

Draft for Preliminary Review

AFTER RECORDING RETURN TO:

BROWNSTEIN HYATT FARBER SCHRECK, LLP
ATTN: NICOLE AMENT
675 15th Street, Suite 2900
Denver, Colorado 80202

**MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
STAGECOACH MOUNTAIN RESORT**

Dated as of [____], 2024

DRAFT for Preliminary Plan Review

**MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
STAGECOACH MOUNTAIN RESORT**

TABLE OF CONTENTS **PAGE**

ARTICLE 1 DECLARATION 2

 2.1 Accessory Dwelling Unit..... 3

 2.2 Act..... 3

 2.3 Allocated Interests 3

 2.4 Annexable Property 4

 2.5 Articles of Incorporation..... 4

 2.6 Assessment..... 4

 2.7 Association Property..... 4

 2.8 Budget..... 5

 2.9 Building Envelope 5

 2.10 Bylaws..... 5

 2.11 Common Area..... 5

 2.12 Common Expenses..... 5

 2.13 Common Interest Community..... 7

 2.14 County..... 8

 2.21 Club Properties..... 8

 2.15 Declarant..... 8

 2.16 Declaration of Easement..... 8

 2.17 Deed of Trust 8

 2.18 Design Guidelines..... 8

 2.19 Design Review Committee 9

 2.20 Executive Board..... 9

 2.22 Household Pets..... 9

 2.23 Improvements 9

 2.24 Lease 10

 2.25 Lot 10

 2.26 Map..... 10

 2.27 Master Association..... 10

 2.28 Master Declaration..... 10

 2.29 Master Rules and Regulations 11

 2.30 Member 11

 2.31 Mortgage..... 11

2.32 Mortgagee 11

2.33 Mortgagor 11

2.34 Notice and Hearing 11

2.35 Occupant 11

2.37 Owner..... 12

2.38 Permitted Exceptions 12

2.39 Person..... 12

2.40 Plat 12

2.42 Site Plan 13

2.43 Real Estate Transfer Assessment 13

2.44 Registered Builder 13

2.45 Record or Recorded 13

2.46 Regular Assessment 13

2.47 Reimbursement Assessment 14

2.48 Roads..... 14

2.49 Special Assessment..... 14

2.50 Subassociation..... 14

2.51 Subassociation Common Area 15

2.20 Executive Board..... 15

2.52 Supplemental Declaration 15

2.53 Supplemental Plat 15

2.54 Trail System 15

2.55 Unit 16

ARTICLE 3 GENERAL RESTRICTIONS APPLICABLE TO THE COMMON INTEREST COMMUNITY 16

3.1 Master Development Control..... 16

3.2 Violation of Law, Insurance, Etc 17

3.3 General Maintenance of Common Interest Community 17

3.4 Residential Use and Occupancy..... 18

3.5 New Construction Required; No Temporary Buildings or Occupancy 18

3.6 Building Envelopes 19

3.7 Design Guidelines 19

3.8 No Interference with Waterways or Drainage or Irrigation Systems 21

3.9 Use of Easement Areas; Utility Installation..... 21

3.10 Restoration of Improvements in the Event of Damage or Destruction..... 22

3.12 Right of Entry 22

3.13 Damage by Owners During Construction..... 23

3.14 Restrictions on Resubdivision, Property Restrictions, and Rezoning 23

3.15 Health, Safety and Welfare 25

3.16 Implementation and Variances 25

3.17 Declarant Activities 25

ARTICLE 4 ROADS AND TRAIL SYSTEMS IN COMMON INTEREST COMMUNITY 26

4.1	Ownership and Maintenance.....	26
4.2	Easement for Access.....	26
4.3	Reserved Declarant Rights.....	26
4.4	No Liability for Gatehouses or Entry Gate or Security Patrol.....	27
4.5	Rights Appurtenant to Club Property	27
ARTICLE 5	[RESERVED.....	28
ARTICLE 6	DESIGN REVIEW COMMITTEE.....	28
6.1	Establishment of Design Review Committee	28
6.2	Power and Authority	28
6.3	Enforcement.....	29
ARTICLE 7	ASSOCIATION PROPERTY	32
7.1	Use and Enjoyment of Association Property	32
7.2	Master Association May Regulate Use of Association Property.....	32
7.3	Master Association to Maintain and Improve Association Property	32
7.4	No Partition of Association Property	33
7.5	Owner Liability for Owner or Occupant Damage to Association Property.....	33
7.6	Damage or Destruction to Association Property	33
7.7	Condemnation of Association Property	33
7.8	Title to Association Property Upon Dissolution of Master Association.....	34
7.9	Mechanic’s Liens on Association Property	34
ARTICLE 8	DECLARANT’S RESERVED RIGHTS.....	34
8.1	Construction of Improvements	35
8.2	Sales, Marketing and Management.....	36
8.3	Merger.....	36
8.4	Declarant Control of Master Association	36
8.5	Annexation of Additional Properties	36
8.6	Annexation Procedure.....	37
8.7	Annexation of Additional Unspecified Real Estate	38
8.8	Withdrawal Rights and Procedure	38
8.9	Effect of Expansion or Contraction	38
8.10	Subdivision of Lots or Units or Parcels	39
8.11	Transfer of Additional Property to Master Association.....	40
8.12	Other Reserved Development Rights.....	40
8.14	Declarant as Attorney-in-Fact For Owners.....	40
8.15	Transfer of Declarant’s Reserved Rights.....	40
8.16	Termination of Declarant’s Reserved Rights.....	41
ARTICLE 9	EASEMENTS.....	41
9.1	Easements for Incidental Encroachments	41
9.2	Blanket Master Association Utility and Drainage Easement Over Streets and Roads and Over Association Property	41

9.3	Master Association Administrative Easement Over Streets and Roads and Over Association Property	42
9.4	Declarant Easement Over Streets and Roads and Over Association Property	42
9.5	Utility, Drainage, and/or Irrigation Easements	42
9.6	Lake Maintenance Easements	43
9.7	Fence Easements	43
9.8	Stream or Brook Easements	43
9.9	Easements For Benefit of Club Property	43
9.10	Blanket Emergency Services Easement	44
9.11	Easements Deemed Created	44
9.12	Restrictions on Owners in Easement Areas	44
9.13	Recorded Easements and Licenses	44
ARTICLE 10	MASTER ASSOCIATION	45
10.1	Master Association	45
10.2	Master Association Executive Board	45
10.3	Membership in Master Association	46
10.4	Voting Rights of Members	46
10.5	Period of Declarant Control of Master Association	48
10.6	Termination of Contracts and Leases of Declarant	50
10.7	Master Association/Subassociations	50
ARTICLE 11	POWERS AND DUTIES OF MASTER ASSOCIATION	50
11.1	General Powers and Duties of Master Association	50
11.2	Power to Grant Easements	51
11.3	Power to Convey or Encumber Association Property	51
11.4	General Power to Provide Services and Facilities to Owners	51
11.5	Power to Provide Services to Subassociations	52
11.6	Power to Provide Special Services to Owners	52
11.7	Power to Charge for Special Association Property Uses and Special Master Association Services	53
11.8	Power to Acquire Property and Construct Improvements	53
11.9	Power to Adopt Master Rules and Regulations	53
11.10	Power to Contract with Employees, Agents, Contractors, Districts, Consultants and Managers	54
11.11	Power to Assign Future Income	54
11.12	Duty to Accept Property and Facilities Transferred by Declarant	54
11.13	Duty to Manage and Care for Association Property	55
11.14	Duty to Pay Taxes	55
11.15	Duty to Keep Master Association Records; Bi-Annual Audit or Review	55
11.16	Duty to Support Design Review Committee	56
11.17	Insurance	56
11.18	Damage to Common Interest Community	56
11.19	Limited Liability	57

11.20 Public Disclosures Required of Master Association..... 57

11.21 Executive Board Member Education 59

11.22 Owner Education 59

ARTICLE 12 ASSESSMENTS..... 59

12.1 Assessment Obligation and Lien 59

12.2 Statutory Lien..... 59

12.3 Lien Superior to Homestead and Other Exemptions 60

12.4 Priority of Lien..... 60

12.5 Perfection of Lien 61

12.6 Regular Assessments 61

12.7 Master Association Budget..... 62

12.8 Special Assessments 63

12.9 Reimbursement Assessments..... 63

12.10 Effect of Nonpayment of Assessments; Remedies of the Master
Association..... 67

12.11 Statement of Unpaid Assessments 68

12.12 Assessments for Tort Liability..... 68

ARTICLE 13 EMINENT DOMAIN 68

13.1 Definition of Taking 68

13.2 Representation in Condemnation Proceedings of Association Property 68

13.3 Award for Association Property 69

13.4 Taking of Lots..... 69

13.5 Miscellaneous 69

ARTICLE 14 SPECIAL PROVISIONS..... 69

ARTICLE 15 REGARDING THE [STAGECOACH MOUNTAIN RESORT CLUB 70

15.1 Mandatory Membership in the Club..... 70

15.2 Club Property 70

15.3 Acknowledgements Regarding Club Property..... 71

15.4 Rights of Access and Parking 73

15.5 Assumption of Risk and Indemnification 73

15.6 Landscape Easement..... 74

15.7 Club Property and Facilities..... 74

15.8 Club Property Hazards, Risks and Liabilities: Disclosure, Assumption of
Risk, Release and Indemnification 74

ARTICLE 16 GENERAL PROVISIONS 75

16.1 Duration of Master Declaration 75

16.2 Termination of Common Interest Community 75

16.3 Amendment of Master Declaration and Plat..... 75

16.4 Compliance; Enforcement 76

16.5 Rights of First Mortgagees..... 78

16.6 Sale of Lot or Unit – Disclosure to Buyer 79

16.7 Notice..... 80

16.8 No Dedication to Public Use..... 81

16.9 Interpretation of Master Declaration and Supplemental Declarations;
Conflicts with Act..... 81

16.10 Conflict With Plats..... 81

16.11 No Express or Implied Covenants on Lands Not Annexed 81

16.12 Violations Constitute a Nuisance..... 81

16.13 Declarant’s Disclaimer of Representations and Warranties 82

16.14 Captions 82

16.15 Singular Includes Plural..... 82

16.16 Remedies Cumulative 82

16.17 Costs and Attorneys’ Fees 82

16.18 Governing Law; Jurisdiction..... 83

16.19 Severability 83

16.20 Disclaimer Regarding Safety 83

Exhibit A Legal Description of Common Interest
Community

Exhibit B Legal Description of Annexable Property

Exhibit C Allocated Interests

Exhibit D Legal Description of Club Property

Exhibit E Recorded Easements and Licenses

**MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
[STAGECOACH MOUNTAIN RESORT]¹**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR [STAGECOACH MOUNTAIN RESORT] (this “**Master Declaration**”), effective this [] day of [_____], 2024, is made and entered into by **Steamboat Sponsor, LLC**, a Delaware limited liability company (the “**Declarant**”).

RECITALS

1. Declarant is the owner of that certain real property situated in Routt County, Colorado, more particularly described on **Exhibit A** attached hereto and by reference made a part hereof (the “**Common Interest Community**”).

2. Declarant intends by recording this Declaration to establish a general plan and scheme of development for the Common Interest Community to be known as Stagecoach Mountain Ranch. This Declaration provides for the Common Interest Community’s overall development, administration, maintenance, and preservation, and provides flexible and reasonable procedures for its future expansion. Declarant intends, without obligation, that when developed fully, the Community may include several residential neighborhoods, community gathering spaces, recreational facilities, club house, and recreational areas, including but not limited to open spaces, walkways and other social facilities.

3. Declarant plans to initially create and develop 694 legally separate Lots and Units With the potential addition to the Common Interest Community of the Annexable Property and of additional unspecified real estate, the maximum number of Lots and Units that may realistically be created and that Declarant reserves the right to create within the Common Interest Community is [twelve hundred (1200)] Lots and Units.

4. [Stagecoach Ranch Resort Master Association, Inc.]², a Colorado non-profit corporation, shall be formed as a master association to exercise the functions set forth herein and to own, lease, hold, operate, care for and manage certain property for the common benefit of Owners and Occupants of Lots and Units within, and of any other person acquiring an interest in the Common Interest Community.

5. Declarant desires and intends that the Owners, Mortgagees, Occupants and all other Persons hereafter acquiring any interest in the Common Interest Community shall at all times enjoy the benefits of, and shall hold their interests subject to, the

¹ NTD: Project name will be updated

² NTD: Master Assn name will be updated

covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements contained in this Master Declaration, as it may be amended from time to time by Supplemental Declaration or otherwise.

**ARTICLE 1
DECLARATION**

NOW, THEREFORE, for the purposes set forth above and herein, Declarant for itself and its successors and assigns hereby declares that the Common Interest Community and all other property which becomes subject to this Master Declaration in the manner hereinafter provided, and each part thereof, shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, improved, altered, maintained and enjoyed subject to the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations, exceptions, easements, privileges, rights and other provisions hereinafter set forth, for the duration hereof, all of which are declared to be part of, pursuant to, and in furtherance of a common and general plan of development, improvement, enhancement, use, occupancy and enjoyment of the Common Interest Community, and all of which shall run with the land and be binding upon and inure to the benefit of (i) the Common Interest Community and every part thereof, (ii) Declarant and its successors and assigns, (iii) the Master Association and its successors and assigns, (iv) every Member of the Master Association, and (v) all Owners, Occupants and other Persons having or acquiring any right, title or interest in or to the Common Interest Community or any part thereof, or any Improvement thereon, and their respective heirs, personal representatives, successors and assigns. Provided always, that to the extent this Master Declaration provides that Declarant shall not be bound by or is exempt from the application of certain covenants, conditions and restrictions contained herein, Declarant shall not be considered subject to such covenants, conditions or restrictions.

Notwithstanding the foregoing, in no event shall the Annexable Property or any portion thereof be burdened or benefited by or otherwise subject to any of the terms or provisions of this Master Declaration until such property has been annexed to the Common Interest Community, at Declarant's sole option and discretion, and expressly subjected to the terms and provisions hereof (and any amendments hereof affecting the annexed property as may be contained in the Supplemental Declaration therefor), all as more particularly provided herein. This Declaration shall be recorded in the Office of the Clerk and Recorder of Routt County, Colorado.

**ARTICLE 2
DEFINITIONS**

Unless otherwise expressly provided herein, the following words and phrases when used in this Master Declaration shall have the meanings hereinafter specified.

2.1 Accessory Dwelling Unit. “Accessory Dwelling Unit” means any separately occupiable apartment (containing a separate kitchen and outside entrance) that may be attached to or detached from a residence constructed on a Lot, and that may be approved for a particular Lot by the Design Review Committee. For purposes of this Master Declaration, an Accessory Dwelling Unit shall be considered a legally undivided part of the Lot upon which said Accessory Dwelling Unit is located, and all references to a Lot shall be deemed to include any Accessory Dwelling Unit located thereon.

2.2 Act. “Act” shall mean the Colorado Common Interest Ownership Act as provided in C.R.S. 38-33.3-101, et seq., as the same may be amended from time to time.

2.3 Allocated Interests. “Allocated Interests” means the Common Expenses liability and the votes in the Master Association allocated to each Lot or Unit, which interests are allocated as follows:

(a) The Common Expenses liability for each Lot or Unit is calculated on the basis of a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots and Units in the Common Interest Community as of the date of the calculation. The denominator may be increased from time to time by the Declarant upon the addition of Lots or Units to the Common Interest Community which can be conveyed to third parties. Such fraction is then multiplied by the Common Expenses or the Assessment in question to determine that Lot’s or Unit’s share thereof. The Common Expenses liability of a Lot or Unit is determined without reference to the size, location, value or use of the Lot or Unit.

(b) One (1) vote in the Master Association is allocated to each Lot and Unit in the Common Interest Community.

(c) The foregoing allocations may not discriminate in favor of Lots or Units owned by Declarant or an Affiliate of Declarant.

(d) If Lots or Units are added to or withdrawn from the Common Interest Community, (i) the Common Expenses liability for each Lot or Unit shall be reallocated on the basis of a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots and Units in the Common Interest Community following the addition or withdrawal of such Lots or Units, and (ii) one vote in the Master Association shall continue to be allocated to each Lot or Unit in the Common Interest Community following the addition or withdrawal of such Lots or Units.

(e) Notwithstanding any provision in this in this Section 2.3 to the contrary, the allocation of votes for Combined Lots and Split Lots shall calculated as set forth in Section 3.15 below.

The Allocated Interests for the Common Interest Community are specifically set forth on **Exhibit C** attached hereto and made a part hereof by this reference, as said **Exhibit C** may be amended from time to time.

2.4 Annexable Property. “**Annexable Property**” means that certain real property described on attached **Exhibit B**, which property has not yet been annexed to the Common Interest Community or made subject to the terms and provisions of this Master Declaration. In the sole discretion of Declarant, all or a portion of the Annexable Property may from time to time be annexed to, and made a part of, the Common Interest Community in the manner provided in this Master Declaration.

2.5 Applicable Law. “**Applicable Law**” means any and all applicable statutes, common laws, judicial determinations, ordinances, requirements, orders, directions, rules, and regulations having the force of law enacted or promulgated or issued by any federal, state, regional, county, or municipal governments or courts or by any of their respective departments, bureaus, or offices, or by any other governmental authorities with jurisdiction over the Property or the ownership, design, construction, reconstruction, alteration, renovation, restoration, replacement, zoning, use, land use, operation, management, condition (including environmental and non-environmental conditions), repair, or maintenance of the Property. Applicable Law shall be determined as it is constituted on the Effective Date, unless otherwise provided in this Master Declaration, and unless otherwise determined by Executive Board with the prior written approval of Declarant.

2.6 Articles of Incorporation. “**Articles of Incorporation**” or “**Articles**” means the Articles of Incorporation of Master Association, which have been filed with the office of the Secretary of State of the State of Colorado, as the same may be amended from time to time.

2.7 Assessment. “**Assessment**” means a Regular Assessment, Special Assessment, Reimbursement Assessment, or Real Estate Transfer Assessment.

2.8 Association Property. “**Association Property**” means, to the extent of the Master Association’s interest therein: (a) all real and personal property, including Improvements, now or hereafter owned or leased by the Master Association; (b) all Common Areas now or hereafter owned, leased or maintained by the Master Association, together with the Improvements thereon; (c) all easements created or reserved on any Plat, or Supplemental Plat, or in this Master Declaration or in any Supplemental Declaration, or in any separate agreement, for the use and benefit of the Master Association and/or the Owners, and (d) any water rights, ditch rights, and water systems, facilities and/or features (or interests therein) that may be owned, leased or maintained by the Master Association or which the Master Association is entitled to use. Association Property may be located within or outside the Common Interest Community. With the exception of easements which are Association Property, Association Property does not include the Lots or Units or the Improvements constructed thereon (including Lots or

Units owned from time to time by the Association), and is subject to the Permitted Exceptions.

2.9 Budget. “**Budget**” means a written itemized estimate of the Common Expenses to be incurred by the Master Association in performing its functions under this Master Declaration and adopted by the Executive Board pursuant to Section 12.7 of this Master Declaration.

2.10 Building Envelope. “**Building Envelope**” means that portion of a Lot which has been depicted and designated as the “Building Envelope” in documents kept in the official records of the Design Review Committee. All Improvements on each Lot must be located entirely within the Building Envelope, including but not limited to dwellings, attached patios and decks, garages, swimming pools and storage buildings, but excluding roof overhangs, access driveways, underground utilities, and irrigation and drainage systems. The Design Review Committee may approve the location of attached patios and decks outside the Building Envelope provided they are constructed at grade and have no railing. The Design Review Committee may also approve the location of certain other improvements outside the Building Envelope, such as landscaping and fences. In the Common Interest Community, only the Declarant shall have the right (but never the obligation) to construct perimeter fencing outside of Building Envelopes.

2.11 Bylaws. “**Bylaws**” means the Bylaws of the Master Association which have been or will be adopted by the Executive Board of the Master Association, as the same may be amended from time to time.

2.12 Combined Lot. “**Combined Lot**” shall have the meaning given in Section 3.15(a) of this Master Declaration.

2.13 Common Area. “**Common Area**” means any portion of the Common Interest Community designated in this Master Declaration or any Supplemental Declaration or on a Plat or any Supplemental Plat as Common Area or Limited Common Area or Open Space and which is owned or leased or maintained by the Master Association for the common use and enjoyment of the Owners and Occupants or some of them, including, but not limited to, pathways, trails, welcome and reception facilities, the designated historic cabin on the Nature Park Parcel and other security facilities and entry features.

2.14 Common Expenses. “**Common Expenses**” means any expenditures made or liabilities incurred by or on behalf of the Master Association, together with any allocations to reserves, including, but not limited to the following:

- (a) The costs of maintenance, management, operation, repair and replacement of the Association Property, and of all other parts of the Common Interest Community which are managed or maintained by the

Master Association, but excluding any areas being managed or maintained at the expense of a Subassociation;

(b) The costs of Improvements constructed from time to time by the Master Association on or in connection with Association Property, if such costs were included within a duly adopted Budget;

(c) Unpaid assessments;

(d) The costs of management and administration of the Master Association, including, but not limited to, compensation paid by the Master Association to managers, accountants, attorneys and employees;

(e) The costs of utilities and services (including, but not limited to, treated or raw water, electricity, gas, sewer, trash pick-up and disposal and recycling), which are provided to the Master Association or the Common Interest Community or parts thereof and not individually metered or assessed to Lots or Units, landscaping maintenance, and other services which generally benefit and enhance the value and desirability of the Common Interest Community or parts thereof and which are provided by or on behalf of the Master Association, but excluding any such utilities or services that may be provided by a Subassociation;

(f) The costs of insurance maintained by the Master Association as required or permitted herein, but excluding any insurance maintained by a Subassociation;

(g) Reasonable reserves for contingencies, replacements and other proper purposes as deemed appropriate by the Executive Board to meet anticipated costs and expenses including, but not limited to, maintenance, repair and replacement of Association Property that must be maintained, repaired or replaced on a periodic basis.

(h) The costs of bonding the members of the Executive Board, the officers of the Master Association, any professional managing agent or any other Person handling the funds of the Master Association;

(i) Taxes paid by the Master Association;

(j) Amounts paid by the Master Association for the discharge of any lien or encumbrance levied against Association Property or any portion thereof;

(k) The costs and expenses incurred by the Design Review Committee, and compensation that may be paid by the Master Association to members of the Design Review Committee;

(l) The costs and expenses incurred by any committees that may be established from time to time by the Executive Board, and compensation that may be paid by the Master Association to members of such committees;

(m) The costs of any security or security systems or services that may be installed, operated, monitored or contracted for by the Master Association for the benefit of the Common Interest Community or any part thereof;

(n) The costs of maintaining, operating and replacing informational, recreational, cultural, health-related or similar facilities or enterprises available to or for the benefit of all or a portion of the Common Interest Community;

(o) All expenses expressly declared to be Common Expenses by this Master Declaration or by a Supplemental Declaration, and all expenses lawfully determined to be Common Expenses by the Executive Board; and

(p) Other expenses incurred by the Master Association for any reason whatsoever in connection with Association Property, or the costs of any other item or service provided or performed by the Master Association pursuant to this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, or Design Guidelines, or in furtherance of the purposes of the Master Association or in the discharge of any duties or powers of the Master Association. In the event that any common services furnished to the Common Interest Community are part of services that are provided to or benefit property in addition to the Common Interest Community, Common Expenses shall only include the cost of such services reasonably allocated to the services provided to the Common Interest Community. Costs and expenses incurred by a Special District shall not be considered Common Expenses, although charges made by a Special District to the Master Association for services provided by the Special District pursuant to a contract with the Master Association shall be Common Expenses.

2.15 Common Interest Community. “**Common Interest Community**” means the Common Interest Community described on attached **Exhibit A** and any additional real property which may from time to time be annexed to the Common Interest Community and made subject to this Master Declaration by Supplemental Declaration and Supplemental Plat or Map, including all Lots, Units, Association Property, Common Elements and Limited Common Elements, if any, together with all Improvements and other amenities now or hereafter located thereon, and together with all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto. If any property is subsequently withdrawn from the Common Interest Community pursuant to the provisions of this Master Declaration, the term “Common Interest Community” shall thereafter not include said withdrawn property.

2.16 County. “County” means the County of Routt, State of Colorado.

2.17 Club Properties. “Club Property” means, initially, those certain properties adjacent to the Common Interest Community which are owned by the Declarant, its successors and assigns (individually, or if more than one, collectively, the “Club Property Owner” or the [Stagecoach Mountain Resort Club]” (the “Club”)) and which are more particularly described on **Exhibit D** attached hereto and made a part hereof by this reference, together with all [fishing, skiing,] tennis, swimming, clubhouse, other recreational, social, and maintenance improvements and facilities that may be located thereon from time to time [with the possible inclusion of an equestrian center.] Additional Club Property may be platted from time to time in connection with the development of Annexable Property. In no event shall the Club Property be deemed a part of the Common Interest Community, or be burdened by this Master Declaration. The Club Property is not Association Property. This Master Declaration does not grant or create any rights to or for the benefit of the Owners or Occupants of Lots or Units in the Common Interest Community to use or enjoy the Club Property or any part thereof or improvement or facility thereon for any purpose.

2.18 Declarant. “Declarant” means **Steamboat Sponsor, LLC**, a Delaware limited liability company, its successors, assigns, and affiliates. A Person shall be deemed to be a “successor and assign” of Declarant if specifically designated in a duly Recorded instrument as a successor or assign of Declarant under this Master Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Master Declaration which are specifically designated in that written instrument. The term “Affiliate of Declarant” shall have the meaning set forth in Section 38-33.3-103(1) of the Act.

2.19 Declaration of Easement and Rights. “Declaration of Easement and Rights” means that certain Declaration of [Skiing Facilities Development, Construction and Operational Easement] made by Declarant and recorded [] at Reception No. [] in the records of the Clerk and Recorder of Routt County, Colorado, which instrument establishes certain easements and restrictions on the Common Interest Community for the benefit of the [Owners, Permitted Users and Occupants], all as more particularly described therein and as may be amended by the parties hereto.

2.20 Deed of Trust. “Deed of Trust” means a Mortgage.

2.21 Design Guidelines. “Design Guidelines” means the rules, regulations, procedures, standards, guidelines and requirements promulgated from time to time by the Design Review Committee, and all amendments thereto, governing the review and approval or disapproval of proposed Improvements within the Common Interest Community, the performance of construction activities, the registration of Builders, and such other matters as the Design Review Committee considers necessary or appropriate.

2.22 Design Review Committee. “**Design Review Committee**” means the Design Review Committee provided for in Article 6 of this Master Declaration.

2.23 Effective Date. “**Effective Date**” means the date that this Master Declaration initially is Recorded, which is intended to be after the Plat initially is Recorded. If the Plat initially is Recorded after the date that this Master Declaration initially is Recorded, the Effective Date shall be the date that the Plat initially is Recorded.

2.24 Executive Board. “**Executive Board**” or “**Board**” means the Executive Board of the Master Association.

2.25 Governing Documents. “**Governing Documents**” means this Master Declaration, Plat, Map, Articles of Incorporation, Bylaws and Master Rules and Regulations, as they may be amended or supplemented from time to time.

2.26 Household Pets. “**Household Pets**” means generally recognized household pets such as dogs, cats, fish, birds, rodents, and non-poisonous reptiles. Except as provided in this Master Declaration and subject to Applicable Law, no animals, including domestic farm animals, fowl, or venomous reptiles of any kind may be kept, bred, or maintained in any portion of the Master Property, except a reasonable number of commonly accepted household pets (no more than 2 dogs and no more than 2 cats unless otherwise approved in advance and in writing by the Master Association Board). In no event shall any domestic pet be allowed to run free without a leash away from its Owner’s Lot or the Lot being used by a Permitted User, or conduct itself so as to create a nuisance. Except as provided in this Master Declaration, each Person shall immediately clean up waste left on the Property by each animal owned or in the care of such Person. All domestic pets must be registered with Master Association and must have proof of proper immunization presented with their registration. The Executive Board may further regulate and restrict animals on the Property by promulgating or amending the Master Rules and Regulations.

2.27 Icon Lot. “**Icon Lot**” means a Lot which has been identified as having the potential to have a significant visual impact when viewed from other portions of the Property due to its location, size, elevation, or other factors, and which is designated by Declarant as an Icon Lot in a Supplemental Declaration.

2.28 Improvements. “**Improvements**” means any improvements, structural or otherwise, alterations, additions, repairs, excavation, grading, landscaping or other work which in any way alter any property within the Common Interest Community, or the improvements located thereon, from its natural or improved state existing on the date this Master Declaration or a Supplemental Declaration for such property was first Recorded, including, but not limited to, dwelling units, buildings, outbuildings, additions, swimming pools, patio covers, awnings, the painting, staining or other change of any exterior surfaces of any visible structure, walkways, outdoor sculptures or artwork,

sprinkler or irrigation systems, garages, carports, roads, driveways, parking areas, ponds, ditches, fences, screening walls, retaining walls, stairs, decks, flag poles, fixtures, landscaping (including the addition, alteration or removal of any tree, shrub or other vegetation), hedges, windbreaks, plantings, planted trees and shrubs, gardens, poles, signs, tanks, solar equipment, wind harnessing or other energy generating equipment, exterior air conditioning, water softener fixtures, utilities, antennae and satellite dishes or receivers. Once an Improvement has been constructed or accomplished on a property within the Common Interest Community, any subsequent alteration of or addition to or removal of that Improvement shall also constitute an “Improvement” hereunder.

2.29 Initial Lots. “**Initial Lots**” shall have the meaning set forth in Section 3.15(a) of this Master Declaration.

2.30 Lease. “**Lease**” means and refers to any agreement for the leasing, rental, use or occupancy of a Unit, a residential dwelling located on a Lot, or an Accessory Dwelling Unit, within the Common Interest Community. The required terms and procedures for Leases are more particularly set forth in Section 16.26 below.

2.31 Lot. “**Lot**” means any part of the Common Interest Community which is designated as a Lot on a Plat or any Supplemental Plat or amendment, together with all Improvements thereon and appurtenances thereto. The term “Lot” shall not include Units.

2.32 Map. “**Map**” means any map that is incorporated in a Supplemental Declaration or amendment and that depicts a portion of the Common Interest Community in three dimensions. A Map is required for any portion of the Common Interest Community with Units having a horizontal boundary. A Map and a Plat may be combined in one instrument.

2.33 Master Association. “**Master Association**” means the [Stagecoach Mountain Resort Master Association, Inc.,] a Colorado nonprofit corporation, its successors and assigns.

2.34 Master Association Delegate. “**Master Association Delegate**” means the Person appointed by a Subassociation Board to represent the Members of a Subassociation and to cast votes on behalf of Members of a Subassociation regarding Master Association matters as provided in this Master Declaration.

2.35 Master Declaration. “**Master Declaration**” means this instrument and all Supplemental Declarations, as this instrument and such Supplemental Declarations may be amended from time to time.

2.36 Master Property Enhancement Fee. “**Master Property Enhancement Fee**” has the meaning given in Section 12.10.

2.37 Master Rules and Regulations. “**Master Rules and Regulations**” means rules and regulations adopted from time to time by the Executive Board, as provided in Section 11.9 of this Master Declaration.

2.38 Member. “**Member**” means each Lot or Unit Owner, including the Declarant. Membership in the Master Association shall be appurtenant to, and may not be separated from, ownership of a Lot or Unit.

2.39 Mixed-Use Structure. “**Mixed-Use Structure**” means building or structure with two or more different uses, including, but not limited to, residential, office, retail, public uses, personal service or entertainment uses (but not including accessory uses), designed, planned and constructed as a Unit.

2.40 Mortgage. “**Mortgage**” means any mortgage, deed of trust or other security instrument, given voluntarily by the Owner of a Lot or Unit, creating a real property security interest in a Lot or Unit and Recorded in the records of the Clerk and Recorder of the County. “**First Mortgage**” means a mortgage which is the first and most senior of the Mortgages on the same Lot or Unit. The term “Mortgage” does not mean a statutory, tax or judicial lien. The term “**Deed of Trust**” when used herein shall be synonymous with the term “Mortgage.”

2.41 Mortgagee. “**Mortgagee**” means a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee.

2.42 Mortgagor. “**Mortgagor**” means the maker, obligor or grantor of a Mortgage. The term “Mortgagor” includes a trustor or grantor under a Deed of Trust.

2.43 Non-Residential Unit. “**Non-Residential Unit**” means single building or structure or portion of a building or structure situated upon a Lot, which is intended to be used for office, retail, public uses, personal service or entertainment uses (but not including accessory uses or residential uses), designed, planned and constructed as a Unit

2.44 Non-Residential Property. “**Non-Residential Property**” means any portion of the Property that is designated as Non-Residential Property as set forth in the Plat or Map.

2.45 Notice and Hearing. “**Notice and Hearing**” means a written notice and public hearing before the Executive Board, or a panel appointed by the Executive Board, as set forth in the Bylaws.

2.46 Occupant. “**Occupant**” means any Person who is a tenant in a Unit, a residence on a Lot, or an Accessory Dwelling Unit, pursuant to a Lease with the Owner thereof. “Occupant” also means any Person who is present within the Common Interest Community as a family member, guest or invitee of an Owner, an Occupant, the Declarant, or the Master Association.

2.47 Open Space. “**Open Space**” means any area designated in this Master Declaration or any Supplemental Declaration or on a Plat or any Supplemental Plat as “Open Space” and which has not been dedicated by the Declarant to the County and which shall constitute a Common Area. All Open Space shall meet the open space requirements set forth in Section 3.24.B.4 of the UDC and shall be maintained in compliance with Section 3.24.B.5 of the UDC.

2.48 Owner. “**Owner**” means the Person, or, if more than one, all Persons collectively, who hold fee simple title of Record to a Lot or Unit, including sellers under executory contracts of sale and excluding buyers thereunder. The term “Owner” shall be analogous to the term “Unit Owner”, as that term is defined in the Act. The Declarant is the initial owner of any Lot or Unit created by or subject to this Master Declaration.

2.49 Permitted Exceptions. “**Permitted Exceptions**” means all liens, encumbrances, reservations, restrictions, conditions, easements and other matters of record which encumber the title to all or any part of the Common Interest Community, as of the date this Master Declaration or a Supplemental Declaration or Map is Recorded. This Master Declaration and any Supplemental Declaration or Map shall be subject to such Permitted Exceptions.

2.50 Permitted User. “**Permitted User**” means any Person (including a family member, guest, licensee, invitee, tenant, or exchange user of a Member, Owner, Master Association, or Owners' Association), who uses or occupies a portion of the Master Property with the permission of the Member, Owner, Master Association, or Owners' Association, if the context permits or requires.

2.51 Person. “**Person**” means a natural person, a corporation, a partnership, a limited liability company, a trust, or any other entity capable of holding title to real property pursuant to the laws of the State of Colorado.

2.52 Plat. “**Plat**” means the [] recorded [] _____, 20__, at Reception No. [] in the Office of the Clerk and Recorder of Routt County, Colorado, as said Plat may be amended from time to time. By this reference, said Plat is incorporated in this Master Declaration. The term “Plat” also means each Supplemental Plat Recorded by Declarant and all Recorded amendments thereto. As provided in the Act, a Plat and a Map may be combined in the same instrument. Whenever used in this Master Declaration or in any Supplemental Declaration, the term “Plat” also means any Map that may be so combined with a Plat, or any Map that may be recorded instead of a Plat in order to depict a portion of the Common Interest Community in three dimensions as provided in the Act.

2.53 Property. “**Property**” means the property that is located in Routt County and is legally described on **Exhibit A**. Such property is subject to this Master Declaration, and shall also include such additional property as is subjected to this Master Declaration from time to time.

2.54 Rules. “**Rules**” means rules, regulations, procedures, policies and guidelines, however denominated, adopted, amended or repealed by the Board from time to time, for the regulation and management of the Community, including Common Areas and Lots.

2.55 Site Plan. “**Site Plan**” means the Site Plan for Stagecoach Mountain Resort attached as **Exhibit A-1**.

2.56 Special Districts. “**Special District**” means quasi-municipal and political subdivisions of the State of Colorado formed pursuant to Title 32 of the Colorado Revised Statutes and other applicable laws to provide necessary public services, which include, but are not limited to fire protection, mosquito control, parks and recreation, safety protection, sanitation, solid waste disposal facilities, collection and transportation of solid waste, street improvements, transportation, water and covenant enforcement.

2.57 Split Lot. “**Split Lot**” shall have the meaning set forth in Section 3.15(b) of this Master Declaration.

2.58 Streets and Roadways. “**Streets and Roadways**” means all vehicular and pedestrian ingress and egress infrastructure constructed on the Master Property including streets, roadways, driveways, parking areas, paths, and sidewalks.

2.59 Real Estate Transfer Assessment. “**Real Estate Transfer Assessment**” means a charge against the transferee of a Lot or Unit or interest therein and against said transferee Owner’s Lot or Unit, due and payable to the Master Association at the time of transfer, in the amount and pursuant to the procedures set forth in Section 12.13 hereof.

2.60 Registered Builder. “**Registered Builder**” means a general contractor that has been registered with the Design Review Committee to perform work within the Common Interest Community pursuant to the guidelines and procedures set forth herein and in the Design Guidelines. Declarant may or may not implement a program for Registered Builders through the Design Review Committee.

2.61 Record or Recorded. “**Record**” or “**Recorded**” means an instrument of record in, or the act of recording an instrument with, the office of the Clerk and Recorder of the County.

2.62 Regular Assessment. “**Regular Assessment**” means a charge against an Owner and the Owner’s Lot or Unit for purposes of covering the annual costs of operating and administering the Master Association and all other Common Expenses. Regular Assessments are based on a Budget adopted by the Executive Board in accordance with Section 12.7 below, and are allocated to the Lots and Units in accordance with the Allocated Interests, except that Common Expenses that in the judgment of the Executive

Board benefit fewer than all of the Lots or Units shall be allocated exclusively to the Lots or Units benefited.

2.63 Reimbursement Assessment. “**Reimbursement Assessment**” means a charge against a particular Owner and the Owner’s Lot or Unit for purpose of reimbursing the Master Association for costs and expenses incurred by the Master Association in connection with the enforcement of any provision hereof or the remedying of any violation by the Owner or an Occupant of this Master Declaration or any amendment hereto or any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, or Design Guidelines, or any approvals granted by the Design Review Committee, or for other purposes set forth in the Master Declaration, pursuant to Section 12.9 hereof, together with late charges and interest as provided for herein. Reimbursement Assessment shall include without limitation any Common Expense caused by the misconduct of any Lot or Unit Owner or of such Owner’s Occupants.

2.64 Residential Unit. “**Residential Unit**” means a single building or structure or portion of a building or structure situated upon a Lot, which is intended for use and occupancy as a separate attached or detached dwelling unit for one or more persons, including the patio, deck, basement, garage, and outbuildings, if applicable. Residential Unit shall also include any portion of a Mixed-Use Structure intended for residential use and occupancy, including the patio, deck, basement, garage, and outbuildings, if applicable.

2.65 Roads. “**Roads**” means all of the platted roads and streets in the Common Interest Community.

2.66 Routt County UDC. “**UDC**” means the Routt County Unified Development Code adopted on June 11, 2014, as said UDC may be updated and amended from time to time.

2.67 Special Assessment. “**Special Assessment**” means a charge against an Owner and the Owner’s Lot or Unit for purposes of reimbursing the Master Association for costs and expenses incurred or to be incurred by the Master Association for the purpose of paying for the construction, reconstruction, repair, maintenance or replacement of capital improvements to or upon or serving the Common Interest Community, the costs of which were not included in a Regular Assessment, or for excess reconstruction costs or other extraordinary expenses, or to acquire Association Property, or for funding any operating deficit of the Master Association, as authorized by the Executive Board from time to time as provided herein. Special Assessments shall be based on a Budget adopted by the Executive Board in accordance with Section 12.7 below.

2.68 Subassociation. “**Subassociation**” means a separate community that is formed under the Act for a portion, but not all of, the Property, and which is subordinate and subject to this Master Declaration. A Subassociation may be either a planned

community under the Act or a condominium under the Act. Any Subassociation shall be governed by the provisions of this Master Declaration. In the event of any conflict between the documents or procedures governing the operation of the Subassociation and the documents or procedures governing the operation of the Master Association, the documents or procedures governing the operation of the Master Association shall control. As to any portion of the Property for which a Subassociation is created, such Subassociation shall be the only representative to act for and on behalf of the Owner(s) of that portion of the Master Property with respect to this Master Declaration and Master Association, unless otherwise provided in this Master Declaration; provided, however, that this definition shall not relieve any member of such Subassociation as an owner of an interest subject to such declaration of condominium, or restrictive documents from complying with the easements, restrictions, and conditions set forth in this Master Declaration and with respect to Master Association. Whenever the Subassociation Board gives its acknowledgment, consent, understanding, or agreement with respect to this Master Declaration, such acknowledgment, consent, understanding, or agreement shall be deemed to also have been given by each member of the Subassociation Association and shall be absolutely binding on each member.

2.69 Subassociation Common Area. “**Subassociation Common Area**” means all real property interests (not just fee title and leasehold interests) and the Improvements or amenities and personal property thereon which may from time to time be owned, leased or maintained by a Subassociation or otherwise held by a Subassociation for the use, enjoyment and benefit of the members of such Subassociation or some of them.

2.70 Subassociation Executive Board. “**Subassociation Executive Board**” or “**Subassociation Board**” means the Executive Board of a Subassociation.

2.71 Supplemental Declaration. “**Supplemental Declaration**” means an amendment to this Master Declaration which annexes real property to the Common Interest Community, subjects such real property to this Master Declaration, and sets forth such amendments to the Master Declaration and such additional covenants, conditions, uses and restrictions as may be applicable to the annexed property, executed by Declarant and Recorded in the Office of the Clerk and Recorder of the County, and any Recorded amendments thereto. Supplement Declaration also includes and recorded declaration as defined by the Act, used to create a Subassociation.

2.72 Supplemental Plat. “**Supplemental Plat**” means any land survey plat which is Recorded by Declarant for the purpose of annexing the real property described therein to the Common Interest Community, and any Recorded amendments to such Supplemental Plat.

2.73 Trail System. “**Trail System**” means all of the trails in the Common Interest Community developed by Declarant, the Master Association, or their respective predecessors that have been dedicated for the use and enjoyment of the Members and the

Club Property. Such trails may be platted or unplatted. For the avoidance of doubt, the Trail System does not include any trails on Club Property.

2.74 Unit. “Unit” means any part of the Common Interest Community which is designated as a Unit on any Supplemental Plat or Map, together with all improvements therein and appurtenances thereto. The term “Unit” shall not include Lots. The Term Unit includes Residential Units and Non-Residential Units.

ARTICLE 3 GENERAL RESTRICTIONS APPLICABLE TO THE COMMON INTEREST COMMUNITY

It is the intention of Declarant to establish and impose a common and general plan for the improvement, development, use and occupancy of the Common Interest Community, all in order to enhance the value, desirability, and attractiveness of the Common Interest Community and to promote the marketing, development and enjoyment thereof. Accordingly, Declarant hereby declares that the entire Common Interest Community, including but not limited to all Lots and Units, shall be owned, held, used, occupied, improved, altered, maintained, conveyed, leased, encumbered and enjoyed subject to the following covenants, conditions, restrictions, reservations, easements, rights and other provisions, and to the further requirements and restrictions set forth in the Design Guidelines, subject to such Declarant exemptions as may be set forth herein.

3.1 Master Development Control. Except as otherwise expressly provided in this Master Declaration or in any Supplemental Declaration, (i) no residence, building, structure, fence, wall, landscaping or other Improvement shall be commenced, made, done, permitted, located, erected, improved, altered or removed within the Common Interest Community without the prior written approval of the Design Review Committee, and (ii) all subsequent additions to or changes or alterations in any residence, building, structure, fence, wall, landscaping or other Improvement, including without limitation exterior color scheme, and all changes in the grade of Lots, shall also be subject to the prior written approval of the Design Review Committee. No modifications from the approvals granted by the Design Review Committee shall be made without the prior written approval of the Design Review Committee. Notwithstanding the foregoing, in the event of an emergency or the sudden occurrence of unanticipated conditions which threaten the health, safety or physical well-being of Persons or property within the Common Interest Community, the Executive Board and/or the Design Review Committee shall have the authority (without the prior approvals described above), to take whatever remedial action may be necessary anywhere in the Common Interest Community to protect Persons and property until such time as applicable notice and/or approval procedures can reasonably be utilized. Further notwithstanding the foregoing, Design Review Committee approval shall not be required for Improvements made by Declarant in the exercise of any development rights or special Declarant rights reserved by Declarant in this Master Declaration or in any Supplemental Declaration.

3.2 Violation of Law, Insurance, Etc. No Owner or Occupant or Person shall do any act or cause or permit anything to be done or kept in or upon a Lot, a residence constructed thereon, a Unit or the Association Property which would result in the increase of, or cancellation of, insurance maintained by the Master Association or would be in violation of any federal, state, town or other law, ordinance, regulation or code of any governmental body having jurisdiction, or of any Master Rule or Regulation promulgated by the Master Association, or of any provision of this Master Declaration.

3.3 General Maintenance of Common Interest Community. All property within the Common Interest Community, including without limitation all Lots (including unimproved Lots, and Lots on which Improvements are under construction), Units, Association Property, Improvements, and landscaping, shall be kept and maintained in a clean and attractive condition and in good order, condition and repair.

(a) Except as specifically set forth in this Section 3.3 or in a Supplemental Declaration, maintenance, repair, and upkeep of each Lot or Unit and the Improvements thereon (including attractive painting and refinishing thereof at regular intervals) shall be the responsibility of the Owner of the Lot or Unit. Such maintenance and repair shall be performed by each Owner whenever necessary or appropriate and at regular intervals in order to keep the Lot or Unit and Improvements in substantially the same condition and appearance as existed at the time of completion of construction, subject to normal wear and tear that cannot be avoided. Said Owner obligations shall include all maintenance, repair or replacement required as a consequence of any fire, wind, vandalism, theft or other casualty. With respect to a Lot, this maintenance obligation extends to all lands and landscaping within the Lot lines, excepting any areas or elements that are to be maintained by the Master Association, and includes without limitation the landscaping maintenance and weed control obligations set forth in Section 3.25 below. Unsightly conditions on a Lot or Unit shall constitute a nuisance under this Master Declaration.

(b) Maintenance, repair, and upkeep of Association Property, including any Improvements and landscaping thereon and the historic cabin located on the Nature Park Parcel, shall be the responsibility of the Master Association.

(c) The individual Lot or Unit Owners and the Executive Board shall each use a reasonable standard of care in providing for the repair, management and maintenance of the properties for which they are responsible so that the entire Common Interest Community will reflect a pride of ownership.

(d) If an Owner fails to perform any of such obligations within ten (10) days following receipt of a written notice from the Executive Board requesting the same, the Executive Board shall have the right to enter upon the Lot or Unit of the Owner to cure the violation, to perform any needed repairs or

maintenance, or to otherwise cause compliance with this Section 3.3, and to levy and collect a Reimbursement Assessment upon the Owner and its Lot or Unit for the costs and expenses incurred by the Master Association in connection therewith. The Executive Board shall have no right to enter into the interior of a residence without the consent of the Owner except in the case of a clear emergency.

3.4 Residential Use and Occupancy. Each Lot or Unit shall be improved, occupied and used only for private single-family residential purposes, except that an Accessory Dwelling Unit may be built and occupied upon a Lot approved therefor to the extent such an Accessory Dwelling Unit is available.

No structures whatsoever, other than those permitted by the UDC or by other applicable Routt County zoning regulations and approved in writing by the Design Review Committee, shall be erected, placed or permitted to remain on any Lot. No office, business and/or commercial structures shall be permitted within the Common Interest Community except in those areas where such uses are allowed by applicable provisions of the UDC. No business, professional or other non-residential or commercial use shall be made of any Lot or Unit, or conducted in any Unit or in any residence constructed on a Lot, excepting in-home businesses or occupations which do not involve (i) employees, (ii) the solicitation or invitation of the general public, or (iii) the servicing of customers, and which activities are conducted entirely within the Unit or residence and do not cause any additional traffic or parking within the Common Interest Community or otherwise create a nuisance for neighboring Lots or Units or the Common Interest Community. The leasing of a residence in compliance with the provisions of Section 16.26 below shall not violate this restriction. No equipment or materials incident to any business or occupation (whether conducted within the Units or residence or elsewhere) shall be kept or stored on any Lot or Unit except within the Unit, residence, garage, or other outbuilding approved by the Design Review Committee. Notwithstanding the foregoing, activities normally associated with the sale by the Declarant or an Owner of an improved or unimproved Lot or Unit shall be allowed, subject to any limitations contained in this Master Declaration.

3.5 Non-Residential Use. Subject to Applicable Law, Improvements on Non-Residential Property may be used for non-residential purposes, including condo-hotel, retail, mixed use condominiums, hotels, and accommodations related to the hospitality and leisure industries, including short term rentals and similar use, and including recreational, equine-related, or agricultural purposes, all with the prior written consent of Declarant, such consent to be within the absolute discretion of Declarant.

3.6 New Construction Required; No Temporary Buildings or Occupancy. All Improvements constructed within or placed upon the Common Interest Community shall be new. No used or temporary house, structure, tent, teepee, or non-permanent outbuilding (specifically including without limitation mobile homes and trailers) shall ever be placed, erected or allowed to remain within the Common Interest Community except temporary structures or construction trailers used for construction purposes during the

construction of a residence which temporary facilities shall be removed immediately following completion of construction and in any event no later than 18 months following commencement of construction or remodeling unless a written extension is granted by the Design Review Committee. No trailer, mobile home, incomplete residence or other structure other than a residence completed in accordance with approved plans, shall ever be used or occupied at any time for residential purposes, either temporarily or permanently. No completed residence on a Lot shall be occupied in any manner until all provisions of this Master Declaration and of the Design Guidelines and all conditions of development approval have been complied with, and a Certificate of Compliance has been issued pursuant to Section 5.17 below. The work of constructing, altering or remodeling any residence on a Lot, any Unit, or any other Improvement within the Common Interest Community shall be prosecuted diligently from the commencement thereof until the completion thereof.

Notwithstanding the foregoing, existing structures may remain or be relocated within the Common Interest Community, in the discretion of Declarant. In addition, used materials (e.g. barnwood) and/or structures may be permitted on a Lot or Unit if (i) the Owner makes a specific written request to the Design Review Committee for approval of such used materials and/or structures, and (ii) the Design Review Committee determines that the criteria set forth in Section 4.12 hereof have been met and specifically approves such request in writing.

3.7 Building Envelopes. See the above definition of this term for the general regulations applicable to Building Envelopes. Upon application to the Design Review Committee, the Design Review Committee of the Master Association is authorized to change the shape of the Building Envelope or relocate such Building Envelope within the lot within the various setbacks and other applicable constraints that exist on each Lot. Declarant reserves the rights to change the shape of the Building Envelope or relocate such Building Envelope within each Lot within the various setbacks and other applicable constraints that exist on each Lot until such time as such Lot is sold to a third party. Changes in shape and relocations of Building Envelopes approved by the Design Review Committee or made by Declarant will be kept in the official records of the Design Review Committee

3.8 Design Guidelines. All excavation and other land disturbance, construction, landscaping and irrigation activities within the Common Interest Community shall be strictly governed by the procedures, standards, guidelines, restrictions and requirements set forth in the Design Guidelines. A violation of the Design Guidelines shall constitute a violation of this Master Declaration and may be enforced in accordance with the terms hereof

3.9 Establishment of Design Guidelines. The Design Review Committee shall establish the Design Guidelines, which the Design Review Committee may, from time to time, in its sole and absolute discretion, amend, repeal, or augment, provided that the Design Guidelines are not in conflict with this Master Declaration or the architectural

and landscape standards, rules, and regulations promulgated by Declarant in the exercise of its powers under this Article 3. After termination of the Period of Declarant Control, any change in the Design Guidelines will be effective only if it is approved by Declarant (so long as Declarant owns at least one Unit or Lot, or Declarant or an Affiliate of Declarant is the Club Property Owner). The Design Guidelines are hereby incorporated in this Master Declaration and shall be deemed to be a part of this Master Declaration and shall be binding on all Members, Owners, and other Persons having any interest in the Property as if expressly set forth in this Master Declaration. A copy of the current Design Guidelines shall at all times be a part of Master Association's records. The Design Guidelines may include those restrictions and limitations set forth below:

(a) Time limitations for the completion, within specified periods after approval, of the Improvements for which approval is required pursuant to the Design Guidelines.

(b) Designation of a Building Envelope within a Lot, thereby establishing the area where all Improvements shall be located on the Lot (which area may be more restrictive than under Applicable Law).

(c) Conformity of completed Improvements to plans and specifications approved by the Design Review Committee. For purchasers and encumbrancers in good faith and for value, however, unless (i) a notice of non-completion or nonconformance identifying the violating Lot or Unit and specifying the reason for the notice, executed by the Design Review Committee, is served on the Owner of the Lot or Unit, and (ii) the notice is given to the Owner of the Lot within one year following the expiration of the time limitation described in Section (i), or, if later, within one year following completion of the Improvement, or (iii) legal proceedings are instituted to enforce compliance or completion within the foregoing one-year period, the completed Improvements shall be deemed to be in compliance with plans and specifications approved by the Design Review Committee and in compliance with the architectural standards of Master Association and this Master Declaration.

(d) Due to their location, size or elevation, Icon Lots have the potential to have a significant visual impact when viewed from other portions of the Master Property. Special design requirements are placed on the Icon Lots as described in the Design Guidelines.

(e) Additional limitations and restrictions as the Design Review Committee in its discretion may adopt, including the regulation of all landscaping (including absolute prohibition of certain types of landscaping, trees and plants), and construction, reconstruction, exterior addition, change, or alteration to or maintenance of any Improvement (including limitations on

the nature, kind, shape, height, materials, exterior color, surface texture, and location of any Improvements).

(f) Subject to Applicable Law, in no event shall any change in the Design Guidelines rescind or invalidate approvals previously given by the Design Review Committee.

(g) Subject to Applicable Law, in no event shall any change in the Design Guidelines rescind or invalidate approvals previously given

3.10 No Interference with Waterways or Drainage or Irrigation Systems.

There shall be no obstruction of any easements or drainage irrigation, or water feature systems in the irrigation system located on property within the Plat, or any inference with the free use thereof, except such obstruction or interference as may be reasonably required in connection with the construction, operation, maintenance or repair thereof. No Lot or Unit Owner shall construct, install, maintain or permit any fence or other improvement or obstruction or plant trees or take any other action which damages or interrupts or interferes in any way with (i) the normal flow of water through and along waterways and water features within the Common Interest Community, (ii) any irrigation ditch, lateral, lake, pond or other water collection, storage or distribution system within or serving the Common Interest Community or the Club Property, or (iii) normal drainage patterns within the Common Interest Community or the Club Property, subject always to the rights of owners of ditches and other water rights and the requirements of the Design Review Committee and subject to the terms and conditions of any applicable ditch operation and maintenance agreements and associated or otherwise applicable easements and agreements. The Master Association shall have the authority to take such action as may be necessary to abate or enjoin any such damage or interference, and shall have the right to enter upon an easement upon a Lot or Common Element for purposes of correcting or removing the same, and any costs incurred by the Master Association in connection with such abatement, injunctive or corrective activities shall be assessed to the responsible Lot or Unit Owner in the form of a Reimbursement Assessment.

3.11 Use of Easement Areas; Utility Installation. All easements shown on a Plat or Supplemental Plat covering any portion of the Common Interest Community have been created or reserved for the purposes indicated on such Plat and/or in Article 7 below. In addition, other easements such as the Declaration of Easements may affect any Lot, Unit or Common Area. No Lot or Unit Owner may erect any structure of any type whatsoever in such easement areas, nor may an Owner or Occupant use the surface of such easement areas for any private use, other than landscaping which will not interfere with the use of said easement by the Persons or entities for whose benefit it has been created or reserved and which receives the prior written approval of the Design Review Committee.

With respect to easements created for access and/or utility purposes either by the terms of this Master Declaration or any other recorded agreement or on a Plat, any and

all bona fide public and private utility service companies, Special Districts, and the Club Property Owner (but only to the extent set forth in the Declaration of Easements), shall have the right of access, ingress, egress, and use of such easement areas for the installation, operation and maintenance of utility facilities serving the Common Interest Community and/or the Club Property, subject to the following limitations. Except as to special street lighting or other aerial facilities which may be required by the County, no aerial utility lines or facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed within the Common Interest Community, whether upon Lots, Units, Association Property, easements, streets, or rights-of-way of any type, either by a utility company, a Special District, a Lot Owner, a Unit Owner, the Master Association, the Club Property Owner, or any other person or entity (including but not limited to any person owning or acquiring any part of the Common Interest Community) and all utility lines and facilities (including but not limited to water, sewer, gas, electricity, telephone, and cable tv) shall be buried underground. Provided, that during the construction of a residence on a Lot a temporary overhead power line may be installed which shall be promptly removed upon completion of construction.

3.12 Restoration of Improvements in the Event of Damage or Destruction.

In the event of damage to or destruction of any Improvement on any Lot or Unit the Owner thereof shall cause the damaged or destroyed Improvement to be promptly restored or replaced to its original condition or such other condition as may be approved in writing by the Design Review Committee, or the Owner shall cause the damaged or destroyed Improvement to be promptly demolished and the Lot or Unit to be suitably landscaped, subject to the approval of the Design Review Committee, so as to present a pleasing and attractive appearance. Such Improvements shall be repaired, restored or otherwise demolished and suitably landscaped within such reasonable time frame as may be established by the Design Review Committee. The Executive Board may levy a Special Assessment against each Owner, for each Unit or Lot owned by that or Owner, for the purpose of providing any necessary funds for restoration and repair of damaged or destroyed Common Areas.

3.13 Right of Entry. During reasonable hours and upon reasonable notice to the Owner or Occupant of a Lot or Unit or Accessory Dwelling Unit, any member of the Design Review Committee, any member of the Executive Board, and any authorized representative of either of them, shall have the right to enter upon and inspect any Lot or Unit or Accessory Dwelling Unit, and the Improvements thereon, except for the interior portions of any occupied dwelling (which shall require the permission of the Owner or Occupant, except in case of emergency, when no notice or permission shall be required), for the purpose of ascertaining whether or not the provisions of the Master Declaration and of the Design Guidelines have been or are being complied with, or for the purpose of exercising any rights or performing any responsibilities (maintenance, repair, etc.) provided for in this Master Declaration or in any Supplemental Declaration, and such individuals shall not be deemed guilty of trespass by reason of such entry.

3.14 Damage by Owners During Construction. Each Owner is responsible for any damage caused to roads, streets, ditches, fences, trails, natural or constructed drainage courses, utilities, Association Property, Club Property or to other Lots, Units, or Improvements thereon, during the construction or alteration of Improvements upon the Owner's Lot or Unit, including without limitation damage caused by any construction vehicles using the roads or streets within the Common Interest Community. Damage shall include any degradation in the appearance or condition of such roads, streets, Association Property, or other Lots, Units, or Improvements. The responsible Owner shall promptly repair and clean up any such damage, at its sole expense. Each Owner shall also be responsible for any damage caused by utility cuts in roads, washouts and runoff damage caused by failure to properly install culverts, and to promptly repair any such damage. If the Owner fails to repair any such damage within 10 days following receipt of a written notice from the Executive Board requesting the same, the Executive Board shall have the right to perform such repairs on behalf of the Owner, and to levy a Reimbursement Assessment upon the Owner and its Lot or Unit to recover the costs thereof.

3.15 Restrictions on Resubdivision, Property Restrictions, and Rezoning. Except as expressly permitted in this Master Declaration or in a Supplemental Declaration by which additional property is annexed to the Common Interest Community, (i) no Lot or Unit shall ever be further subdivided or replatted by an Owner into smaller lots or parcels or units, (ii) no portion less than all of any such Lot or Unit, nor any easement or divided interest therein, shall be conveyed, transferred or encumbered by the Owner, and (iii) no Lot or Unit may be combined with any other Lot or Unit nor the boundary lines adjusted between any two Lots or Units.

(a) If an Owner or Declarant owns two or more contiguous Lots as shown on the Plat as initially recorded in the County Records ("Initial Lots"), and wants to combine them into a single Lot, the Owner or Declarant may do so only upon receiving prior written approval from the Executive Board for the combination into a single Lot ("Combined Lot"), provided any necessary County approvals are obtained, all Declaration and Plat amendments required by the Act and/or local land use laws are prepared, executed and Recorded and the necessary reallocation of Allocated Interests of the Owners is accomplished. If an Owner or Declarant owns one or more contiguous Initial Lots and a portion of a Split Lot, and wants to combine them into a single Lot, the Owner or Declarant may do so only upon receiving prior written approval from the Executive Board for the combination into a single Lot, provided any necessary County approvals are obtained, all Declaration and Plat amendments required by the Act and/or local land use laws are prepared, executed and Recorded and the necessary reallocation of Allocated Interests of the Owners is accomplished. In such event, the new Lot will be treated as a combination of the Initial Lot(s) and the portion of the Split Lot owned, if applicable, under the Governing Documents. For a Combined Lot which is or is to be occupied as a single

family residence, each of the initial Lots comprising the Combined Lot shall be considered separate “Lots” for purposes of the Allocated Interests as provided in Section 2.3.

(b) If possible under then-Applicable Law, Owners or Declarant acquiring Lots who wish to (a) acquire an additional Lot in between and bordering their Lots together as tenants in common, and then (b) split the Lot post-closing, the Owner(s) and Declarant, as applicable, must receive prior written approval from the Executive Board, obtain all necessary County approvals, prepare, execute and record all Declaration and Plat amendments required by the Act and/or local land use laws, and the necessary reallocation of Allocated Interests of the Owners is accomplished for the split of the Lot; a Lot which is split in accordance with the foregoing is a “Split Lot.” The ability to split a Lot is subject to then-Applicable Law, and nothing in this Master Declaration or any of the Governing Documents shall be construed as representing that it is possible to split a Lot under Applicable Law or that it will be possible to split a Lot under future Applicable Law. If a Lot is split in accordance with the foregoing, 1/2 of the Allocated Interest attributable to a Split Lot shall be allocated to the 2 separate portions of the Split Lot, regardless of the proportion in which the Lot actually is split, except as otherwise provided in this Master Declaration.

(c) No Owner of a Lot or Unit shall grant or convey any easement rights affecting any portion of the Lot or Unit without the prior written consent of the Executive Board.

(d) No further covenants, conditions, restrictions or easements shall be Recorded by any Owner (except Declarant in the exercise of its reserved rights) or other Person against any Lot or Unit without the provisions thereof having been first approved in writing by the Executive Board for consistency with the Master Declaration, any applicable Supplemental Declaration, and the general plan of development for the Common Interest Community. Any covenants, conditions, restrictions or easements Recorded without such approvals being evidenced thereon shall be null and void. This provision does not apply to Mortgages.

(e) No application for rezoning of any Lot or Unit, and no application for any variance or special use permit for any Lot or Unit, shall be filed with any governmental authority by any Owner (except Declarant in the exercise of any reserved rights) unless the proposed use of the Lot or Unit has first been approved in writing by the Executive Board and the proposed use otherwise complies with the Master Declaration and any applicable Supplemental Declaration.

3.16 Health, Safety and Welfare. In the event any uses, activities, or facilities within the Common Interest Community are deemed by the Executive Board to be an unreasonable annoyance or nuisance, or to adversely affect the health, safety or welfare of Owners or Occupants, the Executive Board may amend the Master Rules and Regulations in order to appropriately restrict and regulate such uses, activities or facilities within the Common Interest Community. Such rules shall be consistent with the purposes and provisions of this Master Declaration.

3.17 Implementation and Variances. The Executive Board may implement the restrictions set forth in this Article 3, or otherwise restrict and regulate the use and occupancy of the Common Interest Community and the Lots and Units by reasonable Master Rules and Regulations of general application adopted by the Executive Board from time to time. The Executive Board may, in its sole discretion and in extenuating circumstances, grant variances from any of the restrictions set forth in this Article 3 (excepting any such restrictions with respect to which the Design Review Committee has the authority to grant variances under Section 6.19 below), if the Executive Board determines, in its sole discretion, (a) either (i) that a particular restriction creates a substantial hardship or burden on an Owner or Occupant, which hardship or burden was not caused by said Owner or Occupant, or (ii) that a change of circumstances since the Recordation of this Master Declaration has rendered such restriction obsolete, and (b) that the activity permitted under the variance, in the judgment of the Executive Board, will not have any material adverse effect on the Owners and Occupants of the Common Interest Community (including neighboring Lots and Units) and is consistent with the high quality of living intended to be promoted hereby throughout the Common Interest Community. When an Owner applies for a variance, the Board must give at least ten (10) days advance written notice of the variance hearing, and of the nature of the variance requested, postage prepaid, by certified mail, return receipt requested, to all Owners of Lots or Units that are situated adjacent to the Lot or Unit for which the variance is sought, at the current addresses for such Owners reflected in the Master Association files. The applying Owner must provide the Committee with an accurate list of the Owners to be so notified. If the foregoing notice requirements are complied with, it is not necessary that the Owners actually receive the notice that is mailed to them, such notices being deemed received upon mailing.

No variance shall conflict with the UDC or with ordinances or regulations of the County. If a variance from the UDC or County laws or regulations is also required in connection with a matter for which a variance is desired hereunder, it shall be the Owner's responsibility to obtain such County variance before submitting a variance application to the Executive Board.

3.18 Declarant Activities. Nothing contained in this Master Declaration is intended or shall be construed to prevent, restrict, regulate or delay in any way Declarant's right and ability to develop, improve, maintain, repair, regulate, operate, administer, manage, market, sell, lease, encumber or dispose of the Common Interest Community, the Lots, the Units, the Association Property, the Annexable Property,

additional unspecified real estate, or any part thereof, including the right to construct Improvements and install signs thereon, all in the complete discretion of Declarant.

ARTICLE 4
ROADS AND TRAIL SYSTEMS IN COMMON INTEREST COMMUNITY

4.1 Ownership and Maintenance. Declarant reserves the right from time to time to convey some or all of the Roads and Trail Systems in the Common Interest Community to the Master Association, together with any associated Road and Trail System drainage easements and facilities. Whatever entity holds title to a Road or Trail System shall be responsible for the maintenance, repair and replacement thereof, although such entity may contract to have such services performed by a third party. Regardless of ownership, all Roads shall be subject to the provisions of this Master Declaration. Unless required under Applicable Law, Roads and Trail Systems shall not be dedicated or required for public use, and such Roads and Trail Systems are not and will not be a part of the public system of roads; provided, however, that Declarant or Master Association Board with Declarant's prior written consent may, without the consent and joinder of any Owner, dedicate or grant easements to any governmental entity or Special District for all or any part of the Roads and Trail Systems as to which such governmental entity or Special District has agreed to maintain and service.

4.2 Easement for Access. There is hereby created, granted and reserved for the use and benefit of Declarant, the Master Association, all Owners and Occupants, and the Club Property Owner and all authorized users or employees of the Club Property, perpetual, non-exclusive easements and rights-of-way over, across and along all platted Roads and Trail Systems for purpose of access, recreation, and ingress and egress to and from their respective properties. No Road or Trail System shall be used for access to any lands lying outside the Common Interest Community except the Club Property, unless Declarant expressly grants such access rights to neighboring lands.

4.3 Reserved Declarant Rights. Declarant reserves the following rights with respect to the Roads and Trail Systems, which rights may be exercised by Declarant from time to time in its sole discretion, and without requiring the consent of any Owner or Mortgagee or the Master Association, to wit:

- (a) The right to limit, restrict or deny entry to and/or access over the Roads and Trail Systems or some of them to any person or persons (except Owners and Occupants) who, in the sole judgment of Declarant, do not have legitimate business in the Common Interest Community, or who may create or participate in a disturbance or nuisance within the Common Interest Community, or who is otherwise undesirable, through use of a controlled or guarded entrance way or limited access gate, or through such other means and upon such terms and conditions as Declarant may determine to be reasonably appropriate; the right to control and regulate all forms of vehicular and non-vehicular traffic and parking on all or some of the Roads

and Trail Systems; the right to require the removal of any shrub, bush, fence, wall, tree or other item of any sort which might, in the sole judgment of Declarant, impair, or obstruct a motorist's, bicyclist's or pedestrian's vision on any Road or Trail System within or adjacent to the Common Interest Community; and the right to adopt and enforce such other rules and regulations governing the use of the Roads and the Trail Systems as Declarant may consider necessary or appropriate from time to time.

(b) The right to grant temporary or permanent non-exclusive access easements over the Roads and the Trail Systems (or some of them) in the Common Interest Community for the use and benefit of lands lying outside the Common Interest Community, on such terms and conditions as Declarant may consider appropriate.

(c) The right to assign any one or more of these reserved rights to the Master Association.

(d) The right to develop, in Declarant's sole discretion, additional Roads and Trail Systems.

(e) All of the foregoing reserved rights shall be permissive only, and neither Declarant nor any assignee of such rights shall have any obligation to exercise any of such rights.

4.4 No Liability for Gatehouses or Entry Gate or Security Patrol. If one or more gatehouses (manned or unmanned) or limited access entry gates are provided at entrances to the Common Interest Community, and/or if some form of security patrol is provided within the Common Interest Community or any part thereof, neither the Declarant nor the Master Association shall have any liability to any person for any injury, loss or damage of any kind or nature whatsoever arising from the fact that any gatehouse is not manned or from the failure of any person staffing a gatehouse or any mechanical or electrical entry system or any security patrol personnel to prevent or detect a theft, burglary, or any other unauthorized entry into or activity within the Common Interest Community.

4.5 Rights Appurtenant to Club Property. In addition to the access easement established in Section 4.2 above and Section 15.4 below, all Roads and Trail Systems are subject to the access, parking and other rights granted to and enjoyed by the Club Property Owner and all authorized users, invitees (including the public) and employees of the Club Property as set forth in the Declaration of Easements, including without limitation the right to use the Roads and Trail Systems for ingress and egress to the Club Property, for recreation, and for parking at reasonable times before, during and following functions held upon the Club Property.

**ARTICLE 5
[RESERVED]**

**ARTICLE 6
DESIGN REVIEW COMMITTEE**

6.1 Establishment of Design Review Committee. The Common Interest Community shall have a Design Review Committee, which shall consist of an odd number of members with a minimum of three (3) members and a maximum of five (5) members, each of whom shall either be (i) a representative of the Declarant, (ii) an Owner or Occupant of a Lot or Unit in the Common Interest Community or (iii) an architect, landscape architect or engineer. For so long as Declarant owns any Lots or Units in the Common Interest Community (including annexations thereto) and the Period of Declarant Control has not terminated, or until Declarant relinquishes said right to the Master Association by written notice thereto, Declarant hereby reserves and shall have the sole right to appoint, and to remove without cause all members of the Design Review Committee, for such terms as Declarant considers appropriate. Following termination of the Period of Declarant Control the expiration or relinquishment or other termination of Declarant's right to appoint members of the Design Review Committee, all such members shall be appointed and removed from time to time by the Executive Board in its discretion, and shall serve for such term as may be established by the Executive Board from time to time. A member appointed by the Executive Board may be removed by the Executive Board at any time upon written notice, without cause. Subject to the three (3) member minimum and five (5) member maximum, and to the membership criteria set forth above, Declarant, or following termination of Declarant's rights under this Section 6.1 the Executive Board, may increase or decrease the size of the Design Review Committee from time to time in its discretion. The Executive Board may hire or appoint a secretary for the Design Review Committee, and shall provide appropriate compensation for any such secretarial services.

(a) **Power and Authority.** The Design Review Committee shall have all of the powers, authority and duties granted or delegated to it by the Act, this Master Declaration, any Supplemental Declaration, the Articles or Bylaws, and the Design Guidelines to carry out the Design Guidelines in the Common Interest Community. Except as provided in the Act, this Master Declaration, any Supplemental Declaration, the Articles or Bylaws, and the Design Guidelines the Design Review Committee may act in all instances on behalf of the Master Association with respect to implementing and enforcing the Design Guidelines in the Common Interest Community. The Design Review Committee shall have the right but never the obligation to establish one or more subcommittees to perform one or more of the functions of the Design Review Committee. For purposes of this Master Declaration, all references to the Design Review Committee shall also refer to any subcommittee established by the Design Review Committee. The procedures for establishment of subcommittees, the rights and duties thereof, and the limitations thereon may be established and adopted by the Design Review Committee from time to time, in its discretion. The Design Review Committee may delegate its plan review responsibilities, except final review and

approval required by the Design Guidelines, to one or more of its members or architectural consultants retained by the Design Review Committee, which may be an Affiliate of Declarant or Related Parties. The Design Review Committee may delegate its construction oversight responsibilities to one or more of its members or consultants retained by the Design Review Committee, which may be an Affiliate of Declarant or Affiliates of Declarant. On any delegation of responsibilities, the approval or disapproval of plans and specifications by the member or consultants shall be equivalent to approval or disapproval by the entire Design Review Committee. Any member or authorized consultant of the Design Review Committee, or any authorized officer, director, employee, or agent of Master Association, may at any reasonable time enter, without being deemed guilty of trespass, on any Parcel after reasonable notice as provided herein to the owner in order to inspect Improvements constructed or being constructed to ascertain that the Improvements have been or are being built in compliance with the Design Guidelines and this Master Declaration. The Design Review Committee shall cause an inspection to be undertaken within 30 days after a written request therefor from any Owner as to the Owner's Parcel, and if the inspection reveals that the Improvements have been completed in compliance with this Article, the Design Guidelines, and any applicable provisions of the Master Rules and Regulations and any Supplemental Declaration, the Design Review Committee shall provide the owner a written notice of approval which shall be conclusive evidence of compliance with the provisions of this Article, the Design Guidelines, and any applicable provisions of a the Master Rules and Regulations and any Supplemental Declaration, as to the Improvements described in the written notice, but as to the described Improvements only.

6.2 Enforcement. The requirements and provisions of this Article 6 and/or of the Design Guidelines shall be enforceable in accordance with the rights and procedures set forth in Section 16.4 of this Master Declaration.

6.3 Design Review Fees. The Design Review Committee may assess fees in its reasonable discretion on a case by case basis, not to exceed a commercially reasonable rate, in connection with its review of plans and specifications ("Plan Review Fees"). In addition, and due to the knowledge, expertise, and expense required to oversee construction for compliance with the Design Guidelines, Executive Board may assess fees for the Design Review Committee to oversee construction for compliance with the Design Guidelines ("Construction Oversight Fees"). On the Effective Date, each Construction Oversight Fee is equal to [8 percent] of the total cost of new construction of any Improvement and [3 percent] of the total cost of any remodel of any Improvement. Master Association Board may increase or decrease the amount of the Construction Oversight Fees from time to time by promulgating or amending the Master Rules and Regulations. The Design Review Committee may set due dates for the payment of the Plan Review Fees and Construction Oversight Fees in the Design Guidelines, which may be changed from time to time. Plan Review Fees and Construction Oversight Fees shall be considered Master Special Assessments to be paid by the applicable Owners.

6.4 Non-Liability for Approval of Plans or Construction Oversight. Plans and specifications shall be approved by the Design Review Committee as to style, exterior design, appearance, and location, and are not approved for engineering design or for compliance with zoning and building ordinances (or other governmental requirements),

and by approving the plans and specifications and overseeing compliance with the Design Guidelines, neither the Design Review Committee, the members thereof, Declarant, any Affiliate of Declarant, Master Association, any Owner, officer of Master Association, nor the Executive Board (nor any committee, officer, director, employee, or agent of any of the foregoing) assumes any liability or responsibility therefor, or for any defect in any Improvement constructed from the plans and specifications. Neither the Design Review Committee, any member thereof, Declarant, any Affiliate of Declarant, Master Association, officer of Master Association, nor the Executive Board (nor any committee, officer, director, employee, or agent of any of the foregoing) shall be liable to any Owner or other Person for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, or specifications, (c) the development, or manner of development, of any portion of the Master Property, or (d) the execution and filing of any estoppel certificate pursuant to the Design Guidelines, whether or not the facts therein are correct; provided, however, that the action, with the actual knowledge possessed by the Person executing and filing the estoppel certificate, was taken in good faith. Neither approval of plans and specifications by the Design Review Committee nor oversight of compliance with the Design Guidelines by the Design Review Committee is or shall be deemed to be, a representation or warranty that said plans or specifications, or the Design Guidelines (or compliance therewith) comply with applicable governmental ordinances or regulations including zoning ordinances and building codes.

6.5 Additional Powers of Design Review Committee.

(a) The Design Review Committee may promulgate as a part of the Design Guidelines additional architectural and landscape standards, rules, and regulations as it deems appropriate; provided the standards, rules, and regulations are not in conflict with this Master Declaration or the architectural and landscape standards, rules, and regulations promulgated by Declarant in the exercise of its powers under this Article VI. **WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE, THE DESIGN REVIEW COMMITTEE MAY IN COMPLIANCE WITH THE ACT LEVY A FINE AGAINST ANY OWNER PURSUANT TO THIS MASTER DECLARATION FOR FAILURE TO OBTAIN REQUIRED APPROVAL FROM THE DESIGN REVIEW COMMITTEE OR FOR FAILURE TO COMPLY WITH ANY APPROVAL OF THE DESIGN REVIEW COMMITTEE AND MAY REQUIRE SECURITY DEPOSITS OR BONDS TO ASSURE COMPLIANCE WITH APPLICABLE REQUIREMENTS.**

(b) If an Owner or any other Person uses and employs or attempts to use and employ any Person in violation of this Master Declaration for construction of Improvements, Declarant or Master Association shall be entitled to enjoin any such construction without waiving any action for damages or other remedies under this Master Declaration or Applicable Law from an Owner's or other Person's breach.

(c) Declarant shall have the right to repurchase (“Repurchase”), unless specifically waived or modified in writing by Declarant, any Lot (without a Residential Unit located on it or with a Residential Unit for which Completion of Construction has not occurred) (a) as to which the Commencement of Construction has not occurred within 6 months after the later to occur of (i) acquisition of the Lot or such later time as may be specified in the agreement for sale and purchase of the Lot between Declarant and the Owner, or (ii) issuance by the applicable governmental authority of a notice of satisfactory completion of infrastructure for the Lot or such other approval or consent that would permit the applicable governmental authority to issue a building permit for a Residential Unit (provided that Owner has been reasonably diligent in Owner's efforts to obtain such notice, approval, or consent) (“Commencement Deadline”), or (b) as to which Completion of Construction of the Residential Unit thereon has not occurred within 24 months after the Commencement Deadline (“Completion Deadline”). The time periods established in this Section shall not be tolled by the further conveyance of the Lot from an initial Owner to a subsequent Owner or to any other Owner.

For purposes of this Section, “Completion of Construction” shall have occurred only on the satisfaction of the following conditions: (a) the improvements, including all equipment, fittings, and fixtures and all exterior painting, landscaping, patios and driveways required to be installed pursuant to the Approved Plans, shall have been substantially completed and installed in substantial conformance, in all material respects, with the Approved Plans therefor, as certified by the architect, engineer, or architectural or engineering firm responsible for the creation of the Approved Plans; (b) permanent certificate(s) of occupancy for the improvements shall have been issued by the appropriate governmental authorities to Owner, and a copy thereof delivered to Declarant, and all other certificates, licenses, permits, authorizations, consents, and approvals necessary for the full use and occupancy of the Improvements for their intended purposes shall have been issued by the appropriate governmental authority to Owner, and a copy thereof delivered to Declarant; and (c) Owner shall have caused to be delivered to Declarant a written certificate from its architect or engineer to the effect that the construction of the Improvements, including all equipment, fittings and fixtures required to be installed pursuant to the Approved Plans, have been substantially completed and installed in substantial conformance, in all material respects, with the Approved Plans and in accordance with all Applicable Law relating to the construction of the improvements, and that direct connection has been made to all abutting public utilities (including water, electricity, storm and sanitary sewer, and telephone).

For purposes of this Section, “Commencement of Construction” or “Commence Construction” shall mean that (x) a building permit has been issued for the Residential Unit by the appropriate jurisdiction; (y) construction of the Residential Unit has physically commenced beyond site preparation; and (z) the Residential Unit’s site has been cleared and the foundations have been laid out.

ARTICLE 7
ASSOCIATION PROPERTY

7.1 Use and Enjoyment of Association Property. With the exception of Limited Common Areas, and except as otherwise provided in this Master Declaration, in any Supplemental Declaration, or in the Master Rules and Regulations, each Owner shall have the non-exclusive right to use and enjoy Association Property in common with all other Owners. This right to use and enjoy Association Property shall extend to each Owner, Occupant, and the family members, guests and invitees of each Owner, and to such other users as may be authorized by this Master Declaration or by the Executive Board from time to time, and shall be appurtenant to each Lot or Unit, subject at all times to the provisions of this Master Declaration (including Declarant's reserved rights hereunder), any applicable Supplemental Declaration, the Articles, Bylaws, and the Master Rules and Regulations. No Owner or Occupant shall place any structure or store or leave any materials or personal property upon Association Property, nor shall any Owner or Occupant engage in any activity which will temporarily or permanently impair free and unobstructed access to all parts of the Association Property by all Owners. Use of the Association Property is also subject to any applicable terms of the Declaration of Easements and Rights.

7.2 Master Association May Regulate Use of Association Property. The Master Association, acting through the Executive Board, shall have the right and authority to regulate the use of Association Property by the promulgation, enforcement and interpretation from time to time of such Master Rules and Regulations relating thereto as the Master Association considers necessary or appropriate for the protection and preservation of Association Property and the enhancement of the use and enjoyment thereof by Owners and Occupants and other authorized users, subject always to any rights or interests created by the Declaration of Easements.

The Master Association, acting through the Executive Board, may for good cause suspend the right of any person to use and enjoy Association Property, including the right of a Member who or which is delinquent in the payment of any Assessments, and the right of any Member or other authorized user who is in violation of the terms and provisions of this Master Declaration or any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, Design Guidelines or the terms and provisions of any approvals granted by the Design Review Committee.

7.3 Master Association to Maintain and Improve Association Property. The Master Association, its agents and employees, shall maintain and repair, snowplow as necessary or appropriate, and otherwise manage the Association Property (including the Limited Common Areas), including, but not limited to, any Improvements, landscaping, paths, trails, parking areas, drives, and recreational and other facilities located thereon. The Master Association may construct, alter and remove such Improvements and

landscaping upon Association Property as the Master Association in its discretion considers necessary, desirable or appropriate from time to time, and may do all such other and further acts which the Executive Board deems necessary or appropriate to preserve, protect and enhance the Association Property and the beauty thereof in accordance with the general objectives for the Common Interest Community reflected in this Master Declaration. As provided in Section 11.10 below, the Master Association may contract with third parties to perform any of the foregoing responsibilities.

7.4 No Partition of Association Property. No Owner or other Person shall have any right to partition or to seek the partition of Association Property or any part thereof except Declarant.

7.5 Owner Liability for Owner or Occupant Damage to Association Property. Each Owner shall be liable to the Master Association for any damage to Association Property or for any expense, loss or liability suffered or incurred by the Master Association in connection with Association Property arising from (a) the negligence or willful misconduct of such Owner or of any Occupant, agent, employee, family member, guest or invitee of such Owner, or (b) any violation by such Owner or any Occupant, agent, employee, family member, guest or invitee of such Owner of any law, regulation, or code, including without limitation any environmental law, or of any provisions of this Master Declaration, any Supplemental Declaration, or the Master Rules and Regulations, relating to Association Property. Each Owner shall indemnify, defend and hold the Master Association harmless from any loss, damage, expense or liability arising from the circumstances described in subsections (a) or (b) immediately above. The Master Association shall have the power to levy and collect a Reimbursement Assessment against a Lot or Unit Owner to recover the costs, expenses, damages, losses or liabilities incurred by the Master Association as a consequence of any such negligence, willful misconduct or violations.

7.6 Damage or Destruction to Association Property. In the event of damage to or destruction of Association Property, including Improvements thereon, by fire or other casualty, the Master Association shall repair or replace the same in accordance with the provisions of Section 11.18 below. Repair, reconstruction, or replacement of Association Property shall be accomplished under such contracting and bidding procedures as the Master Association shall determine are appropriate. If insurance proceeds available to the Master Association on account of damage or destruction exceed the cost of repair, reconstruction, and replacement, the Master Association may use the same for future maintenance, repair, improvement, and operation of Association Property or for any other use deemed appropriate by the Executive Board.

7.7 Condemnation of Association Property. If any Association Property or part thereof or interest therein is taken under exercise of the power of eminent domain or by purchase in lieu thereof, the portion of any award in condemnation or the price payable for the deed in lieu that is attributable to the Association Property taken or purchased shall be paid to the Master Association. The Master Association shall have the exclusive

right to participate in such condemnation proceedings and to represent the interests of all Owners and Occupants and other Persons therein. Any award or funds received by the Master Association shall be held by the Master Association for the purposes stated in Section 7.6 above or as a reserve for future maintenance, repair, reconstruction, or replacement of Association Property or may be used for Improvements or additions to or operation of Association Property or for such other uses as may be deemed appropriate by the Executive Board. Except as may otherwise be provided by the Act, no Owner or other Person shall be entitled to participate as a party or otherwise in any condemnation proceedings nor to receive any proceeds therefrom.

7.8 Title to Association Property Upon Dissolution of Master Association.

In the event of dissolution of the Master Association, the Association Property shall, to the extent permitted by law and reasonably possible, be conveyed or transferred to an appropriate public, governmental or quasi-governmental agency or organization or to a nonprofit corporation, association, trust, or other organization, to be used, in any such event, for the common benefit of Owners for the purposes for which the Association Property was held by the Master Association. If the foregoing is not possible, the Association Property, shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Owners in proportion to each Owner's Allocated Interest in the Common Expenses of the Master Association.

7.9 Mechanic's Liens on Association Property. Declarant shall be responsible for the release of mechanics' liens filed with respect to Association Property, or any part thereof, if such liens arise from labor performed or materials furnished at the instance of Declarant, its agents, contractors or subcontractors. Likewise, the Master Association shall be responsible for the release of mechanics' liens filed with respect to Association Property, or any part thereof, if such liens arise from labor performed or materials furnished at the instance of the Master Association, its directors, officers, agents, contractors or subcontractors. No labor performed or materials furnished with respect to a Lot or Unit at the instance of the Lot or Unit Owner shall be the basis for filing a lien against Association Property. No labor performed or materials furnished with respect to Association Property at the instance of the Executive Board shall be the basis for filing a lien against any Lot or Unit.

**ARTICLE 8
DECLARANT'S RESERVED RIGHTS**

Declarant hereby expressly reserves to itself and its successors and assigns the following described rights, which include development rights and special Declarant rights, any one or more of which rights may be exercised, in the sole and absolute discretion of Declarant, at any time and from time to time during the period commencing upon the Recording of this Master Declaration in the County and ending on the date of termination of such rights established under Section 8.16 below. It is expressly understood that Declarant shall not be obligated to exercise any of these reserved rights,

and that no consent shall be required from any Owner, Mortgagee or the Master Association for the effective exercise of any of these reserved rights.

Except as limited by this Article 8, such reserved rights may be exercised upon or in connection with all or any portion of the Common Interest Community described on attached **Exhibit A**, the Annexable Property described on attached **Exhibit B**, and/or the additional unspecified real estate referred to in Section 8.7 below. Such rights may be exercised with respect to different parcels of said real estate at different times, and in connection therewith Declarant hereby states that (i) no assurances are made regarding the boundaries of said different parcels or with respect to the order in which such parcels may be subjected to the exercise of these reserved rights, even if a reference to a phase or phasing appears in a legal description, Plat or other agreement relating to the property, and (ii) if a particular reserved right is exercised in any portion of the real estate subject to that reserved right, that reserved right is not required to be exercised in all or any portion of the remainder of that real estate.

The reserved rights hereinafter set forth shall be prior and superior to any other provisions of this Master Declaration or of any Supplemental Declaration, and may not be amended, modified, terminated or otherwise altered in any way without the express prior written consent of Declarant. All conveyances of Lots and Units and other portions of the Common Interest Community hereafter made, whether by Declarant or otherwise, shall be deemed and construed to reserve to Declarant and/or to grant to Declarant all of the rights reserved by and to Declarant in this Article 8, and elsewhere in this Master Declaration or in any Supplemental Declaration, even though no specific reference to such rights appears in the conveyancing instruments. Nothing in this Article 8 shall limit or impair any other rights granted or reserved to Declarant by other provisions of this Master Declaration or of any Supplemental Declaration.

The following rights are hereby reserved to Declarant and its successors and assigns:

8.1 Construction of Improvements. The right, but not the obligation, to construct additional Improvements on Association Property at any time and from time to time for the improvement and enhancement thereof for the benefit of the Master Association, the Lot and Unit Owners, or some of them, and/or pursuant to the Declaration of Easements. Furthermore, the right throughout the Common Interest Community to complete Improvements indicated on the Plat filed with this Master Declaration, and on any Supplemental Plats filed with any Supplemental Declarations, as such Plats and Declarations may be amended from time to time. Furthermore, the right to create, grant and/or use and enjoy additional non-exclusive easements, and to relocate existing platted or other easements, upon or across any portion of the Common Interest Community (including Lots, and Common Elements, but excepting Building Envelopes), as may be reasonably required for the construction by Declarant of the above-described Improvements or the effective exercise by Declarant of any of the other reserved rights described in this Article 8.

8.2 Sales, Marketing and Management. The right to construct, locate or operate, and to maintain upon, and to remove from, any part of the Common Interest Community including Lots or Units owned by Declarant and Association Property, in the discretion of Declarant, and in such number, size and location as may be reasonably required by Declarant in connection with the completion of Improvements, the management of the development, and/or the promotion, marketing, sale or rental of Lots or Units, including without limitation, the following:

- (a) Sales offices, management offices, and/or construction offices, and structures containing or relating to the same. Such offices, to the extent they are not situated on a Lot or within a Unit, are hereby declared to be personal property of the Declarant and shall in any case be removable by Declarant or its successors or assigns promptly upon the Declarant or its successors or assigns ceasing to be a Lot or Unit Owner;
- (b) Signs identifying and advertising the Common Interest Community and the Lots and/or Units therein, or relating to development or construction thereon;
- (c) Model residences constructed or to be constructed on Lots, or model Units;
- (d) Parking areas and facilities, and lighting, necessary or desirable in the marketing of the Common Interest Community and the Lots and Units;
- (e) Employees in offices; equipment; vehicles; and marketing and construction materials.
- (f) Such other activities, operations, or conduct as deemed necessary, appropriate or convenient for Declarant in pursuit of such efforts.

Together with the right to attract, invite or bring prospective purchasers of Lots and/or Units into the Common Interest Community at all times, and to permit them to use and enjoy the Association Property.

8.3 Merger. The right to merge or consolidate the Common Interest Community with another common interest community of the same form of ownership.

8.4 Declarant Control of Master Association. The right to appoint or remove any Executive Board member or officer of the Master Association, as more specifically set forth in Section 10.6 below, but only for and during the “Period of Declarant Control of the Master Association” as defined in said Section 10.6.

8.5 Annexation of Additional Properties. The right to annex to the Common Interest Community all or any part of the Annexable Property described on attached **Exhibit B.** Each Owner of a Lot or Unit hereunder hereby grants to Declarant the right

to annex all or any part of the Annexable Property to the Common Interest Community and to modify such Owner's Allocated Interests accordingly. Alternatively, Declarant shall have the right and is authorized to develop portions of the Annexable Property and/or to convey, lease or mortgage portions of the Annexable Property to such third party or parties as Declarant may deem appropriate, without annexing them to the Common Interest Community, whether for purposes consistent with this Master Declaration or otherwise. Declarant makes no assurances that all or any portion of the Annexable Property will be added to the Common Interest Community and Declarant reserves the right to annex all or any portion of the Annexable Property to the Common Interest Community in any order it deems appropriate in its sole and absolute discretion.

8.6 Annexation Procedure. The annexation of additional real property to the Common Interest Community shall be accomplished by the Recording by Declarant with the Clerk and Recorder of Routt County of a Supplemental Declaration containing a legal description of the land area to be added to the Common Interest Community and amending this Master Declaration accordingly, together with a Supplemental Plat thereof. The Supplemental Declaration shall assign an identifying number to each new Lot or Unit created thereby, and shall reallocate the Allocated Interests of all Lot and Unit Owners in the Common Interest Community in accordance with the definition of Allocated Interests contained in this Master Declaration. In no event shall any annexation increase the number of Lots and Units in the Common Interest Community beyond the two hundred seventeen (217) Lot and/or Unit maximum stated in the Recitals to this Master Declaration. The Supplemental Declaration shall also describe any Association Property (including Limited Common Areas) thereby created, and any Common Elements and any Limited Common Elements thereby created, and in the case of Limited Common Elements, the Supplemental Declaration (or the associated Plat or Map) shall designate the Unit(s) to which each is allocated.

The annexation of the Annexable Property may be accomplished by successive Supplemental Declarations, in no particular or pre-established order, and may provide that property annexed thereby (the "**Annexed Property**") is phased so that it is made subject to this Master Declaration at different times. Upon Recording of a Supplemental Declaration, the Annexed Property described therein shall be subject to all of the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions set forth in this Master Declaration, except to the extent specifically stated in the Supplemental Declaration or as modified thereby. Any such Supplemental Declaration may impose on the Annexed Property described therein additional covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions than those set forth in this Master Declaration, taking into account the unique and particular aspects of the Annexed Property covered thereby and of the proposed development thereof. Furthermore, Declarant shall have the right to reserve in such Supplemental Declaration any development rights that Declarant considers necessary or appropriate, provided that such provision shall not extend the termination date for the exercise of Declarant's development rights as set forth in Section 8.16 below. A Supplemental Declaration may provide for a Subassociation of

Owners within the Annexed Property described in the Supplemental Declaration and for the right of the Subassociation to assess such Owners for common expenses unique to those Owners.

8.7 Annexation of Additional Unspecified Real Estate. The right to annex additional, unspecified real estate to the Common Interest Community to the fullest extent permitted by the Act. In the event that Declarant elects to annex any such additional unspecified real estate, Declarant shall annex such property to the Common Interest Community in accordance with the provisions of Section 8.6 above.

8.8 Withdrawal Rights and Procedure. The right at any time and from time to time to withdraw from the Common Interest Community (and any annexations thereto) any Declarant-owned Lot or Lots, Unit or Units, or Association Property.

Withdrawal may only be accomplished by the recording by Declarant of an amendment to this Master Declaration or any Supplemental Declaration affected by the withdrawal, and an amendment to the Plat or any Supplemental Plat affected by the withdrawal. Upon the recording of such amendments, the withdrawn Lots, Units and/or Association Property shall no longer be part of the Common Interest Community or subject to this Master Declaration or any applicable Supplemental Declaration in any way.

Each Declarant-owned Lot or Unit, and each Declarant-owned Association Property, is hereby described and declared to be a separate portion of real estate that is subject to this right of withdrawal, and Declarant expressly reserves the right to withdraw one or more Declarant-owned Lots or Units and/or all or a portion of any Declarant-owned Association Property from the Common Interest Community. Once a Lot or Unit has been conveyed to a Lot or Unit Owner other than Declarant, that portion of the real estate is no longer subject to this right of withdrawal. Likewise, once an Association Property has been conveyed to the Master Association or to a Special District, that portion of the real estate is no longer subject to this right of withdrawal.

The withdrawn property shall be subject to whatever easements, if any, may be reasonably necessary for access or utility service to, or operation or management or use or enjoyment of, the Common Interest Community or any part thereof. Similarly, the owner(s) of the withdrawn property shall have whatever easements, if any, are reasonably necessary for access or utility service to or for use or enjoyment of the withdrawn property over and across special district and/or Association Property within the Common Interest Community. At the time any withdrawal of real estate is accomplished, Declarant shall record whatever documents are necessary to establish such reciprocal easements in the Routt County records.

8.9 Effect of Expansion or Contraction. In the event any real property is annexed to the Common Interest Community as provided herein, or if any real property is withdrawn from the Common Interest Community as provided herein, the definitions

used in this Master Declaration shall be automatically expanded or contracted to encompass and refer to the Common Interest Community as expanded or contracted, *e.g.*, “**Common Interest Community**” shall mean the real property described herein plus any additional real property annexed thereto and/or minus any real property withdrawn therefrom; similarly, “**Association Property**” and “**Lots**” and “**Units**” shall mean and include those areas as described herein as well as or less those so designated on any Supplemental Declaration or Supplemental Plat (or any amendment to a Declaration or Plat) relating to any real property which is annexed or withdrawn pursuant to this Article 8. Association Property shall also mean and include all properties located from time to time within the Annexed Property that fall within the definition of Association Property contained in this Master Declaration, less any Association Property removed by withdrawal. References to this Master Declaration shall mean this Master Declaration as so supplemented by any Supplemental Declaration and any Supplemental Plat, or as amended. Every Owner of a Lot or Unit in the area annexed to the Common Interest Community shall, by virtue of ownership of such Lot or Unit and upon recordation of the Supplemental Declaration annexing such property to the Common Interest Community, be a member of the Master Association and, except as may be otherwise provided in the Supplemental Declaration, shall be entitled to the same rights and privileges and subject to the same duties and obligations as any other Master Association Member. Regular Assessments for Lots or Units within the Annexed Property shall commence as of the date of the Recording of the Supplemental Declaration and shall be prorated as of such date.

The recording of amendments to the Master Declaration and Plat, whether in the form of Supplemental Declarations and Supplemental Plats or otherwise, which reallocate the Allocated Interests in the Common Interest Community, shall automatically:

- (a) Vest in each existing Lot and Unit Owner the reallocated Allocated Interests appurtenant to the Owner’s Lot or Unit; and
- (b) Vest in each existing Mortgagee a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Lot or Unit.

8.10 Subdivision of Lots or Units or Parcels. Declarant shall have and hereby reserves the right to subdivide any Declarant-owned Lot or Unit or Parcel located within the Common Interest Community to create additional Lots or Units, Association Property, and/or streets, subject to the maximum number of Lots and Units set forth in the Recitals to this Master Declaration; provided, however, that such subdivision is consistent with the UDC, and that the subdivision is accomplished in compliance with County subdivision requirements. Upon the subdivision of any Lot or Unit or Parcel in accordance with the terms and conditions contained herein, the Allocated Interests of all Owners shall be reallocated in accordance with the definition of Allocated Interests contained in this Master Declaration.

8.11 Transfer of Additional Property to Master Association. The right, but not the obligation, to transfer additional real and personal property, and Improvements thereon, to the Master Association from time to time in furtherance of this Master Declaration.

8.12 Other Reserved Development Rights. Subject to compliance with any applicable County requirements, the right with respect to all or any Declarant-owned portion of the Common Interest Community (including the Lots and Units) to (a) create Association Property (including Limited Common Areas); (b) create additional Lots or Units, subject to the maximum set forth in the Recitals to this Master Declaration; (c) subdivide Lots or Units as set forth in Section 8.10 above; (d) combine Lots or Units; (e) convert Lots or Units into Association Property and/or streets; (f) convert Association Property and/or streets into Lots or Units or streets; (g) create Common Elements and/or Limited Common Elements; (h) reconfigure Lots, Units, streets, and/or Association Property; and (i) create additional Trail Systems. Additionally, in order to effectively exercise the rights reserved to Declarant under this Article 8, the right to amend this Master Declaration (without the consent of Owners, Mortgagees or the Master Association being required) for purposes of complying with or qualifying for any required federal or state registration of the project (ii) satisfying title insurance requirements, or (iii) bringing any provision or provisions of the Master Declaration into compliance with the Act. During the period of Declarant control of the Master Association, Declarant reserves the right to amend this Master Declaration to provide for the creation of fractional fee estates or time share estates for any Lot or Unit owned or controlled by the Declarant. Declarant further reserves the right to create fractional fee estates or time share estates in an applicable Supplemental Declaration for any portion of all of Annexable Property at the time of the annexation of the same.

8.13

8.14 Declarant as Attorney-in-Fact For Owners. Each Owner, by its acceptance of a deed or other conveyance vesting in the Owner an interest in a Lot or Unit in the Common Interest Community, does hereby irrevocably constitute and appoint Declarant (with full power of substitution) as said Owner's attorney-in-fact, in said Owner's name, place and stead, to take any and all actions and to execute and deliver any and all instruments as may be necessary or appropriate to Declarant's exercise of the various rights reserved to Declarant under this Article 8 or elsewhere in this Master Declaration or in any Supplemental Declaration, specifically including without limitation Declarant's reserved right to use all existing easements within the Common Interest Community or to create, grant, use and/or replat and relocate additional or existing easements across any portion of the Common Interest Community excepting designated Building Envelopes.

8.15 Transfer of Declarant's Reserved Rights. Any one or more rights created or reserved for the benefit of Declarant under this Article 8 or elsewhere in this Master Declaration or in any Supplemental Declaration may be transferred to any Person by an

instrument describing the right or rights transferred and Recorded in Routt County. Such instrument shall be executed by the transferor Declarant and the transferee. The provisions of Section 38-33.3-304 of the Act shall apply to any transfer of special declarant rights.

8.16 Termination of Declarant's Reserved Rights. With the exception of Declarant's right to appoint or remove Executive Board members and officers of the Master Association, which is addressed in Section 10.5 below, the rights reserved to Declarant in this Article 8 shall automatically terminate and expire upon the first to occur of (i) the date which is thirty (30) years after the Recording of this Master Declaration, or (ii) Declarant's relinquishment and surrender of such rights by Recorded instrument. Declarant may from time to time relinquish and surrender one or more but less than all of the reserved rights, in which event the unrelinquished reserved rights shall remain fully valid and effective for the remainder of the term thereof. The Master Association may extend the time period for exercise of a development right, or reinstate a lapsed development right, subject to whatever terms, conditions and limitations the Master Association may impose on the subsequent exercise of the development right. The extension or renewal of a development right and any terms, conditions and limitations shall be included in an amendment executed by Declarant or the owner of the real estate subject to the development right and the Master Association.

ARTICLE 9 EASEMENTS

9.1 Easements for Incidental Encroachments. If any portion of an Improvement approved by the Design Review Committee encroaches in its approved location upon an Association Property, including any future encroachments arising or resulting from the repair or reconstruction of an Improvement subsequent to its damage, destruction or condemnation, a valid easement on the surface and for subsurface support below such surface and for the maintenance of same, so long as it stands, shall and does exist for such incidental encroachment.

9.2 Blanket Master Association Utility and Drainage Easement Over Roads and Over Association Property. There is hereby created, granted and reserved to the Master Association, its agents, employees and assigns, a perpetual, non-exclusive blanket easement over, across, upon and under all Roads in the Common Interest Community and all Association Property for the construction, installation, testing, operation, monitoring, management, administration, maintenance, repair, removal and replacement of utilities and utility lines, irrigation lines and systems, recreation areas and facilities, water features, wetlands areas, drainage systems, pipes, wires, circuits, conduits, meters, facilities and systems for the benefit of the Common Interest Community or any part thereof, or neighboring lands, including but not limited to drainage, domestic water, irrigation water, individual septic disposal system, gas, telephone, electricity, recreation areas and facilities, cable TV and other master TV and communication systems, if any, together with an easement for access, ingress and egress to accomplish such purposes,

and together with the right to grant any such easement rights to utility companies and/or the Master Association. The Master Association or other person or entity exercising such utility and drainage easement rights shall be obligated to restore, reseed, replant and/or re-landscape the surface of the disturbed area to as close to its original condition as possible, as promptly as possible following completion of any utility or drainage work with the exception of any efforts regarding the repair, maintenance or replacement of an ISDS.

9.3 Master Association Administrative Easement Over Roads and Over Association Property. There is hereby created, granted and reserved to the Master Association, its agents, employees and assigns, a perpetual, non-exclusive easement over, across, upon and under all Roads in the Common Interest Community and all Association Property and a right to use such streets, roads and Association Property for purposes of enabling the Master Association to perform the duties and functions which it is obligated or permitted to perform pursuant to this Master Declaration.

9.4 Declarant Easement Over Roads and Over Association Property. There is hereby created, granted and reserved to Declarant and its successors and assigns a non-exclusive easement over, across, upon and under all Roads in the Common Interest Community and all Association Property (including without limitation all easements benefiting the Master Association), including a right of access, ingress and egress thereto, and a right to use such streets, roads and Association Property, and each and every part thereof, for all purposes reasonably related to (a) Declarant's development, improvement, maintenance, management, marketing and sale of the Common Interest Community and all portions thereof, including any annexations thereto, and/or (b) Declarant's exercise and implementation of the rights reserved to Declarant under this Master Declaration or any Supplemental Declaration, and/or (c) the discharge by Declarant of any of its obligations under this Master Declaration or any Supplemental Declaration or under the Subdivision Improvement Agreement and any other Subdivision and Offsite Improvement Agreements that may be executed by Declarant in connection with properties annexed to the Common Interest Community, or any other Declarant obligations relating to the Common Interest Community. Declarant's rights with respect to this easement shall terminate upon the first to occur of (i) the date which is thirty (30) years after the Recording of this Master Declaration, or (ii) Declarant's relinquishment of all or a portion of this easement right by Recorded instrument.

9.5 Utility, Drainage, and/or Irrigation Easements. There are hereby created, granted and reserved for the use and benefit of the Declarant, the Master Association, the Club Property Owner, appropriate public utilities, and Special Districts, if any, perpetual, non-exclusive easements over, upon, across and under those portions of the Common Interest Community that are designated "**Utility Easement**", "**Irrigation Easement**", or "**Drainage Easement**" on the Plat or any Supplemental Plat. Utility Easements may be used for the installation, operation, maintenance, repair, removal or replacement of underground utility lines (and related surface facilities). Drainage Easements and Irrigation Easements may be used for the installation, operation,

maintenance, repair, removal or replacement of drainage and irrigation and ditch systems and facilities, respectively. Except as may otherwise be provided in any Subdivision Improvements Agreement between Declarant and the County or in any other separate agreement between Declarant and a utility supplier, the party causing the disturbance shall be obligated to restore, repair, reseed and/or relandscape any area disturbed by the exercise of these easement rights to as close to its original condition as possible, as promptly as possible following the completion of any work within a Utility, Drainage or Irrigation Easement.

9.6 Lake Maintenance Easements. There are hereby created, granted and reserved for the use and benefit of the Declarant and the Master Association perpetual, non-exclusive “**Lake Maintenance Easements**” in the locations shown on the Plat or on any Supplemental Plat, for purposes of maintaining, repairing and improving the lakes and ponds and associated improvements and facilities served by such easements, as may be deemed necessary or appropriate from time to time by the Declarant or the Master Association or the Club Property Owner.

9.7 Fence Easements. There are hereby created, granted and reserved for the use and benefit of the Declarant and the Master Association perpetual, non-exclusive “**Fence Easements**” along the entire common boundary between Lots or Common Elements and the Club Property, said Fence Easements being 5 feet in width and lying entirely within the Lots or Common Elements, for purposes of constructing, maintaining and repairing fences along portions of the Club Property, in the sole discretion of the Design Review Committee. Authorized fencing shall be constructed, planted and maintained by the Master Association or, if approved by the Design Review Committee in each instance, by the Lot or Unit Owner affected thereby.

9.8 Stream or Brook Easements. There are hereby created, granted and reserved for the use and benefit of the Declarant and the Master Association perpetual, non-exclusive “**Stream Easements**” in the locations shown on the Plat or on any Supplemental Plat, for purposes of maintaining, repairing and improving streams or brooks, and for the control of vegetation within the easements, as may be deemed necessary or appropriate from time to time by the Declarant or the Association.

9.9 Easements For Benefit of Club Property. The Declaration of Easements establishes certain non-exclusive easements over, across and upon portions of the Common Interest Community for the use and benefit of the Club Property including but not limited to a non-exclusive easement over, across and upon the Trail System for the use and benefit of the Club Property. Said easements shall be used for the purposes and in the manner provided in the Declaration of Easement. Additionally, the Declaration of Easement establishes certain non-exclusive easements over, across and upon the Roads for the benefit of the Club Property and the allocation of costs between the Club Property and the Common Interest Community associated therewith.

9.10 Blanket Emergency Services Easement. There is hereby created, granted and reserved for the use and benefit of all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons, now or hereafter serving the Common Interest Community and its Owners and Occupants, a perpetual, non-exclusive blanket Emergency Services Easement over, upon, along and across all streets, roads, properties and areas within the Common Interest Community, for use in the lawful performance of their duties.

9.11 Easements Deemed Created. All conveyances of Lots and Units and Association Property hereafter made, whether by Declarant or otherwise, shall be deemed and construed to grant and reserve all of the easements referred to in this Article 9 and elsewhere in this Master Declaration and in any Supplemental Declaration, even though no specific reference to such easements appears in the conveyancing instruments.

9.12 Restrictions on Owners in Easement Areas. Owners of Lots and Units that are subject to any easements created by this Master Declaration, a Supplemental Declaration, or a recorded Plat, or to any existing ditch easements, shall acquire no right, title or interest in any cables, conduits, mains, lines, or other equipment or facilities or improvements or water that may be installed upon, over or under the easement area by a beneficiary of said easement rights. Moreover, Owners and Occupants of Lots and Units that are subject to any such easements are hereby prohibited from constructing any improvements upon the easement areas, altering or obstructing the flow of any water or drainage thereon, or landscaping the same, in any manner that might interfere with the full and proper exercise of said easement rights by any beneficiary thereof. Finally, said Owners and Occupants are hereby further prohibited from violating any of the restrictions relating to the use of the easement areas as may be set forth in this Master Declaration, or in any Supplemental Declaration. Any Owner or Occupant violating any of these restrictions shall be obligated to remove the offending improvement or landscaping and to restore the surface of the area to its original condition, or otherwise to remedy the violation, at the Owner's cost and expense, within 30 days following a written request therefor from any easement beneficiary. If said Owner or Occupant fails to comply with the request in a timely manner, the Master Association shall have the right to enter upon the Owner's Lot or Unit to perform the necessary work and may assess the costs thereof against the Owner and the Owner's Lot or Unit in the form of a Reimbursement Assessment.

9.13 Recorded Easements and Licenses. In addition to the easements described in this Article 9 and elsewhere in this Master Declaration, the recorded easements and licenses appurtenant to or included in the Common Interest Community are set forth on **Exhibit E** attached hereto and made a part hereof by this reference.

ARTICLE 10
MASTER ASSOCIATION

10.1 Master Association. The Master Association has been organized as a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act, and shall be operated, to provide for the acquisition, construction, management and maintenance of “association property” as that term is used and defined in Section 528 of the Internal Revenue Code and its regulations. The Master Association shall serve as the governing body for all of the Owners and Occupants for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of Association Property, the levying and collection of Assessments for Common Expenses and other expenses of the Master Association, and such other matters as may be provided in this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, and Master Rules and Regulations. The Master Association shall not be deemed to be conducting a business of any kind, and all funds received by the Master Association shall be held and applied by it on behalf of the Owners in accordance with the provisions of this Master Declaration, any Supplemental Declaration, the Articles and the Bylaws.

10.2 Master Association Executive Board. The affairs of the Master Association shall be managed by an Executive Board. The number, term, and qualifications of the members of the Executive Board shall be fixed in the Articles of Incorporation or the Bylaws. A quorum shall be deemed present throughout any meeting of the Executive Board if persons entitled to cast at least fifty percent (50%) of the votes on the Executive Board are present at the beginning of the meeting or grant their proxy as provided in C.R.S. Section 7-128-205(4). With the exception of matters that may be discussed in executive session, as set forth in Section 38-33.3-308(3-7) of the Act, all regular and special meetings of the Executive Board or any committee thereof shall be open to attendance by all Members of the Master Association or their representatives. Without limiting the generality of the foregoing, no Master Rule or Regulation may be validly adopted during an executive session. Agendas for meetings of the Executive Board shall be made reasonably available for examination by all Members of the Master Association or their representatives.

The Executive Board shall have all of the powers, authority and duties granted or delegated to it by the Act, this Master Declaration, any Supplemental Declaration, the Articles or Bylaws. Except as provided in the Act, this Master Declaration, any Supplemental Declaration, the Articles or Bylaws, the Executive Board may act in all instances on behalf of the Master Association.

The Executive Board may not, however, act on behalf of the Master Association to amend this Master Declaration, to terminate the Common Interest Community, or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

The Executive Board may, by resolution, delegate portions of its authority to officers of the Master Association, but such delegation of authority shall not relieve the Executive Board of the ultimate responsibility for management of the affairs of the Master Association. If appointed by Declarant, in the performance of their duties, the members of the Executive Board and the officers of the Master Association are required to exercise the care required of fiduciaries of the Lot and Unit Owners. If not appointed by Declarant, no member of the Executive Board and no officer shall be liable for actions taken or omissions made in the performance of such member's or officer's duties except for wanton and willful acts or omissions.

10.3 Membership in Master Association. There shall be one Membership in the Master Association for each Lot and Unit within the Common Interest Community. The Person or Persons who constitute the Owner of a Lot or Unit shall automatically be the holder of the Membership appurtenant to that Lot or Unit, and shall collectively be the "**Member**" of the Master Association with respect to that Lot or Unit, and the Membership appurtenant to that Lot or Unit shall automatically pass with fee simple title to the Lot or Unit. Declarant shall hold a Membership in the Master Association for each Lot or Unit owned by Declarant. Membership in the Master Association shall not be assignable separate and apart from fee simple title to a Lot or Unit, and may not otherwise be separated from ownership of a Lot or Unit.

10.4 Designation of Master Association Delegates. Each Subassociation, acting through its Subassociation Board, shall be entitled to appoint one (1) Master Association Delegate in accordance with accordance with the provisions of the Subassociation Declaration for the respective Subassociation. The Master Association Delegate shall represent the collective interests of all of the Owners within the Subassociation regarding Master Association matters. If a Subassociation fails to appoint a Master Association Delegate, the Executive Board may appoint a Master Association Delegate in its discretion.

10.5 Exercise of Voting Rights.

(a) **Voting Allocations.** Each Lot and each Unit in the Common Interest Community shall be allocated one (1) vote in the Master Association, *i.e.*, one (1) vote per Owner. Occupants of Lots or Units, or of Accessory Dwelling Units, shall not have voting rights. If title to a Lot or Unit is owned by more than one (1) Person, such persons shall collectively be allocated one vote.

(b) **Manner of Voting by Master Association Delegates.** Each Master Association Delegate shall have one vote for each vote that could be cast by Members of the Subassociation which the Master Association Delegate represents. Each Master Association Delegate may cast the votes that he or she represents in such manner as the Master Association Delegate, in his or her sole discretion, deems appropriate, acting on behalf of all the Members

owning Units in the Subassociation the Master Association Delegate represents. It will be presumed for all purposes of Master Association business that any Master Association Delegate casting votes will have acted with the authority and consent of all the Members of the Subassociation of such Master Association Delegate. All agreements and determinations lawfully made by the Master Association in accordance with the voting procedures established herein, and in the Bylaws, shall be binding on all Members, and their successors and assigns

(c) Role of Master Association Delegates at Master Association Meetings. Each Lot Owner and each Unit Owner shall be represented at Master Association meetings only through Master Association Delegates appointed by each Subassociation Board in accordance with the applicable Subassociation Declaration. Except for Master Association Delegates appointed during a period in which the Subassociation Board is controlled by Declarant, each such Master Association Delegate must be a Member in accordance with Section 10.3. Except for Master Association Delegates appointed during a period in which the Subassociation Board is controlled by Declarant, no Master Association Delegate may be a member of its respective Subassociation a Board. If a Subassociation fails to appoint a Master Association Delegate, the Master Association Board may appoint a Master Association Delegate in its discretion. Nothing contain in this Section 10.5(c) is intended to prevent a Lot Owner or Unit Owner from attending a meeting of the Owners of the Master Association, however, only the Master Association Delegates shall be entitled to vote, regardless of attendance by Unit Owners and Lot Owners, at any meeting of the Members of the Master Association.

In accordance with Section 38-33.3-309 of the Act, and except as may otherwise be provided in the Bylaws, a quorum is deemed present throughout any meeting of the Members of the Master Association if persons entitled to cast at least twenty percent (20%) of the votes in the Master Association are present, in person or by proxy, at the beginning of the meeting.

Provided a quorum of Members entitled to vote is present in person or by proxy, the affirmative vote of a majority of the Members so present shall constitute approval of any matter voted upon unless a different number is required on a particular matter by the Act, this Master Declaration, any Supplemental Declaration, the Articles, or the Bylaws.

The vote allocated to a Lot or Unit may be cast pursuant to a proxy duly executed by a Lot or Unit Owner. If a Lot or Unit is owned by more than one person, each owner of the Lot or Unit may vote or register protest to the casting of a vote by the other owners of the Lot or Unit through a duly executed proxy. A Lot or Unit Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Master Association. A proxy is void if it is not dated or

purports to be revocable without notice. A proxy shall terminate eleven (11) months after its date, unless a different termination date is otherwise set forth on its face.

10.6 Period of Declarant Control of the Master Association. Notwithstanding any other provisions hereof, Declarant shall have and hereby reserves the power to appoint and remove, in its sole discretion, the members of the Executive Board and the officers of the Master Association during the period commencing upon the Recording of this Master Declaration and terminating no later than the earlier of (a) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots and Units that may be created to Lot or Unit Owners other than Declarant; or (b) two (2) years after the last conveyance of a Lot or Unit by the Declarant in the ordinary course of business; or (c) two (2) years after any right to add new Lots or Units was last exercised by Declarant.

During said Period of Declarant Control of the Master Association:

(a) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots and Units that may be created to Lot or Unit Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board must be elected by Lot and Unit Owners other than Declarant.

(b) Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots and Units that may be created to Lot or Unit Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Executive Board must be elected by Lot and Unit Owners other than Declarant.

At any time prior to the termination of the Period of Declarant Control of the Master Association, the Declarant may voluntarily surrender and relinquish the right to appoint and remove officers and members of the Executive Board, but in such event Declarant may require, for the duration of the Period of Declarant Control of the Master Association, that specified actions of the Master Association or the Executive Board, as described in a Recorded instrument executed by Declarant, be approved by Declarant before they become effective. As to such actions, Declarant may give its approval or disapproval in its sole discretion and option, and its disapproval shall invalidate any such action by the Executive Board or the Master Association. Not later than the termination of the Period of Declarant Control of the Master Association, the Lot and Unit Owners (including Declarant) shall elect an Executive Board of at least three (3) members, at least a majority of whom must be Lot or Unit Owners other than Declarant or designated representatives of Lot or Unit Owners other than Declarant, and the Executive Board shall elect the officers, with such Executive Board members and officers to take office upon election. Pursuant to Section 38-33.3-303(9) of the Act, within sixty (60) days after Lot and Unit Owners other than Declarant elect a majority of the members of the Executive Board, Declarant shall deliver to the Master Association all property of the Lot and Unit

Owners and of the Master Association held or controlled by Declarant, including without limitation the following items:

(a) The original or a certified copy of the recorded Master Declaration as amended, the Master Association's Articles of Incorporation, Bylaws, minute books, other books and records, and any rules and regulations which may have been promulgated;

(b) An accounting for Master Association funds and financial statements from the date the Master Association received funds and ending on the date the Period of Declarant Control of the Master Association ends. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the accountant's letter, expressing either the opinion that the financial statements present fairly the financial position of the Master Association in conformity with generally accepted accounting principles or a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles and the reasons therefor. The expense of the audit shall not be paid for or charged to the Master Association.

(c) The Master Association funds or control thereof;

(d) All of the Declarant's tangible personal property that has been represented by the Declarant to be the property of the Master Association or all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of Association Property, and inventories of these properties;

(e) A copy, for the nonexclusive use by the Master Association, of any plans and specifications used in the construction of the improvements in the Common Interest Community;

(f) All insurance policies then in force, in which the Lot Owners, the Master Association, or its directors and officers are named as insured persons;

(g) Copies of any certificates of occupancy that may have been issued with respect to any improvements comprising the Common Interest Community;

(h) Any other permits issued by governmental bodies applicable to the Common Interest Community and which are currently in force or which were issued within one year prior to the date on which Lot and Unit Owners other than the Declarant took control of the Master Association;

(i) Written warranties of the contractor, subcontractors, suppliers, and manufacturers that are still effective;

(j) A roster of Lot and Unit Owners and Occupants and Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records.

(k) Employment contracts in which the Master Association is a contracting party; and

(l) Any service contract in which the Master Association is a contracting party or in which the Master Association or the Lot or Unit Owners have any obligation to pay a fee to the persons performing the services.

10.7 Termination of Contracts and Leases of Declarant. The following contracts and leases, if entered into before the Executive Board elected by the Lot and Unit Owners pursuant to Section 38-33.3-303(7) takes office, may be terminated without penalty by the Master Association at any time after the Executive Board elected by the Lot and Unit Owners pursuant to said Section 38-33.3-303(7) takes office, upon not less than ninety (90) days' notice to the other party: (i) Any management contract, employment contract or lease of recreational or parking areas or facilities; (ii) Any other contract or lease between the Master Association and Declarant or an Affiliate of Declarant; or (iii) Any contract or lease that is not bona fide or was unconscionable to the Lot and Unit Owners at the time entered into under the circumstances then prevailing.

10.8 Master Association/Subassociation(s). Every Supplemental Declaration in which a Subassociation is organized and/or established shall contain sufficient language pursuant to Section 38-33.3(220) of the Act delegating responsibilities and control and subordinating it to the Master Association and to this Master Declaration to effectuate the purposes of this Master Declaration. Each Supplemental Declaration shall provide that the Executive Board shall be elected after the termination of the Period of Declarant Control of the Master Association by all Lot and Unit Owners acting through their Master Association Delegates subject to the Master Declaration. If both a Subassociation and the Master Association have liens for Assessments created at any time on the same Lots or Units, the lien of the Master Association shall take priority over the lien of any Subassociation.

ARTICLE 11 POWERS AND DUTIES OF MASTER ASSOCIATION

11.1 General Powers and Duties of Master Association. The Master Association shall have and may exercise all of the powers and rights and duties of a Colorado corporation formed under the Colorado Revised Nonprofit Corporation Act, and all of the powers and duties provided for in the Act including those enumerated in Section 38-33.3-302 of the Act, as such laws may be amended from time to time, subject only to the limitations upon such powers as are contained in this Master Declaration. More specifically, and without limiting the generality of the foregoing, the Master Association shall have all of the powers and duties necessary (i) for the administration,

management, governance and operation of the Common Interest Community and the Master Association, (ii) to own, operate, improve, maintain, repair, manage, lease, encumber, and otherwise deal with Association Property, (iii) to improve, maintain and repair the Limited Common Areas, and (iv) to do any and all lawful things that may be authorized, required or permitted to be done by the Master Association under the Act and/or under the provisions of this Master Declaration and of any Supplemental Declarations.

11.2 Power to Grant Easements. The Master Association shall have the power to grant access, utility, drainage, irrigation, and such other easements upon, over, across or under Association Property as it deems necessary or desirable for the benefit of the Common Interest Community or parts thereof, or for the benefit of all or less than all of the Lot or Unit Owners, or for the benefit of lands situated outside the Common Interest Community.

11.3 Power to Convey or Encumber Association Property. The Master Association shall have the power to convey, or subject to a security interest, portions of the Association Property if Owners entitled to cast at least sixty-seven percent (67%) of the votes in the Master Association, including sixty-seven percent (67%) of the votes allocated to Lots or Units not owned by Declarant, agree to that action, except that all Owner(s) of Lots to which any Limited Common Area is allocated must agree in order to convey that Limited Common Area or to subject it to a security interest. Proceeds of the sale are an asset of the Master Association.

An agreement to convey, or subject to a security interest, Association Property must be evidenced by the execution of an agreement, in the same manner as a deed, by the Master Association. The agreement must specify a date after which the agreement will be void unless approved by the required percentage of Lot and Unit Owners. Any grant, conveyance or deed executed by the Master Association must be Recorded in the County, and is effective only upon Recordation. The Master Association, on behalf of the Lot and Unit Owners, may contract to convey an interest in an Association Property, but the contract is not enforceable against the Master Association until approved, executed and ratified pursuant to this Section 11.3. Thereafter, the Master Association shall have all the powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments. Unless in compliance with this Section 11.3 any purported conveyance, encumbrance, judicial sale, or other transfer of Association Property is void. A conveyance or encumbrance of Association Property pursuant to this Section 11.3 shall not deprive any Lot or Unit of its rights of (i) access, ingress and egress to the Lot or Unit, and (ii) support of the Lot or Unit. A conveyance or encumbrance of Association Property pursuant to this Section 11.3 shall not affect the priority or validity of pre-existing encumbrances.

11.4 General Power to Provide Services and Facilities to Owners. The Master Association shall have the power, but not the obligation, to acquire, construct, operate, manage, maintain, repair and administer services and facilities for the benefit of the

Owners, or some of them, including, without limitation, security, animal control, vegetation control, insect and pest control, television service, parking facilities, transportation facilities, snow removal, signage, (including entry monuments), lighting (including seasonal lighting), interior and perimeter fencing, landscape walls, landscaping services and facilities, drainage facilities, including retention and detention ponds, irrigation facilities, water features, trash and solid waste disposal services, including recycling programs, utility services, recreational facilities and services, maintenance, and such other services, functions and facilities as are deemed appropriate by the Executive Board. The foregoing list shall not be deemed to be a representation by Declarant of services or facilities that will in fact be available for use by the Owners. The Master Association shall also have the right, but no obligation, to enter into a “bulk rate contract” for cable television and/or security monitoring services, in which case the Master Association shall pay the contractual charges as a Common Expense. The Master Association may enter into such agreements and arrangements as it may deem appropriate with any provider of utilities or services to the Common Interest Community or any portion thereof, including any Special Districts that provide such services, and may form or join any districts created to provide such services.

11.5 Power to Provide Services to Subassociations. The Master Association shall have the power, but not the obligation, to provide services to Subassociations. Such services to any Subassociation shall be provided pursuant to an agreement in writing between the Master Association and such Subassociation which shall provide for the payment by such Subassociation to the Master Association of the costs and expenses of the Master Association of providing such services to the Subassociation including a fair share of the overhead expenses of the Master Association. Services which may be provided to a Subassociation may include, without limitation, (a) the construction, care, operation, management, maintenance, repair, and replacement of Improvements owned by the Subassociation; (b) the providing of services to the area covered by the Subassociation; (c) the enforcement of the provisions of any Supplemental Declaration for, on behalf of, and in the name of the Subassociation; (d) the collection of assessments for, in the name of, and on behalf of a Subassociation; (e) the payment of taxes for a Subassociation with funds of the Subassociation; (f) the obtaining of insurance for a Subassociation; (g) the collection of charges for use of facilities of a Subassociation; and (h) the appointment and supervision of a manager or managers for a Subassociation.

11.6 Power to Provide Special Services to Owners. The Master Association shall have the power to provide services to an Owner or group of Owners. Any service or services to an Owner or group of Owners shall be provided pursuant to an agreement in writing, or through one or more Supplemental Declarations, which shall provide for payment to the Master Association by such Owner or group of Owners of the costs and expenses of the Master Association in providing such services, including a fair share of the overhead expenses of the Master Association, and shall contain reasonable provisions assuring that the obligation to pay for such services shall be binding upon any heirs, personal representatives, successors and assigns of the Owner or group of Owners and

that the payment for such services shall be secured by a lien on the Lot(s) of the Owner or group of Owners.

11.7 Power to Charge for Special Association Property Uses and Special Master Association Services. The Master Association shall have the power to establish reasonable admission or other fees or charges for any special or extraordinary Association Property uses or Master Association services such as special parking privileges, special recreation facilities, conference rooms, instruction, or similar uses beyond the ordinary use of Association Property and ordinary Master Association services. Such charges or fees shall be set forth in schedules of charges and fees adopted from time to time by the Executive Board.

11.8 Power to Acquire Property and Construct Improvements. The Master Association may acquire, hold, encumber and/or convey any right, title or interest in or to real or personal property, including Improvements. The Master Association may construct Improvements on Association Property and may demolish existing Improvements thereon.

11.9 Power to Adopt Master Rules and Regulations. The Master Association may adopt, amend, repeal, and enforce such Master Rules and Regulations as the Executive Board may consider necessary, desirable or appropriate from time to time with respect to the interpretation and implementation of this Master Declaration, the operation of the Master Association, the use and enjoyment of Association Property (including Limited Common Areas), and the use of any other property within the Common Interest Community, including Lots and Units. In order to promote responsible governance, the Master Rules and Regulations shall address the matters identified in Section 209.5(b) of the Act, to the extent that such matters are not addressed elsewhere in this Master Declaration or in the Articles or Bylaws.

Any such Master Rules and Regulations shall be effective only upon adoption by resolution at an open meeting of the Executive Board. Notice of the adoption, amendment, or repeal of any Master Rule or Regulation shall be given in writing to each Owner, and copies of the currently effective Master Rules and Regulations shall be made available to each Owner and Occupant upon request and payment of the reasonable expense of copying the same. Each Owner and Occupant (and all other Persons who are authorized users of Association Property) shall comply with such Master Rules and Regulations, and each Owner shall see that Occupants claiming through such Owner comply with such Master Rules and Regulations. Such Master Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Master Declaration. In the event of conflict between the Master Rules and Regulations and the provisions of this Master Declaration, the provisions of this Master Declaration shall govern. Such Master Rules and Regulations may establish reasonable and uniformly applied penalties (including the levying and collection of fines) for the violation of such Master Rules and Regulations or of any provision of this Master Declaration, the Articles, or the Bylaws.

11.10 Power to Contract with Employees, Agents, Contractors, Districts, Consultants and Managers. The Master Association shall have the power to contract with, and/or to employ and discharge employees, agents, independent contractors and consultants, including lawyers and accountants, and Special Districts, to perform any of the responsibilities of the Master Association under this Master Declaration, including without limitation maintenance responsibilities. The Master Association shall also have the power to retain and pay for the services of a manager or managers, which may be an Affiliate of Declarant, to undertake any of the administrative or managerial responsibilities for which the Master Association may have responsibility under this Master Declaration, to the extent deemed advisable by the Master Association, and may delegate any of its duties, powers, or functions to any such manager, provided that the Master Association's contract with a manager shall be terminable for cause without penalty to the Master Association. Notwithstanding any delegation to a manager of any duties, powers, or functions of the Master Association, the Master Association and its Executive Board shall remain ultimately responsible for the performance and exercise of such duties, powers, and functions.

11.11 Power to Assign Future Income. The Master Association shall have the power to assign its right to future income, including the right to receive Regular Assessments, but only following the affirmative vote of the Owners of Lots and Units to which at least fifty-one (51) percent of the votes in the Master Association are allocated, at a duly-called meeting of the Members of the Master Association.

11.12 Duty to Accept Property and Facilities Transferred by Declarant. The Master Association shall accept title to any real property, or interests in real property, including any Improvements and personal property thereon, transferred to the Master Association by Declarant, or Declarant's successors or assigns. Property interests transferred to the Master Association by Declarant or its successors or assigns may include fee simple title, undivided interests, easements, leasehold interests and licenses to use. Except as may otherwise be approved by the Executive Board, any property or interest in property transferred to the Master Association by Declarant or its successors or assigns shall be within the boundaries of the Common Interest Community; provided, however, that Declarant shall be entitled to transfer and convey the beneficial use of an easement, subject to any obligations thereunder, located outside of the Common Interest Community but which benefits the Master Association and the Owners.

Any property or interest in property transferred to the Master Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Executive Board, be transferred to the Master Association free and clear of all monetary obligations, liens and encumbrances (other than the lien of property taxes and assessments not then due and payable), but shall be subject to the terms of this Master Declaration, and easements, covenants, conditions, restrictions, and equitable servitudes or other encumbrances of record or otherwise in existence. Except as otherwise specifically approved by resolution of the Executive Board, no property or interest in property transferred to the Master Association by Declarant shall impose upon the Master

Association any obligation to make monetary payments to Declarant or any Affiliate of Declarant, including, but not limited to, any purchase price, rent, charge, or fee.

Any Improvements or personal property transferred to the Master Association by Declarant shall be in good working order, ordinary wear and tear excepted, and at the time of transfer Declarant shall make any repairs reasonably required to bring the transferred property into good working order. Subject only to the foregoing, the Master Association shall accept all properties transferred to it by Declarant in their "Where Is, As Is" condition, without recourse of any kind, and Declarant disclaims and shall not be deemed to make or to have made any representations or warranties, express or implied, by fact or law, with respect to the transferred properties or any aspect or element thereof, including without limitation warranties of merchantability, habitability, fitness for a particular purpose, or workmanlike construction.

11.13 Duty to Manage and Care for Association Property. The Master Association shall manage, operate, care for, maintain, repair and replace all Association Property and keep the same in a functional, clean and attractive condition for the benefit and enjoyment of the Owners.

11.14 Duty to Pay Taxes. The Master Association shall pay any taxes and assessments levied upon Association Property and any other taxes and assessments payable by the Master Association before they become delinquent. The Master Association shall have the right to contest any such taxes or assessments by appropriate legal proceedings provided no sale or foreclosure of any lien for such tax or assessment occurs and provided further that the Master Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful.

11.15 Duty to Keep Master Association Records; Bi-Annual Audit or Review. The Master Association shall keep financial records in sufficient detail to enable the Master Association to carry out its responsibilities under this Master Declaration and to comply with the requirements of Section 317 of the Act, including, but not limited to, current records of paid and unpaid Assessments for each Lot and Unit. All financial and other records of the Master Association shall be made reasonably available for examination and copying by the Owners and the authorized agents of the Owners.

The books and records of the Master Association shall be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services, at least once every two years by a person selected by the Executive Board. Such person need not be a certified public accountant except in the case of an audit. An audit shall be required under Section 303 of the Act only when both of the following conditions are met:

(a) The Master Association has annual revenues or expenditures of at least \$250,000.00; and

(b) An audit is requested by the Owners of at least one-third of the Lots and Units in the Common Interest Community.

Copies of an audit or review shall be made available upon request to any Lot or Unit Owner beginning no later than 30 days after its completion.

11.16 Duty to Support Design Review Committee. The Master Association shall take such actions, provide such funds, and do such other things as may be necessary or appropriate from time to time to support and assist the Design Review Committee in the performance of its responsibilities under this Master Declaration, and shall cooperate with said Committee to the fullest extent possible in such matters.

11.17 Insurance. Commencing not later than the time of the first conveyance of a Lot or Unit to a Person other than Declarant, the Master Association shall maintain and keep in effect at all times customary types of insurance, including without limitation, all insurance required by Section 38-33.3-313 of the Act, or those required by Applicable Law, and the cost of said coverage shall be paid by the Master Association as a Common Expense.

11.18 Damage to Common Interest Community. Any portion of the Common Interest Community for which insurance is required under Section 38-33.3-313 of the Act (except any portion on which insurance is carried by a Subassociation) which is damaged or destroyed must be repaired or replaced promptly by the Master Association unless: (i) repair or replacement is the responsibility of a Subassociation under a Supplemental Declaration, (ii) the Common Interest Community is terminated; (iii) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; (iv) sixty-seven percent (67%) of the Lot and Unit Owners, including owners of every Lot or Unit that will not be rebuilt, vote not to rebuild; or (v) prior to the conveyance of any Lot or Unit to a person other than Declarant, a Mortgagee on the damaged portion of the Common Interest Community rightfully demands all or a substantial part of the insurance proceeds.

The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire Common Interest Community is not repaired or replaced, the insurance proceeds attributable to the damaged Association Property must be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community, and, except to the extent that other Persons will be distributees, the insurance proceeds attributable to Lots or Units that are not rebuilt must be distributed to the Owners of those Lots or Units, or to lienholders, as their interests may appear, and the remainder of the proceeds must be distributed to all Lot and Unit Owners or lienholders as their interests may appear in proportion to the Common Expense liabilities of all the Lots and Units.

In the event of damage to or destruction of all or a portion of the Association Property due to fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Master Association to such reconstruction and repair. If the insurance proceeds with respect to such Association Property damage or destruction are insufficient to repair and reconstruct the damage or destruction, the Master Association may levy a Special Assessment in the aggregate amount of such deficiency, or if any Owner or group of Owners is liable for such damage, may levy a Reimbursement Assessment against the Owner or group of Owners responsible therefor, and shall proceed to make such repairs or reconstruction. Such Assessment shall be due and payable as provided by resolution of the Executive Board, but not sooner than sixty (60) days after written notice thereof. The Assessment provided for herein shall be a debt of each Lot and Unit Owner assessed and a lien on his Lot or Unit, and may be enforced and collected in the same manner as any Assessment Lien provided for in this Master Declaration. If the entire damaged Association Property is not repaired or replaced, the insurance proceeds attributable to the damaged Association Property must be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community. No distributions of insurance proceeds shall be made unless made jointly payable to the Lot and Unit Owners and first Mortgagees of their respective Lots or Units, if any.

11.19 Limited Liability. Neither the Master Association nor its past, present or future officers or directors, nor any other employee, agent or committee member of the Master Association shall be liable to any Owner or Occupant or to any other Person for actions taken or omissions made except for wanton and willful acts or omissions. Without limiting the generality of the foregoing, the Master Association, the Executive Board and the Design Review Committee shall not be liable to any Owner or Occupant or other Person for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice. Acts taken upon the advice of legal counsel, certified public accountants, registered or licensed engineers, architects or surveyors shall conclusively be deemed to be in good faith and without malice. To the extent insurance carried by the Master Association for such purposes shall not be adequate, the Owners severally agree to indemnify and to defend the Master Association, the Executive Board and the Design Review Committee against claims, damages or other liabilities resulting from such good faith action or failure to act.

11.20 Public Disclosures Required of Master Association. In accordance with Section 209.4 of the Act, the Master Association shall provide to all Lot and Unit Owners, at least once per year, a written notice stating the name of the Master Association; the name of the Master Association's designated agent or management company, if any; and a valid physical address and telephone number for both the Master Association and the designated agent or management company, if any. The notice shall also include the name of the Common Interest Community, the initial date of recording of the Master Declaration, and the Reception Number or Book and Page for the main document that constitutes the Master Declaration. If the Master Association's address, designated agent,

or management company changes, the Master Association shall provide all Lot and Unit Owners with an amended notice within 90 days after the change.

Within 90 days after assuming control from the Declarant pursuant to Section 10.6 above, and within 90 days after the end of each fiscal year thereafter, the Master Association shall make the following information available to Lot and Unit Owners upon reasonable notice in accordance with Section 209.4(3) of the Act:

- (a) The date on which its fiscal year commences;
- (b) Its operating budget for the current fiscal year;
- (c) A list, by Lot and Unit type, of the Master Association's current Assessments, including both Regular and Special Assessments;
- (d) Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (e) The results of any financial audit or review for the fiscal year immediately preceding the current annual disclosure;
- (f) A list of all Master Association insurance policies, including, but not limited to, property, general liability, Master Association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed;
- (g) All the Master Association's Bylaws, Articles, and Master Rules and Regulations;
- (h) The minutes of the Executive Board and Member meetings for the fiscal year immediately preceding the current annual disclosure; and
- (i) The Master Association's responsible governance Master Rules and Regulations adopted pursuant to Section 209.5 (b) of the Act.

It is the intent of Section 209.4 of the Act to allow the Master Association the widest possible latitude in methods and means of disclosure, while requiring that the information be readily available at no cost to Lot and Unit Owners at their convenience. Disclosure shall be accomplished by one of the following means: Posting on an internet web page with accompanying notice of the web address via first-class mail or email; the maintenance of a literature table or binder at the Master Association's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a Common Expense.

11.21 Executive Board Member Education. In accordance with Section 209.6 of the Act, the Executive Board may authorize, and account for as a Common Expense, reimbursement of Executive Board members for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of Owners' Associations. The course content of such educational meetings and seminars shall be specific to Colorado, and shall make reference to applicable sections of the Act.

11.22 Owner Education. In accordance with Section 209.7 of the Act, the Master Association shall provide, or cause to be provided, education to Owners at no cost on at least an annual basis as to the general operations of the Master Association and the rights and responsibilities of Owners, the Master Association, and its Executive Board under Colorado law. The criteria for compliance with Section 209.7 of the Act shall be determined by the Executive Board.

ARTICLE 12 ASSESSMENTS

12.1 Assessment Obligation and Lien. Declarant, for each Lot and Unit, shall be deemed to covenant and agree, and each Lot or Unit Owner, by acceptance of a deed therefor (including a public trustee's or sheriff's deed), whether or not it shall be so expressed in any such deed or other instrument of conveyance, shall be deemed to covenant and agree, to pay to the Master Association: (1) Regular Assessments or charges, (2) Special Assessments, (3) Reimbursement Assessments, and (4) Real Estate Transfer Assessments, such assessments to be established and collected as hereinafter provided (collectively the "**Assessments**"). No Owner shall have any right to set-off against an Assessment any claims that the Owner may have or may claim to have against the Master Association. The Assessments, together with interest, late charges, costs, and reasonable attorneys' fees, shall be a continuing lien and security interest upon the Lot or Unit against which each such Assessment is charged. The obligation for such payments by each Lot or Unit Owner to the Master Association is an independent covenant, with all amounts due from time to time payable in full without notice (except as otherwise expressly provided in this Declaration) or demand, and without set-off or deduction of any kind or nature. Each Lot and Unit Owner is liable for Assessments made against such Owner's Lot or Unit during his period of ownership of the Lot or Unit. Each Assessment, together with interest, late charges, costs and reasonable attorneys' fees, shall also be the joint, several and personal obligation of each Person who was an Owner of such Lot or Unit at the time when the Assessment became due. Upon the transfer of title to a Lot or Unit, the transferor and the transferee shall be jointly, severally and personally liable for all unpaid Assessments and other charges due to the Master Association prior to the date of transfer, and the transferee shall be personally liable for all such Assessments and charges becoming due thereafter.

12.2 Statutory Lien. The Master Association has a statutory lien pursuant to Section 38-33.3-316 of the Act on the Lot or Unit of an Owner for all Assessments levied against such Lot or Unit or fines imposed against such Lot's or Unit's Owner from the

time the Assessment or fine becomes due (the “**Assessment Lien**”). Fees, charges, late charges, attorneys’ fees, fines and interest charged by the Master Association pursuant to the Act or this Master Declaration or any Supplemental Declaration are enforceable as Assessments. The amount of the lien shall include all such items from the time such items become due. If an Assessment is payable in installments, the Master Association has an Assessment Lien for each installment from the time it becomes due, including the due date set by the Executive Board’s acceleration of installment obligations. An Assessment Lien is extinguished unless proceedings to enforce the lien are instituted within 6 years after the full amount of Assessments becomes due.

12.3 Lien Superior to Homestead and Other Exemptions. An Assessment Lien shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed subject to this Master Declaration shall constitute a waiver of the homestead and any other exemption as against said Assessment Lien.

12.4 Priority of Lien. With the exception of Assessment Liens relating to Real Estate Transfer Assessments, an Assessment Lien is prior to all other liens and encumbrances on a or Unit except as follows:

- (a) Liens and encumbrances Recorded before the recordation of this Master Declaration;
- (b) A security interest on the Lot or Unit which has priority over all other security interests on the Lot or Unit and which was Recorded before the date on which the Assessment sought to be enforced became delinquent. An Assessment Lien is prior to the security interest described in the preceding sentence to the extent of an amount equal to the Regular Assessments (based on a Budget adopted by the Master Association pursuant to Section 12.7 below) which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by the Master Association or any party holding a lien senior to any part of the Master Association lien created under this Article 10 of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien;
- (c) Liens for real estate taxes and other governmental assessments or charges against the Lot or Unit; and
- (d) As may otherwise be set forth in the Act. The priority of mechanics’ and materialmen’s liens is not affected by the Act.

This Article 12 does not prohibit an action or suit to recover sums for which this Article 12 creates a lien or prohibit the Master Association from taking a deed in lieu of foreclosure. Sale or transfer of any Lot or Unit shall not affect the lien for an Assessment.

12.5 Perfection of Lien. The Recording of this Master Declaration and of each Supplemental Declaration constitutes record notice and perfection of the statutory lien. No further Recordation of any claim of lien for Assessments is required; however, a claim may be Recorded at the Master Association's option, in which event costs and attorneys' fees incurred in connection with the preparation and filing of such claim shall be assessed against the Lot or Unit as a Reimbursement Assessment.

12.6 Regular Assessments.

(a) A Regular Assessment shall be made annually against each Lot and Unit, based upon an annual Budget prepared by the Executive Board, for purposes of paying (i) the annual costs of operating and administering the Master Association and all other Common Expenses, (ii) reasonable reserves for contingencies, replacements, and other proper purposes, (iii) the costs of services rendered or expenditures incurred by the Master Association to or for less than all Lots or Units, which costs and expenses shall be assessed only to the Lots or Units benefited and then equally among them, and (iv) such other matters as may be reasonably determined by the Executive Board to be the subject of a Regular Assessment;

(b) Regular Assessments shall be allocated in accordance with the Allocated Interests of each Lot and Unit in the Common Interest Community, except that any Common Expense or portion thereof benefiting fewer than all of the Lots or Units shall be assessed exclusively against the Lots or Units benefited. If Common Expense liabilities are reallocated, Common Expense Assessments and any installment thereof not yet due shall be reallocated in accordance with the reallocated Common Expense liabilities.

(c) Regular Assessments shall be levied on a calendar year basis. Regular Assessments shall commence on the first day of the month following the date of completion of all Roads necessary to provide access to the applicable Lot or Unit and the extension of the following applicable utilities to the Lot or Unit: electricity, water, and sewer. Regular Assessments for Lots or Units within any property which is annexed as part of the Property, as to Lots or Units within such property subject to Regular Assessments, shall commence on the effective date of the annexation making them part of the Property, unless otherwise provided by Declarant in an applicable Supplemental Declaration. Regular Assessments shall be paid in installments on a monthly, quarterly or semi-annual basis, as the Executive Board may determine from time to time, and shall be due either on the first day of each calendar month or on the first day of each calendar year quarter

(January 1, April 1, July 1 and October 1), or on the first day of a semi-annual period (e.g. January 1, July 1) as appropriate. . Any Lot or Unit Owner acquiring a Lot or Unit between installment due dates shall pay a pro rata share of the immediately preceding installment.

(d) Not later than 60 days prior to the beginning of each fiscal year of Master Association (starting with the first full fiscal year after the sale of the first Lot or Parcel to a purchaser other than Declaration or an Affiliate of Declarant), Master Association shall make available for review by each Member or Owner at Master Association's office during reasonable times a pro forma operating statement or budget for the upcoming fiscal year, which shall, among other things, estimate the total Common Expenses and Regular Assessments to be incurred for the fiscal year. Failure of the Executive Board timely to fix and levy the Regular Assessments for any year or to send a notice thereof to any Owner shall not relieve or release any Owner from liability for payment of Regular Assessments or any installments thereof for that or subsequent years as soon as the Executive Board levies the Regular Assessment and provides notice thereof. If a duly adopted Budget is amended during the calendar year, the Executive Board shall provide written notice to the Owners of any changes caused thereby in the remaining Regular Assessments due during that year.

(e) In accordance with Section 38-33.3-314 of the Act, if Master Association Board determines that the total Regular Assessments for the current year are, or will become, inadequate to meet all Common Expenses for whatever reason, including Common Expenses in excess of the estimated Common Expenses used in preparation of Master Association's budget for that year, Master Association Board shall then determine the approximate amount of the inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of Regular Assessments to be paid by each Member or Owner for the balance of the year, and the date or dates when due. If the estimated total Regular Assessments for the current year prove to be in excess of the actual Common Expenses, Master Association may, at the discretion of Master Association Board, retain the excess as additional working capital or reserves, or reduce the amount of the Regular Assessments for the succeeding year, or abate collection of Regular Assessments for a period of time deemed appropriate by Master Association Board

12.7 Master Association Budget. Commencing in [2025], and during the last three (3) months of each year thereafter, the Executive Board shall prepare or cause to be prepared an operating budget (the "**Budget**") for the next calendar year. The Budget shall provide for the allocation of any surplus funds remaining from any previous Budget period. The annual Budget may provide for a Special Assessment in any calendar year, if considered necessary or appropriate by the Executive Board. Alternatively, the

Executive Board may at any time adopt a Special Budget that provides for a Special Assessment. Within thirty (30) days after adoption of any proposed Budget for the Master Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Budget to all the Lot and Unit Owners and shall set a date for a meeting of the Lot and Unit Owners to consider ratification of the Budget not less than fourteen (14) nor more than sixty (60) days after the mailing or other delivery of the summary. Such meeting may, but need not be, concurrent with the annual meeting of the Members as provided in the Bylaws. Unless at that meeting sixty-seven percent (67%) of all Lot and Unit Owners reject the Budget, the Budget shall be ratified, whether or not a quorum of Owners is present. In the event that the proposed Budget is rejected, the Budget last ratified by the Lot and Unit Owners shall be continued until such time as the Lot Owners ratify a subsequent Budget proposed by the Executive Board.

If the Executive Board considers it necessary or appropriate, a duly adopted Budget may be amended during the calendar year by the Executive Board, provided the same notice and ratification procedure is followed for the Amended Budget as is required for the annual Budget.

12.8 Special Assessments. In addition to the other Assessments authorized in this Article 12, the Executive Board may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, maintenance or replacement of capital improvements (including related fixtures and personal property and including without limitation irrigation systems), to or upon or serving the Common Interest Community, or for excess reconstruction costs or other extraordinary expenses, or to acquire Association Property, or for funding any operating deficit of the Master Association. Special Assessments shall be allocated in the same manner as Regular Assessments, that is, in accordance with the Allocated Interests of each Lot and Unit in the Common Interest Community, and shall be due and payable to the Master Association on the due date fixed by the Executive Board in the notice given to the Owners of such Special Assessment, which due date shall be no earlier than thirty (30) days after the giving of such notice. Any Special Assessment for an Improvement or other expenditure which will benefit fewer than all of the or Units shall only be levied against the Lots or Units benefited; provided, that expenditures in connection with Association Property (excepting Limited Common Areas) shall be deemed for the general benefit of all Lots and Units, wherever located. If fewer than all of the Lots and Units will be subject to the Special Assessment, then such Special Assessment shall be allocated equally amongst those Lots and Units.

12.9 Reimbursement Assessments. In addition to the other Assessments authorized in this Article 12, the Executive Board may levy against any Owner or Owners, at any time and from time to time, a Reimbursement Assessment for purposes of reimbursing the Master Association for all costs and expenses incurred by it in enforcing any provision of or in remedying any violation of this Master Declaration, or of any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations or Design Guidelines, or any approvals granted by the Design Review Committee, by such Owner

or Owners, their Occupant(s), or their agents, employees or contractors. Reimbursement Assessments may also be made by the Executive Board for any other purposes for which this Master Declaration provides for the levying of a Reimbursement Assessment. Finally, and in addition to the foregoing, a Reimbursement Assessment may also be levied in the form of a reasonable fine against an Owner for a violation of this Master Declaration, a Supplemental Declaration, the Articles, Bylaws, or the Master Rules and Regulations, but only after the Owner(s) to be so fined have been provided with Notice and Hearing. Reimbursement Assessments shall be due and payable to the Master Association on the due date fixed by the Executive Board in the notice given to the Owner(s) of such Reimbursement Assessment, which date shall be no earlier than thirty (30) days after the giving of such notice

12.10 Master Property Enhancement Fees and Reserves.

(a) Master Property Enhancement Fee

(i) **Authority.** As an additional funding source, Master Association shall assess an additional fee ("Master Property Enhancement Fee") due on each Transfer (defined below), other than the exempt Transfers described below in clause (iii). The Master Property Enhancement Fee shall be used to increase desirability of and interest in the Master Property, the overall goal of which is to provide funds to continue to feature and promote the Master Property once termination of the Period of Declarant Control has occurred. The Master Property Enhancement Fee shall be assessed against the applicable Parcel(s) on Transfer, and shall be a Master Special Assessment. Each Owner shall notify Master Association or its designee at 7 days prior to such Owner's scheduled Transfer. Such notice shall include the name and contact information of the transferee, date of the Transfer, the Gross Transfer Price (defined below) and other information as Master Association or its designee reasonably may require. "Transfer" includes the sale or transfer of all or a portion of a Parcel, directly or indirectly, including any lease or license to use all or a portion of a Parcel, and including, if the Owner is an entity other than a natural person, a sale or other transfer by any of Owner's controlling parties of more than a controlling amount of such party's entity interest in the Owner. If a portion of a Parcel being transferred is a portion of a Split Lot, the applicable Master Property Enhancement Fee shall only be assessed against the portion of the Split Lot being transferred and not against the other portion of the Split Lot.

(ii) **Master Property Enhancement Fee Limit.** The Master Property Enhancement Fee shall equal the lesser of: (A) 1% percent of the Gross Transfer Price (defined below), with all improvements,

upgrades, and premiums included; or (B) an amount equal to 2 years of Regular Assessments in effect at the time of Transfer. The "Gross Transfer Price" is the total consideration paid by or on behalf of the transferee of the Parcel (or if the Owner is an entity other than a natural person, the total consideration paid by or on behalf of the transferee of a controlling interest in Owner), excluding transfer taxes, assessments, and closing costs.

(iii) **Master Property Enhancement Fee Limit.** The Master Property Enhancement Fee shall equal the lesser of: (A) 1% percent of the Gross Transfer Price (defined below), with all improvements, upgrades, and premiums included; or (B) an amount equal to 2 years of Regular Assessments in effect at the time of Transfer. The "Gross Transfer Price" is the total consideration paid by or on behalf of the transferee of the Parcel (or if the Owner is an entity other than a natural person, the total consideration paid by or on behalf of the transferee of a controlling interest in Owner), excluding transfer taxes, assessments, and closing costs

(iv) **Exempt Transfers.** Notwithstanding the foregoing, no Master Property Enhancement Fee shall be assessed on any of the following Transfers:

1. To, or of, Declarant (for clarity) or an Affiliate of Declarant.
2. To a co-Owner to any Person who was a co-Owner immediately prior to such Transfer.
3. To the Owner's estate, surviving spouse, or heirs at law on the death of the Owner.
4. To an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse or heirs at law.
5. To a lender: (I) as security for the performance of an obligation pursuant to a mortgage; or (II) that succeeds to ownership of the Parcel or Owner through foreclosure or deed in lieu of foreclosure.
6. To Master Association or any Subassociation.
7. To any general or special purpose governmental entity, or other public authority (for clarity).

8. Any lease or license of all or a portion of the Parcel, the total term of which does not exceed 3 years including any renewal terms; provided, however, that a Master Property Enhancement Fee may be assessed on any lease, license, sublease, sublicense, or other transfer of all or a portion of the same Parcel to the same Person, the term of which runs any time during or subsequent to the prior lease or license, all as determined by Master Association Board. For purposes of this section, if the Person is an entity other than a natural person, the entity will be considered the "same Person" if the lessee, licensee, sublessee, or sublicensee is comprised of any of such entity's controlling parties.

9. Under circumstances which Declarant, prior to termination of the Period of Declarant Control and in its discretion, and thereafter by Master Association Board, in its discretion, deems to warrant classification as an exempt transfer (e.g., a transfer made solely for estate planning purposes may be, but is not required to be, deemed exempt from payment of the Master Property Enhancement Fee).

(b) **Reserves.** On Declarant's initial transfer of title to a Unit or Lot, or on subsequent transfers of title to each Unit or Lot thereafter, Declarant may require the new Owner to make a contribution to the capital of Master Association in an amount to be determined from time to time by Declarant, but not more than one-sixth of the annual amount of the Regular Assessments for that Parcel, to establish reserves of Master Association. Notwithstanding the foregoing, Declarant shall have no obligation to collect or contribute to the reserves of Master Association. In addition, Master Association Board annually shall prepare a reserve budget which shall take into account the number and nature of replaceable assets, the useful life of each asset, and the anticipated replacement cost of each applicable item comprising the Common Areas and Property. Master Association Board shall establish a required contribution to the reserve for capital improvements, in an amount sufficient to permit Master Association to meet its projected needs, as shown on the reserve budget, with respect both to amount and timing of Regular Assessments over the period of the budget. Except for Master Property Enhancement Fees, any required contributions to the reserve for capital improvements shall be assessed as a portion of the Regular Assessments. All reserves collected as Master Property Enhancement Fees and all reserves included in the Master Common Expenses which are collected as part of the Master Regular Assessments shall be deposited by Master Association Board in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of Master

Association, except (subject to Applicable Law) to the extent that Master Association's regularly employed accountant deems it desirable to do otherwise on the basis of standard accounting principles in similar contexts. All reserves shall be deemed a contribution to the capital account of Master Association. The responsibility of the Executive Board (whether while controlled by Declarant or other Members) shall be only to provide for an amount of reserves as the Executive Board in good faith deems reasonable, and neither the Executive Board (nor any member thereof), nor Declarant, nor any Related Parties (nor the respective employees of Declarant or any Related Parties) shall have any liability to any Member, Owner, Master Association, or to any other Person if the reserves prove to be inadequate.

12.11 Effect of Nonpayment of Assessments; Remedies of the Master Association. Any Assessment or portion or installment thereof which is not paid when due (or for which a bad check is issued) shall be deemed delinquent and shall bear interest from and after the due date at the rate of interest set by the Executive Board from time to time, which shall not be greater than that permitted by law per year, and the Executive Board may also assess a late charge thereon, and/or may assess a bad check charge in the amount of ten percent (10%) of the bad check or \$50.00, whichever is greater. The interest rate on delinquent Real Estate Transfer Assessments is established in Section 12.14(e) below. The Executive Board may also elect to accelerate the installment obligations of any Regular Assessment for which an installment is delinquent. The Executive Board may also suspend the delinquent Owner's use of Association Property and Master Association services or benefits, as provided in Section 15.4. The delinquent Owner shall also be liable for all costs, including attorneys' fees, which may be incurred by the Master Association in collecting a delinquent Assessment, which collection costs shall be added to the delinquent Assessment. The Executive Board may but shall not be required to record a Notice of Delinquent Assessment or charge against any Lot or Unit as to which an Assessment or charge is delinquent. The Notice shall be executed by an officer of the Executive Board, and shall set forth the amount of the unpaid Assessment or charge, the name of the delinquent Owner and a description of the Lot or Unit.

The Assessment Lien may be foreclosed by the Master Association in the same manner as a mortgage on real property. The Master Association shall be entitled to purchase the Lot or Unit at foreclosure. The Master Association may also bring an action at law against the Owner personally obligated to pay the delinquent Assessment and/or foreclose the lien against said Owner's Lot or Unit in the discretion of the Master Association. No Owner may exempt himself or otherwise avoid liability for the Assessments provided for herein by waiver of the use or enjoyment of any of the Association Property or by abandonment of the Lot or Unit against which the Assessments are made. Where Assessments that are due from any Owner are more than ninety (90) days delinquent, the Executive Board may temporarily suspend any or all Master Association services or benefits to the delinquent Owner and his Lot or Unit, including the right to use Association Property, until all delinquent Assessments are fully paid.

In any action by the Master Association to collect Assessments or to foreclose a lien for unpaid Assessments, the court may appoint a receiver to collect all sums alleged to be due from the Lot or Unit Owner prior to or during the pending of the action. The court may order the receiver to pay any sums held by the receiver to the Master Association during the pending of the action to the extent of the Master Association's Regular Assessments.

12.12 Statement of Unpaid Assessments. The Master Association shall furnish to an Owner or such Owner's designee or to a holder of a security interest or its designee upon written request, delivered personally or by facsimile transmittal or by certified mail, first class postage prepaid, return receipt requested, to the Master Association, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's Lot or Unit, whether delinquent or not. The statement shall be furnished within fourteen (14) days after receipt of the request and is binding on the Master Association, the Executive Board, and every Owner. If no statement is furnished either delivered personally or by facsimile transmission or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Master Association shall have no right to assert a lien upon the Lot or Unit for unpaid Assessments which were due as of the date of the request.

12.13 Assessments for Tort Liability. In the event of any tort liability against the Master Association, which is not covered completely by insurance, each Owner shall contribute for the payment of such liability as a Special Assessment. The Master Association may, however, require a larger contribution from fewer than all Owners under any legal or equitable principles regarding liability for negligent or willful acts or omissions.

ARTICLE 13 EMINENT DOMAIN

13.1 Definition of Taking. The term "**taking**", as used in this Article 13, shall mean condemnation by eminent domain or sale under threat of condemnation.

13.2 Representation in Condemnation Proceedings of Association Property. In the event of a threatened taking of all or any portion of the Association Property, the Lot and Unit Owners hereby appoint the Master Association through such persons as the Executive Board may designate to represent the Master Association and all of the Lot and Unit Owners in connection therewith. The Master Association shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Service of process on the Master Association shall constitute sufficient notice to all Lot and Unit Owners, and service of process on each individual Lot and Unit Owner shall not be necessary.

13.3 Award for Association Property. Any awards received by the Master Association on account of the taking of Association Property shall be paid to the Master Association. The Master Association may, in its sole discretion, retain any award in the general funds of the Master Association or distribute all or any portion thereof to the Lot and Unit Owners as their interests may appear. The rights of a Lot or Unit Owner and the Mortgagee of a Lot or Unit as to any such distribution shall be governed by the provisions of the Mortgage encumbering the Lot or Unit.

13.4 Taking of Lots. If a Lot or Unit is acquired by eminent domain or part of a Lot or Unit is acquired by eminent domain leaving the Lot or Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Master Declaration, the award must include compensation to the Lot or Unit Owner for that Lot or Unit and its Allocated Interests whether or not any Association Property was acquired. Upon acquisition, unless the decree otherwise provides, that Lot's or Unit's Allocated Interests are automatically reallocated to the remaining Lots and Units (as appropriate) in proportion to the respective Allocated Interests of those Lots and Units before the taking. Any remnant of a Lot or Unit remaining after part of a Lot or Unit is taken is thereafter Association Property. Otherwise, if part of a Lot or Unit is acquired by eminent domain, the award must compensate the Lot or Unit Owner for the reduction in value of the Lot or Unit and its interest in the Association Property whether or not any Association Property was acquired. Upon acquisition, unless the decree otherwise provides:

(a) That Lot's or Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Lot or Unit; and

(b) The portion of Allocated Interests divested from the partially acquired Lot or Unit is automatically reallocated to that Lot or Unit and to the remaining Lots and Units (as appropriate) in proportion to the respective interests of those Lots and Units before the taking, with the partially acquired Lot or Unit participating in the reallocation on the basis of its reduced Allocated Interests.

13.5 Miscellaneous. The court decree shall be recorded in Routt County. The reallocations of Allocated Interests pursuant to this Article shall be confirmed by an amendment to the Master Declaration prepared, executed, and recorded by the Master Association.

ARTICLE 14 SPECIAL PROVISIONS

[Reserved]

ARTICLE 15
REGARDING THE [STAGECOACH MOUNTAIN RESORT CLUB]

15.1 Membership in the Club. Club Property Owner owns the Club Property. By accepting title to any portion of the Master Property, each Member or Owner hereby acknowledges, accepts, covenants, and agrees that the Club Property is privately owned property and that the Member or Owner (other than the Club Property Owner) has no right, title, or interest in the Club or the Club Property. Club Property Owner intends to develop certain recreational amenities on the Club Property for use by members of the Club.

Members and Owners (other than Club Property Owner) have no right to membership in the Club by virtue of their ownership of any portion of the Master Property. Membership in the Club, if offered by the Club Property Owner to Members or other Owners, is optional and may be available to such Members or Owners who apply, are approved for membership, and remain in good standing with the Club. Membership in the Club is subject to the terms and conditions of the [Stagecoach Mountain Resort Club Membership Plan], the Master Rules and Regulations and the Membership Agreements, as the same may be amended from time to time (collectively, the "**Membership Plan Documents**").

Membership in the Club may require the payment by Owners to the Club of a membership initiation fee and membership dues, fees and other amounts as established by the Club from time to time (the "**Club Charges**"). Club Charges are subject to change as contemplated by the Membership Plan Documents. Delinquent Club Charges are deemed to constitute Assessments. The Master Association shall have an Assessment Lien against each Lot for all unpaid Assessments in accordance with the lien and foreclosure provisions set forth in Article 12, which shall include any Club Charges. In the event that the Master Association does not enforce its rights hereunder with respect to an Assessment Lien resulting from delinquent Club Charges, the Master Association hereby consents and authorizes the Club to enforce the lien and foreclosure provisions of Article 12. Each Owner agrees to the imposition of the Assessment Lien for Club Charges on the Owner's Lot or Unit to which the Club Charges relate and agrees to be personally liable for the Club Charges. Transfer of a Club membership shall be in accordance with the Membership Plan Documents.

15.2 Club Property. The Club Property and other facilities and amenities of the Club other than the Common Areas are privately owned and operated by the Club and are not a part of the Common Area (the "**Club Property**"). The Club has the exclusive right to determine from time to time, in its sole discretion and without notice or approval of any change, how and by whom the Club Property shall be used. By way of example, but not limitation, the Club has the right to approve users and determine eligibility for use, to reserve use rights for future purchasers of Lots, to terminate any or all use rights, to change, eliminate or cease operation of any or all of the Club Property, to transfer any or all of its rights to the Club Property or the operation thereof to anyone and on any terms

which it deems appropriate, to limit the availability of use privileges, and to require the payment of a purchase price, initiation fee, membership deposit, dues and other charges for use privileges. OWNERSHIP OF A LOT OR ANY PORTION OF THE PROPERTY OR MEMBERSHIP IN THE MASTER ASSOCIATION DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB PROPERTY, OR TO ACQUIRE A MEMBERSHIP IN THE CLUB AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE CLUB OR THE CLUB PROPERTY.

15.3 Acknowledgements Regarding Club Property. Each Owner, by acceptance of a deed or recorded contract of sale to a Lot acknowledges that:

(a) Privilege to use the Club Property shall be subject to the terms and conditions of the Membership Plan Documents. Acquisition of a membership in the Club requires the payment of a membership contribution and Club Charges. These amounts shall be determined by Declarant and/or the Club as set forth in the Membership Plan Documents.

(b) Notwithstanding the fact that the Club Property is open space or a recreation area for purposes of applicable zoning ordinances and regulations, each Owner by acquisition of title to a Lot releases and discharges forever Declarant, the Club and their partners, members, officers, directors, employees, agents and affiliates, from: (i) any claim that the Club Property is, or must be, owned and/or operated by the Master Association or the Owners, and/or (ii) any claim that the Owners are entitled to use the Club Property by virtue of their ownership of a Lot without acquiring a membership in the Club, paying the applicable membership contribution and Club Charges, and complying with the terms and conditions of the Membership Plan Documents.

(c) Each Owner and the Master Association shall jointly and severally indemnify, defend, and hold harmless Declarant, the Club, and their partners, members, employees, agents, directors, shareholders, officers and affiliates and their successors and assigns, against and in respect of, and to reimburse Declarant, the Club, and their partners, members, employees, agents, directors, shareholders, officers and affiliates on demand for, any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including, but not limited to, interest, penalties, attorney and paralegal fees and disbursements (even if incident to any appeals), that Declarant, the Club, and their partners, members, employees, agents, directors, shareholders, officers and affiliates shall incur or suffer, which arise out of, result from, or relate to any claim that because the Club Property is deemed to be open space or a recreation area for purposes of applicable zoning ordinances and regulations, the Club Property must be owned and/or operated by the Master Association or the

Owners and/or that Owners may use the Club Property without acquiring a membership in the Club pursuant to the Membership Plan Documents and paying the membership contribution and Club Charges.

(d) Any entry upon the Club Property without permission of the Club may be deemed a trespass. Accordingly, each Owner of a Lot or Unit abutting any portion of the Club Property agrees not to access the Club Property directly from his Lot or Unit (unless otherwise expressly permitted by the Club), and agrees not to permit any of his Occupants, family, guests, invitees, licensees or any other person to do so.

(e) The proximity of Lots and Common Area to the Club Property results in certain foreseeable risks and that each Owner's use and enjoyment of his or her Lot and the Common Area may be limited as a result and that neither the Master Association, Declarant nor the Club shall have any obligation to take steps to remove or alleviate such risks, nor shall they have any liability to any Owner or occupant of any Lot, their guests or invitees, for damage or injury resulting from such risks;

(f) The Club and its designees may add to, remove or otherwise modify the landscaping, trees, and other features of the Club Property, including constructing fences, and that neither the Club, Declarant, nor the Master Association, shall have any liability to Owner as a result of such modifications to the Club Property. Neither Declarant, Club Property Owner, nor the Master Association has an obligation to the Lot and Unit Owners to prune or not prune trees or other landscaping and the Club may change improvements on the Club Property, including without limitation structural improvements, fences, trees, landscaping, ponds, clubhouses, tennis courts, swimming pools, and other recreational, social, maintenance and administrative improvements and facilities in any manner or location and at any time deemed appropriate by said Club, without liability or obligation to the Lot or Unit Owners.

(g) There are no express or implied easements over the Club Property for view purposes; Owners of Lots or Units, including Owners of Lots or Units abutting the Club Property, have no guarantee that their views over and across any Club Property will be forever preserved without impairment, that the views from the Club Property will not be impaired, or that their privacy will not be impaired.

(h) No representations or warranties which are inconsistent with this Article, either verbal or written, have been made or are made by Declarant or the Master Association or by any person acting on behalf of any of the foregoing;

(i) The Club may own one or more ponds and/or lakes on the property within the Plat. Notwithstanding the ownership of such ponds and/or lakes, the Club may use any and all ponds and/or lakes on the property for the purpose of irrigating and maintaining the Club Property and any other decreed purpose associated with the subject water rights adjudicated thereto with the result that the water level in such ponds and/or lakes may from time to time vary. Each Owner of a Lot acknowledges such right on the part of the Club and agrees not to commence any cause of action or other proceeding involving the Club based on the exercise of such right or otherwise interfere therewith; and

(j) In the event there is insufficient water to provide the necessary irrigation and maintenance needs of the Club Property and all other areas of the property within the Plat, subject to applicable governmental permits and requirements, the Club Property shall have first priority of irrigation and maintenance, followed by the Common Area and any other property within the Plat.

15.4 Rights of Access and Parking. The Club and members of the Club (regardless of whether such persons are Members), their guests and invitees and the employees, agents, contractors, and designees of the Club shall at all times have a right and a non-exclusive easement of access and use over all roadways located within the property within the Plat reasonably necessary to travel to and from the entrance of the properties within the Plat from and to the Club Property, respectively, and, further, over those portions of the Property (whether Common Area or otherwise) reasonably necessary for the use operation, maintenance, repair, and replacement of the Club Property. Without limiting the generality of the foregoing, members of the Club and permitted members of the public shall have the right to use the pedestrian paths located throughout the property within the Plat and to park their vehicles on the roadways located within the property within the Plat at reasonable times before, during, and after functions held at the Club Property.

15.5 Assumption of Risk and Indemnification. Each Owner by its purchase of a Lot expressly assumes the risks associated with the Club Property (regardless of whether the Owner is using the Club Property) and agrees that neither Declarant, the Club, the Master Association, nor any of their affiliates or agents nor any other entity designing, constructing, owning or managing the Club Property or planning or constructing the Owner's Lot shall be liable to Owner or any other person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, loss of view, noise pollution, or other visual or audible offenses, or trespass or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of the Owner's Lot or Common Area to the Club Property, including, without limitation, any claim arising, in whole or in part, from the negligence of Declarant, or any other entity designing, constructing, owning or managing the Club Property or

planning or constructing the Owner's Lot. Each Owner hereby agrees to indemnify and hold harmless Declarant and any other entity owning or managing the Club Property against any and all claims by Owner's guests and invitees.

15.6 Landscape Easement. By recordation of this Declaration, Declarant does hereby reserve for itself and the Club and the members of the Club, a perpetual alienable and transferable easement over, across and upon each and every Lot and Common Area which abuts or is contiguous to the Club Property for the purpose of operation and maintenance of the Club Property, including, but not limited to, the use of usual and common equipment for irrigation, maintenance and landscaping thereof and the constructing, planting, maintaining, and replacing landscaping thereon, which easement shall specifically constitute a part of the Club Property. By way of example and not limitation, such easement shall permit entry into the Lot for the purpose of planting grass, applying fertilizer, mowing and edging and removing any underbrush, trash, debris and trees.

15.7 Club Property and Facilities. In no event and for no purpose shall the Club Property or improvements or facilities constructed thereon or related thereto, be deemed to be a part of the Common Interest Community, to constitute Association Property, or to be burdened by this Master Declaration or any Supplemental Declaration. This Master Declaration does not grant or create any rights or privileges to or for the benefit of the Owners or Occupants of Lots or Units in the Common Interest Community to use or enjoy the Club Property or any part thereof or improvements or facilities thereon for any purpose. Without limiting the generality of the foregoing, no Lot or Unit shall have any right (i) to have any improvements or facilities constructed on the Club Property or some of them, or to have them constructed in any particular location on the Club Property, (ii) to have or preserve a visual or sight easement over and across any portion of the Club Property, and/or (iii) to have access to, across or from the Club Property in any particular location or alignment.

15.8 Club Property Hazards, Risks and Liabilities: Disclosure, Assumption of Risk, Release and Indemnification. The Club Property may be used for such recreational or related uses as may be permitted or designated for the Club Property. By acceptance of a deed to a Lot or Unit, each Lot or Unit Owner acknowledges and agrees that any such uses will enhance the value of the Lot or Unit by providing pleasant surroundings for the Common Interest Community.

(a) **Noise and Light.** Owners of Lots or Units, particularly Lots or Units in proximity to the clubhouse(s), may be exposed to lights, noises or activities resulting from the use for tournaments, from the use of the clubhouse(s) for dining and entertainment, and from use of the parking lot(s), and such Lot and Unit Owners acknowledge, accept and assume the risks associated with such uses.

(b) **Maintenance**. The Club Property and related improvements and facilities will require daily maintenance, including mowing, irrigation and grooming, during early morning, evening and night hours, including without limitation the use of tractors, mowers, blowers, pumps, compressors and utility vehicles. In addition to the foregoing, the Declaration of Easements and Rights also establishes certain easements and restrictions upon portions of the Common Interest Community for the benefit of the Club Property Owner, the Club Property and each Owner of a Lot or Unit acknowledges having read that document and being familiar with the terms thereof.

The acknowledgments, assumptions of risk and agreements contained in this Section 15.8 shall be deemed to run with the title to each Lot and Unit within the Common Interest Community.

ARTICLE 16 GENERAL PROVISIONS

16.1 Duration of Master Declaration. The term of this Master Declaration shall be perpetual.

16.2 Termination of Common Interest Community. The Common Interest Community may be terminated only by the agreement of (i) Lot and Unit Owners to which at least eighty percent (80%) of the votes in the Master Association are allocated, and (ii) the holders of all First Mortgages on Lots and Units. In the event of such termination, the provisions of Section 38-33.3-218 of the Act shall apply.

16.3 Amendment of Master Declaration and Plat. This Master Declaration and the Plat may be amended pursuant to Section 38-33.3-217 of the Act. Under the Act, the Master Declaration may be amended by Declarant in certain defined circumstances, including without limitation (a) when the Declarant is exercising reserved rights under Article 8 hereof, (b) for purposes of correcting clerical, typographical or technical errors, or (c) 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. The Act also provides that the Master Declaration may be amended by the Master Association in certain defined circumstances. Otherwise, and subject always to (i) any provisions of this Master Declaration requiring the consent of Declarant, and (ii) the provisions above allowing Owners to amend this Master Declaration (with the consent of the Master Association) in certain circumstances (subdivision or condominiumization, lot line adjustments), this Master Declaration and any Supplemental Declarations (including the Plat and any Supplement Plats) may be amended only by the vote or agreement of Lot and Unit Owners to which more than fifty percent (50%) of the votes in the Master Association are allocated. No amendment shall

be effective to change, limit, impair, reduce or eliminate any right of Declarant as reserved or otherwise provided in this Master Declaration or in any Supplemental Declaration unless such amendment is approved in writing by Declarant.

Furthermore, Section 38-33.3-217(4) of the Act provides that except to the extent expressly permitted or required by other provisions of the Act (*e.g.*, permitted Declarant or Master Association amendments), no amendment may (i) create or increase special Declarant rights, (ii) increase the number of Lots and Units, or (iii) change the boundaries of any Lot or Unit or the Allocated Interests of a Lot or Unit in the absence of a vote or agreement of Lot and Unit Owners to which at least sixty-seven percent (67%) of the votes in the Master Association are allocated, including sixty-seven percent (67%) of the votes allocated to Lots and Units not owned by Declarant.

Further, Section 38-33.3-217(4.5) of the Act provides that except to the extent expressly permitted or required by other provisions of the Act, no amendment may change the uses to which any Lot or Unit is restricted in the absence of a vote or agreement of Lot and Unit Owners to which at least sixty-seven percent (67%) of the votes in the Master Association are allocated.

No consent of any mortgage or trust deed holder shall be required to accomplish any such amendments.

With the exception of amendments accomplished by Supplemental Declaration (when lands are annexed to the Common Interest Community), an amendment to this Master Declaration shall be in the form of a “First (or Second, etc.) Amendment to Master Declaration and Plat of [Stagecoach Ranch Mountain Resort.]” With the exception of Declarant amendments, amendments to this Master Declaration shall be duly executed by the President and Secretary of the Master Association and Recorded in the Office of the Clerk and Recorder of Routt County. All amendments to this Master Declaration shall be indexed in the Grantee’s index in the names of the Common Interest Community and the Master Association, and in the Grantor’s index in the name of each Person executing the amendment.

16.4 Compliance; Enforcement. Every Owner and Occupant of a Lot or Unit in the Common Interest Community (including Occupants of the Accessory Dwelling Units) and every other Person who may be an authorized user of Association Property, shall fully and faithfully observe, abide by, comply with and perform all of the covenants, conditions and restrictions set forth in this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, the UDC, the Design Guidelines and all approvals granted by the Design Review Committee, as the same or any of them may be amended from time to time (“Governing Documents”). In addition to any other rights or remedies that may be provided to any Person under the terms and provisions of this Master Declaration or of any Supplemental Declaration, Declarant (for so long as it holds any of the rights set forth in Article 8 hereof), the Master Association through its Executive Board, the Design Review Committee as to matters involving (i)

Improvements within the Common Interest Community, (ii) the Design Guidelines, or (iii) any other matters arising under Article 6 hereof, or with respect to which the Design Review Committee is otherwise expressly given enforcement authority under this Master Declaration or any Supplemental Declaration, and every Lot and Unit Owner (except an Owner that is delinquent in the payment of Assessments hereunder) shall have the right, acting alone or together with others having such right, to enforce, by any proceeding at law or in equity, any or all of the covenants, conditions, restrictions, assessments, charges, liens, servitudes, easements and other provisions now or hereafter imposed by this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, the UDC, the Design Guidelines, and approvals granted by the Design Review Committee.

Such enforcement rights shall include without limitation the right to bring an injunctive action for any form of injunctive relief available under Colorado law (including specific performance), or an action for damages, or both. Injunctive relief may include, without limitation, orders to stop work, orders to remove Improvements constructed in violation hereof, orders to compel performance, and any other orders appropriate under the circumstances.

The Executive Board shall have the further right (a) to levy and collect, after Notice and Hearing, reasonable fines in compliance with the Act for the violation of any of the Governing Documents, (b) to levy and collect a Reimbursement Assessment against any Owner, (c) to exercise self-help or take action to abate any violation of any of the Governing Documents occurring on a Lot in an emergency or non-emergency situation upon any Lot or Unit within the Common Interest Community, without liability to the Owner or Occupant thereof, (d) levy Specific Assessments to cover costs incurred by the Association to bring a Lot into compliance with of any of Governing Documents, and/or (d) where the violation has continued for more than ninety (90) days after the Executive Board has given the Lot or Unit Owner or Occupant written notice of the violation, the Executive Board may temporarily cut off any or all Master Association services or benefits to the subject Owner or Occupant and his Lot or Unit, including the right to use Association Property (except access roads), until the violation is cured.

In any action brought under this Section 16.4, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection therewith. Failure by any party entitled to do so to exercise in a particular instance any of the rights available to it under this Section 16.4 shall in no event be deemed a waiver of the right to do so in any other instance.

Provided always, that no Owner shall have the right to bring an enforcement action against another Owner or Occupant for a breach by that Owner or Occupant of any of such matters, or against Declarant, the Master Association or the Design Review Committee for a breach by Declarant, the Master Association or the Design Review Committee of any of such matters or for a failure by the Declarant, the Master Association or the Design Review Committee to enforce compliance with such matters by others, until

the aggrieved Owner has given the offending Owner or Occupant, Declarant, the Master and/or the Design Review Committee at least thirty (30) days prior written notice of the aggrieved Owner's complaint and the opportunity to resolve the problem during that thirty (30) day period.

And further provided, that notwithstanding any law to the contrary, no action shall be commenced or maintained to enforce the terms of any building restriction contained in the provisions of this Master Declaration or any Supplemental Declaration, the Bylaws, the Articles of Incorporation, the UDC, the Design Guidelines, or the Master Rules and Regulations, or to compel the removal of any building or Improvement because of the violation of the terms of any such building restriction, unless the action is commenced within one year from the date from which the person commencing the action knew or in the exercise of reasonable diligence should have known of the violation for which the action is sought to be brought or maintained.

16.5 Rights of First Mortgagees. Upon the filing of a written request therefor with the Master Association, the holder of a First Mortgage on any Lot or Unit in the Common Interest Community shall be entitled to:

- (a) Written notice from the Master Association that the Owner of the subject Lot or Unit is delinquent in the payment of Assessments thereon;
- (b) Inspect the books and records of the Master Association during normal business hours;
- (c) Receive copies of annual Master Association financial statements;
- (d) Receive written notice of meetings of the Master Association where matters will be considered that, if approved, will require the consent of First Mortgagees or some of them;
- (e) Receive written notice of condemnation proceedings affecting any Association Property; and
- (f) Receive written notice of the lapse of any insurance that the Master Association is required to maintain under this Master Declaration.

In addition, any First Mortgagee shall be entitled to pay any taxes or other charges which are in default and which may or have become a lien against the Association Property and may pay any overdue premiums on hazard or general liability insurance policies covering the Association Property, and shall be entitled to immediate reimbursement therefor from the Master Association, unless the Master Association is contesting any unpaid taxes or other charges and has set aside sufficient funds to pay the contested amounts if necessary.

16.6 Sale of Lot or Unit – Disclosure to Buyer. In accordance with Section 223 of the Act, and except in the case of a foreclosure sale, the seller of a Lot or Unit in the Common Interest Community shall mail or deliver to the buyer, on or before the title objection deadline in the purchase and sale contract, copies of all of the following in the most current form available:

- (a) The Bylaws and Master Rules and Regulations of the Master Association;
- (b) This Master Declaration;
- (c) Minutes of the most recent annual Owners' meeting and of any Executive Board meetings that occurred within the 6 months immediately preceding the title objection deadline;
- (d) The Master Association's Operating Budget;
- (e) The Master Association's annual income and expenditures statement; and
- (f) The Master Association's annual balance sheet.

The Master Association shall use its best efforts to accommodate a request by the seller for documents that are within the Master Association's control, in accordance with Section 317 of the Act.

Written notice of any unsatisfactory provision in any of the documents listed in Section 15.8(a-f) above, which notice is signed by the buyer or on behalf of the buyer, and given to the seller on or before the governing documents objection deadline in the purchase and sale contract, shall be cause for termination of the purchase and sale contract. If the seller does not receive such written notice of objection on or before the governing documents objection deadline, the buyer shall be deemed to have accepted the terms of said documents, and the buyer's right to terminate the purchase and sale contract on this basis is waived.

The time periods specified in this Section 16.8 may be altered by mutual agreement of seller and buyer.

Furthermore, in every purchase and sale contract of a Lot or Unit in the Common Interest Community, the seller shall provide the buyer with a Disclosure Statement in bold-faced type that is clearly legible and in substantially the following form:

THE BUYER HEREBY ACKNOWLEDGES THAT THE BUYER HAS RECEIVED COPIES OF THE MASTER DECLARATION, BYLAWS, AND MASTER RULES AND REGULATIONS OF THE MASTER ASSOCIATION

OF THE STAGECOACH MOUNTAIN RESORT COMMON INTEREST COMMUNITY IN WHICH THE PROPERTY IS LOCATED, AND THE BUYER UNDERSTANDS THAT THESE DOCUMENTS CONSTITUTE AN AGREEMENT BETWEEN THE MASTER ASSOCIATION AND THE BUYER. BY SIGNING THIS STATEMENT, THE BUYER ACKNOWLEDGES THAT THE BUYER HAS READ AND UNDERSTANDS THE MASTER ASSOCIATION'S MASTER DECLARATION, BYLAWS, AND MASTER RULES AND REGULATIONS. THE BUYER ALSO UNDERSTANDS THAT BY COMPLETING THIS PURCHASE, THE BUYER IS RESPONSIBLE FOR PAYING ASSESSMENTS TO THE MASTER ASSOCIATION. IF THE BUYER DOES NOT PAY THESE ASSESSMENTS, THE MASTER ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO COLLECT THE DEBT.

THE BUYER ALSO UNDERSTANDS THAT ANY CHANGE TO THE EXTERIOR OF THE PROPERTY MAY BE SUBJECT TO ARCHITECTURAL REVIEW AND APPROVAL. FAILURE TO SECURE SUCH REVIEW AND APPROVAL COULD BE A VIOLATION OF THE MASTER DECLARATION AND COULD RESULT IN REMEDIAL ACTION BEING TAKEN BY THE MASTER ASSOCIATION.

It shall be the responsibility of the seller to obtain from the buyer a signed acknowledgment of receipt of the information and Disclosure Statement described above whether such acknowledgment is incorporated in the purchase and sale contract or otherwise, at or before the time of closing, and to deliver such signed acknowledgment to the Master Association as soon as practicable thereafter. In the event of the failure by the seller to provide such information and Disclosure Statement, the buyer shall have a claim for relief against the seller for all damages to the buyer resulting from such failure plus court costs; except that, to the extent that the buyer's damages resulted from the Master Association's failure or refusal, without legal justification, to provide documents within its control to the seller despite the good faith efforts of the seller to obtain them, or because the Master Association did not maintain records as required by Section 317 of the Act, the seller shall not be liable.

16.7 Notice. Each Lot and Unit Owner, and each First Mortgagee if it so elects, shall register its mailing address from time to time with the Master Association. Except as otherwise specifically provided in this Master Declaration, any notice permitted or required to be given hereunder shall be in writing and may be delivered either personally, or by facsimile transmission, or by mail. Notices delivered personally or sent by facsimile transmission shall be deemed given on the date so delivered or sent. If delivery is made by mail, it shall be deemed to have been delivered two (2) business days after a copy of the same has been posted in the first-class U.S. Mail with adequate postage affixed, addressed to the receiving party at the address last registered by such party with the Master Association, or in the case of a Lot or Unit Owner that has not provided such

an address, to the Lot or Unit of that Owner. Notices to the Master Association shall be sent to such address as it may from time to time designate in writing to each Owner.

16.8 No Dedication to Public Use. Except as otherwise expressly provided herein or therein to the contrary, nothing contained in this Master Declaration or in any Supplemental Declaration shall be deemed to be or to constitute a dedication of all or any part of the Common Interest Community to the public or to any public use.

16.9 Interpretation of Master Declaration and Supplemental Declarations; Conflicts with Act. The provisions of this Master Declaration and of all Supplemental Declarations shall be liberally construed to effectuate their purpose of creating a common and general plan for the development, improvement, enhancement, protection and enjoyment of the Common Interest Community, and to the extent possible, shall be construed so as to be consistent with the Act. In the event that any of the terms and conditions of this Master Declaration or of any Supplemental Declaration are determined to be inconsistent with the Act, the Act shall control. Notwithstanding anything to the contrary in this Master Declaration or in any Supplemental Declaration, no rights or powers reserved to Declarant hereunder or in any Supplemental Declaration shall exceed the time limitations upon or the permissible extent of such rights or powers under the Act, and in the event any of such reserved rights or powers are determined to be inconsistent with the Act, the related provisions shall not be invalidated but shall be modified to the extent required to comply with the Act.

16.10 Conflict With Plats. In the event of any conflict or inconsistency between the provisions of this Master Declaration or any Supplemental Declaration and the Plat, or any Supplemental Plat, including the Plat notes thereon, the provisions of said Plat or Supplemental Plat or Plat notes, as the case may be, shall govern and control and this Master Declaration or any Supplemental Declaration shall automatically be amended, but only to the extent necessary to conform the conflicting provisions hereof with the provisions of said Plat, Supplemental Plat or Plat notes.

16.11 No Express or Implied Covenants on Lands Not Annexed. Nothing in this Master Declaration or in any Supplemental Declaration shall create, or be deemed to create, any express or implied covenants upon or with respect to any real property or interest therein not actually annexed to the Common Interest Community in the manner provided herein, including without limitation the properties described in attached **Exhibit B.**

16.12 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Master Declaration, or in any Supplemental Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Master Declaration. This provision does not limit the remedies that may be available under this Master Declaration or at law or in equity. Failure of the Master Association

to bring enforcement action to correct any violation of this Master Declaration or any Supplemental Declaration shall not constitute a waiver of or estop the Master Association from bringing a future or subsequent enforcement action to correct such violation or any other similar violation.

16.13 Declarant's Disclaimer of Representations and Warranties. No representations or warranties of any kind, express or implied, have been given or made or shall be deemed to have been given or made by Declarant or its agents or employees in connection with the Common Interest Community, the Club Property, or any portion thereof or any Improvements thereon, its or their physical condition, zoning, compliance with applicable laws, fitness for intended use or operation, adequacy or availability of utilities, or in connection with the subdivision, sale, improvement, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing herein, in any registration statement or purchase and sale agreement executed by Declarant, or in any closing document related thereto. Furthermore, no such representations or warranties have been given or made or shall be deemed to have been given or made by Declarant or its agents or employees that the plans presently envisioned for the complete development of the Common Interest Community, the Association Property, and/or the Club Property, can or will be carried out, or that any land now owned or hereafter acquired by Declarant is or will be subjected to this Master Declaration or that any such land (whether or not it is subjected to this Master Declaration) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect, unless and except as shall be specifically set forth in writing herein, in any registration statement or purchase and sale agreement executed by Declarant, or in any closing document related thereto.

16.14 Captions. Captions given to various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof and shall not be considered in interpreting any of the provisions hereof.

16.15 Singular Includes Plural. Unless the context requires a contrary construction, as employed in this Master Declaration the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

16.16 Remedies Cumulative. Each remedy provided under this Master Declaration and any Supplemental Declaration is cumulative and not exclusive.

16.17 Costs and Attorneys' Fees. In any action or proceeding involving the interpretation or enforcement of any provision of this Master Declaration or of any Supplemental Declaration, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection therewith.

16.18 Governing Law; Jurisdiction. The laws of the State of Colorado shall govern the interpretation, validity, performance, and enforcement of this Master Declaration and any Supplemental Declaration. Any legal action brought in connection with this Master Declaration or any Supplemental Declaration shall be commenced in the District Court for Routt County, Colorado, and by acceptance of a deed to a Lot or Unit each Lot and Unit Owner voluntarily submits to the jurisdiction of such court.

16.19 Severability. Any determination by any court of competent jurisdiction that any provision of this Master Declaration or of any Supplemental Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof. Where any provision of this Master Declaration or of any Supplemental Declaration is alleged to be or declared by a court of competent jurisdiction to be unconscionable, Declarant shall have the right by amendment to this Master Declaration or Supplemental Declaration to replace such provision with a new provision, as similar thereto as practicable but which in Declarant's reasonable opinion would be considered not to be unconscionable.

16.20 Disclaimer Regarding Safety. **DECLARANT AND THE MASTER ASSOCIATION HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMON INTEREST COMMUNITY. ANY OWNER OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY ACKNOWLEDGES THAT DECLARANT AND THE MASTER ASSOCIATION ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION AND BYLAWS, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMON INTEREST COMMUNITY.**

16.21 Safety Standards. Nothing in this Master Declaration is intended to set any acceptable minimum safety or welfare standards and it shall remain the sole responsibility of the Persons charged with the responsibility for the operation, management, repair, or maintenance of any portion of the Property to determine the minimum levels of safety or welfare standards for the Property or the relevant portions thereof, which shall not be inconsistent with this Master Declaration.

16.22 Rental Program. Declarant hereby reserves the right on behalf of itself or its assigns ("Rental Manager") to operate a rental program in the Property, which may include overnight rentals in a manner similar to a hotel operation ("Rental Program"). Declarant reserves certain easement and use rights in connection with the operation of the Rental Program within the Property, as set forth below.

16.23 Rental Manager Easement. Declarant retains and Rental Manager hereby is granted, an easement over Roads for purposes of access by Rental Manager and

its staff or agents or invitees or Rental Program guests to access Units in the Rental Program, which access easement rights may be used for unit maintenance, housekeeping services, or other services or functions related to or arising out of the Rental Program

16.24 No Obligation to Participate. No Owner or Member shall be required to participate in the Rental Program. An Owner or Member owning a Residential Unit shall be entitled to occupy the Owner's or Member's Unit personally or to rent the Unit to third parties, provided that any rental term outside of the Rental Program shall comply with this Master Declaration.

16.25 No Obligation to Operate Rental Program. Notwithstanding the foregoing, nothing in this Master Declaration shall be construed as requiring Declarant to operate a Rental Program or to include any particular Member or Owner of any particular portion of the Property in the Rental Program. Participation in the Rental Program will be determined on a case-by-case basis.

16.26 Leases, Assessments, Subleases and Licenses. If a Member or Owner desires to lease all or a portion of the Master Property owned in accordance with this Master Declaration, then such Member or Owner shall deliver to the Executive Board prior to the occupancy by the tenant a copy of the signed lease together with the names of and any other information regarding all tenants requested by the Executive Board. Notwithstanding anything in this Master Declaration to the contrary, no Member or Owner shall have the right to lease any portion of the Property owned unless the lease and the proposed tenants have been approved in writing by the Executive Board prior to the effective date of such lease and occupancy by the tenant, which such approval may be granted or withheld in the Executive Board's sole discretion. Any lease of the Property that is not approved by the Executive Board in accordance with the foregoing shall be null and void.

In addition, each lease shall contain a covenant that the tenant acknowledges that the Property, including the property being leased, is subject to the Master Declaration and Governing Documents and is familiar with the provisions of such documents, including the uses and restrictions in the documents, and agrees to abide by all such provisions. If a lease does not contain such a covenant, then such lease shall nonetheless be deemed to include such covenant.

All assignments of lease, subleases, and licenses of all or a portion of the Property are subject to the foregoing provisions.

The foregoing provisions shall not apply to Declarant or an Affiliate of Declarant for as long as Declarant or an Affiliate of Declarant owns a Parcel, or the Rental Program.

16.27 Signs. No sign shall be displayed or placed on the Master Property without the prior written approval of Declarant. In addition, no sign of any kind shall be displayed to the public view or from any portion of the Master Property without the approval of Master Association Board or the Design Review Committee, except: (a) signs used by Declarant or any Affiliate of Declarant in connection with the development and sale of any portion of the Master Property or as otherwise provided in this Section; (b) signs required by legal proceedings, or the prohibition of which is precluded by law; (c) signs of an approved size placed in approved locations on any portion of the Master Property indicating that the property is served by security or alarm services; and, (d) signs required for traffic control and regulation of Common Areas. No “For Sale” or “For Rent” sign may be posted on any portion of the Master Property; provided, however, a Member or Owner may be permitted to post or keep on record one “For Sale” or “For Rent” notice in a form approved by Master Association Board in a location specified for that purpose by Master Association Board, rather than on the Member's or Owner's Parcel. Notwithstanding the foregoing, nothing in this Master Declaration shall prevent Declarant or any Person designated by Declarant from erecting, maintaining, or allowing such signs for development, sales, management, or other purposes, provided such comply with Applicable Laws.

16.28 Boats and Motor Vehicles. Except as permitted by the Executive Board in advance and in writing or as otherwise approved by Declarant in writing, (a) no boats, trailers, buses, motor homes, campers, or other vehicles shall be parked or stored in or on the Property except within an enclosed garage or barn or as permitted by the Design Guidelines; (b) no vehicle shall be repaired or rebuilt in any portion of the Property except on an emergency basis or in an area which may be approved by Declarant, Master Association Board, or the Design Review Committee; and (c) nothing shall be parked on any Streets and Roadways except in parking areas designated by Executive Board. The Executive Board may remove, or cause to be removed, any unauthorized vehicle at the expense of the owner of the vehicle in any manner consistent with Applicable Laws.

16.29 Garbage. No garbage or trash shall be kept, maintained, or contained in any portion of the Property so as to be visible from another portion of the Property except on the day of pick up for the minimum period reasonably required and in containers in compliance with the Design Guidelines. No incinerators shall be kept or maintained on any Lot, or, without the prior written consent of the Executive Board, in any portion of the Property. No unsightly objects shall be allowed to be placed, accumulated, or suffered to remain anywhere on any portion of the Property.

16.30 Transmission Lines. No lines, wires, or other services for the communication or transmission of electric current or power or electromagnetic impulses, including telephone, television, and radio signals, shall be erected, placed, or maintained anywhere in or on the Master Property unless they are contained in conduits or cables installed and maintained underground or concealed in, under, or on Improvements approved by the Design Review Committee and Declarant. Notwithstanding the foregoing, but subject to any applicable requirements of governmental authorities, the

Design Review Committee may authorize the erection of microwave towers and similar structures on Common Areas for centralized reception, transmission, and retransmission of microwave and similar signals. Temporary power or telephone structures incident to the construction of Improvements approved by the Design Review Committee may be permitted in accordance with the Design Guidelines

16.31 Diseases and Insects. No Owner or Permitted User shall cause or permit any thing or condition to exist on the Master Property that induces, breeds, or harbors infectious plant disease or noxious insects

16.32 Time sharing and Interval Ownership. The Units to be constructed on the Property shall not be sold nor shall title be conveyed or transferred on the basis of time sharing or interval ownership without the prior written consent of Declarant, which consent may be withheld in its sole, absolute, and unfettered discretion.

16.33 NOTICES.

Short Term Rental, Hotel Use, and Similar Purposes. **NOTWITHSTANDING ANYTHING IN THIS MASTER DECLARATION TO THE CONTRARY, EACH PERSON ACQUIRING TITLE TO ANY PORTION OF THE MASTER PROPERTY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT CERTAIN PORTIONS OF THE MASTER PROPERTY MIGHT BE USED FOR SHORT TERM RENTAL, HOTEL USE, OR SIMILAR PURPOSES FROM TIME TO TIME IN ACCORDANCE WITH THIS MASTER DECLARATION. FURTHERMORE, DECLARANT MAY NOT HAVE DETERMINED WHICH PORTIONS OF THE MASTER PROPERTY MAY BE USED FOR SUCH PURPOSES AT THE TIME THE PERSON'S TITLE IS ACQUIRED. ACCORDINGLY, EACH PERSON ACQUIRING TITLE TO ANY PORTION OF THE MASTER PROPERTY IS PLACED ON NOTICE THAT PORTIONS OF THE MASTER PROPERTY, INCLUDING IMMEDIATELY ADJACENT PORTIONS, MAY BE USED FOR SHORT TERM RENTAL, HOTEL USE, AND SIMILAR PURPOSES IN ACCORDANCE WITH THIS MASTER DECLARATION.**

Water Bodies. **SUBJECT TO THE RIGHTS OF CLUB PROPERTY OWNER IN THIS MASTER DECLARATION, NO LISTED PARTY SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY, OR WATER LEVEL OF/IN ANY LAKE, CANAL, OR OTHER DRAINAGE OR WATER CONVEYANCE FACILITY LOCATED IN OR ADJACENT TO THE MASTER PROPERTY (EACH A "WATER BODY"), EXCEPT AS SUCH RESPONSIBILITY SPECIFICALLY MAY BE IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY, OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY (EXCEPT WITH RESPECT TO A GIVEN LISTED PARTY, TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT OF**

THE LISTED PARTY), ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK. SUBJECT TO THE RIGHTS OF CLUB PROPERTY OWNER IN THIS MASTER DECLARATION, EACH MEMBER, OWNER, AND PERMITTED USER, BY ACCEPTANCE OF TITLE TO OR USE OF ANY PORTION OF THE MASTER PROPERTY, SHALL BE DEEMED TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN EACH WATER BODY.

IN ADDITION, EACH MEMBER AND OWNER ACKNOWLEDGES THAT ALL WATER BODIES ARE DESIGNED AS WATER MANAGEMENT AREAS AND ARE NOT DESIGNED AS AESTHETIC FEATURES. PERMITS FROM VARIOUS REGULATORY AGENCIES INCLUDING OR THE DISTRICT GOVERN THE CONTROL OF WATER LEVELS. DUE TO VARYING CLIMATIC CONDITIONS, ENVIRONMENTAL CONDITIONS OF WATER USE REQUIREMENTS, INCLUDING FLUCTUATIONS IN GROUND WATER ELEVATIONS, PRIORITIES ESTABLISHED BY GOVERNMENTAL AUTHORITIES, AND OTHER CAUSES OUT OF THE CONTROL OF THE LISTED PARTIES, THE WATER LEVELS IN THE WATER BODIES, DEPENDING ON CONDITIONS, WILL RISE AND FALL AS OFTEN AS DAILY AND ON OCCASION THE WATER LEVEL MAY DECLINE SIGNIFICANTLY AND RESULT IN CHANGES TO THE APPEARANCE OF THE WATER BODIES. THESE WATER LEVEL FLUCTUATIONS AND CHANGES IN THE APPEARANCE OF THE WATER BODIES ARE CONSIDERED NORMAL OCCURRENCES. EACH MEMBER AND OWNER FURTHER UNDERSTANDS AND ACKNOWLEDGES THAT EXCEPT AND TO THE EXTENT OF THE RIGHTS OF CLUB PROPERTY OWNER IN THIS MASTER DECLARATION, NO LISTED PARTIES HAVE CONTROL OVER SUCH WATER LEVEL FLUCTUATION OR ASSOCIATED IMPACTS TO PLANT GROWTH IN THE WATER BODIES. THEREFORE, THE MEMBERS AND OWNERS AGREE TO RELEASE AND HOLD HARMLESS THE LISTED PARTIES, AND DISTRICT FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, DAMAGES, COSTS, AND EXPENSES OF WHATEVER NATURE OR KIND, INCLUDING ATTORNEYS' FEES AND COSTS, ARISING FROM OR RELATING IN ANY MANNER TO THE WATER BODIES, INCLUDING WATER LEVEL FLUCTUATIONS, PERMITTING, CONSTRUCTION, AND MAINTENANCE THEREOF, EXCEPT WITH RESPECT TO A GIVEN LISTED PARTY, OR DISTRICT, TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT OF THE LISTED PARTY, OR DISTRICT. NO MEMBER, OWNER, OR PERMITTED USER SHALL ALTER, MODIFY, EXPAND, OR FILL ANY WATER BODY WITHOUT THE PRIOR WRITTEN APPROVAL OF DECLARANT (EXCEPT AND TO THE EXTENT OF THE RIGHTS OF CLUB PROPERTY OWNER IN THIS MASTER DECLARATION) AND ALL SUCH LOCAL, STATE, AND FEDERAL AUTHORITIES AS MAY HAVE RELEVANT JURISDICTION OVER SUCH MATTERS.

Security System or Services. NONE OF THE LISTED PARTIES GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SECURITY SYSTEM OR SERVICES, IF ANY, ON THE MASTER PROPERTY, OR THAT ANY SUCH SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, FIRES, OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME; AND EACH MEMBER, OWNER, AND PERMITTED USER BY USE OF ANY PORTION OF THE MASTER PROPERTY ACKNOWLEDGES THAT THE LISTED PARTIES ARE NOT INSURERS OF MEMBER'S, OWNER'S, OR PERMITTED USER'S PROPERTY OR OF THE PROPERTY OF OTHERS LOCATED ON THE MASTER PROPERTY AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES, OR DEATHS RESULTING FROM SUCH OCCURRENCES, EXCEPT WITH RESPECT TO A GIVEN LISTED PARTY, TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT OF THE LISTED PARTY.

Excavation, Construction, and Other Activities. EACH MEMBER, OWNER, AND PERMITTED USER IS PLACED ON NOTICE THAT DECLARANT OR RELATED PARTIES AND THEIR AGENTS, CONTRACTORS, SUBCONTRACTORS, AND LICENCEES MAY BE, FROM TIME TO TIME, CONDUCTING EXCAVATION, CONSTRUCTION, AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE MASTER PROPERTY. BY THE ACCEPTANCE OF TITLE TO OR USING ANY PORTION OF THE MASTER PROPERTY, EACH MEMBER, OWNER, AND PERMITTED USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES, AND AGREES (i) THAT NONE OF THE FOREGOING ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES UNDER THE MASTER PROPERTY DOCUMENTS. THE MASTER PARCEL DOCUMENTS, OR AT LAW GENERALLY, (ii) NOT TO ENTER ON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER ON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE PROPERTY(IES) WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, (iii) DECLARANT AND RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE, OR OTHERWISE), INJURIES, OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES (UNLESS CAUSED BY DECLARANT'S OR AN AFFILIATE OF DECLARANT'S, AS APPLICABLE, INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE) , (iv) ANY ACQUISITION OR USE OF ANY OF THE MASTER PROPERTY HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING, AND (v) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT TO SELL, CONVEY, LEASE, OR ALLOW THE USE OF THE APPLICABLE PORTION OF THE MASTER PROPERTY.

<Signatures on Following Page>

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

Steamboat Sponsor, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, as _____ of Steamboat Sponsor, LLC, a Delaware limited liability company.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

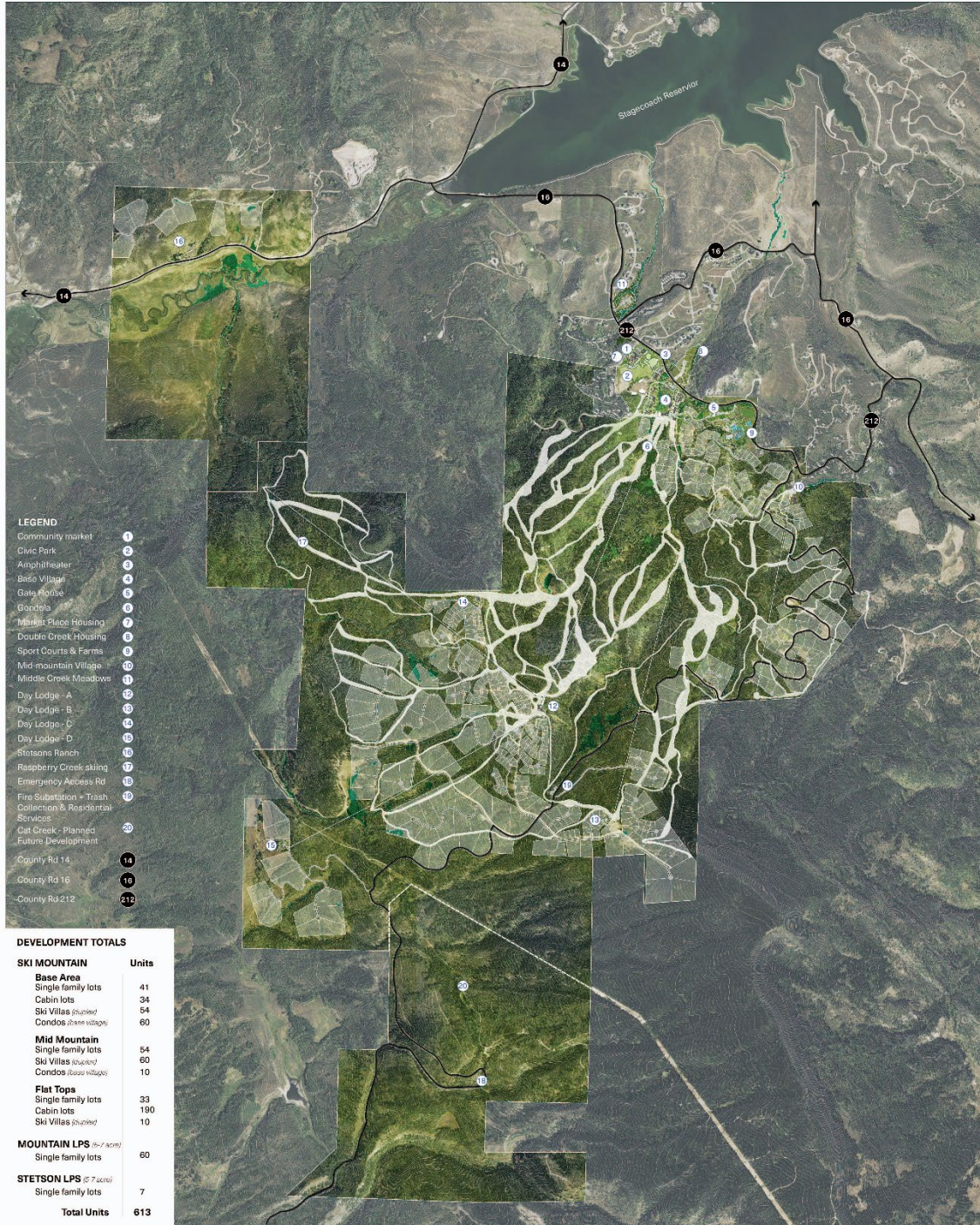
(SEAL)

EXHIBIT A

LEGAL DESCRIPTION OF COMMON INTEREST COMMUNITY

EXHIBIT A-1

SITE PLAN



STAGECOACH MOUNTAIN RANCH
DISCOVERY LAND COMPANY

MASTER PLAN
DESIGNWORKSHOP



EXHIBIT B

LEGAL DESCRIPTION OF ANNEXABLE PROPERTY

Ex. B

EXHIBIT C

ALLOCATED INTERESTS
(STAGECOACH MOUNTAIN RESORT ASSOCIATION, INC.)

<u>Lots or Units</u>	<u>Common Expense Liability</u>	<u>Vote</u>
Lot 1 through 694, inclusive,	Each Lot: 1	Each Lot: 1 Vote
Total Lots: 694	Total Common Expense Liabilities = 694	Total Votes: 694

EXHIBIT D
LEGAL DESCRIPTION OF CLUB PROPERTY

EXHIBIT E

RECORDED EASEMENTS AND LICENSES