

**SECOND AMENDED AND RESTATED
DECLARATION OF PROTECTIVE COVENANTS
FOR
COLOROW AT SQUAW CREEK**

THIS SECOND AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS FOR COLOROW AT SQUAW CREEK was approved at the annual meeting of Owners duly called and held on December 17, 2024 by at least a majority of the Owners in Colorow at Squaw Creek Homeowners Association, a Colorado nonprofit corporation.

WHEREAS, this SECOND AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS FOR COLOROW AT SQUAW CREEK amends and restates in their entireties the following documents recorded in the records of Eagle County, Colorado:

1. Protective Covenants for Colorow at Squaw Creek recorded November 12, 1980 at Reception Number 209209 of the records of Eagle County, Colorado;
2. Protective Covenants for Colorow at Squaw Creek recorded April 4, 1991 at Reception Number 447129; of the records of Eagle County, Colorado;
3. First Amendment to Protective Covenants recorded August 24, 2001 at Reception Number 76575;
4. Second Amendment to Protective Covenants recorded April 18, 2003 at Reception Number 830412;
5. Amended and Restated Declaration of Covenants for Colorow at Squaw Creek recorded January 13, 2004 at Reception No. 864786;
6. First Amendment to Amended and Restated Declaration of Protective Covenants for Colorow at Squaw Creek recorded March 29, 2007 at Reception No. 200708103;
7. Second Amendment to Amended and Restated Declaration of Protective Covenants for Colorow at Squaw Creek recorded February 4, 2015 at Reception No. 201502264; and
8. Third Amendment to Amended and Restated Declaration of Protective Covenants for Colorow at Squaw Creek recorded April 22, 2020 at Reception No. 202005687.

NOW, THEREFORE, the Declaration of Protective Covenants for Colorow at Squaw Creek is hereby amended and restated to read in its entirety as follows:

ARTICLE 1
PROPERTY SUBJECT TO THIS DECLARATION
AND THE COLORADO COMMON INTEREST COMMUNITY ACT

1.1 Imposition of Covenants. This Declaration imposes upon the 25 Lots located within Colorow at Squaw Creek as shown on the several plats recorded in the records of Eagle County, Colorado at the following Reception Numbers: 379517, 386168, 454495, 584720, 590500, 407693, 411103, 655255, 771211 and 797767, mutually beneficial covenants, conditions and restrictions hereinafter set forth.

1.2 Membership in Association. There shall be one membership in the Association attributable to fee simple ownership of each Lot. Each such membership shall be appurtenant to the fee simple title to such Lot. The Owner of a Lot shall automatically be the holder of the membership appurtenant to that Lot and title to and ownership of the membership for that Lot shall automatically pass with fee simple title to the Lot. Each Owner of a Lot shall automatically be entitled to the benefits and subject to the burdens relating to the Association membership for its Lot as set forth in the Association Documents from time to time in force and effect. If fee simple title to a Lot is held by more than one person or entity, the Association membership appurtenant to that Lot shall be shared by all such persons or entities in the same proportionate interest and by the same type of ownership as fee simple title to the Lot is held.

1.3 Colorado Common Interest Ownership Act. Colorow at Squaw Creek Homeowners Association elected to be governed by the Colorado Common Interest Ownership Act, C. R. S. Section 38-33.3-101 et. seq. as evidenced by the Statement of Election to Accept Colorado Common Interest Ownership Act recorded February 6, 2003 at Reception Number 822875 of the Eagle County, Colorado records.

1.4 Covenants Run with Land. All of the above described Lots shall be held, sold, used and conveyed subject to the Act and the following covenants, conditions and restrictions which are for the purpose of protecting the value and desirability of, and which shall run with the land and shall be a burden upon and binding upon all parties having any right, title, or interest in, the Lots or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE 2
DEFINITIONS

As used in this Declaration, the following words, terms and letter designations shall have the following meanings:

2.1 “ACC” shall mean the Architectural Control Committee for Colorow at Squaw Creek, as described in Article 7 below.

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

2.3 “Assessments” shall mean the Common Assessments, Special Assessments, Road Usage Assessments, Default Assessments and Real Estate Transfer Assessments.

2.4 “Association” shall mean Colorow at Squaw Creek Homeowners Association, a Colorado nonprofit corporation.

2.5 “Association Documents” means this Declaration, the Articles of Incorporation, the Bylaws, all water decrees and water augmentation plans governing Colorow at Squaw Creek from time to time and any procedures, rules, regulations or policies adopted under such documents.

2.6 “Bylaws” means the Second Amended and Restated Bylaws adopted by the Association, as amended from time to time.

2.7 “Capital Improvements” means and shall include, without limitation, water augmentation plans and systems; payments for sources of water, water storage, fire prevention or mitigation; maintenance and repair of Colorow Road and the entryway access gate and entryway features; facilities and landscaping, including but not limited to buildings, structures, gates, fixtures, utilities, lighting, boulders, trees and shrubbery; and the costs of design, construction, restoration, improvement, upgrades and repair and replacements of same.

2.7 “Colorow at Squaw Creek” a/k/a Squaw Creek Ranch means the planned community consisting of the Lots that are subject to this Declaration.

2.8 “Common Assessment” means the assessment levied equally against all Lots for the payment of Common Expenses pursuant to section 8.3 below.

2.9 “Common Expenses” means (i) all expenses expressly declared to be Common Expenses by this Declaration, any Amendment to the Declaration, or the Bylaws of the Association; (ii) the Association’s share of the cost of maintenance and operation of Colorow Road as set forth in the Use, Easement and Maintenance Declaration, including the gate controlling access to Colorow at Squaw Creek and landscaping in connection therewith; noxious weed control along Colorow Road performed by the Association; insurance premiums for insurance coverage as deemed desirable or necessary by the Executive Board and for any insurance required to be maintained by the Act or the Association Documents; expenses incurred in connection with administering the Association’s decreed water rights and water augmentation plan; charges for trash/garbage removal; legal and accounting fees; management fees and expenses of management; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any deficit remaining from a previous assessment period; and the creation of a reasonable contingency or other reserve or surplus fund for general, routine maintenance, repairs, and replacement of Capital Improvements on a periodic basis, as needed; (iii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing, or

replacing the Capital Improvements, including reserves; and (iv) all expenses incurred on behalf of the Association or the Owners and determined by the Executive Board to be Common Expenses.

2.10 “Declaration” means this Second Amended and Restated Declaration of Protective Covenants for Colorow at Squaw Creek.

2.10 “Default Assessments” means those assessments levied pursuant to section 8.8 below.

2.11 “Executive Board” means the board of directors of the Association which is the governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance and management of the Association and the Colorow at Squaw Creek.

2.12 “Lot” shall mean a lot in Colorow at Squaw Creek, according to the plats recorded in the records of Eagle County, Colorado at the following Reception Numbers: 379517, 386168, 454495, 584720, 590500, 407693, 411103, 655255, 771211 and 797767, and any supplemental or amended plat of any such Lot or Lots.

2.13 “Owner” shall mean the owner of record, whether one or more persons or entities, of fee simple title to any Lot and also includes the purchaser under a contract for deed covering a Lot with a current right of possession and interest in the Lot, but excludes those having such interest in a Lot merely as security for the performance of an obligation, including a mortgagee or deed of trust holder, unless and until such person has acquired fee simple title to the Lot pursuant to foreclosure, deed in lieu of foreclosure or other proceeding.

2.14 “Roadway” means Colorow Road as shown on the plats described in section 1.1 and as described in the Use, Easement and Maintenance Declaration

2.14 “Road Usage Assessments” means those assessments levied pursuant to section 8.7 below.

2.15 “Special Assessments” means an assessment levied pursuant to section 8.6 below on an irregular basis.

2.16 “Use, Easement and Maintenance Declaration” means the document governing the use and maintenance of the Roadway recorded August 14, 1981 at Reception Number 224056, as amended by amendments recorded March 13, 1986 at Reception Number 334253, April 23, 1997 at Reception Number 620946 and August 24, 2001 at Reception Number 765750, all of the Eagle County records.

ARTICLE 3
RESTRICTIONS ON USE, OCCUPANCY AND ALIENATION

3.1 Use. Presently, Colorow at Squaw Creek is classified RL (Resource Limited) by the Eagle County, Colorado, Residential and Agricultural Zone Districts Use Schedule in Article 3 of the Eagle County Land Use Regulations in effect from time to time (the "Land Use Regulations"). Colorow at Squaw Creek is also subject to the terms of various water decrees and water augmentation plans that govern the uses allowed on each Lot. In keeping with the applicable restrictions of the RL Zone District and Colorow's water decrees and water augmentation plans, each Lot shall be used only for residential purposes (but including a "Home Occupation," as allowed by the Land Use Regulations) and shall be entitled to one Single Family Dwelling Unit and one Accessory Dwelling Unit, as defined by the Land Use Regulations.

3.2 Accessory Dwelling Unit. An Accessory Dwelling Unit may be located within the principal Single Family Dwelling Unit or in an independent structure. It shall comply with the Land Use Regulations, including but not limited to restrictions on size, use, floor area, parking, dimensional limitations and facilities. An Accessory Dwelling Unit shall also comply with all water decrees and water augmentation plans and rules and regulations promulgated by the Association and governing Colorow at Squaw Creek from time to time. An Accessory Dwelling Unit shall not be condominiumized or sold separately from the Single Family Dwelling Unit on a Lot.

3.3 Commercial Use. Except as expressly permitted under section 3.1 above, no building or structure intended for or adapted to business, commercial or manufacturing purposes shall be erected, placed, maintained or permitted on any Lot.

3.4 No Polluting Water. No Lot shall be used in any manner or for any purpose that would tend to pollute nearby streams or ground water sources.

3.5 No Temporary Structures. Except as provided in this section or as expressly permitted by the ACC, no trailers or temporary structures shall be permitted on a Lot. Any Owner acting with the prior written consent of the ACC and said Owner's agents and independent contractors involved in the construction of improvements on a Lot may maintain for a period not to exceed 20 months such temporary facilities as may be reasonably necessary or incidental to such construction, provided, however, in no event shall such temporary facilities be used for overnight stays.

3.6 Rental of Dwelling Unit. No Owner or tenant may lease or rent a Single-Family Dwelling Unit or an Accessory Dwelling Unit or any portion thereof for a period of time of less than three consecutive months.

3.7 Domestic Animals. Except as hereinafter specifically provided, the keeping of livestock is not permitted. The keeping of horses and domestic pets shall be allowed, subject to the following:

3.7.1 No more than two horses, three dogs and three cats may be kept on a Lot at any time. Notwithstanding the foregoing, an Owner may request the approval of the Executive Board to keep more than two horses, three dogs and three cats on a Lot temporarily, for good cause shown. In approving any such request, the Executive Board may impose reasonable limitations as to the number and types of animals and the time period during which such animals may be temporarily kept and other reasonable limitations and may amend or revoke its approval and the limitations at any time, in its reasonable discretion. If an Owner owns more than one Lot, and those Lots are contiguous to each other, in lieu of keeping two horses, three dogs and three cats on each Lot, such Owner may keep on one of such Owner's Lots the number of horses, dogs and cats which such Owner is entitled to keep on all of such Owner's Lots, provided that no horses, dogs or cats are kept on the Owner's other contiguous Lots. For example, if an Owner owns three lots, Lots 1, 2 and 3, and Lot 1 is contiguous to Lot 2 and Lot 2 is contiguous to Lot 3, the Owner may keep 6 horses on Lot 1, Lot 2 or Lot 3, but such Owner shall not then be entitled to keep any horses on such Owner's other two Lots. Furthermore, if such Owner sells one of the Lots but still owns two contiguous lots, the number of horses, dogs and cats allowed to be kept on one of such owner's Lots lot shall be reduced to the number allowed on the two contiguous lots.

3.7.2 Owners who keep a horse on a Lot must comply in every regard with the water decrees and water augmentation plans in effect from time to time.

3.7.3 All animals must be maintained so that they do not become a nuisance to the neighborhood and do not run at large, endanger or harass other animals, including wildlife, upon any Lot. Any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property by the Owner upon three days written notice from the Executive Board.

3.7.4 All animals must be kept within the boundaries of the Lot of the Owner unless accompanied by the Owner or the Owner's agent and under control of the Owner or the Owner's agent at all times.

3.7.5 Owners must clean up after their horses and domestic pets.

3.7.6 The owner of any animal shall hold the Association harmless from any claim resulting from any action of said animal.

3.7.7 The Executive Board may by rule or regulation prohibit Owners and/or tenants from raising, breeding or keeping any animal, bird or reptile of any kind within Colorow at Squaw Creek.

3.7.8 The Executive Board may make different rules for Owners and tenants, and, specifically, may discriminate against tenants with regard to the keeping of animals.

3.8 No Hunting. No hunting, shooting or other killing or harming of game or other wildlife shall be permitted within Colorow at Squaw Creek.

3.9 Rubbish and Trash. Each Owner of a Lot shall keep the same free and clear of rubbish and trash. All garbage and trash shall be removed regularly to an appropriate disposal site.

3.10 Maintenance. Each Owner shall keep all structures located upon a Lot in good repair, doing such maintenance as may be required for this purpose.

3.11 No Offensive Conduct. No noxious or offensive conduct or activity shall be carried on upon any Lot or in any structure thereon which may constitute a health hazard, nuisance or annoyance to the neighborhood. No illegal activity may be carried on upon a Lot.

3.12 Screen Unsightly Views. Clothes lines, equipment, garbage or trash cans, fuel tanks, service yards, woodpiles and storage areas shall be adequately screened by landscaping or structures to conceal the same from view from neighboring Lots and the Roadway.

3.13 No Outside Burning. The outside burning of any trash, rubbish or other materials is absolutely prohibited. No open or exterior fires or open fire pits shall be permitted. Spark arrestor screens shall be installed on all chimneys.

3.14 Weed Control. Noxious weeds (as defined by Eagle County, Colorado) located on a Lot shall be immediately and continually controlled by the Lot Owner. On the date of this Declaration, the Association controls noxious weeds within 10 feet of the Colorow Road and is authorized to continue to do so in the discretion of the Executive Board. If the Executive Board determines that it will not control noxious weeds within 10 feet of the Colorow Road, it shall notify all Owners and each Owner shall thereafter be responsible for noxious weed control on such Owner's Lot within 10 feet of the Colorow Road. If in the considered judgment of the Executive Board any Owner is not adequately controlling noxious weeds on its Lot, the Executive Board shall notify said Owner of the problem and shall grant said Owner a grace period of 15 days within which to remedy the problem.

3.15 Pine Beetle Control. Each Owner is responsible for spraying insecticides on pine trees located on each such Owner's lot or taking such other reasonable actions as may be necessary or advisable to prevent the spread of the pine beetle infestation prevalent in Eagle County, Colorado. In the event it is necessary to cut down a pine beetle-infected tree, the ACC's approval shall be obtained prior to such removal and the tree cuttings shall be properly wrapped and stored to prohibit the spread of the infestation.

3.16 Motorized Vehicle Restrictions. All motorized vehicles and equipment shall be subject to the following restrictions:

3.16.1 All motor vehicles not garaged must be currently licensed and operational and no more than two motor vehicles shall be allowed on a Lot outside of a garage.

3.16.2 No snowmobiles, motorcycles, two-, three- or four-wheeled all terrain vehicles ("ATVs") shall be operated for recreational purposes within Colorow at Squaw Creek, except that motorcycles may be utilized for transportation in and out of Colorow at Squaw Creek and the Association and Owners may utilize snowmobiles or ATVs to maintain a Lot, plow snow or to carry out their responsibilities under the Association Documents.

3.16.3 No recreational vehicles, boats, campers, trailers, snowmobiles or other such recreational vehicles or devices shall be stored or permitted to remain for more than three consecutive days on any Lot unless the same are stored in a garage or adequately screened by landscaping or structures to conceal the same from view from neighboring Lots and the Colorow Roads.

3.17 Signs. No billboards, signs, or other advertising devices of any nature shall be erected, placed, maintained or permitted, provided that this restriction shall not be construed to prevent name and address signs approved by the ACC, signs that advertise property for sale or rent insofar as it is necessary to promote the sale and development of a Lot, or political signs as defined by the Act, except insofar as same are subject to reasonable regulation by the Association as provided by the Act.

3.18 No Time Sharing. No Owner shall offer or sell any interest in a Lot under a "timesharing" or "interval ownership" plan, or any similar plan without the specific prior written approval of the Association.

3.19 Compliance with Wildfire Regulations. Each Owner shall familiarize himself or herself with Eagle County Wildfire Regulations as same may be amended from time to time, and shall comply with such regulations insofar as same may apply to each Owner's Lot.

ARTICLE 4 EASEMENTS

4.1 Utilities. The easements and rights-of-way in perpetuity that were reserved in the Original Covenants and the Subsequent Covenants for the erection, construction, maintenance, and operation of wires, cables, pipe, conduits, apparatus for the transmission of electrical current, telephone, television and radio lines and for the furnishing of water, gas, sewer service or the furnishing of other utilities and irrigation ditches and laterals, together with the right to enter for the purpose of installing, maintaining and improving the same along, across, upon and through a strip of land ten feet in width along all Lot lines of

all Lots and as designated on the plats described in section 1.1 above, are hereby ratified, approved and confirmed.

4.2 Recreational Easements. Easements for recreational use have been reserved and dedicated on the plats described in section 1.1 above. Such recreational easements are hereby restricted for the sole use of horseback riding, hiking, bicycling, skiing or other non-motorized modes of transportation.

ARTICLE 5 COLOROW ROAD

5.1 Use and Maintenance of Roadway. The main roadway through Colorow at Squaw Creek has been designated as "private" since the recording of the original "Protective Covenants for Colorow at Squaw Creek Located in Eagle County, Colorado" recorded November 12, 1980 at Reception Number 209209 of the records of Eagle County, Colorado (the "Original Covenants") and is maintained, improved and operated by the Association. Such roadway, commonly known as and herein referred to as "Colorow Road" was created on the plats of Colorow at Squaw Creek as an easement and right-of-way for ingress and egress and for the installation and maintenance of utilities as provided in section 4.1 above. The control, use, maintenance, repairs and replacements and the assessment of costs for maintenance and repairs of Colorow Road are governed by the terms and conditions of the Use, Easement and Maintenance Declaration and the provisions of this Article 5. The Owners and the Association acknowledge that the Association is responsible for performing the maintenance and repair of Colorow Road, and charging the costs and expenses associated therewith in accordance with the Use, Easement and Maintenance Declaration, as amended, this Declaration and the Agreement entered into by and between the Association and Kensington Partners recorded April 18, 2003 at Reception Number 830413 of the Eagle County records (the "Kensington Agreement"). The intent and purpose of the remainder of this Article 5 is to restate without amending the provisions of Section 15 of the Second Amendment to the Original Covenants. References in the Kensington Agreement to section 15 of the Original Covenants shall be to this Article 5 of these Amended and Restated Covenants.

5.2 Road Usage Fee. To defray the cost of keeping Colorow Road in good repair, an Owner who performs or causes to be performed construction on a Lot, whether new construction or a remodel, renovation or reconstruction of existing improvements, and an Owner who uses a Work Vehicle (defined below) on Colorow Road or causes Colorow Road to be used by a Work Vehicle shall pay a road usage fee ("Road Usage Fee") in an amount to be reasonably determined from time to time by the Association. The purpose of the Road Usage Fee is to cover abnormal wear and tear to Colorow Road due to additional motor vehicles, construction vehicles, heavy equipment, delivery vehicles and workers' vehicles (each of which is referred to as a "Work Vehicle") using Colorow Road to access a Lot. The Association shall have the authority to promulgate rules and regulations governing the Road Usage Fee. It is intended that the Association shall exercise reasonable discretion in determining each Road Usage Fee and that the Association shall take into consideration factors unique to each road use in determining

each Road Usage Fee. The Road Usage Fee shall be assessed simultaneously with the approval by the ACC of the plans and specifications for a construction project, as provided in Article 7 below, and shall be payable to the Association prior to commencement of any construction activity on a Lot. A Road Usage Fee may also be assessed at the time the Association becomes aware of the use of Colorow Road by a Work Vehicle that is not associated with a construction project and shall be payable within 15 days after an Owner has been notified in writing of the assessment of a Road Usage Fee. Once assessed, a Road Usage Fee shall be subject to adjustment and an additional Road Usage fee may be assessed based on the facts and circumstances of each construction project or each use of Colorow Road by a Work Vehicle, including but not limited to any modifications thereof, such as expansion of the scope of the project or work, and other extenuating circumstances that may not have been known to the Association at the time the initial Road Usage Fee was assessed. Such additional Road Usage Fee shall be paid to the Association within 15 days after an Owner has been notified in writing of the additional Road Usage Fee. The Association shall also have the right to waive the Road Usage Fee for projects that it reasonably determines will not increase normal wear and tear to Colorow Road. Additionally, an Owner of a Lot shall be responsible for any specific damage to Colorow Road ("excessive damage"), if such excessive damage is caused by a Work Vehicle used or hired by an Owner or an Owner's tenant, agent or contractor.

5.3 Heavy Vehicle Restriction. Colorow Road is particularly susceptible to damage from heavy vehicles each spring when the ground is thawing and freezing with the changes in daytime and nighttime temperatures. Therefore, no vehicles weighing in excess of 10,000 pounds gross vehicle weight (a "Heavy Vehicle") shall be allowed on Colorow Road from March 15 to May 15 each year, unless specific written permission is obtained from the Executive Board. Each Owner shall be responsible for ensuring that no vehicle serving such Owner's Lot violates this section, and there shall be imposed against any Owner in violation of this section, after notice and opportunity to be heard, a service charge for each such violation in an amount to be determined from time to time by rule or regulation promulgated by the Executive Board. In addition, if specific damage results from such prohibited use, the Owner whose Lot is served by a Heavy Vehicle shall be responsible for the cost of all repairs in excess of the service charge imposed.

5.4 Segregation of Funds. All monies collected pursuant to Sections 5.2 and 5.3 above shall be segregated from the other funds of the Association and shall only be used for maintenance and repair of Colorow Road and to repair damage to Colorow Road resulting from construction vehicles and shall not be used for routine maintenance of Capital Improvements other than Colorow Road or the construction of new Capital Improvements within Colorow. An accounting of the collection and use of the funds described in sections 5.2 and 5.3 shall be provided to Owners at least annually.

5.5 Association Lien. In the event the fees imposed by sections 5.2 and 5.3 shall not be paid in full within thirty days after the imposition of same, the unpaid amount of such fees, plus interest from the date of imposition of the fee and attorney fees and

other costs of collection, shall constitute a lien against the Lot of the Owner against whom the fee is imposed. The Association shall record a notice of claim of lien under this section, setting forth the amount of the lien, the name of the Owner and the legal description of the Lot against which the lien is imposed. The lien may be foreclosed in like manner as a mortgage on real property. No lien shall exist until the foregoing notice has been recorded in the real estate records of Eagle County, and any such lien shall date, for priority purposes, from the date of such recording (and not from the date of this Amendment). This section does not prohibit an action at law to recover sums for which this section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. Upon request and within fifteen calendar days, the Colorow Association shall provide a written statement regarding the existence or non-existence of defaults and claims for liens hereunder. Failure to provide such notice shall have the same legal effect as providing a notice stating that there are no defaults and no liens or claims for liens.

ARTICLE 6 WATER MATTERS

6.1 Compliance with Water Decrees and Augmentation Plans. Each Owner shall be required to comply with all terms and conditions of water decrees and water augmentation plans affecting Colorow and in effect from time to time. The Association shall maintain as part of its records copies of all such water decrees and water augmentation plans in effect from time to time.

6.2 Owners' Obligation to Measure and Report. Each Owner is required to install on such Owner's water well and maintain in good operating condition at all times a flow meter capable of measuring water usage on at least a monthly basis. Each Owner shall maintain a monthly usage log measuring water pumped from the Owner's well each month, and shall deliver a copy of such log to the Association within ten days after the end of each three-month reporting period or as may otherwise be required by any water decree or augmentations plan. . The Association shall be responsible for reporting to the office of the Division Engineer the water usage of all of the wells within Colorow at Squaw Creek as required by the water decrees in effect from time to time. The Association shall have the right to access any Lot to inspect and read the meter on a Lot and to ensure that the requirements of the water decrees are being met.

6.3 Water Restrictions. Each Owner is responsible for knowing and complying with any and all water restrictions imposed on each Lot within Colorow by water decrees and augmentation plans affecting Colorow at Squaw Creek, and the Executive Board shall have authority to enforce the terms and conditions thereof as if fully set forth herein as part of this Declaration.

ARTICLE 7 ARCHITECTURAL CONTROL

7.1 Purpose. In order to preserve the natural beauty of Colorow at Squaw Creek and its setting, to maintain Colorow at Squaw Creek as a pleasant and desirable

environment, to establish and preserve a harmonious design for the community and to protect and promote the value of properties within Colorow at Squaw Creek, all exterior design, landscaping and other improvements, including but not limited to any dwelling house, garage, accessory building, landscaping, fence, wall, driveway, paving, walkway, deck, patio, canopy, awning, roof, signage, exterior lighting facility, swimming pool, tennis court, parking area, antenna, flagpole, or any other type of improvement and additions, changes or alteration to such existing improvements, shall be subject to design review and approval by the ACC.

7.2 Objectives. The design review process shall be conducted with the following objectives in mind for Colorow at Squaw Creek:

7.2.1 The existing foliage and vegetation on each Lot shall be preserved in as near a natural state as possible except as recommended or required by the ACC, Eagle County, Eagle Valley Wildland, Greater Eagle Fire Protection District, Eagle River Fire Protection District, or other governmental or quasi-governmental agencies with jurisdiction over the affected properties.

7.2.2 Excessive or unsightly grading, indiscriminate earthmoving or clearing of a Lot, removal of trees and vegetation which could cause disruption of natural watercourses or scar natural landforms shall be prevented.

7.2.3 The ACC shall exercise its best judgment to ensure that all improvements, construction, landscaping and alterations on a Lot conform to and harmonize with the natural surroundings and with existing structures as to external design, materials, color, setting, height, topography, grade and finished ground elevation. The ACC shall protect the seclusion of each home site from other home sites insofar as possible.

7.3 Single-Family Dwelling. No more than one single-family dwelling unit, together with appurtenant accessory buildings, shall be erected on any Lot. Guesthouses and apartments are not permitted under the water decrees and water augmentation plan in effect on the date of this Declaration (see Article 6 above). Therefore, guesthouses or apartments will not be permitted by the ACC on any Lot unless and until the water decrees and water augmentation plan in effect from time to time allows water to be used for a guest house or apartment, and then only if this Declaration has been amended in accordance with the provisions of section 6 above to permit a guest house on a Lot.

7.4 Size of Residence. From and after the date of the recording of this Declaration, any single-family dwelling unit erected on a Lot shall be a minimum of 2,000 square feet of livable area, measured in accordance with the method utilized by the Assessor of Eagle County, Colorado. Although no maximum size for a single-family dwelling unit is hereby established, the ACC shall take into consideration the terms and conditions of the water augmentation plan then in effect before approving the size of a residence.

7.5 Building Envelope. No structure or other improvement shall be erected or constructed outside of the building envelope for a Lot, as shown on the plats referred to in section 1.1, as same may be hereafter amended. Building envelopes shall not be amended or changed without the prior written approval of the ACC. In approving the location of a structure or improvement on a Lot, the ACC shall approve its location as near to the location selected by the Owner as shall not impede or restrict the view plane of other Owners and shall otherwise meet the criteria of section 7.2.3 above.

7.6 Building Materials. All building materials used in the construction of any structure shall first be submitted to the ACC for approval in accordance with section 7.10 of this Declaration. The ACC shall adopt design guidelines describing and defining permitted building materials and shall make same available to all Owners upon request. The use of cinderblock shall not be allowed, unless it is faced with another material permitted under the design guidelines. No manufactured home as defined by the United States Department of Housing and Urban Development (commonly known in the manufactured home industry as a "HUD home") or other structure that does not comply with the Uniform Building Code, and no mobile home or other structure title to which is, or ever has been, evidenced by a motor vehicle title, shall be permitted to be erected or installed within Colorow at Squaw Creek.

7.7 Drainage. No structure shall be place or located on any Lot in such a manner that will obstruct, divert or otherwise alter the natural water drainage courses and patterns. Likewise, no landscaping or changes to the existing terrain shall be made which shall obstruct, divert or otherwise alter such drainage.

7.8 Sewage. All sewage shall be disposed of by means of an individual, mechanical sewage treatment facility or septic tank and leach field as may be approved by the Colorado Department of Health and Eagle County, Colorado. Owners shall maintain such treatment facilities in good operating condition.

7.9 Administrative Matters.

7.9.1 The ACC shall consist of at least three members, all of whom shall be appointed by the Executive Board. Any or all of the members of the Executive Board may serve on the ACC. The regular term of office for each member of the ACC shall be one year, coinciding with the term of office of the Executive Board. Any member of the ACC may be removed with or without cause by the affirmative vote of a majority of the members of the ACC or by the Executive Board. A successor or successors shall be appointed by the Executive Board to serve the remainder of the term of the former member.

7.9.2 The members of the ACC shall select the chairperson and vice-chairperson from among the members of the ACC. The chairperson or in his or her absence the vice-chairperson shall be the presiding officer of its meetings. In the absence of both the chairperson and the vice-chairperson, the members present shall appoint a member to serve as acting chairperson at such meeting. All business of

the ACC shall be conducted at meetings which are open to Owners; meetings shall be held upon call of the chairperson within two weeks after three complete sets of plans as required in section 7.11 below have been submitted to the Association; all meetings shall be held at such time and place as the chairperson shall determine. Three members shall constitute a quorum for the transaction of business, but in the absence of a quorum, a lesser number may adjourn any meeting to a latter time or date. The affirmative vote of a majority of the members of the ACC present at any meeting at which a quorum is present shall constitute the action of the ACC. The ACC shall operate in accordance with its own rules of procedure; said rules shall be filed with the Association and maintained in the records of the Association and shall be subject to inspection by Owners.

7.9.3 The ACC is hereby authorized to retain the services of one or more consulting architects, landscape architects or engineers, who may also be members of the ACC and entitled to vote in such capacity, and who need not be licensed in the State of Colorado, to advise and assist the ACC in performing the review functions prescribed in this Article 7.

7.9.4 The ACC is hereby authorized to adopt and amend from time-to-time rules and regulations and design guidelines for the construction, reconstruction, refinishing or alteration of any structure or improvement in furtherance of the provisions of this Declaration. A copy of such rules, regulations and design guidelines shall be made available to Owners upon request.

7.10 ACC Approval and Control. No Owner or tenant of an Owner shall construct or erect on a Lot a building, structure or other improvement described in section 7.1 above, and no change or alteration of the materials or appearance (including color) of the exterior of a building, structure or other improvement shall be made, and no change in the final grade of any Lot shall be performed, and no building permit from Eagle County, Colorado shall be applied for, and no construction activity shall be initiated on any Lot, unless the ACC has approved the plans and specifications for the project, showing the nature, kind, shape, height, color, materials and location of same, including land use restrictions applicable to the Lot. Alterations or remodeling that are completely within a building or structure and that do not change the exterior appearance and are not visible from the outside of the structure may be undertaken without ACC approval, provided, however, the general scope of such alterations or remodeling shall be presented to the ACC for consideration as to whether the Road Usage Fee described in section 5.2 above shall be waived. All actions taken by the ACC shall be in accordance with rules and regulations established by the ACC and this Declaration. All actions requiring approval of the ACC shall be deemed approved only if such approval is obtained in writing from the ACC. The approval or consent of the ACC on matters properly coming before it shall not be unreasonably withheld or delayed. However, ACC approval or consent shall not be granted until any applicable Road Usage Fee has been paid. Actions taken shall not be arbitrary or capricious and decisions shall be conclusive and binding on all interested parties, subject only to the right of appeal and review by the Executive Board as set forth

in section 7.13 below. One set of the approved plans and specifications shall remain on file in the records of the ACC. The ACC may enter upon any Lot at any reasonable time or times to inspect the progress, work status or completion of any project. In addition to the remedies described in section 9.1 below, the ACC may withdraw approval of any project, thereby stopping all activity at such project, if deviations from the approved plans are not corrected within 24 hours after written notification to the Owner or tenant specifying such deviations, provided, however, that if any required correction will reasonably take more than 24 hours to correct, so long as the Owner or tenant agrees in writing to correct such deviation and begins correction with 24 hours and diligently pursues such correction to completion, such construction activity may continue.

7.11 Submission of Plans and Specifications. An Owner or tenant proposing to construct or erect on a Lot a building or other improvement described in section 7.1 shall submit to the ACC three complete sets of architectural plans and specifications for such project. Such plans and specifications shall be submitted to ACC, c/o Colorow at Squaw Creek Homeowners Association, P. O. Box 775, Edwards, CO 81632.

7.12 Review Fee. The ACC may set a review fee schedule sufficient to cover all or part of the cost of ACC time, consultants' fees and incidental expenses. Applicants for design review may be required to deposit with the ACC a fee that the ACC deems sufficient to cover the costs of design review that will be applied to the actual costs when determined. The review fee shall be assessable and collectible as an Assessment against any Owner who does not pay it in full upon demand. Any excess fee remaining after payment of costs of ACC time, consultants' fees and incidental expenses shall be retained by the Association for Capital Improvements.

7.13 Reconsideration, Review and Appeal. Within 7 days following action of the ACC, its decision to approve or disapprove the project design shall be transmitted to the applicant and to the Association, and shall be made available to other Members upon their written request. The Executive Board may confirm, modify or reverse the decision of the ACC within 20 days following the decision. The decision shall become final if no action is taken by the Executive Board and no written request for reconsideration is made to the ACC by the applicant or any aggrieved party within 20 days following the decision of the ACC. If no action was taken by the Executive Board and a request for reconsideration is timely made, the ACC shall reconsider the matter at its next regularly scheduled meeting. The decision rendered upon such reconsideration shall be transmitted to the applicant, any aggrieved party and to the Executive Board as set forth above, and shall become final if no written appeal to the Executive Board is made to such decision within 7 days following the date of notice of such decision. Not more than 60 days following the filing of an appeal by the applicant or aggrieved party, the Executive Board shall review the action of the ACC and shall, in writing, confirm, modify or reverse the decision of the ACC. If the Executive Board deems insufficient information is available to provide the basis for a sound decision, the Executive Board may postpone final action for not more than 30 additional days. Failure of the Executive Board to act within 95 days from the date of the filing of the appeal shall be deemed approval by the Executive Board of the design of the project unless the applicant consents to a time extension. Any

decision by the ACC or Executive Board which results in disapproval of the project design shall specifically describe the purpose, covenant or provision of the design rules and regulations or guidelines with which the project does not comply and the manner of noncompliance.

7.14 Lapse of Design Review Approval. Approval of the design of a project shall lapse and become void one year following the date of final approval of the project, unless prior to the expiration of one year a building permit is issued and construction is commenced and diligently pursued toward completion.

7.15 No Liability for Damages. Neither the ACC, the Executive Board nor the Association nor any of their respective officers, directors, employees or agents shall be liable in damages to any person submitting any architectural plans and specifications for approval or to any Owner by reason of any action, failure to act, approval, disapproval or failure to approve or disapprove architectural plans and specifications.

ARTICLE 8 ASSESSMENTS

8.1 Obligation. Each Owner is obligated to pay to the Association (1) the Common Assessment imposed by the Executive Board as necessary to meet the Common Expenses, (2) Special Assessments for Capital Improvements and other purposes as stated in this Declaration, (3) Road Usage Assessments assessed pursuant to Article 5 above, (4) ACC Review Fees assessed pursuant to Article 7 above, (5) Default Assessments which may be assessed pursuant to Article 8.8, and (6) Real Estate Transfer Assessments assessed pursuant to Section 8.8A. Fees, charges, late charges, , attorneys' fees and other legal costs of collection of Assessments and other actions to enforce the Association Documents, regardless of whether or not suit was initiated against an Owner pursuant to the Association Documents and the Act, are enforceable as Assessments.

8.2 Purpose of Assessments; Segregation of Funds. Assessments shall be used exclusively to promote the health, safety and welfare of the Owners and occupants of Colorow at Squaw Creek, for the performance of the Association's duties and obligations and the carrying out of the Association's purposes. Quarterly assessments to fund the reserves required by law to be maintained by the Association, Special Assessments imposed to cover costs **other than** a deficit in Common Expenses, Default Assessments, Real Estate Transfer Assessments, and ACC review fees imposed by the Architectural Control Committee and Road Usage Fees (which Road Usage Fees may only be used as provided in section 5.4 above) shall be held in an account or accounts separate and apart from the quarterly common expense assessments.

8.3 Common Assessments. Common Assessments for Common Expenses shall be based upon the estimated annual cash requirements as the Executive Board shall from time to time determine to be paid by all of the Owners. Common Assessments shall be payable on a prorated basis on the first day of each quarter in advance. The omission or failure of the Association to fix the Common Assessments for any assessment period shall not be deemed

a waiver, modification, or release of the Owners from their obligation to pay the same. In the event there are surplus funds after payment of or provision for Common Expenses and any prepayment of or provision for reserves, the Executive Board may in its discretion apply the surplus funds (a) into reserves, (b) toward the following year's Common Expenses, (c) toward a credit to Owners against future Assessments or in the form of a distribution or (d) any combination of the foregoing.

8.4 Budget Adoption and Ratification. Within ninety days after adoption of a proposed budget for Colorow at Squaw Creek, the Executive Board shall mail to each Owner, by ordinary first-class mail, or otherwise deliver, including posting the proposed budget on the association's website, a summary of the budget and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing of the summary. The budget proposed by the Executive Board Unless at that meeting does not require approval from the Owners and it will be deemed approved by the Owners in the absence of a veto at the noticed meeting by at least eighty percent of all Owners, whether or not a quorum is present. If the proposed budget is vetoed, the periodic budget last ratified by the Owners continues until a subsequent budget proposed by the Executive Board is not vetoed by the Owners as provided above.

8.5 Apportionment of Common Assessments. Each Owner shall be responsible for that Owner's pro rata share of the Common Expenses, which proration shall be based on a fraction, the numerator of which is one and the denominator of which is the number of Lots in Colorow at Squaw Creek on the date of each assessment. On the date of this Declaration, there are twenty-five Lots within Colorow, and each Lot shall therefore be allocated 1/25 of the Common Expenses. There is one lot (Lot 13) that may hereafter be resubdivided into two lots. If Lot 13 is hereafter resubdivided into two lots, there will be 26 Lots within Colorow, and each Lot within Colorow will be liable for 1/26 of the Common Expenses.

8.6 Special Assessments. In addition to the Common Assessments authorized by this Article, the Association, upon the affirmative approval of a majority of Owners eligible to vote and present in person or by proxy at a meeting at which a quorum is present, may levy in any fiscal year one or more Special Assessments, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of Capital Improvements or for any other expense incurred or to be incurred as provided in this Declaration. This section 8.6 shall not be construed as an independent source of authority for the Association to incur expense but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Association shall make specific reference to this Section. Any amounts assessed pursuant to this Section shall be assessed to Owners based on the same fractions on which Common Assessments are assessed. Notice in writing of the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than thirty days after such notice shall have been given.

8.7 Road Usage Assessments. The ACC may levy a Road Usage Assessment for the Road Use Fee in accordance with Article 5 above.

8.8 Default Assessments. All monetary fines assessed against an Owner pursuant to the Association Documents or any cost which is incurred by the Association on behalf of an Owner pursuant to the Association Documents, shall be a Default Assessment. A Default Assessment shall be due within thirty days after the Association mails, by ordinary first-class mail, a notice of the amount due.

8.8A. Real Estate Transfer Assessments.

8.8A.1. In order to provide additional funds for funding of Capital Improvements by the Association, which will in turn inure to the benefit of all Owners, there is hereby imposed on all of the Lots, a real estate transfer assessment (the "Real Estate Transfer Assessment") upon the terms and conditions hereinafter set forth. Upon the occurrence of any transfer, as defined below, the transferee under such transfer shall pay a Real Estate Transfer Assessment equal to the fair market value, as defined below, of the Lot subject to transfer, multiplied by the hereinafter described Real Estate Transfer Assessment Rate, which rate shall be determined from time to time by the Executive Board, in its discretion and by an act of a majority of the directors. Although the transferee is responsible for the payment to the Association of the Real Estate Transfer Assessment, a transferee may by contract provide that such Assessment is to be paid in whole or in part by the transferor, **provided, however,** that the transferee nonetheless remains responsible for ensuring that the Real Estate Transfer Assessment is paid to the Association in full. The transferee is liable for and the transferred property is subject to a lien for any unpaid Real Estate Transfer Assessment. On the Date of this Declaration, the "Real Estate Transfer Assessment Rate" is two percent (2.0%) of the consideration (as defined below) on all transfers, subject to the terms, conditions and exclusions as described in this Section. The Executive Board may raise or lower the Real Estate Transfer Assessment Rate by giving notice of any such change by placing a memorandum of same of record in the Office of the Clerk and Recorder of Eagle County, Colorado.

8.8A.1.1 Definitions.

8.8A.1.1.1. Transfer. For purposed of this Section, "transfer" means and includes, whether in one transaction or in a series of related transactions, any conveyance, assignment, lease or other transfer of beneficial ownership of any Lot, including but not limited to (i) the conveyance of fee simple title to any Lot (including any conveyance arising out of an installment land contract or a lease containing an option to purchase) (ii) the transfer, in one transaction or a series of related transactions, of 50 percent or more of the outstanding shares of the voting stock of a corporation which, directly or indirectly, owns one or more Lots, and (iii) the transfer, in one transaction or a series of related transactions, of 50 percent or more of the interest in net profits or net losses of any partnership, limited liability company, joint venture or other entity (each referred to hereinafter as a "Business Association") which, directly or indirectly, owns one or

more Lots, but “transfer” shall not mean or include the transfers excluded under Subsection 8.8A.2.

8.8A.1.1.2 Transferee. For purposes of this Section, “transferee” means and includes all parties to whom any interest in a Lot passes by a transfer, and each party included in the term “transferee” shall have joint and several liability for all obligations of the transferee under this section.

8.8A.1.1.3 Fair Market Value. In the case of a transfer that is in all respects a bona fide sale, “fair market value” of the Lot subjected to transfer shall be the consideration, as such term is defined below, given for the transfer. In the case of a transfer that is a long-term lease not exempt under 8.8A.2 or is otherwise not in all respects a bona fide sale, fair market value of the Lot subjected to transfer shall be determined by the Association. A transferee may make written objection to the Association’s determination within fifteen (15) days after the Association has given notice of such determination, in which event the Association shall obtain an appraisal, at the transferee’s sole expense, from a real estate appraiser of good reputation, who is qualified to perform appraisals in Colorado, who is familiar with Eagle County real estate values, and who shall be selected by the Association. The appraisal so obtained shall be binding on both the Association and the transferee. The above provisions to the contrary notwithstanding, where a transferee does not make a full report of a transfer within fifteen (15) days after the time required by this Section for making such report, the transferee shall be deemed to have waived all right of objection concerning fair market value, and the Association’s determination of such value shall be binding.

8.8A.1.1.4 Consideration. For purposes of this Section, “consideration” means and includes the total of money paid (or purchase price) and the fair market value of any property delivered, or contracted to be paid or delivered, in return for the transfer of any Lot, and includes any money or property paid or delivered to obtain a contract right to purchase any Lot, and the amount of any note, contract indebtedness (including without limitation, obligations which could be characterized as contingent land gain), or rental payment reserved in connection with such transfer, whether or not secured by any lien, mortgage, or other encumbrance, given to secure the transfer price, or any part thereof, or remaining unpaid on the property at the time of transfer, whether or not assumed by the transferee. The term “consideration” does not include the amount of any outstanding lien or encumbrance for taxes, special benefits or improvement in favor of the United States, the State of Colorado, or a municipal or quasi-municipal governmental corporation or district.

8.8A.2 Exclusions. The Real Estate Transfer Assessment shall not apply to any of the following, except to the extent that they are used for the purpose of avoiding the Real Estate Transfer Assessment:

8.8A.2.1 any transfer to the United States, or any agency or instrumentality thereof, the state of Colorado, any county, city and county, municipality, district or other political subdivision of the State of Colorado;

8.8A.2.2 any transfer to or from the Association;

8.8A.2.3 any transfer, whether outright or in trust, that is for the benefit of the transferor or his or her relatives, but only if there is no more than nominal consideration for the transfer. For the purposes of this exclusion, the relatives of a transferor shall include all lineal descendants of any grandparent of the transferor, and the spouses of the descendants. Any person's stepchildren and adopted children shall be recognized as descendants of that person for all purposes of this exclusion. For the purposes of this exclusion, a distribution from a trust shall be treated as a transfer made by the grantors of the trust, in the proportions of their respective total contributions to the trust;

8.8A.2.4 any transfer arising solely from the termination of a joint tenancy or the partition of property held under common ownership, except to the extent that additional consideration is paid in connection therewith;

8.8A.2.5 any transfer or change of interest by reason of death, whether provided for in a will, trust or decree of distribution;

8.8A.2.6 any transfer made (i) by a majority-owned subsidiary to its parent corporation or by a parent corporation to its majority-owned subsidiary, or between majority-owned subsidiaries of a common parent corporation, in each case for no consideration other than issuance, cancellation or surrender of the subsidiary's stock; or (ii) by a partner, member or a joint venturer (each, a "Business Association Member") to a Business Association in which the Business Association Member has not less than a 50 percent interest, or by a Business Association to a Business Association Member holding not less than a 50 percent interest in such Business Association, in each case for no consideration other than the issuance, cancellation or surrender of the interests in the Business Association, as appropriate; or (iii) by a corporation to its shareholders, in connection with the liquidation of such corporation or other distribution of property or dividend in kind to shareholders, if the Lot is transferred generally pro rata to its shareholders, and no consideration is paid other than the cancellation of such corporation's stock; or (iv) by a Business Association to its Business Association Members, in connection with a liquidation of the Business Association or other distribution of property to the Business Association Members, if the Lot is transferred generally pro rata to its Business Association Members, and no consideration is paid other than the cancellation of the Business Association Members' interest; or (v) to a corporation or Business Association where such entity is owned in its entirety by the persons transferring the Lot and such persons have the same relative interests in the transferee entity as they had in the Lot immediately prior to such transfer, and no consideration is paid other than the issuance of each such person's

respective stock or other ownership interests in the transferee entity; or (vi) by any person(s) or entity(ies) to any other person(s) or entity(ies), whether in a single transaction or a series of transactions where the transferor(s) and the transferee(s) are and remain under common ownership and control as determined by the Executive Board in its sole discretion applied on a consistent basis; provided, however, that no such transfer or series of transactions shall be exempt unless the Executive Board finds that such transfer or series of transactions (x) is for no consideration other than the issuance, cancellation or surrender of stock or other ownership interest in the transferor or transferee, as appropriate, (y) is not inconsistent with the intent and meaning of this Subsection, and (z) is for a valid business purpose and is not for the purpose of avoiding the obligation to pay the transfer Assessment. In connection with considering any request for an exception under Subsection 8.8A.2.6 (vi), the Executive Board may require the applicant to submit true and correct copies of all relevant documents relating to the transfer setting forth all relevant facts regarding the transfer, stating that in the applicant's opinion the transfer is exempt under this Subsection, and setting forth the basis for such opinion;

8.8A.2.7 any transfer made solely for the purpose of confirming, correcting, modifying or supplementing a transfer previously recorded, making minor boundary adjustments, removing clouds on titles, or granting easements, rights-of-ways or licenses;

8.8A.2.8 any transfer pursuant to any decree or order of a court of record determining or vesting title, including a final order awarding title pursuant to a condemnation proceeding, but only where such decree or order would otherwise have the effect of causing the occurrence of a second assessable transfer in a series of transactions which includes only one effective transfer of the right to use or enjoyment of a Lot;

8.8A.2.9 any lease of any Lot (or assignment or transfer of any interest in any such lease) for a period of less than thirty (30) years;

8.8A.2.10 any transfer to secure a debt or other obligation or to release property which is security for a debt or other obligation, including transfers in connection with foreclosure of a deed of trust or mortgage or transfers in connection with a deed given in lieu of foreclosure;

8.8A.2.11 the subsequent transfer(s) of a Lot involved in a "tax free" or "tax deferred" trade under the Internal Revenue Code wherein the interim owner acquires property for the sole purpose of reselling that property after the trade. In these cases, the first transfer of title is subject to the Real Estate Transfer Assessment, and subsequent transfers will only be exempt as long as a Real Estate Transfer Assessment has been paid in connection with the first transfer of such Lot in such exchange;

8.8A.2.12 the transfer of a Lot without consideration (other than potential tax benefit) to an organization which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, as amended (or any comparable statute), provided that the Executive Board specifically approves such exemption in each particular case;

8.8A.2.13 any transfer made by a corporation or other entity, for consideration, (1) to any other corporation or entity which owns 100 percent of its equity securities (a "Holding Company"), or (2) to a corporation or entity whose stock or other equity securities are owned, directly or indirectly, 100 percent by such Holding Company;

8.8A.2.14 any transfer from a partially owned direct or indirect subsidiary corporation to its direct or indirect parent corporation where consideration is paid for, or in connection with, such transfer; however, unless such transfer is otherwise exempt, such exemption shall apply only to the extent of the direct or indirect beneficial interest of the transferee in the transferor immediately prior to the transfer. For example, if corporation A owns 60 percent of corporation B, and corporation B owns 100 percent of corporation C and corporation C conveys a Lot to corporation A for \$200,000, 60 percent of the transfer Assessment would be exempt and a transfer Assessment would be payable only on \$80,000 (i.e., 40 percent of the \$200,000 consideration); and

8.8A.2.15 the consecutive transfer of a Lot wherein the interim owner acquires such Lot for the sole purpose of immediately reconveying such Lot, but only to the extent there is no consideration to the interim owner and such interim owner receives no right to use or enjoyment of such Lot, provided the Executive Board specifically approves such exemption in each particular case. To the extent that consideration is paid to, or for the benefit of, the interim owner, the additional consideration shall be a transfer subject to Assessment. In these cases, the first transfer of title is subject to the transfer Assessment and subsequent transfers will only be exempt as long as a transfer Assessment has been paid in connection with the first transfer of such Lot in such consecutive transaction and only to the extent there is no consideration to the interim owner.

8.9 Effect of Nonpayment. Any Assessment, whether pertaining to any Common Expense Assessment, Special Assessment, ACC review fee, Road Usage Fee, Real Estate Transfer Assessment, or Default Assessment, which is not paid within thirty days after its due date shall be delinquent. If an Assessment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

- A. Assess a late fee for each delinquency in such amount as the Association deems appropriate and in accordance with Colorado law;
- B. Assess an interest charge in accordance with Colorado law;

- C. Suspend the voting rights of the Owner during any period of delinquency;
- D. Accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;
- E. Bring an action at law against any Owner personally obligated to pay the delinquent Assessments; and
- F. Foreclose the Assessment lien as more fully described below, provided that the Association may not foreclose an assessment lien if the debt consists only of one or both of fines assessed by the Association for collection costs or attorney fees incurred that are only associated with assessed fines.

8.10 Assessment Lien.

8.10.1 The Association has a lien on a Lot for any Assessment levied against the Lot or fines imposed against its Owner from the time the Assessment or fine becomes due. Fees, charges, late charges, fines, and attorneys' fees and other legal costs of collection of Assessments and other actions to enforce the Association Documents, regardless of whether or not suit was initiated, and interest charged pursuant to the Association Documents and the Act, are enforceable as a lien under this Section. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due.

8.10.2 A lien under this Section is prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first mortgage or first deed of trust on the Lot recorded before the date on which the assessment sought to be enforced became delinquent (referred to herein as "First Mortgage"); and (3) liens for real estate taxes and other governmental assessments or charges against the Lot. Notwithstanding the foregoing, a lien under this subsection is also prior to all First Mortgages to the extent of the Common Expense Assessments based on the periodic budget adopted by the Association pursuant to Section 38-33.3-315(1) of the Act which would have become due, in the absence of acceleration, during the six months immediately preceding institution of an action to enforce either the Association's lien or a First Mortgage, but in no event shall the priority accorded under this subsection to such lien exceed one hundred fifty percent of the average monthly Common Assessment during the immediately preceding fiscal year multiplied by six. This subsection does not affect the priority of mechanics' or materialmen's liens, or the priority of a lien for other Assessments made by the Association. A lien under this Section is not subject to the provision of homestead exemption provided in Section 38-41-201 et seq. Colorado Revised Statutes, which is deemed waived by Owners by the acceptance of a deed to a Lot.

8.10.3 The recording of the Declaration constitutes record notice and perfection of the lien. Further recording of a claim of lien for Assessment under this Section is not required.

8.10.4 A lien for an unpaid Assessment is extinguished unless proceedings to enforce the lien are instituted within six years after the full amount of the Assessment becomes due; provided that if an Owner of a Lot subject to a lien under this Section files a petition for relief under the United States Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

8.10.5 This Section does not prohibit an action at law to recover sums for which subsection 8.10.1 creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

8.10.6 A judgment or decree in any action brought under this Section shall include costs and reasonable attorneys' fees for the prevailing party.

8.10.7 A judgment or decree in an action brought under this Section is enforceable by execution.

8.10.8 The Association's lien may be foreclosed in like manner as a mortgage on real estate.

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

8.10.10 If a holder of a First Mortgage on a Lot forecloses that Mortgage, the purchaser at the foreclosure sale is not liable for any unpaid Assessments against that Lot which became due before the sale, other than the Assessments which are prior to that Mortgage under subsection 8.10.2 of this Declaration. Any unpaid Assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Owners, including the purchaser.

8.10.11 Any payments received by the Association in the discharge of an Owner's obligation may be applied to the oldest balance due.

8.10.12 The Association shall have the power to bid on a Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

8.11 Personal Obligation. The amount of any Assessment chargeable against any Lot shall be a personal and individual debt of the Owner of same. No Owner may exempt himself from liability for the Assessment by abandonment of his Lot or by waiver of the use or enjoyment of all or any part of the Common Elements. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expense of such proceedings, and all reasonable attorneys' fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration.

8.12 Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Association's perpetual lien for such Assessments, all successors to the fee simple title of a Lot, except as provided in Section 8.13 below, shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees assessed against such Lot without prejudice to any such successor's right to recover from any prior Owner any amounts paid by such successor. This liability of a successor shall not be personal and shall terminate upon termination of such successor's fee simple interest in the Lot. In addition, such successor shall be entitled to rely on the statement of status of Assessments by or on behalf of the Association under Section 8.13 below.

8.13 Statement of Status of Assessment Payment. Upon payment of a reasonable fee set from time to time by the Executive Board and upon the written request of any Owner, mortgagee of a Lot, prospective mortgagee of a Lot, or prospective purchaser of a Lot, the Executive Board of the Association shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Lot. Unless such statement shall be issued (which shall include posting in the United States mails) within 15 days, all unpaid Assessments which became due prior to the date of making such request shall be subordinate to the lien of a mortgagee which acquired its interest in the Lot subsequent to requesting such statement. If the request is made by a prospective purchaser, the lien for the unpaid Assessment shall be released automatically if the statement is not furnished within the 15-day period provided for above, and if, after that period, an additional written request is made by such purchaser and is not complied with within 10 days and the purchaser subsequently acquires the Lot.

ARTICLE 9 ENFORCEMENT AND REMEDIES

9.1 Enforcement. Each provision of this Declaration enforceable against the Association shall be enforceable by any Owner by a proceeding for a prohibitive or mandatory injunction. Each provision enforceable against an Owner shall be enforceable by the Association, an Owner or the ACC by a proceeding for a prohibitive or mandatory injunction or by suit or action to recover damages.

9.2 Remedies. In addition, if an Owner or an Owner's tenant fails to perform or observe any covenant or condition on such person's part to be performed or observed

under this Declaration or any other Association Document, the Association, by action of the Executive Board, shall have the following rights and remedies:

- A. The Association may, but is not obligated to, cure such failure to comply at the Owner's, sole cost and expense, and assess same to the defaulting Owner as a Default Assessment. If the Association cures any such failure to comply, (i) such Owner shall pay to the Association the amount of all costs incurred by the Association in connection therewith upon receipt of a notice of the amount due;
- B. The Association may suspend the Owner's right to vote during any period of non-compliance;
- C. The Association may, after Notice and Hearing as described in Section 10, levy a reasonable fine in an amount established by the Executive Board by rule or regulation for each violation. In accordance with Colorado law, the Association may not impose a daily fine for the same infraction.

ARTICLE 10 NOTICE AND HEARING

Whenever the Association Documents require that an action be taken after "Notice and Hearing", the following procedure shall be observed: The Executive Board shall give notice of the proposed action in writing to all Owners whose interests would be significantly affected by the proposed action which shall be delivered personally or by mail to each such Owner at such address as appears in the records of the Association. The notice shall be delivered personally or mailed not less than five days before the proposed action is to be taken. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person(s) shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the Executive Board. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

ARTICLE 11 DURATION OF COVENANTS, AMENDMENT AND TERMINATION

11.1 Term. The covenants and restrictions of this Declaration shall run with and bind the land unless and until terminated in accordance with Section 38-33.3-218 of the Act.

11.2 Amendment.

11.2.1 Except in cases of amendments that may be executed by the Association under Sections 38-33.3-107, 38-33.3-206 (4), 38-33.3-208 (2), 38-33.3-212, 38-33.3-213, or 38-33.3-218 (11) and (12) of the Act, or by the Eagle County District Court, and except as limited by subsection 11.2.4, this Declaration may be amended only by vote or agreement of Owners of Lots to which more than fifty percent of the votes in the Association are allocated.

11.2.2 An action to challenge the validity of an amendment adopted by the Association pursuant to this Article, may not be brought more than one year after the Amendment is recorded.

11.2.3 Each amendment to the Declaration must be recorded in Eagle County, Colorado, and the amendment is effective only upon recordation. An amendment must be indexed in the grantee's index in the name of the Common Interest Community and the Association and in the grantor's index in the name of each person executing the amendment.

11.2.4 Except to the extent expressly permitted or required by the Act or this Declaration, no amendment may increase the number of Lots, or change the boundaries of a Lot or the percentage of Common Expenses allocated to a Lot, or the uses to which a Lot is restricted, in the absence of a vote or agreement of Owners to which at least sixty-seven percent of the votes in the Association are allocated.

11.2.5 An amendment to the Declaration required by the Act to be recorded by the Association, which has been adopted in accordance with this Declaration and the Act, must be prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

11.3 Termination. Termination of the Colorow at Squaw Creek common interest community may be accomplished only in accordance with Section 38-33.3-218 of the Act.

[Certification and signature page follows on next page.]

CERTIFICATION

The undersigned President of Colorow at Squaw Creek Homeowners Association, a Colorado nonprofit corporation, hereby certifies that the foregoing Second Amended and Restated Declaration of Protective Covenants for Colorow at Squaw Creek was approved by the requisite number of Members of Colorow at Squaw Creek Homeowners Association at the annual meeting of Members duly called and held on December 17, 2024, as required by section 11.2.1 and 11.2.4 of the Amended and Restated Declaration of Protective Covenants for Colorow at Squaw Creek.

Colorow at Squaw Creek Homeowners Association

by: _____

Jack Snow, President

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 25 day of April, 2025 by Jack Snow as President of Colorow at Squaw Creek Homeowners Association, a Colorado nonprofit corporation.

Diane Rae Larsen
Notary Public

Witness my hand and official seal.
My commission expires: 12/5/27

