sixty (60) days after such damage or destruction Owners representing sixty-seven percent (67%) of the votes in the Association elect not to rebuild. The Assessment provided for herein shall be a debt of each Owner and a lien on its Unit, and may be enforced and collected in the same manner as any assessment lien provided for in Article 5. If Owners representing sixty-seven percent (67%) of the votes in the Association elect not to rebuild any damage or destruction to the Common Area in accordance with the terms and provisions set forth above, the Association shall demolish any destroyed or damaged improvements, remove all debris and rubble caused by such demolition and return the damaged or destroyed area to a slightly condition and shall have the right to levy against and collect from the Owners an Assessment for this limited purpose, if necessary.

Section 12.2 Casualty to Unit or Project. In the event of damage or destruction of the improvements located on any Unit or any part thereof or any damage or destruction to any common areas or common elements of any Project (other than any Common Area which is governed by Section 12.1), due to fire or other adversity or disaster, the Owner of such Unit or the Project Association shall, at its sole cost and expense, with due diligence, either (i) cause the damaged or destroyed improvements to be repaired and restored to a condition comparable to that prior to the damage or destruction, or (ii) demolish the destroyed or damaged improvements, in which event the damaged or destroyed improvements shall forthwith be demolished and all debris and rubble caused by such demolition shall be removed and the affected property regraded and landscaped. If such repair or restoration or such demolition, debris removal, regrading and landscaping is not commenced within one hundred eighty (180) days from the date of such damage or destruction, or if the same is commenced but then abandoned for a period of more than ninety (90) days, the Association may, after notice and an opportunity to be heard, impose a fine of \$1,000.00 per day or such other rate imposed by the Executive Board in compliance with the Act, charged against the Owner or Project Association until such repair or restoration or such demolition, debris removal, regrading and landscaping is commenced or re-commenced, as the case may be, unless the Owner or Project Association can prove to the satisfaction of the Executive Board that such failure is due to circumstances beyond the Owner's or Project Association's control. Such fine shall be in addition to any Assessment to which such property is subject and the Association shall have all of the rights pertaining to a default Assessment specified in Article 5 for such amount.

ARTICLE 13 OBSOLESCENCE

The Owners holding an aggregate of sixty-seven percent (67%) or more of the total voting interest in the Association, including sixty-seven percent (67%) of the total voting interest of each class of members, may agree that the Common Area is obsolete and adopt a written plan for the renewal and reconstruction thereof. Written notice of the adoption of such a plan shall be given to all Owners and a copy of such plan shall be recorded in the office of the Clerk and Recorder of Eagle



County, Colorado, and the expense of renewal and reconstruction shall be payable by all of the Owners as a Common Expense.

ARTICLE 14 CONDEMNATION


Section 14.1 Condemnation of Common Area. In the event the Common Area, or any portion thereof, shall be taken for any public or quasi-public use, under any statute, by right of eminent domain or by purchase in lieu thereof (herein, a "taking"), each Owner will be entitled to notice thereof, but the Association will act as attorney-in-fact for all Owners in the proceedings incident to the taking unless otherwise prohibited by law. The award for such taking will be payable to the Association as trustee for all of the Owners to be disbursed as follows:

14.1.1 If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless restoration or replacement of such improvements would be illegal under any state or local statute or ordinance governing health or safety or unless within sixty (60) days after such taking Owners representing eighty percent (80%) of the votes in the Association elect not to restore or replace such improvements, the Association will restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Executive Board, the Design Review Board and any other governmental or quasi-governmental entity having jurisdiction over the Property. If such improvements are to be restored or replaced, and the award for the taking is insufficient to restore or replace such improvements, the Executive Board shall levy an Assessment in accordance with Article 5 in the aggregate amount of such deficiency and shall proceed to restore or replace such improvements.

14.1.2 If the taking does not involve any improvements, or if there is a decision made not to restore or replace as set forth above, or if there are net funds remaining after any such restoration or replacement of improvements is completed, then the Association may retain such excess proceeds or distribute such excess in proportionate shares on the basis of all Assessments levied against such Units (other than default Assessments) for the prior twelve (12) month period.

Section 14.2 Condemnation of a Unit or Common Area or Common Element of a Project. In the event any Unit or common area or common element of a Project, or any portion thereof (other than any Common Area which is governed by Section 14.1), shall be taken, the condemnation award for such taking shall be paid solely to the Owner of such Unit or the Project Association, as applicable. The repair or restoration of any improvements located on such property which are affected by the taking shall be governed by the terms of Section 12.2. If an entire Unit shall be condemned, the Owner thereof shall automatically cease to be a member of the Association.

Section 14.3 Allocation of Interest After Condemnation. Section 39-33.3-107 of the Act shall govern the allocation of interests to Units following any condemnation.


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ARTICLE 15
EXPANSION AND WITHDRAWAL

Section 15.1 Reservation of Expansion and Withdrawal Rights.

15.1.1 Declarant reserves the right for itself and any Successor Declarant to subject all or any part of the Expansion Property to the provisions of this Declaration and thereby expand the Property to include up to a maximum of three thousand (3,000) Units and to expand the Common Area without consent or approval of the Owners.


15.1.2 Subject to those restrictions set forth in Section 38-33.3-222 of the Act, Declarant reserves the right for itself and any Successor Declarant at any time and from time to time to subject unspecified real property to Eagle Ranch and the provisions of this Declaration.

Section 15.2 Supplemental Declarations and Supplemental Plats. Such expansion may be accomplished by the filing for record by Declarant in the office of the Clerk and Recorder for Eagle County, Colorado, of one or more Supplemental Declarations and, if the real property being subject to this Declaration by such Supplemental Declaration has not been previously platted in a plat recorded in the Office of the Clerk and Recorder for Eagle County, Colorado, of a Supplemental Plat depicting such Expansion Property recorded concurrently with the applicable Supplemental Declaration. The Supplemental Declaration shall set forth the Residential Lots, Neighborhood Center Lots, Common Area and other real property, if any, to be included in the expansion, together with any covenants, conditions, restrictions and easements particular to such property. The expansion, which shall cause Eagle Ranch to contain no more than three thousand (3,000) Units, may be accomplished in stages by successive supplements or in one supplemental expansion. Declarant may exercise such rights for expansion on all or any portion of the Expansion Property in whatever order of development Declarant in its sole discretion determines. Declarant shall not be obligated to expand Eagle Ranch beyond the number of Units initially submitted to this Declaration.

Section 15.3 Expansion of Definitions. In the event of such expansion, the definitions used in this Declaration shall be expanded automatically to encompass and refer to the Property subject to this Declaration as so expanded. For example, "Unit" shall mean the Units as shown on the Plat plus any additional Units added by a Supplemental Declaration or Declarations and, if necessary, Supplemental Plat or Plats, and reference to this Declaration shall mean this Declaration as supplemented. All conveyances of Units shall be effective to transfer rights in the Property as expanded.

Section 15.4 Declaration Operative on New Units.

15.4.1 The new Units shall be subject to all of the terms and conditions of this Declaration and of any Supplemental Declaration, upon placing the Supplemental Declaration and, if necessary, the Supplemental Plat(s) depicting the Expansion Property of public record in the real estate records of Eagle County, Colorado.


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15.4.2 It is contemplated that additional Units on the Property will be committed to this Declaration. In the event that a portion of the Expansion Property is submitted to the provisions of this Declaration, Declarant shall retain the right to, but shall not be obligated to, submit any additional portion of the Expansion Property to the provisions of this Declaration. The rights of Declarant and any Successor Declarant, as described herein, shall apply to all Units which are added to this Declaration in accordance with these provisions relating to enlargement thereof.

15.4.3 No rights of any character of any owner of Units in the Expansion Property shall attach until a Supplemental Declaration and, if necessary, a Supplemental Plat is filed of record annexing the Lots constructed in such area to Eagle Ranch. Upon the recording of such Supplemental Declaration and, if necessary, Supplemental Plat, the Units constructed in the area shall be deemed to be governed in all respects by the provisions of this Declaration.

Section 15.5 Effect of Expansion. Upon the construction of additional Units and their inclusion under this Declaration and the filing of the Supplemental Declaration(s) and, if necessary, Supplemental Plat(s) thereof, the Voting Allocation and the Assessment Obligation applicable to a Unit shall automatically be amended in the manner described in Sections 4.3 and 5.4 respectively.

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

Section 15.6 Termination of Expansion and Development Rights. The rights reserved to Declarant for itself, its successors and assigns for the expansion and development of the Expansion Property ("Expansion and Development Rights") shall expire twenty (20) years from the date of recording this Declaration, unless terminated earlier pursuant to the terms and provisions of the Act, or unless the Expansion and Development Rights are (i) extended as allowed by law or (ii) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of the Expansion and Development Rights by Declarant.

ARTICLE 16 MORTGAGEE'S RIGHTS

Section 16.1 Introduction. This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Mortgages. To the extent permitted under Colorado law and applicable, necessary or proper, the provisions of this Article apply to this Declaration and also to the articles of incorporation, bylaws and rules and regulations of the Association. This Article is supplemental to, and not in substitution for, any other provisions of this Declaration, but in the case of any conflict, this Article shall control.



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Section 16.2 Percentage of Eligible Mortgage Holders. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgage Holders is required, it shall mean the approval or consent of Eligible Mortgage Holders under Mortgages encumbering Units which in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Units then subject to Mortgages held by Eligible Mortgage Holders.

Section 16.3 Title Taken by Mortgagee. Any Mortgagee holding a First Mortgage of record against a Unit who obtains title to the Unit pursuant to remedies exercised in enforcing the Mortgage, including foreclosure of the Mortgage or acceptance of a deed in lieu of foreclosure, will be liable for all Assessments due and payable as of the date title to the Unit (i) is acquired, or (ii) could have been acquired under the laws of the State of Colorado governing foreclosures, whichever is earlier, provided, however, that the lien of the Association for unpaid assessments shall not have priority over a First Mortgage in the amount of more than six (6) months of annual Assessments, and provided, further, that a First Mortgagee or Agency that acquires title to a Unit through foreclosure of a First Mortgage will not be liable for any fees or charges related to the collection of the six (6) months of unpaid dues or charges that accrued before the First Mortgagee or Agency acquired title to the Unit.

Section 16.4 Distribution of Insurance or Condemnation Proceeds. In the event of a distribution of insurance proceeds or condemnation awards allocable among the Units for foreclosures to, or taking of, all or part of the Common Area, neither the Owner nor any other person shall take priority in receiving the distribution over the right of any Mortgagee who is a beneficiary of a First Mortgage against the Unit.

Section 16.5 Audited Financial Statement. Upon the written request from any Agency or Mortgagee which has an interest or prospective interest in any Unit, the Association shall prepare and furnish within ninety (90) days an audited financial statement of the Association for the immediately preceding fiscal year at the expense of such Mortgagee.

Section 16.6 Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgage Holder of the following:

16.6.1 Any condemnation or any casualty loss which affects a material portion of the Common Area or any Unit in which an interest is held by the Eligible Mortgage Holder.

16.6.2 Any delinquency which remains uncured for sixty (60) days in the payment of Assessments by an Owner whose Unit is encumbered by a Mortgage held by such Eligible Mortgage Holder.

16.6.3 Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

16.6.4 Any proposed action which would require the consent of Eligible Mortgage Holders as required in Section 16.7 below.



Section 16.7 Consent Required. No amendment of any provision which is for the express benefit of any Mortgagee, or any insurers or guarantors of any Mortgage may be effective without the vote of Owners representing at least fifty-one percent (51%) or more of the total voting interest in each class of members in the Association and until approved in writing by at least fifty-one (51%) of the Eligible Mortgage Holders.

Section 16.8 Notice of Objection. Unless an Eligible Mortgage Holder, or if any other change in this Declaration or any Association Documents requires the approval of any Mortgagees, then unless such Mortgagee, provides the Secretary of the Association with written notice of its objection, if any, to any proposed amendment or action, within thirty (30) days following the receipt of notice of such proposed amendment or action, the Eligible Mortgage Holder will be deemed conclusively to have approved the proposed amendment or action.

Section 16.9 First Mortgagee's Rights.

16.9.1 First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Area or improvements thereon, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area. First Mortgagees making such payments shall be owed immediate reimbursement from the Association.

16.9.2 Eligible Mortgage Holders shall be entitled to cure any delinquency of the Owner of a Unit encumbered by the eligible Mortgage Holder in the payment of Assessments of which the Eligible Mortgage Holder has received notice under Section 16.6.2 above. In that event, the Eligible Mortgage Holder shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

ARTICLE 17 ACKNOWLEDGMENTS

Section 17.1 Acknowledgments. Each Owner is hereby advised of the following matters affecting the Property and the Owners' use and enjoyment thereof:

17.1.1 No interest in or right to use any Non-Association Amenities located near or on the Property, such as recreational facilities permitted by the Town Documents, including the community center, recreational fields, or swimming pools, and spas, golf facilities (including the Golf Course), ski facilities or the like, shall be conveyed to any Owner pursuant to this Declaration. The owners of those facilities shall have the right, in their sole discretion, to remove, relocate, discontinue operation of, restrict access to, charge fees for the use of, sell interests in or otherwise deal with such assets in their sole discretion without regard to any prior use of or benefit to any Owners. To the extent any of such facilities are made available to the public, the Owners will be subject to all applicable rules and procedures for use of such Non-Association Amenities. Access to and use of the Non-Association Amenities are strictly subject to the rules and procedures of the respective owners of the Non-Association Amenities, and no person gains any right to enter or to use those facilities by virtue of membership in the Association or ownership or occupancy of a Unit.



17.1.2 ALL PERSONS, INCLUDING ALL OWNERS, ARE HEREBY ADVISED THAT NO REPRESENTATIONS OR WARRANTIES, EITHER WRITTEN OR ORAL, HAVE BEEN MADE OR ARE MADE BY DECLARANT OR ANY OTHER PERSON WITH REGARD TO THE NATURE OR SIZE OF IMPROVEMENTS TO, OR THE CONTINUING OWNERSHIP OR OPERATION OF, THE NON-ASSOCIATION AMENITIES. NO PURPORTED REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, IN REGARD TO THE NON-ASSOCIATION AMENITIES SHALL EVER BE EFFECTIVE WITHOUT AN AMENDMENT HERETO EXECUTED OR JOINED INTO BY DECLARANT.

17.1.3 Substantial construction-related activities relating to the development of Units or Projects or other development within or near Eagle Ranch may cause considerable noise, dust and other inconveniences to the Owners.

17.1.4 Properties located within Eagle Ranch may be developed pursuant to the land uses and restrictions set forth in the Town Documents with no representation being made herein concerning the planned uses of such other properties. The zoning for Eagle Ranch is established and governed by the Town Documents. Any amendment of the Town Documents requires approval by the Town of Eagle. Each Owner acknowledges and agrees that such Owner has not relied upon any statements or representation regarding Eagle Ranch or any other properties except for the statements and representations expressly set forth in this Declaration and the Town Documents. Each Owner and Project Association further acknowledges and agrees that such Owner and Project Association will not take any action to impair or delay any development of real property governed by the Town Documents so long as such development complies with the Town Documents, and each Owner and Project Association hereby waives any right it may have to object to any Project to be developed on any Undeveloped Property so long as such Project is in conformance with the terms, conditions and restrictions of the Town Documents as the same may be amended from time to time.

ARTICLE 18 DURATION OF COVENANTS AND AMENDMENT

Section 18.1 Term. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity, subject to the termination provisions of the Act.

Section 18.2 Amendment. The provisions of this Declaration may be amended or terminated, in whole or in part, from time to time, upon the written consent of Owners holding an aggregate of fifty-one percent (51%) or more of the total voting interest in each class of members in the Association. No amendment shall be effective to change, limit, impair or reduce any right of Declarant as provided herein unless such amendment is approved in writing by Declarant. Notwithstanding the foregoing, Declarant, acting alone, reserves to itself the right and power to modify and amend this Declaration and/or the Plat to the fullest extent permitted under the Act including, without limitation, to correct clerical, typographical or technical errors, or to comply with the requirements, standards, or guidelines of recognized secondary mortgage markets, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or the Federal National Mortgage Association. Any provision contained in this



Declaration which inures to the benefit of the Town shall not be amended without the Town's prior written consent.

Section 18.3 Recording of Amendments. Any amendment to this Declaration made in accordance with this Article shall be immediately effective upon recording in the office of the Clerk and Recorder of Eagle County, Colorado a copy of the amendment, executed and acknowledged by the appropriate number of Owners, accompanied by a certificate of a licensed title insurance company as to ownership, or upon the recording of a copy of the amendment, together with a duly authenticated certificate of the secretary of the Association stating that the required number of consents of Owners and a certificate of a licensed title company as to title to the Units were obtained and are on file in the office of the Association.

ARTICLE 19 DECLARANT'S RIGHTS REGARDING TRANSFER

Any right or any interest reserved or contained in this Declaration for the benefit of Declarant may be transferred or assigned by Declarant, either separately or with one or more other such rights or interests, to any person, corporation, partnership, association, or other entity, only by written instrument executed by both Declarant and the transferee or assignee and recorded in the office of the Clerk and Recorder of Eagle County, Colorado. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such instrument.

ARTICLE 20 SPECIAL DISTRICT

The Association shall have the power, and is hereby authorized, to contract with and to cooperate with the District in order to ensure that their respective responsibilities are discharged. The Association is further authorized to act on behalf of its members to ensure that the level of services provided by the District, if created, is consistent with the standards of Eagle Ranch.

Each Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and consent to the creation of the District and to executing a separate document so consenting to the creation of the District, if requested to do so by the Declarant.

ARTICLE 21 MISCELLANEOUS

Section 21.1 Compliance with the Act. Notwithstanding anything to the contrary in this Declaration, no rights or powers reserved to Declarant hereunder shall exceed the time limitations or permissible extent of such rights or powers as restricted under the Act. Any provision in this Declaration in conflict with the requirements of the Act shall not be deemed to invalidate such provision as a whole but shall be adjusted as is necessary to comply with the Act. If for any reason Eagle Ranch shall be deemed not to be a Large Planned Community under the Act, Eagle Ranch shall be deemed to be a Planned Community subject to the Act.



Section 21.2 Nonwaiver. Failure by Declarant, the Association, or any Owner or First Mortgagee to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

Section 21.3 Severability. The provisions of this Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions of it by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which provisions shall remain in full force and effect.

Section 21.4 Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

Section 21.5 Captions. The captions to the Articles and Sections and the Table of Contents at the beginning of this Declaration are inserted only as a matter of convenience and for reference, and are in no way to be construed to define, limit, or otherwise describe the scope of this Declaration or the intent of any provision of this Declaration.

Section 21.6 Conflicts in Legal Documents. In case of conflicts between the provisions in this Declaration and the articles of incorporation of the Association or the bylaws of the Association, this Declaration shall control. In case of conflicts in the provisions in the articles of incorporation of the Association and the bylaws of the Association, the articles of incorporation of the Association shall control. In case of conflicts in the provisions in the articles of incorporation, bylaws or this Declaration, on the one hand, and the Act, on the other hand, the terms of the Act shall control.

Section 21.7 Exhibits. All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

Executed as of the 26th day of May, 1999.

WEST EAGLE RANCH LLC, a Delaware limited liability company

By: East West Partners, Inc., a Colorado corporation, its Sub-Manager

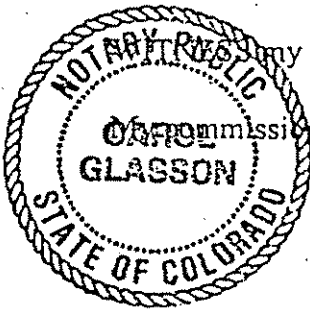
By: Willis J. Wright
Name: Willis J. Wright
Vice President



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STATE OF COLORADO)
)ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 26th day of May, 1999, by Willis J. Wright as Vice President of East West Partners, Inc., a Colorado corporation, Sub-Manager of West Eagle Ranch LLC, a Delaware limited liability company.



my hand and official seal.

Commission expires: 2/8/2000

Carol Glasson
Notary Public

Ewppartners/weagle/11dec



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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

LOTS 1 THROUGH 36, BLOCK 1, TRACT S, EAGLE RANCH, FILING NO. 1,
ACCORDING TO THE FINAL PLAT RECORDED JUNE 23rd, 1999 AT RECEPTION
NO. 700810, COUNTY OF EAGLE, STATE OF COLORADO.

LOTS 1 THROUGH 34, BLOCK 2, TRACT R, EAGLE RANCH, FILING NO. 1,
ACCORDING TO THE FINAL PLAT RECORDED JUNE 23rd, 1999 AT RECEPTION
NO. 700810, COUNTY OF EAGLE, STATE OF COLORADO.

LOTS 1 THROUGH 20, BLOCK 3, TRACT H, EAGLE RANCH, FILING NO. 1,
ACCORDING TO THE FINAL PLAT RECORDED JUNE 23rd, 1999 AT RECEPTION
NO. 700810, COUNTY OF EAGLE, STATE OF COLORADO.



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EXHIBIT B

LEGAL DESCRIPTION OF EXPANSION PROPERTY

ALL OF THE FOLLOWING REAL PROPERTY DESCRIBED HEREUNDER AS FOLLOWS, EXCEPT THAT CERTAIN REAL PROPERTY SET FORTH IN EXHIBIT A OF THIS DECLARATION:

PARCEL A:

LOTS 1 THROUGH 20, 22 THROUGH 32, 34 THROUGH 122 AND OPEN SPACE TRACTS, EXCLUDING LOTS 21 AND 33 AND TRACTS A, B, C, D AND E, ALL AS DESCRIBED ON THE PLAT FOR BRUSH CREEK STABLES RECORDED JANUARY 4, 1985 IN BOOK 404 AT PAGE 163, COUNTY OF EAGLE, STATE OF COLORADO;

AND

THREE PARCELS OF LAND LOCATED IN TRACTS 43, 44, 47, 48, 49, 53, 54, 55, 56, 57, 58, 70 AND 71, IN SECTIONS 4, 5, 8, 9, 15, 16, 21, 22 AND 28, ALL IN TOWNSHIP 5 SOUTH, RANGE 84 WEST OF THE 6TH PRINCIPAL MERIDIAN, EAGLE COUNTY, COLORADO, ACCORDING TO THE INDEPENDENT RESURVEY OF SAID TOWNSHIP AND RANGE AS APPROVED ON JUNE 20, 1922; SAID PARCEL, WITH ALL BEARINGS CONTAINED HEREIN BASED ON A BEARING OF NORTH 00 DEGREES 33 MINUTES 00 SECONDS WEST, BETWEEN THE TOWN OF EAGLE STREET MONUMENT AT BROADWAY AND FIFTH STREET AND THE TOWN OF EAGLE STREET MONUMENT AT BROADWAY AND SECOND STREET, BOTH BEING FOUND 1/2" DIAMETER IRON RODS IN CAST IRON MONUMENT BOXES, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1:

BEGINNING AT CORNER 4 OF TRACT 47, BEING ALSO CORNER 1 OF TRACT 49, AND BEING ALSO A POINT ON THE WEST EAGLE ADDITION BOUNDARY AND TOWN OF EAGLE BOUNDARY, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE, FROM WHICH SAID TOWN OF EAGLE STREET MONUMENT AT BROADWAY AND FIFTH STREET BEARS NORTH 53 DEGREES 41 MINUTES 45 SECONDS EAST, 3,548.08 FEET; THENCE ALONG SAID BOUNDARIES NORTH 87 DEGREES 26 MINUTES 33 SECONDS EAST, 1,321.54 FEET TO CORNER 7 OF SAID TRACT 47, BEING ALSO CORNER 2 OF SAID TRACT 48, A 3 1/2" DIAMETER ALUMINUM CAP MONUMENT ON A 2 1/2" DIAMETER IRON PIPE, STAMPED EAGLE COUNTY SURVEYOR AND DATED 1971, FOUND IN PLACE; THENCE DEPARTING SAID BOUNDARIES NORTH 87 DEGREES 48 MINUTES 32 SECONDS EAST, 242.23 FEET ALONG A PARCEL OF LAND DESCRIBED IN BOOK 135 AT PAGE 85 OF THE EAGLE COUNTY RECORDS, BEING ALSO THE 1-2 LINE OF TRACT 48 AND THE 7-8 LINE OF TRACT 47; THENCE DEPARTING SAID TRACT LINE AND CONTINUING ALONG SAID PARCEL NORTH 01 DEGREES 48 MINUTES 00

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SECONDS EAST, 55.58 FEET TO A POINT ON THE EAGLE TOWN BOUNDARY AND THE BULL PASTURE SUBDIVISION BOUNDARY; THENCE ALONG SAID BOUNDARIES THE FOLLOWING EIGHT COURSES:

- 1) NORTH 88 DEGREES 58 MINUTES 11 SECONDS EAST, 124.22 FEET;
- 2) SOUTH 40 DEGREES 07 MINUTES 03 SECONDS EAST, 370.67 FEET;
- 3) SOUTH 67 DEGREES 07 MINUTES 15 SECONDS EAST, 248.51 FEET;
- 4) NORTH 58 DEGREES 40 MINUTES 33 SECONDS EAST, 94.09 FEET;
- 5) SOUTH 72 DEGREES 21 MINUTES 56 SECONDS EAST, 104.82 FEET;
- 6) SOUTH 25 DEGREES 03 MINUTES 38 SECONDS EAST, 218.94 FEET;
- 7) SOUTH 62 DEGREES 53 MINUTES 26 SECONDS EAST, 535.36 FEET;
- 8) NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 2.92 FEET;

TO THE SOUTHWEST CORNER OF "88 ACRES LIMITED" AS RECORDED IN BOOK 301 AT PAGE 432 OF THE EAGLE COUNTY RECORDS; THENCE DEPARTING SAID TOWN OF EAGLE AND THE BULL PASTURE SUBDIVISION BOUNDARIES AND ALONG THE BOUNDARY OF SAID "88 ACRES LIMITED" THE FOLLOWING SEVEN COURSES:

- 1) 125.87 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 05 DEGREES 29 MINUTES 31 SECONDS, RADIUS OF 1,313.14 FEET, TANGENT OF 62.98 FEET AND THE CHORD OF WHICH BEARS SOUTH 56 DEGREES 43 MINUTES 07 SECONDS EAST, 125.82 FEET;
- 2) SOUTH 53 DEGREES 58 MINUTES 22 SECONDS EAST, 56.94 FEET;
- 3) 443.79 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 13 DEGREES 32 MINUTES 53 SECONDS, RADIUS OF 1,876.85 FEET, TANGENT OF 222.94 FEET AND THE CHORD OF WHICH BEARS SOUTH 60 DEGREES 44 MINUTES 48 SECONDS EAST, 442.76 FEET;
- 4) SOUTH 67 DEGREES 31 MINUTES 14 SECONDS EAST, 257.96 FEET;
- 5) 396.39 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 20 DEGREES 59 MINUTES 37 SECONDS, RADIUS OF 1,081.82 FEET, TANGENT OF 200.44 FEET AND THE CHORD OF WHICH BEARS SOUTH 78 DEGREES 01 MINUTES 03 SECONDS EAST, 394.17 FEET;
- 6) SOUTH 88 DEGREES 30 MINUTES 51 SECONDS EAST, 285.48 FEET;



7) 171.73 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 25 DEGREES 59 MINUTES 34 SECONDS, RADIUS OF 378.55 FEET, TANGENT OF 87.37 FEET AND THE CHORD OF WHICH BEARS SOUTH 75 DEGREES 31 MINUTES 05 SECONDS EAST, 170.26 FEET TO A POINT ON THE 1-2 LINE OF TRACT 44, BEING ALSO THE SOUTH LINE OF TRACT 43, FROM WHICH CORNER 4 OF SAID TRACT 43, BEING ALSO CORNER 1 OF SAID TRACT 44, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE BEARS NORTH 89 DEGREES 48 MINUTES 05 SECONDS EAST, 780.65 FEET; THENCE ALONG SAID TRACT LINE; SOUTH 89 DEGREES 48 MINUTES 05 SECONDS WEST, 540.82 FEET TO CORNER 2 OF TRACT 44; BEING ALSO CORNER 5 OF TRACT 48, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG THE 4-5 LINE OF SAID TRACT 48, BEING ALSO THE WEST LINE OF SAID TRACT 44, SOUTH 00 DEGREES 33 MINUTES 05 SECONDS WEST, 1,280.09 FEET TO CORNER 4 OF SAID TRACT 48, BEING ALSO CORNER 1 OF TRACT 54, A 2 1/2" DIAMETER ALUMINUM CAP MONUMENT, L.S. 23089, SET AT THE RE-ESTABLISHED POSITION FOR SAID CORNER; THENCE DEPARTING SAID TRACT LINE SOUTH 89 DEGREES 39 MINUTES 22 SECONDS EAST, 1,445.91 FEET TO CORNER 8 OF SAID TRACT 44, BEING ALSO CORNER 5 OF TRACT 38, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG THE 7-8 LINE OF TRACT 44, BEING ALSO THE SOUTH LINE OF TRACT 38 NORTH 89 DEGREES 23 MINUTES 19 SECONDS EAST, 335.21 FEET TO THE SOUTHERLY RIGHT OF WAY OF BRUSH CREEK ROAD, BEING ALSO EAGLE COUNTY ROAD P-307 AS DESCRIBED IN BOOK 470 AT PAGE 381 OF THE EAGLE COUNTY RECORDS; THENCE ALONG SAID RIGHT OF WAY THE FOLLOWING THREE COURSES:

1) 118.16 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 07 DEGREES 38 MINUTES 59 SECONDS, RADIUS OF 885.00 FEET, TANGENT OF 59.17 FEET AND THE CHORD OF WHICH BEARS SOUTH 49 DEGREES 22 MINUTES 48 SECONDS EAST, 118.07 FEET;

2) SOUTH 53 DEGREES 12 MINUTES 17 SECONDS EAST, 40.08 FEET; AND

3) SOUTH 57 DEGREES 07 MINUTES 58 SECONDS EAST, 123.21 FEET;

TO A POINT ON THE EXTENSION OF THE WESTERLY LINE OF THE COLORADO RIVER & EAGLE COMPANY RURAL HOMESITES NOS. 1, 2 AND 3 SUBDIVISION AS RECORDED IN BOOK 337 AT PAGE 893 OF THE EAGLE COUNTY RECORDS; THENCE ALONG SAID EXTENSION AND CONTINUING ALONG SAID RIGHT OF WAY SOUTH 22 DEGREES 53 MINUTES 36 SECONDS WEST, 8.58 FEET TO THE NORTHWEST CORNER OF SAID SUBDIVISION; THENCE DEPARTING SAID RIGHT OF WAY AND ALONG THE BOUNDARY OF SAID SUBDIVISION THE FOLLOWING SIXTEEN COURSES:

1) SOUTH 22 DEGREES 53 MINUTES 36 SECONDS WEST 30.74 FEET;

2) SOUTH 13 DEGREES 43 MINUTES 27 SECONDS WEST, 307.62 FEET;



- 3) SOUTH 08 DEGREES 38 MINUTES 23 SECONDS WEST, 118.13 FEET;
- 4) SOUTH 61 DEGREES 56 MINUTES 53 SECONDS EAST, 89.44 FEET;
- 5) SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, 89.10 FEET;
- 6) SOUTH 69 DEGREES 03 MINUTES 46 SECONDS EAST, 123.13 FEET;
- 7) SOUTH 59 DEGREES 12 MINUTES 57 SECONDS EAST, 54.71 FEET;
- 8) SOUTH 43 DEGREES 08 MINUTES 15 SECONDS EAST, 174.04 FEET;
- 9) SOUTH 54 DEGREES 49 MINUTES 09 SECONDS EAST, 74.63 FEET;
- 10) SOUTH 78 DEGREES 16 MINUTES 30 SECONDS EAST, 54.13 FEET;
- 11) NORTH 56 DEGREES 53 MINUTES 19 SECONDS EAST, 27.46 FEET;
- 12) NORTH 17 DEGREES 51 MINUTES 01 SECONDS EAST, 61.98 FEET;
- 13) NORTH 77 DEGREES 11 MINUTES 45 SECONDS EAST, 45.12 FEET;
- 14) SOUTH 59 DEGREES 15 MINUTES 52 SECONDS EAST, 86.09 FEET;
- 15) SOUTH 70 DEGREES 04 MINUTES 15 SECONDS EAST, 181.89 FEET;
- 16) SOUTH 59 DEGREES 34 MINUTES 50 SECONDS EAST, 58.71 FEET;

TO THE SOUTHEAST CORNER OF THE COLORADO RIVER & EAGLE COMPANY RURAL HOMESITES NOS. 1, 2 AND 3 SUBDIVISION, BEING A POINT ON THE WESTERLY BOUNDARY OF A PARCEL OF LAND KNOWN AS THE EICHLER TRACT AND DESCRIBED IN BOOK 189 AT PAGE 147 OF THE EAGLE COUNTY RECORDS; THENCE DEPARTING SAID SUBDIVISION AND ALONG THE BOUNDARY OF SAID EICHLER TRACT SOUTH 00 DEGREES 05 MINUTES 34 SECONDS EAST, 277.38 FEET TO THE SOUTHWEST CORNER OF SAID EICHLER TRACT, AN 8" DIAMETER CEDAR POST WITH 2" X 4" ALUMINUM TAG STAMPED API EICHLER TRACT FOUND; THENCE CONTINUING ALONG SAID EICHLER TRACT BOUNDARY SOUTH 87 DEGREES 14 MINUTES 13 SECONDS EAST, 139.19 FEET TO THE SOUTHEAST CORNER OF SAID EICHLER TRACT, BEING ALSO THE POINT OF BEGINNING OF BRUSH CREEK STABLES SUBDIVISION AS DESCRIBED IN BOOK 404 AT PAGE 163 OF THE EAGLE COUNTY RECORDS; THENCE DEPARTING SAID EICHLER TRACT BOUNDARY AND ALONG SAID BRUSH CREEK STABLES SUBDIVISION BOUNDARY THE FOLLOWING EIGHT COURSES:

- 1) SOUTH 00 DEGREES 01 MINUTES 50 SECONDS WEST, 519.37 FEET;

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- 2) SOUTH 74 DEGREES 23 MINUTES 52 SECONDS EAST, 1,943.91 FEET;
- 3) SOUTH 01 DEGREES 19 MINUTES 13 SECONDS WEST, 1,182.39 FEET;
- 4) NORTH 88 DEGREES 40 MINUTES 47 SECONDS WEST, 759.56 FEET;
- 5) SOUTH 01 DEGREES 19 MINUTES 13 SECONDS WEST, 150.00 FEET;
- 6) NORTH 88 DEGREES 40 MINUTES 47 SECONDS WEST, 65.00 FEET;
- 7) SOUTH 01 DEGREES 19 MINUTES 13 SECONDS WEST, 3,802.00 FEET;
- 8) NORTH 89 DEGREES 55 MINUTES 00 SECONDS EAST, 1,743.46 FEET;

TO THE 4-1 LINE OF TRACT 70, BEING ALSO THE 2-3 LINE OF TRACT 88; THENCE DEPARTING SAID SUBDIVISION BOUNDARY AND ALONG SAID TRACT LINE SOUTH 00 DEGREES 03 MINUTES 54 SECONDS EAST, 462.08 FEET TO CORNER 3 OF SAID TRACT 88, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE CONTINUING ALONG SAID 4-1 LINE OF TRACT 70 SOUTH 00 DEGREES 15 MINUTES 03 SECONDS EAST, 2,663.73 FEET TO CORNER 4 OF SAID TRACT 70, BEING ALSO CORNER 1 OF TRACT 71, A 2 1/2" DIAMETER ALUMINUM CAP MONUMENT, L.S. 20695, SET AT THE RE-ESTABLISHED POSITION FOR SAID CORNER; THENCE ALONG THE 1-4 LINE OF SAID TRACT 71, SOUTH 00 DEGREES 13 MINUTES 34 SECONDS EAST, 5,260.58 FEET TO CORNER 4 OF SAID TRACT 71, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG THE 3-4 LINE OF SAID TRACT 71 NORTH 88 DEGREES 44 MINUTES 59 SECONDS WEST, 1,413.47 FEET TO CORNER 3 OF SAID TRACT 71, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG THE 2-3 LINE OF SAID TRACT 71 NORTH 00 DEGREES 07 MINUTES 48 SECONDS WEST, 5,266.74 FEET TO CORNER 2 OF SAID TRACT 71 BEING ALSO A POINT ON THE 3-4 LINE OF SAID TRACT 70, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG SAID 3-4 LINE SOUTH 89 DEGREES 19 MINUTES 02 SECONDS WEST, 2,802.60 FEET, FROM WHICH POINT CORNER 3 OF TRACT 70, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE, BEARS SOUTH 89 DEGREES 19 MINUTES 02 SECONDS WEST, 1,401.30 FEET; THENCE DEPARTING SAID LINE NORTH 00 DEGREES 17 MINUTES 03 SECONDS WEST, 5,333.99 FEET TO A POINT ON THE 1-2 LINE OF SAID TRACT 70, BEING ALSO THE 3-4 LINE OF SAID TRACT 57; THENCE ALONG SAID LINE SOUTH 89 DEGREES 49 MINUTES 20 SECONDS WEST, 1,406.17 FEET TO CORNER 2 OF SAID TRACT 70, BEING ALSO CORNER 3 OF TRACT 57, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG THE 2-3 LINE OF SAID TRACT 57 NORTH 00 DEGREES 07 MINUTES 00 SECONDS EAST, 1,310.97 FEET TO CORNER 2 OF TRACT 57, BEING ALSO A POINT ON THE SOUTH LINE OF TRACT 54; THENCE ALONG SAID SOUTH LINE SOUTH 89 DEGREES 53 MINUTES 02 SECONDS WEST, 1,319.43 FEET TO CORNER 3 OF SAID TRACT 54, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG THE WEST LINE OF TRACT 54 NORTH 00 DEGREES 02 MINUTES 30



SECONDS EAST, 1,333.27 FEET TO CORNER 4 OF TRACT 53, A 2 1/2" DIAMETER ALUMINUM CAP MONUMENT, L.S. 23089, SET AT THE RE-ESTABLISHED POSITION FOR SAID CORNER; THENCE ALONG THE 3-4 LINE OF TRACT 53 SOUTH 86 DEGREES 39 MINUTES 19 SECONDS WEST, 1,499.76 FEET TO CORNER 3 OF SAID TRACT, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG THE 2-3 LINE OF SAID TRACT NORTH 01 DEGREES 47 MINUTES 19 SECONDS EAST, 2,546.68 FEET TO CORNER 2 OF SAID TRACT 53, BEING ALSO CORNER 3 OF TRACT 48 AND CORNER 4 OF TRACT 49, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG THE 3-4 LINE OF SAID TRACT 49 SOUTH 89 DEGREES 55 MINUTES 51 SECONDS WEST, 1,272.12 FEET; THENCE DEPARTING SAID TRACT LINE NORTH 00 DEGREES 51 MINUTES 31 SECONDS WEST, 1,366.25 FEET TO CORNER 6 OF SAID TRACT 49, BEING ALSO CORNER 5 OF TRACT 47, A 2 1/2" ALUMINUM CAP MONUMENT, L.S. 23089, SET AT THE RE-ESTABLISHED POSITION FOR SAID CORNER; THENCE ALONG THE 1-6 LINE OF SAID TRACT 49, BEING ALSO THE 4-5 LINE OF SAID TRACT 47, NORTH 02 DEGREES 32 MINUTES 20 SECONDS EAST, 1,225.66 FEET TO A POINT ON THE APPROXIMATE CENTERLINE OF BRUSH CREEK, BEING ALSO A POINT ON THE WEST EAGLE ADDITION BOUNDARY AND TOWN OF EAGLE BOUNDARY; THENCE CONTINUING ALONG SAID TRACT LINE AND BOUNDARIES NORTH 02 DEGREES 32 MINUTES 20 SECONDS EAST, 83.92 FEET TO CORNER 4 OF SAID TRACT 47, BEING ALSO CORNER 1 OF SAID TRACT 49, THE POINT OF BEGINNING;

EXCEPTING PARCEL 1719, DESCRIBED AS FOLLOWS:

A PARCEL OF LAND DESCRIBED IN BOOK 292 AT PAGE 427 OF THE EAGLE COUNTY RECORDS AS FOLLOWS:

A PARCEL OF LAND HEREBY DESIGNATED PARCEL 1719, WITHIN TRACT 44, SECTION 9, TOWNSHIP 5 SOUTH, RANGE 84 WEST OF THE 6TH PRINCIPAL MERIDIAN, EAGLE COUNTY, COLORADO, ACCORDING TO INDEPENDENT RESURVEY OF SAID TOWNSHIP AND RANGE AS APPROVED BY THE SURVEYOR GENERAL IN DENVER, COLORADO ON JUNE 20, 1922, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT FROM WHICH CORNER NO. 5 OF TRACT 38 OF SAID TOWNSHIP AND RANGE BEARS NORTH 17 DEGREES 45 MINUTES 22 SECONDS WEST, 808.38 FEET DISTANCE; THENCE SOUTH 66 DEGREES 15 MINUTES 50 SECONDS EAST, 225.03 FEET; THENCE SOUTH 29 DEGREES 55 MINUTES 26 SECONDS EAST, 172.27 FEET; THENCE SOUTH 20 DEGREES 18 MINUTES 12 SECONDS WEST, 28.11 FEET TO A POINT ON AN EXISTING FENCELINE; THENCE ALONG SAID FENCELINE NORTH 69 DEGREES 24 MINUTES 28 SECONDS WEST, 360.77 FEET; THENCE NORTH 21 DEGREES 43 MINUTES 52 SECONDS EAST, 150.02 FEET TO THE POINT OF BEGINNING.



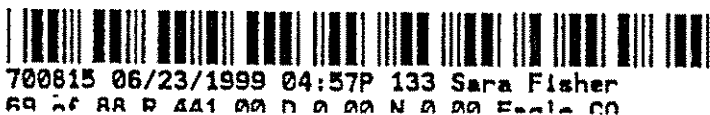
PARCEL 2

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 21, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE QUARTER-SECTION CORNER COMMON TO SECTIONS 20 AND 21, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE, FROM WHICH SAID TOWN OF EAGLE STREET MONUMENT AT BROADWAY AND FIFTH STREET BEARS NORTH 02 DEGREES 50 MINUTES 34 SECONDS WEST, 18,077.42 FEET; THENCE ALONG THE EAST AND WEST CENTERLINE OF SAID SECTION 21 NORTH 89 DEGREES 59 MINUTES 13 SECONDS EAST, 1,319.21 FEET TO THE CENTER-WEST SIXTEENTH-SECTION CORNER OF SAID SECTION; THENCE ALONG THE NORTH AND SOUTH CENTERLINE OF THE NORTHWEST QUARTER OF SAID SECTION 21 NORTH 00 DEGREES 18 MINUTES 28 SECONDS WEST, 1,312.49 FEET TO THE NORTHWEST SIXTEENTH-SECTION CORNER OF SAID SECTION; THENCE ALONG THE EAST AND WEST CENTERLINE OF THE NORTHWEST QUARTER OF SAID SECTION 21 SOUTH 89 DEGREES 54 MINUTES 18 SECONDS EAST, 1,324.24 FEET TO THE CENTER-NORTH SIXTEENTH-SECTION CORNER OF SAID SECTION; THENCE ALONG THE NORTH AND SOUTH CENTERLINE OF SAID SECTION 21 SOUTH 00 DEGREES 05 MINUTES 18 SECONDS EAST, 1,309.98 FEET TO THE CENTER QUARTER-SECTION CORNER OF SAID SECTION; THENCE CONTINUING ALONG THE NORTH AND SOUTH CENTERLINE OF SAID SECTION 21 SOUTH 00 DEGREES 05 MINUTES 18 SECONDS EAST, 1,322.05 FEET TO THE CENTER-SOUTH SIXTEENTH-SECTION CORNER OF SAID SECTION; THENCE ALONG THE EAST AND WEST CENTERLINE OF THE SOUTHWEST QUARTER OF SAID SECTION SOUTH 89 DEGREES 50 MINUTES 55 SECONDS WEST, 1,319.37 FEET TO THE SOUTHWEST SIXTEENTH-SECTION CORNER OF SAID SECTION; THENCE ALONG THE NORTH AND SOUTH CENTERLINE OF THE SOUTHWEST QUARTER OF SAID SECTION SOUTH 00 DEGREES 04 MINUTES 54 SECONDS EAST, 1,325.24 FEET TO THE WEST SIXTEENTH-SECTION CORNER COMMON TO SECTIONS 21 AND 28; THENCE ALONG THE SECTION LINE COMMON TO SECTIONS 21 AND 28 SOUTH 89 DEGREES 42 MINUTES 38 SECONDS WEST, 1,319.53 FEET TO THE SECTION CORNER COMMON TO SECTIONS 20, 21, 28, AND 29, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG THE SECTION LINE COMMON TO SECTIONS 20 AND 21 NORTH 00 DEGREES 04 MINUTES 30 SECONDS WEST, 2,656.84 FEET TO THE POINT OF BEGINNING.

PARCEL 3

LOTS 1, 2, 3 AND 4, THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:



BEGINNING AT THE SECTION CORNER COMMON TO SECTIONS 21, 22, 27 AND 28, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE, FROM WHICH SAID TOWN OF EAGLE STREET MONUMENT AT BROADWAY AND FIFTH STREET BEARS NORTH 16 DEGREES 38 MINUTES 28 SECONDS WEST, 21,586.51 FEET; THENCE ALONG THE SECTION LINE COMMON TO SAID SECTIONS 27 AND 28 SOUTH 00 DEGREES 06 MINUTES 49 SECONDS EAST, 2,644.37 FEET TO THE QUARTER-SECTION CORNER COMMON TO SECTIONS 27 AND 28, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE ALONG THE EAST AND WEST CENTERLINE OF SAID SECTION 28 SOUTH 89 DEGREES 44 MINUTES 22 SECONDS WEST, 1,326.13 FEET TO THE CENTER-EAST SIXTEENTH-SECTION CORNER OF SAID SECTION; THENCE ALONG THE NORTH AND SOUTH CENTERLINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28 SOUTH 00 DEGREES 00 MINUTES 14 SECONDS EAST, 1,321.54 FEET TO THE SOUTHEAST SIXTEENTH-SECTION CORNER OF SAID SECTION; THENCE ALONG THE EAST AND WEST CENTERLINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28 SOUTH 89 DEGREES 48 MINUTES 42 SECONDS WEST, 1,328.33 FEET TO THE CENTER-SOUTH SIXTEENTH-SECTION CORNER OF SAID SECTION; THENCE ALONG THE NORTH AND SOUTH CENTERLINE OF SAID SECTION 28 NORTH 00 DEGREES 05 MINUTES 31 SECONDS EAST, 1,319.88 FEET TO THE CENTER QUARTER-SECTION CORNER OF SAID SECTION; THENCE CONTINUING ALONG THE NORTH AND SOUTH CENTERLINE OF SAID SECTION 28 NORTH 00 DEGREES 05 MINUTES 31 SECONDS EAST, 1,320.09 FEET TO THE CENTER-NORTH SIXTEENTH-SECTION CORNER OF SAID SECTION; THENCE ALONG THE EAST AND WEST CENTERLINE OF THE NORTHEAST QUARTER OF SAID SECTION 28 NORTH 89 DEGREES 41 MINUTES 36 SECONDS EAST, 1,323.76 FEET TO THE NORTHEAST SIXTEENTH-SECTION CORNER OF SAID SECTION; THENCE ALONG THE NORTH AND SOUTH CENTERLINE OF THE NORTHEAST QUARTER OF SAID SECTION 28 NORTH 00 DEGREES 00 MINUTES 39 SECONDS WEST, 1,321.52 FEET TO THE EAST SIXTEENTH-SECTION CORNER COMMON TO SECTIONS 21 AND 28; THENCE ALONG THE SECTION LINE COMMON TO SECTIONS 21 AND 28 NORTH 89 DEGREES 37 MINUTES 50 SECONDS EAST, 495.55 FEET TO THE CLOSING CORNER FOR SAID SECTION LINE ON THE 2-3 LINE OF TRACT 83, A 2 1/2" DIAMETER G.L.O. BRASS CAP MONUMENT FOUND IN PLACE; THENCE CONTINUING ALONG SAID SECTION LINE NORTH 89 DEGREES 41 MINUTES 04 SECONDS EAST, 825.84 FEET TO THE POINT OF BEGINNING.

INCLUDED WITHIN SAID PARCEL A, HOWEVER, UNDER SEPARATE OWNERSHIP:

A PARCEL OF LAND LOCATED IN TRACT 70 AND SECTIONS 15 AND 16, TOWNSHIP 5 SOUTH, RANGE 84 WEST OF THE 6TH PRINCIPAL MERIDIAN, ACCORDING TO INDEPENDENT RESURVEY SUPPLEMENTAL PLAT AS APPROVED BY THE SURVEY GENERAL ON JUNE 20, 1922; COUNTY OF EAGLE, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS; WITH ALL BEARINGS CONTAINED HEREIN BASED UPON SOUTH 88 DEGREES 29 MINUTES 52 SECONDS EAST BETWEEN THE FOUND 2 1/2" DIAMETER U.S. G.L.O. BRASS CAP MONUMENT PROPERLY

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3) 230.49 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 827.00 FEET, THE CHORD OF WHICH BEARS NORTH 48 DEGREES 05 MINUTES 11 SECONDS WEST, 229.74 FEET;

4) NORTH 56 DEGREES 04 MINUTES 15 SECONDS WEST, 558.65 FEET;

5) 264.57 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 555.00 FEET, THE CHORD OF WHICH BEARS NORTH 42 DEGREES 24 MINUTES 54 SECONDS WEST, 262.07 FEET;

6) NORTH 28 DEGREES 45 MINUTES 28 SECONDS WEST, 250.87 FEET;

7) 193.48 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 315.00 FEET, THE CHORD OF WHICH BEARS NORTH 46 DEGREES 21 MINUTES 14 SECONDS WEST, 190.45 FEET TO THE SOUTH LINE OF TRACT 43;

THENCE DEPARTING SAID RIGHT-OF-WAY NORTH 89 DEGREES 50 MINUTES 09 SECONDS EAST, 787.91 FEET ALONG THE SOUTH LINE OF TRACT 43 TO CORNER NO. 1, TRACT 44; THENCE NORTH 02 DEGREES 30 MINUTES 35 SECONDS EAST, 257.65 FEET ALONG THE WEST LINE OF TRACT 38; THENCE DEPARTING SAID WEST LINE OF TRACT 43 NORTH 88 DEGREES 19 MINUTES 39 SECONDS EAST, 1524.93 FEET TO THE EAST LINE OF TRACT 38; THENCE SOUTH 00 DEGREES 34 MINUTES 41 SECONDS WEST, 257.29 FEET ALONG SAID EAST LINE TO CORNER NO. 2, TRACT 38; THENCE SOUTH 02 DEGREES 59 MINUTES 06 SECONDS WEST, 1324.75 FEET TO THE POINT OF BEGINNING.

PARCEL D:

LOTS 1, 2, 3, AND 4, TRACT 88, SECTION 10, TOWNSHIP 5 SOUTH, RANGE 84 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EAGLE COUNTY, COLORADO, CONTAINING APPROXIMATELY 76.51 ACRES;

LOT 1, TRACT 88, SECTION 14, TOWNSHIP 5 SOUTH, RANGE 84 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EAGLE COUNTY, COLORADO, CONTAINING APPROXIMATELY 33.2 ACRES; AND

LOTS 1, 2, 3, 4, 5, 7, 9, AND 11, TRACT 88, SECTION 15, TOWNSHIP 5 SOUTH, RANGE 84 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EAGLE COUNTY, COLORADO, CONTAINING APPROXIMATELY 246.85 ACRES.



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PARCEL E:

PARCEL A

A TRACT OF LAND LOCATED IN TRACT 49 OF SECTION 5, TOWNSHIP 5 SOUTH, RANGE 84 WEST, 6TH PRINCIPAL MERIDIAN, COUNTY OF EAGLE AND STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT THE WITNESS CORNER TO CORNER NO. 1, ON THE SOUTH BANK OF BRUSH CREEK, AN IRON PIPE WITH A BRAZED CAP, SET IN THE GROUND IN CONCRETE, AT A FENCE CORNER, CAP IS MARKED W.C., COR. NO. 1, MULLEN TRACT, 4551, FROM WHICH CORNER NO. 1 OF SAID TRACT 49 BEARS N. 02°23'30" E. 116.92 FEET DISTANT; THENCE N. 02°23'30" E. 33.00 FEET TO THE TRUE POSITION FOR CORNER NO. 1, THIS CORNER FALLS IN THE APPROXIMATE CENTER OF BRUSH CREEK; THENCE S. 86°43'30" W. 100.48 FEET ALONG THE APPROXIMATE CENTER OF BRUSH CREEK TO CORNER NO. 2; THENCE N. 46°34'10" W. 208.85 FEET ALONG THE APPROXIMATE CENTER OF BRUSH CREEK TO CORNER NO. 3; THENCE S. 09°23' E. 25.00 FEET TO THE WITNESS CORNER FOR CORNER NO. 3, ON THE SOUTH BANK OF BRUSH CREEK, AN IRON PIPE WITH A BRAZED CAP, SET IN THE GROUND IN CONCRETE, CAP IS MARKED W.C., COR. NO. 3, MULLEN TRACT, 4551; THENCE ON THE SAME COURSE (S. 09°23' E.) 202.98 FEET TO CORNER NO. 4, AN IRON PIPE WITH A BRAZED CAP, SET IN THE GROUND IN CONCRETE, CAP IS MARKED COR. NO. 4, MULLEN TRACT, 4551; THENCE S. 42°41'20" W. 311.50 FEET TO CORNER NO. 5; AN IRON PIPE WITH A BRAZED CAP, SET IN THE GROUND IN CONCRETE NEAR A FENCE LINE AND AN IRRIGATION DITCH, CAP IS MARKED COR. NO. 5 MULLEN TRACT, COR. NO. 1 MONTGOMERY TRACT, 4551; THENCE S. 53°19' E. 498.95 FEET TO CORNER NO. 6, AN IRON PIPE WITH A BRAZED CAP, SET IN THE GROUND IN CONCRETE NEAR A FENCE LINE AND AN IRRIGATION DITCH, CAP IS MARKED COR. NO. 6 MULLEN TRACT, COR. NO. 6 MONTGOMERY TRACT, 4551; THENCE N. 02°25'20" E. 581.62 FEET TO SAID WITNESS CORNER TO CORNER NO. 1, THE PLACE OF BEGINNING.

PARCEL B

A TRACT OF LAND LYING IN TRACTS 49 AND 47 OF SECTION 5 OF THE INDEPENDENT RESURVEY OF TOWNSHIP 5 SOUTH, RANGE 84 WEST OF THE 6TH PRINCIPAL MERIDIAN APPROVED BY THE SURVEYOR GENERAL AT DENVER, COLORADO ON JUNE 20, 1922, MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT CORNER NO. 1, A POINT IN THE CENTER OF BRUSH CREEK FOR WHICH A WITNESS CORNER BEARS S. 09°23' E. 25.00 FEET DISTANT AND CORNER NO. 1 OF SAID TRACT 49 BEARS S. 78°04' E. 261.13 FEET DISTANT; THENCE ALONG THE CENTERLINE OF BRUSH CREEK AS IT NOW EXISTS S. 84°59'40" W. 68.77 FEET TO CORNER NO. 2, FROM WHICH A WITNESS CORNER FOR CORNER NO. 2 BEARS S. 15°00' E. 15.00 FEET DISTANT; THENCE S. 67°44'40" W. 403.15 FEET TO CORNER NO. 3, FROM



WHICH A WITNESS CORNER FOR CORNER NO. 3 BEARS S. 00°08' W. 25.00 FEET DISTANT; THENCE N. 56°43'10" W. 79.00 FEET TO CORNER NO. 4 FROM WHICH A WITNESS CORNER FOR CORNER NO. 4 BEARS S. 16°00' W. 20.00 FEET DISTANT; THENCE N. 77°17'30" W. 130.93 FEET TO CORNER NO. 5, A POINT AT THE INTERSECTION OF THE CENTERLINE OF BRUSH CREEK WITH THE SOUTHERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 6 AS IT NOW EXISTS, FROM WHICH A WITNESS CORNER FOR CORNER NO. 5 BEARS S. 28°54'20" W. 32.29 FEET DISTANT; THENCE S. 67°24' W. 160.94 FEET ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 6 TO CORNER NO. 6, IDENTICAL WITH A HIGHWAY RIGHT OF WAY MARKER IN PLACE; THENCE S. 23°15'10" E. 50.08 FEET TO CORNER NO. 7, IDENTICAL WITH A HIGHWAY RIGHT OF WAY MARKER IN PLACE; THENCE S. 67°00'50" W. 117.51 FEET ALONG THE SOUTHERLY RIGHT OF WAY FENCE LINE OF THE AFOREMENTIONED HIGHWAY TO CORNER NO. 8; THENCE S. 72°59'30" W. 730.29 FEET TO CORNER NO. 9; THENCE N. 42°41'20" E. 311.50 FEET TO CORNER NO. 10; THENCE N. 09°23' W. 202.98 FEET TO THE WITNESS CORNER FOR CORNER NO. 1; THENCE N. 09°23' W. 25.00 FEET TO CORNER NO. 1, THE PLACE OF BEGINNING; COUNTY OF EAGLE, STATE OF COLORADO.



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EXHIBIT C

EAGLE RANCH PUD
WILDLIFE MITIGATION AND ENHANCEMENT PLAN

January 8, 1999

This Wildlife Mitigation and Enhancement Plan (Plan), developed for the proposed Eagle Ranch Planned Unit Development, proposes West Eagle Ranch L.L.C.'s commitments to avoid, minimize, and mitigate impacts resulting from the proposed development. Through consultation with the Colorado Division of Wildlife (CDOW) over the approximately four year period during which field data were collected and the project designed, substantive changes have been made to the development resulting in a considerable reduction of potential impacts to wildlife and their habitats. The standards contained in this plan are consistent with, or exceed, those associated with other wildlife mitigation and enhancement plans prepared for other Eagle County developments.

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1.1 BACKGROUND

West Eagle Ranch, LLC, developers (hereinafter "owners") of the Eagle Ranch and Brush Creek Stables properties, jointly hereinafter known as the Eagle Ranch Planned Unit Development (PUD), its successors or assigns, ultimately including a Homeowners Association which will undertake owners' responsibilities under this Agreement, and the CDOW, hereby agree to the following stipulations in conjunction with the Eagle Ranch PUD, Town of Eagle (Town), Eagle County, Colorado. It is also recognized that this PUD will become an extension of the Town of Eagle, which will also be responsible for enforcing the provisions of this Plan and agreement. This commitment will be executed at or before approval of the first Final Plat for Eagle Ranch by the Town. The CDOW recognizes that the measures herein committed to adequately mitigate wildlife-related impacts associated with construction and habitation of Eagle Ranch, as set forth in the approved Preliminary Plan.

This wildlife mitigation and enhancement plan was developed to avoid, minimize, and mitigate wildlife impacts resulting from the Eagle Ranch PUD approved by the Town. The specifics contained herein have evolved from existing wildlife information, results of field surveys, discussions, meetings, and site visits with CDOW representatives, input from the Town and the public, and meetings and discussions with professionals representing the owners. This plan not only considers the present development approval, but also considers how the development can be integrated into existing, approved but unbuilt, and potential surrounding developments, to facilitate continued wildlife use.

This plan is organized by wildlife issues. Where mitigation measures apply to more than one issue, they are discussed under the most appropriate issue and only mentioned elsewhere. Map



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1 (attached) shows wildlife constraints on and adjacent to the property. Map 2 (attached) shows the proposed golf course and residential development plan.

1.2 BIG GAME WINTER RANGE

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Portions of Eagle Ranch overlap various designations of elk and deer winter range, which are considered critical habitats in Eagle County (Map 1). Development has avoided the majority of such designated habitats on the property to the maximum extent feasible (Map 2). Big game wintering on these areas of the property will continue to do so. The areas of undeveloped big game winter range have been designated as open space and will be deeded to the Town of Eagle. Management of these lands will be the responsibility of the Town. Management of these lands may include seasonal closures to facilitate wildlife use.

While most winter range on the PUD has been avoided, some margins of winter range will be developed. Big game which formerly wintered on these areas be displaced to adjacent habitats. Enhancement of adjacent, undisturbed winter range, through fertilization, burning, shrub manipulation, etc., is an effective compensatory approach that can be implemented on-site and on adjacent properties to accommodate animals displaced from developed portions of Eagle Ranch.

The Eagle Area Community Plan (Town of Eagle 1996) recommends developing, adopting, and applying wildlife habitat protection measures to developments such as Eagle Ranch and presently requires that sensitive habitats, such as critical big game winter range, be protected "to the maximum extent feasible" by, for example, incorporating such areas into open space. While the term "maximum extent feasible" is open to interpretation, the present Eagle Ranch development proposal goes far in avoiding and minimizing winter range impacts and shall be considered to have met this standard. However, owners propose to exceed this standard by compensating for impacts to wildlife by establishing an entity that will be empowered and funded to promote a variety of enhancement techniques.

To that end, owners shall establish the Eagle Ranch Wildlife Trust Fund (ERWTF) whose interest and/or principal will be used to fund wildlife, stream, and riparian enhancements, including compensatory big game winter range enhancement. Fund principal will be obtained from payments generated from a 0.2% real estate transfer fee established for all new and resale residences purchased within the Eagle Ranch PUD. Projected initial sales to full buildout of 1,100 units would generate approximately \$700,000. into the Fund, with resales generating approximately \$40,000. to \$60,000. per year. This mechanism would provide substantial initial and ongoing contributions to a fund that should adequately compensate project-related wildlife impacts.

This Fund will be used for Eagle Ranch authorized and CDOW-approved wildlife enhancement projects in Eagle County, on or within five miles of Eagle Ranch. On-site mitigation generally has the highest efficacy, followed by mitigation or enhancement in adjacent areas. It is the intention that all mitigation efforts be focused on those animals affected by Eagle Ranch development.



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Disbursement of funds shall be overseen by the Eagle Ranch Wildlife Committee, composed of community and Town representatives, advised by the CDOW and other resource professionals. Funds will be applied to a wide variety of wildlife and habitat enhancement projects, including, but not limited to stream, riparian, wetland, fisheries, winter range compensation/ enhancement, purchases of additional open space with important wildlife values, wildlife-related education, etc.

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1.3 SETBACKS

Maintain an arbitrary 100 foot setback from the closest edge of building envelopes adjacent to BLM lands to buffer residential activities from public lands and public activities (e.g., hunting, trapping, etc.). Maintain 200 foot setbacks from the Eagle Valley Land Trust (EVLTL) parcel to buffer wildlife (e.g., winter bald eagle) and recreational use (e.g., waterfowl hunting) on that parcel from residential activities originating on Eagle Ranch. The bicycle/ pedestrian and footpaths as indicated on the approved park and trails plans shall be allowed within this setback as shown. These paths may be subject to seasonal closures for wildlife protection.

Building setbacks have been addressed in the Eagle Ranch PUD Guide. Building setbacks of 100 feet along Brush Creek would be adequate for filtering runoff. Residential property lines shall maintain a 50 foot setback from Brush Creek, allowing a zone for high value riparian vegetation to develop following its suppression by cattle grazing. Building setbacks of 50 feet from other intermittent creeks on the property should be adequate to protect water quality and allow riparian development. It is recognized that some roads will cross Brush Creek and its tributaries. In those areas, Best Management Practices shall be implemented to contain sediment and erosion on-site during construction and operation. Disturbed areas will be immediately revegetated to reduce erosion. Of particular concern is insuring that sediment, chemicals, and runoff are contained on-site. Any sediment ponds should be properly engineered to control runoff. Furunculosis outbreaks, thought to be caused by runoff, have occurred in the Eagle River. Impacts to jurisdictional wetlands will be protected by the Clean Water Act.

Portions of Abrams, Heritage and Third Gulch are severely degraded and will be subject to disturbance and enhancement as part of the work permitted under the U.S. Army Corps of Engineers 404 permit. All work on these streams shall be in compliance with the 404 permit and shall implement Best Management Practices to contain sediment and erosion on-site during construction and operation. Disturbed areas will be immediately revegetated to reduce erosion.

1.4 BUILDING ENVELOPES

The Subdivision Final Plat or Plats for Parcels K, L, and M shall contain appropriate notations requiring building envelopes to be designated on certain lots prior to any site grading or other disturbance of the designated lot. Specifically, any lot over 1/2 acre that is located within, or partially within, areas of native vegetation that have not been previously cultivated for agricultural use shall be limited to a building envelope of 16,500 square feet. Developer's application(s) for Subdivision Final Plat approval for parcels, K, L and M shall include a supplemental exhibit specifying designated building envelopes. Upon approval of such building



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envelopes by the Town, any modification of such envelopes shall require approval from the Design Review Committee and the Town. Any modification to such approved building envelopes shall be requested by the lot owner or building architect prior to any Design Review Committee concept approval. The proposed modified building envelope shall be indicated graphically on a landscape/site plan. This landscape/site plan shall also include calculations to indicate the building envelope does not exceed 16,500 sq. ft. Following approval of a request for a modified building envelope by the Design Review Committee, such request shall be submitted to the Town for approval. The Town reserves the right not to issue a building site improvement permit until a designated building envelope, if required, has been approved by the Town.

The building envelope shall include the residence, any allowable outbuildings, driveways, walkways, patios, and landscaped areas.

All portions of a lot outside of the designated 16,500 square feet building envelope shall be retained in its natural state to maintain undisturbed native vegetation as wildlife habitat. No grading, vegetation manipulation or landscaping shall be permitted to these lands. Underground utility crossings shall be permitted but must be revegetated to a natural condition subject to Design Review Committee and Town approval.

Homeowners will be educated to appreciate and maintain the existing vegetative community, particularly woodlands and shrubby areas which provide critical wildlife cover and forage values. The area of fertilized, irrigated landscaping each residence (in the parcels specified above in this section) is permitted to have shall be restricted to $\leq 10,000$ square feet. Residents will also be educated to recognize that they have moved into wildlife habitat, that some wildlife will have strong compulsions to eat what homeowners plant, and that the CDOW will not be liable for wildlife damage to landscaping.

1.5 SEASONAL USE RESTRICTIONS

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Insensitive recreational use of open space along the southern portions of Eagle Ranch (owned and managed by the Town), and public lands beyond, will adversely affect continued wildlife use of these properties. Seasonal use restrictions may be imposed and enforced by the Town to optimize wildlife use on and adjacent to Eagle Ranch.

Native habitats on and adjacent to Eagle Ranch represent critical elk and deer winter range. Recreational and maintenance uses of Open Space Parcels OS1 and OS2 (Map 2) will be restricted during the winter range occupancy period, extending from December 15 to April 15. The following uses and activities shall be prohibited in the above defined areas, during the above designated periods:

A. No construction activities (e.g., construction of those portions of the sewer/ water/ power/ telephone lines, water plants/ tanks, etc.), other than emergency maintenance, shall occur within this area on Eagle Ranch from December 15 to April 15. Construction access is permitted within the above defined areas year-round, as long as the access is confined to designated, existing roadways.



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Construction activities are permitted within designated development pods year-round.

B. Recreational use, including nordic skiing, hiking, bicycling, equestrian use, etc., of these habitats shall also be restricted from the above area from December 15 to April 15, with the exception of activities along established bike paths connecting various development parcels through narrow isthmuses of open space within the "interior" of the community.

To protect winter range values on BLM lands adjacent to Eagle Ranch, residents and guests of Eagle Ranch will be educated and discouraged from use of adjacent BLM lands during the big game winter range occupancy period (as defined above).

These seasonal/ area restrictions will be enforced through Eagle Ranch education efforts (described in Section 1.15, below) and through Town enforcement. Furthermore, because these conditions are part of the PUD, the CDOW could also enforce these restrictions.

1.6 RECLAMATION/ LANDSCAPING

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Native wildlife habitats disturbed by construction activity outside of building envelopes and along access/ utility easements/ corridors (including driveways) in portions of Parcels K, L, and M (Map 2), or Open Space Parcels OS1, OS2, and OS8 shall be reseeded or replanted with those native plant species originally present. A species list will be developed. Where service access is required, trees may be excluded from buried or overhead utility corridors. Road shoulders may exclude trees and shrubs to maximize vertical and horizontal sight-distances and reduce the probability of road-killed wildlife. Vehicle speeds within the development should be slow enough that road shoulders could be reseeded with plants palatable to big game without increasing the probability of road-kills.

Homeowners are strongly encouraged to landscape with native plant species to avoid wildlife damage. The CDOW will not be liable for wildlife damage to landscaping. A list of suitable landscaping materials, their maintenance and protection will be provided to homeowners.

1.7 DOGS AND PET CONTROL

Each dwelling unit will be permitted to house up to two dogs and offspring up to three months old. Residents will be prohibited from harboring dogs on their property unless they have adequate facilities (i.e., animals kept in residence, a fenced yard, dog run, or kennel) to contain the animals. Enclosed runs must be located immediately adjacent to the home, within the lot's building envelope if an envelope is required, and shall not exceed 1,000 square feet. If facilities are inadequate to contain the dog(s), the animals will be immediately removed from the subdivision until adequate structures can be built.

At no time are dogs to be allowed to run freely. Eagle Ranch shall be subject to any and all leash laws and other pet regulations as adopted by the Town of Eagle.

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Stray dogs may also be controlled by the County and CDOW. Homeowners not in compliance with these dog restrictions will be responsible for any and all costs incurred by the Town, County, and/or CDOW for enforcing these provisions.

1.8 FENCING

Fencing on lots within the portions of Parcels K, L, and M that require building envelopes will be restricted to facilitate local wildlife movements, optimize habitat availability, and reduce wildlife mortality. Fencing approval will be under the purview of the Design Review Board or Homeowners Association. Homeowners will be permitted a privacy fence to enclose up to 5,000 square feet, provided it is immediately adjacent to the house and it is entirely within the designated building envelope, unless further restricted by the Eagle Ranch Design Review Board. All other fences shall be compatible with wildlife movements and conform to the following specifications:

Wildlife compatible fencing is limited to a maximum of 3 strands of wire (smooth wire preferred) or 2 wooden rails. Individual rails shall not be more than 4 inches tall to provide adequate space for wildlife to move between rails. The top of the top rail or wire strand shall not be higher than 42 inches above mean ground level. With the exception of a split-rail design, a rail fence shall not have a top rail oriented horizontally whose width perpendicular to the ground exceeds 1 inch. This measure is to prevent snow accumulation atop the top rail from restricting big game movements. The middle wire strand shall be no higher than 30 inches above mean ground level, providing a 12 inch kickspace below the top strand. The bottom rail or wire strand shall be at least 18 inches above mean ground level, to provide sufficient clearance for passage of elk calves, deer fawns, and other wildlife.

Fencing may be subject to more restrictive provisions as stated in the Protective Covenants, Design Guidelines, or other documents related to the property.

1.9 BEARS AND MOUNTAIN LIONS/ TRASH-REMOVAL/ NUISANCE WILDLIFE

1.9.1 Bears and Related Issues

Portions of Eagle Ranch are located adjacent to high quality black bear habitat. Most bears do not cause damage where residential areas have encroached into bear habitat. The key is that if a bear doesn't find food it will move on. Black bears are omnivorous and while they mostly eat vegetation, they will eat almost anything. They will eat human food, garbage, hummingbird nectar, bird seed, pet food, grease off grills, suntan lotion, etc. Garbage generally provides the greatest attraction for bears to residential developments. Once a bear has found an easily accessible, consistent food source, it will often overcome its wariness of people and visit the site regularly. This increases the chance of a bear-human encounter. After repeated use of the food source, the bear may even act aggressively toward residents, their pets, or their unsuspecting neighbors. When this happens and wildlife authorities are notified, the bear is usually killed to

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protect human safety.

The following measures will be required to reduce potential bear problems:

1. There shall be no outside storage of any trash or garbage, no matter how briefly (e.g., overnight), at any residence or anywhere within the development, unless it is contained within individual bear-proof containers which meet North American Bear Society, CDOW, or U.S. National Park Service specifications. These containers presently cost around \$300.00 and can contain one 32 gallon trash can. They are nonmobile and are generally cemented on a stand at the junction of a resident's driveway and the local road. Most homeowners need two containers.
2. Prior to disposal, any refuse that might attract bears should be kept within the garage in a suitable receptacle with a tight-fitting lid. Trash containers should be taken to the collection points (e.g., the end of driveways or in alley ways) the morning of collection and not put out the night before.

However, following these recommendations may not eliminate bear problems. Bears have broken into attached residential garages in the surrounding area for garbage. Bear-proof containers are the most secure approach to garbage disposal.

3. There shall be no dumps or underground disposal of refuse within the development. Buried garbage will attract bears.
4. Residents should be discouraged from using a garden compost pile, unless the compost pile is bear-proof, meeting North American Bear Society, CDOW, or U.S. National Park Service specifications. Residents will also be educated that household and garden waste contributions to compost piles compose the materials that can attract bears and other nuisance wildlife (e.g., skunks), creating conflicts. Composted yard waste consisting of leaves, grass, small branches, etc. do not usually attract bears.
5. Pets shall not be fed outside. Bowls of pet food left on the back deck will attract bears and other predators (e.g., coyotes) and nuisance species (e.g., skunks) of wildlife. Some of these wildlife species may carry diseases that can be transmitted to pets.
6. With the exception of bird feeders, the feeding, baiting, salting, or other means of attracting wildlife is illegal and will be prohibited.
7. Homeowners will be educated about bears and other local wildlife via the CDOW's brochure entitled "Living with Wildlife in Bear Country". One copy of the brochure shall be provided to each homeowner at closing.

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1.9.2 Mountain Lions

Mountain lions are occasionally present year-round on Eagle Ranch, but may be more common from fall through spring when large numbers of deer and elk (prey species) are wintering and fawning/ calving at lower elevations. In other areas of Colorado where subdivisions have encroached upon mountain lion habitat containing high concentrations of prey species, encounters between lions, humans, and their pets and livestock have increased. The following measures will be implemented to minimize lion-human conflicts:

1. All residents and perspective residents will receive a copy of the CDOW's brochure entitled "Living with Wildlife in Mountain Lion Country". One copy of the brochure shall be provided to each homeowner at closing.
2. With the exception of bird feeders, the feeding, baiting, salting, or other means of attracting wildlife shall be prohibited on Eagle Ranch.

1.10 HORSES

There will be no boarding of horses on individual lots within the Eagle Ranch. Any horses owned by residents of Eagle Ranch will be boarded off-site. Eagle Ranch residents will not be permitted a temporary "saddle-up" area, corral, or other fenced areas to allow horses to be kept overnight, over a weekend, or for any length of time on their property.

1.11 WILDLIFE MORTALITY ON LOCAL ROADS

Vehicle speeds on most proposed roads within Eagle Ranch should be slow enough to avoid killing most wildlife that may be crossing roads. Vehicle speeds along the relocated Brush Creek Road will be higher, but will probably be below those speeds (i.e., >45 mph) where most wildlife mortality occurs. Eagle Ranch is not presently used as a significant east-west wildlife movement corridor, although that could change.

Eagle Ranch, however, is accessed by high speed roads, including I-70, Highway 6, and portions of Brush Creek Road south of the property, where moderate numbers of deer and elk are killed by vehicles each year. Obeying posted speed limits would not only reduce wildlife mortality, but would also reduce the risks of damage to personal property and injury to motorists. Eagle Ranch residents should be educated about avoiding wildlife mortality on roads in any educational information that is developed.

1.12 FISHERIES/ WATER QUALITY AND QUANTITY

The owners commit to developing an enhancement plan whose goal is to maintain, if not enhance, minimum Brush Creek instream flows. The proposed transfer of senior Eagle Ranch and Brush Creek Stables water rights to the Town should result in an annual net gain in surface water at full

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Eagle Ranch buildout.

A proposed riparian enhancement plan (see below) for Brush Creek on Eagle Ranch would benefit the local fishery.

Eagle Ranch representatives will consult with the CDOW to determine if and when a fish barrier might be required to preserve the integrity of the Abrams Creek cutthroat population. The design and installation of such a barrier will include CDOW consultation.

1.13 RIPARIAN ENHANCEMENT

Riparian habitats support some of the highest wildlife values of any habitat type. This community has been degraded as a result of historic and contemporary livestock management on Eagle Ranch and the Brush Creek Stables properties. A riparian enhancement plan for reaches of Brush Creek on Eagle Ranch will help this community achieve its wildlife potential, improving nongame and fishery values. After terminating livestock grazing and livestock access to the riparian zone, woody species such as cottonwoods and willows will attempt voluntary recolonization. This long process will be accelerated by stabilizing creek banks and planting woody vegetation and wetland species. A riparian enhancement plan has been developed for Eagle Ranch for Brush Creek and, as a part of the 404 permit, for the Brush Creek tributaries.

1.14 CDOW INDEMNIFICATION

Eagle Ranch shall indemnify the CDOW from any and all future wildlife damage claims. This commitment should be transmitted to residents at closing via a signed copy of this Wildlife Mitigation Agreement.

1.15 EDUCATING RESIDENTS

Homeowners moving to Eagle Ranch and the Brush Creek Valley will do so partly because of the natural setting and the wildlife it contains. Many homeowners will be unfamiliar with the wildlife of Colorado and its mountains and the responsibility that goes with living in this setting. Homeowners generally don't want to disturb, harass, or impact wildlife, but they often unwittingly do.

Homeowners will be educated about wildlife issues on Eagle Ranch by providing each homeowner one copy of this Wildlife Mitigation Agreement at the time of closing. Other wildlife-related education sources will include, but will not be limited to, information developed through the Eagle Ranch Wildlife Committee.

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be in violation and will be fined according to the fine structure outlined in this section.

The fines collected under this section of the Plan shall be deposited in the account of the Eagle Ranch Wildlife Protection Board to be used in accordance with the budget of such entity; provided, however, an amount equal to up to fifteen percent (15%) of the amount of the fines collected may be applied to the costs incurred by the association to administer and enforce this section.

1.17 LITERATURE CITED

Thompson, R.W. 1996. Wildlife assessment of West Eagle development, Town of Eagle, Eagle County, Colorado. Western Ecosystems, Inc. Boulder, CO. 53 pp.

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