

FIRST RESTATEMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CROWLEY RANCH RESERVE PHASES I, II, III, AND IV

NOTE: This document combines the following previously filed documents into one complete set of Covenants: (1) the 2006 “First Restatement of Declarations of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II, III, and IV”; (2) the 2010 “Amendment to the First Restatement of Declarations of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II, III, and IV” and (3) the 2012 “Second Amendment to the First Restatement of Declarations of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II, III, and IV”.

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**FIRST RESTATEMENT OF DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR CROWLEY RANCH RESERVE
PHASES I, II, III, AND IV**

**ARTICLE I
DEFINITIONS**

1.1 ASSOCIATION means Crowley Ranch Reserve Owners' Association.

1.2 ARCHITECTURAL CONTROL COMMITTEE (ACC) means the committee appointed by the Board of Directors of the Association whose primary function is to review and approve plans, specifications, designs, sites and locations of structures and other improvements to be constructed or erected on any Parcel.

1.3 BOARD OF DIRECTORS or BOARD means the five (5) duly elected and qualified members of the Board of Directors of the Association.

1.4 CLASS A MEMBERS are comprised of voting members of Parcels A1 – A19 of Phase I, Parcels B1 – B6 of Phase II, Parcels C1 – C28 of Phase III, and Parcels D1 – D34 of Phase IV of the Crowley Ranch Reserve.

1.5 CLASS B MEMBERS are comprised of the Developer for Parcels owned by it (other than Parcels taken in trade or reacquired by foreclosure or deed in lieu of foreclosure) in Phases III and IV of the Crowley Ranch Reserve.

1.6 COMMON AREA means the acreage designated in the Plats of Phases I – IV as common area, the title to which is held by the Association, as well as the acreage defined as Tract A on the Phase I Plat which was conveyed by the developer to the Association by deed recorded September 14, 2004, reception number 20408316.

1.7 COMMUNITY means the Crowley Ranch Reserve,

1.8 DECLARATION means this First Restatement of Declaration of Covenants, Conditions and Restrictions for Crowley Ranch Reserve.

1.9 DESIGNATED BUILDING SITE (DBS) means the specific location of any structure within any given Parcel, which location is designated on the Phase I Replat or flattened or excavated by the Developer prior to Phase I approval.

1.10 DEVELOPER means Bi-State Financial Services, its successors or assigns.

1.11 FAMILY MEMBER means the spouse, parent, child or grandchild of an Owner.

1.12 IMPROVEMENT(S) include, but are not limited to, all buildings, outbuildings, bridges, roads, trails, pathways, driveways, parking areas, fences, screening walls and barriers, retaining walls, stairs, decks, water lines, septic systems, springs, ponds, ditches, viaducts and electrical, gas and TV distribution facilities, hedges, windbreaks, crop plantings, natural or planted trees and shrubs, poles, signs, loading areas and all other structures, installations and landscaping of every type and kind, whether above or below the land surface.

1.13 COVENANT COMPLIANCE COMMITTEE means the committee of Members appointed by the Board of Directors to adjudicate claimed violations of the provisions of this Declaration, and to impose fines or other sanctions for violations of such provisions found by the Covenant Compliance Committee.

1.14 OCCUPANT means a lessee or licensee of an Owner, or any other person or entity other than an Owner, in lawful possession or use of a Parcel or Tract with the permission of the Owner.

1.15 OFFICERS mean the President, Vice-President, Treasurer and Secretary of the Association.

1.16 OWNER or MEMBER means any person or entity which is the record Owner of fee simple title of any Parcel including buyers under a Deed of Trust, but excluding any entity or person who holds such interest as security for the payment of an obligation, other than a contract seller, mortgagee, or other such security holder in actual possession of a Parcel.

1.17 PARCEL means any one of the 19 designated lots at Crowley Ranch Reserve, Phase I, or of the 6 lots in Phase II, or of the 28 lots in Phase III, or of the 34 lots in Phase IV.

1.18 PHASE I means the Phase I Replat, filed in the office of the Archuleta County Clerk, July 30, 1993.

1.19 PLATS mean the plats for Phases I, II, III, and IV as referenced in Paragraph A of the Recitals of this Declaration.

1.20 PREMISES means all land shown on the Plats of Crowley Ranch Reserve excluding Tracts B and C.

1.21 ROAD or ROADS means any street, highway, road or thoroughfare or other access for use by residents within or adjacent to the Premises as shown on the Plats for Phases I – IV.

1.22 RULES AND REGULATIONS means the published Rules and Regulations adopted by the Board pursuant to the authority granted in Paragraph 3.1 of this Declaration.

1.23 SIGN means any structure, device or contrivance, electric or non-electric, upon or within which any poster, bill, bulletin, printing, lettering, painting, device or other advertising of any kind whatsoever is used, placed, posted, tacked, nailed, pasted or otherwise fastened or affixed.

ARTICLE II

SUBJECT PROPERTY

2.1 GENERAL DECLARATION. All of the Premises, except for Tracts B and C in Phase I, as shown on the Plats, have been conveyed subject to this Declaration. All of the Covenants, Conditions and Restrictions set forth herein are in furtherance of a general plan for the division and improvement of the Premises and are established for the purpose of enhancing, conserving and protecting the value, desirability and attractiveness of the Premises. All of the Covenants, Conditions, and Restrictions shall run with all of the property for all purposes and shall be binding upon and inure to the benefit of the Association, and all Owners as set forth in this Declaration.

2.2 SUBDIVISION OF PARCELS. Subdivision of Parcels in the Community is prohibited.

2.3 LENDER FINANCING. An Owner may secure financing and encumber his Parcel as security for such financing. Any lien imposed by the Association pursuant to this Declaration or the Association's Rules and Regulations shall be subordinate to any mortgage or deed of trust recorded prior to such lien.

ARTICLE III
BOARD OF DIRECTORS

3.1 POWERS OF THE BOARD. The Association shall act through its Board of Directors and the Board shall have the power to act in all matters relating to the governance of the Association except as to matters requiring, by the terms and provisions of this Declaration or by operation of law, a vote of the membership. Such powers shall include but not be limited to, the power to adopt Rules and Regulations consistent with the objectives and policies of this Declaration, to impose user fees for services provided to Members, to impose fines and other sanctions for violations of the provisions of this Declaration or Rules and Regulations adopted pursuant to the authority granted by this Declaration, and to establish permanent and ad hoc committees, define the duties and responsibilities of those committees, determine the number and qualifications of committee members, and appoint committee members.

3.2 NUMBER AND QUALIFICATIONS. There shall be five (5) Board members. Until the sale of all lots in Phases III and IV owned by the Developer (excluding lots taken in trade or reacquired by foreclosure or deed in lieu of foreclosure) or until July 31, 2010, whichever comes first, one (1) member shall be the Developer or its representative, and the remaining members shall be Owners and in good standing. Thereafter, all five members of the Board shall be Owners and in good standing.

3.3 MEETINGS, NUMBER, TENURE, QUORUM, COMPENSATION, VACANCIES AND REMOVAL.

a. The regular annual meeting of the Board of Directors shall be held in July of each year, preceding by one day the annual meeting of the Association, which shall be held at a date and time established by the Board. Directors shall be elected by majority vote at the annual meeting of Members and the election of directors shall be by secret ballot.

b. Regular and special meetings of the Board shall be held in conformity with the Association's By-Laws.

c. Directors shall be elected to terms of two years, such terms to be staggered so that no more than two directors shall be elected at any annual meeting of Members; provided, that when the Developer's board seat becomes elective, three directors shall be elected in alternate years

instead of two. A majority of the Board will constitute a quorum. Directors will serve without compensation.

d. Any Board member may be removed from office by affirmative vote of at least a majority of the voting Members of the Association at any special meeting called for that purpose.

e. Vacancies in the Board shall be filled by majority vote of the remaining Board members for the unexpired term of the vacant seat.

f. The Board shall keep full, accurate, and detailed books of account and record receipts and expenditures in chronological order. Books and records of the Association will be open for review and inspection by Members upon reasonable notice and for a proper purpose.

ARTICLE IV

OFFICERS

4.1 GENERAL. Officers shall be elected by the Board following the conclusion of the annual meeting of Members. Officers shall serve at the pleasure of the Board.

4.2 PRESIDENT. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He/she shall preside at all meetings of the Members and of the Board of Directors. He/she shall, in general, perform all duties incident to the office of the President and such other duties as may be prescribed by the Board from time to time.

4.3 VICE-PRESIDENT. The Vice-President shall assume all duties and obligations of the President in the absence of the President.

4.4 TREASURER. The Treasurer shall have charge and custody of and be responsible for all financial records, books of account, funds, and securities of the Association; receive and give receipts for all monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; and in general perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be prescribed by the Board. In the discretion of the Board, the Association may bond the Treasurer for the faithful discharge of his/her duties in such sum and with such surety as the Board shall determine. At each annual meeting, the Treasurer shall have available for inspection an itemized accounting of all receipts and expenditures for the previous year. All vouchers in excess of Five Hundred Dollars (\$500.00) for payment of expenditures by the Board shall be signed by the President and Treasurer.

4.5 SECRETARY. The Secretary shall keep the Minute Book in which resolutions shall be recorded as well as other actions occurring at meetings of the Members and of the Board; shall see that all notices are duly given in accordance with the provisions of these covenants or as required by law; shall be custodian of the corporate records; shall keep a register of the post office address of each Member; and shall in general perform all duties incident to the Office of Secretary and such other duties as from time to time may be prescribed by the Board. The

Secretary will be responsible for notifying the Members of all meetings as directed within these covenants and any other special meetings prescribed by the Board of Directors.

ARTICLE V
PROPERTY RIGHTS; WATER RIGHTS

5.1 CONVEYANCE OF COMMON AREA TO OWNERS' ASSOCIATION. The Common Area as shown on the Plats, including Tract A in Phase I, has been conveyed to the Association for its benefit.

5.2 MEMBER USE AND ENJOYMENT OF COMMON AREAS AND ROADS.

a. Each Owner in common with all other Owners shall have the right and privilege to use and enjoy the Common Area for the purposes for which the same was designed. This right and privilege shall be appurtenant to and pass with titles to the Parcels.

b. Each Owner shall fully and faithfully comply with the Rules and Regulations applicable to use of the Common Area, as these Rules and Regulations are from time to time adopted by the Association for the safety, care and maintenance, good order and cleanliness of the Common Area. The right to the use and enjoyment of the Common Area shall be subject to the right of the Association to charge reasonable admission, guest fees, and other fees for use of facilities within the Common Area. Each Owner shall comply with Covenants, Conditions, and Restrictions imposed by this Declaration on the use and enjoyment of the Common Area.

c. Every Owner of a Parcel shall have a permanent and unrestricted easement for ingress and egress for such Parcel over and through the platted roads within the Community. Ingress and egress shall be subject to such Rules and Regulations as may be adopted by the Association to govern the use of the roads by vehicular traffic.

d. The right of the Association to impose reasonable restrictions on the use and enjoyment of the Common Area and roadways for the overall benefit of the Association and its members includes, but is not limited to, restrictions on the number of guests and other non-members permitted to use the Common Area.

e. The Association may suspend an Owner's right to the use and enjoyment of the Common Area (except for the use of roadways and driveways for the sole purpose of ingress and egress from and to a Parcel) and the recreational resources or improvements of the Association for any period during which any financial obligation of an Owner to the Association remains delinquent after notice and demand for payment, or for any infraction, as finally determined, of its published Rules and Regulations.

5.3 DELEGATION OF USE. Any Owner may delegate to Family Members, Occupants, or guests the Owner's right of enjoyment to the Common Area. Use and enjoyment of the Common Area by Family Members, Occupants, guests, members of Owner entities, and tenants in common, shall be subject to and controlled by the Board through its Rules and Regulations.

5.4 RESERVATION OF ACCESS EASEMENT. The Developer retains an easement for itself, its successors and assigns over and along the roads for the purpose of providing ingress and egress to any adjoining real property owned by the Developer or its assigns, which property is not part of the Premises.

5.5 COMMON AREA IMPROVEMENTS. The Association may, but is not required to, provide improvements in the Common Area designed exclusively for community use, including, without limiting the generality of the foregoing, stables or riding facilities, fences, walks, walkways, roadways, playground equipment, swimming pools, tennis courts, community gardens, and drainage, storm water and utility systems and structures.

In the discretion of the Board, the Common Area may be graded, and trees, shrubs, or other plants may be placed and maintained thereon for the comfort and enjoyment of the Owners, or the establishment, retention or preservation of the natural growth or topography of the Common Area, or for aesthetic reasons. No portion of the Common Area may be used by any Owner for personal gardens, storage facilities or other private uses unless specifically authorized in Rules and Regulations.

In keeping with the overall concept of the development, including maintaining, as much as possible, the Common Area in its natural state, for the benefit of wildlife and for the enjoyment of Owners, any change of use of the Common Area as it exists at the time of adoption of this Declaration, other than as may be expressly authorized elsewhere in this Declaration, requires the approval of the Owners at an annual meeting, or a special meeting of Owners called for the purpose. Change of use for purposes of this paragraph means specialized recreational amenities, including, by way of example but not by way of limitation, a golf driving range, putting greens, sporting clays, motocross or dirt bike area. This paragraph does not apply to modifications or additions to the Common Area determined by the Board to be necessary for proper maintenance

or preservation of the Common Area, or to address a condition representing a threat to the safety or welfare of Owners.

5.6 MINERAL AND WATER RIGHTS. Any mineral rights owned by the Developer on each Parcel sold by it have been transferred to the Owner. Any mineral rights owned by the Developer in the Common Area have been transferred to the Association.

In the Declarations referenced in Paragraph B of the Recitals, and in a deed recorded March 19, 2003, reception number 20302752, the Association was conveyed water resources for its use in carrying out the purposes and intents of this Declaration. The purposes for which such resources may be used include, but are not limited to, water for residential use, and Common Area maintenance as follows:

- a. maintain continuing agricultural use of the land,
- b. maintenance and preservation of the ditches, creeks and ponds on the Premises,
- c. maintenance and development of the Common Area, and
- d. such other purposes as the Association deems necessary or desirable, subject to the above parameters.

Water use by Owners shall be subject to availability and to such restrictions and limitations as may be imposed by the Association. Furthermore, the Association may impose such charges for water usage as it determines to be necessary in order to operate and maintain the water system and to discourage excessive use.

ARTICLE VI
MEMBERSHIP AND VOTING RIGHTS

6.1 MEMBERSHIP AND VOTING RIGHTS. Every person or entity who is an Owner, or any person or entity that otherwise acquires legal or equitable title to any Parcel shall automatically be a Member of the Association. Any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member. By acquiring a Parcel, an Owner automatically becomes subject to, and consents to being subject to, the terms and provisions of this Declaration and to the By-Laws, Rules and Regulations and assessments of the Association.

6.2 CLASSES OF MEMBERS. The Association shall have two (2) classes:

a. **CLASS A.** Class A Members shall be all Owners of Parcels in Phases I, II, III, and IV. Parcel owners may cast a maximum of two votes per Parcel. In the case of multiple Owners, the two votes allocated to each Parcel may be split. Entities other than individuals owning Parcels shall designate in writing to the Secretary the person(s) entitled to cast votes on behalf of such entity.

b. **CLASS B.** Class B consists of the Developer, which is entitled to two (2) votes for each Parcel owned in Phases III and IV other than Parcels taken in trade for other Parcels or acquired through foreclosure or conveyance in lieu of foreclosure. The Class B membership shall cease and be converted to Class A membership on the happening of one of the following events, whichever occurs earliest:

(1) When one-hundred percent (100%) of the total Parcels available for sale by the Developer in Phases III and IV are sold (excluding Parcels taken in trade for other Parcels or acquired through foreclosure or conveyance in lieu of foreclosure); or (2) on July 31, 2010.

ARTICLE VII

ASSESSMENTS AND FINES

7.1 GENERAL. Each Owner of a Parcel by acceptance of a deed to such Parcel, is deemed to covenant and agree to pay to the Association annual assessments and special assessments for capital improvements or otherwise as provided in this Declaration, as well as to pay any fines adjudicated in accordance with the procedures in the Rules and Regulations, which fines are deemed to be in the nature of an assessment.

7.2 COLLECTION AND LIEN. The amount of any assessment or fine levied by the Association is a personal obligation of the Owner of a Parcel and shall be paid to the Association on or before the date or dates fixed for payment by resolution of the Board or by final order of the Covenant Compliance Committee. If not so paid, the amount of such assessment or fine, plus any other charges thereon, including interest at the maximum limit provided by law per annum from date of delinquency and costs of collection, including reasonable attorney fees actually incurred, if any, shall constitute and become a lien on the Parcel so assessed when recorded in accordance with Colorado law. Upon satisfaction of the lien, the Board shall within a reasonable time, cause to be recorded a further notice stating the satisfaction and the release of said lien.

7.3 PRIORITY OF LIEN. Conveyance of any Parcel shall not affect any lien for unpaid assessments or fines provided herein. Such lien shall be prior to all other liens recorded subsequent to the lien for unpaid assessments or fines.

7.4 ENFORCEMENT. The lien provided for herein may be foreclosed by the Association in accordance with Colorado law and, in such an event, the Association may be a bidder at the foreclosure sale. The Association may also pursue any other remedy against any Owner indebted to the Association which is available to the Association in law or equity for the collection of debt and can collect as a personal obligation of the Owner any and all amounts for assessments and fines, and any additional amounts for costs of collection, and reasonable attorney fees actually incurred. The Board may declare that any Parcel foreclosed upon shall be a converted Parcel and thus become Common Area.

7.5 SUSPENSION OF TRANSFER OF MEMBERSHIP. The Association shall not be required to transfer membership on its books or to allow the exercise of any rights or privileges

of membership on account thereof to any Owner or to any persons claiming under that Owner unless or until all assessments, fees, charges, and fines to which they are subject have been paid.

7.6 PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the Members of the Association and for the establishment, improvement, maintenance and protection of the Common Area and for property or facilities enhancing the use and enjoyment of the Common Area and the conservation of the natural amenities of the Premises. As such, these purposes may also include, but shall not be limited to, funding for: the payment of taxes, insurance for Common Area properties and risks involving the Association; maintenance (including snow removal) of roads, parking areas, water system, utilities, bridges and/or other improvements or easements owned by the Association, maintenance and replacement of street signs and traffic signs; the establishment, maintenance and protection of pastures, land, crops, streams, ponds, timber, livestock, wildlife and animals within the Premises; the cultivating, mowing, harvesting or cutting of timber, hay and other crops on the Common Areas; the construction, maintenance and repair of all improvements, including buildings, structures, ponds, ditches, utilities, stables or recreational facilities owned or leased by the Association and constructed on the Common Area for the benefit of the Association; and the costs of labor, equipment, services, materials, management, protection and supervision of the assets and interests of the Association.

7.7 ANNUAL ASSESSMENTS. Annual assessments shall be determined by the Board of Directors in an amount estimated to cover the normal operating expenses of the Association for each year as determined in conformity with standard accounting practices, together with such additional amounts as may, in the Board's reasonable judgment, be necessary to cover any past deficits from operations or to create reasonable reserves for the future cost of operations of the Association. However, unless with the assent of seventy-five percent (75%) of the votes of all classes of Members voting in person or by proxy at the annual meeting of Members, no assessment shall be increased by more than five percent (5%) per year from the base assessment established by the Board of Directors for the previous fiscal year.

7.8 SPECIAL ASSESSMENTS. In addition to an annual assessment to cover the Association's operating expenses, the Association, by action of the Board, may levy special assessment(s) for the purpose of reserving or paying for, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement of the Association

or upon the Common Area, including fixtures and personal property related thereto, and for such other purposes or projects benefiting the Association, provided that any such assessment, except for fines, shall be approved by vote of a majority of the Members voting in person or by proxy at the annual meeting of Members or at a meeting duly called for this purpose. Nothing stated herein shall restrict the right of the Association to provide for the payment of the special assessment over a term of months or years subsequent to the date of such assessment, and upon terms and conditions it deems appropriate, including the collection of interest on the deferred balance.

7.9 RATE OF ASSESSMENT. Both annual and special assessments (other than fines) for Class A members will be fixed in equal amounts for all Parcels. The annual assessment for Class B members for Phase III only will equal one-third (1/3) of the amount assessed to Class A members. No annual assessments shall be levied against Class B members for Parcels owned in Phase IV. Annual assessments shall be invoiced at such intervals within the fiscal year as may be determined by the Board of Directors.

7.10 DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES. The annual assessments provided for herein for all Parcels conveyed within a fiscal year shall be pro-rated from the date of closing to the end of the fiscal year.

7.11 EFFECT OF NON-PAYMENT OF ASSESSMENTS AND FINES; REMEDIES OF THE ASSOCIATION. The Board of Directors shall have full power and authority to establish, in Rules and Regulations, the procedures for collection of unpaid assessments and fines, including but not limited to, the time from which interest begins to run on unpaid assessments or fines, or the current invoiced portion thereof, the time for recordation of a lien on the property of a Member delinquent in the payment of an assessment or fine, and the time (subject to applicable statutes of limitations) within which to institute a suit for collection, and to foreclose a lien. The Association shall be entitled to recover, unless otherwise proscribed by law or judicial determination, its costs, expenses and reasonable attorney's fees in connection with a suit for collection or in connection with a foreclosure. No Owner may waive or otherwise escape liability for assessments by non-use of the Common Area or abandonment of the Owner's Parcel.

ARTICLE VIII
PROTECTIVE COVENANTS: ARCHITECTURAL CONTROL

8.1 PURPOSE. The purpose of this Article is to provide a uniform plan for the development of the Premises. The objective is to create, conserve, and maintain the natural environment and scenic and aesthetic qualities of the Premises, while providing for the development of single family residences and such agricultural and recreational pursuits as are reasonably consistent with the natural environment, and further to provide practical and legal means to safeguard and protect the interest of the Owners and the value and stability of their Parcels.

8.2 REQUIREMENT OF REVIEW BY THE ACC. Except insofar as its duties may be extended by the Board, the ACC shall review all plans and specifications submitted to it for any proposed improvement and approve or disapprove the same based upon their compliance or noncompliance with the Minimum Building and Use Restrictions as set forth in Article IX. No construction, improvements, or alterations of any main buildings or secondary buildings and no driveways, parking areas, fences, walls, railings, artifices, or other similar improvements and no wire, pipe, sewage disposal system, or walkway shall be made, erected, altered, placed or permitted to remain on the Premises until a site plan and specifications showing the design, location, material(s) and color(s) together with the name of the contractor shall have been submitted to, and such plans and specifications approved in writing by the ACC, which shall consist of not less than three (3) members appointed by the Board of Directors. In reviewing submittals, the ACC shall use in its evaluation the established guidelines as set forth in this Declaration.

8.3 MEMBERSHIP OF THE ACC. All members of the ACC shall be Members of the Association.

8.4 VARIANCES. The ACC, without objection from the Developer until the termination of the Developer's Class B status under Paragraph 6.2.b(1) or (2) of this Declaration, may authorize variances from compliance with any of the architectural provisions of this Declaration, including restrictions upon height, bulk, size, shape, floor area, land area, placement of structures, setbacks, colors, materials or similar restrictions when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations may, in the exercise of its reasonable discretion, warrant. The granting of such a variance shall not operate to waive any of

the terms and provisions of this Declaration for any purpose except as to the particular property, provision, and instance covered by the variance. In all cases, before any variance granted by the ACC is final, the grant must be reviewed by the Board and approved by the Board in writing. Such ACC or Board approval may modify the terms and conditions of the requested variance, and be conditioned upon the applicant's acceptance of such modifications.

8.5 APPROVAL OR DISAPPROVAL BY ACC. Any plans, specifications and proposals submitted or resubmitted to the ACC must be approved or disapproved within thirty (30) days from the time the ACC deems, by written notice to the applicant, the submission to be complete. Any structure to be erected in accordance with approval so given shall be diligently prosecuted to completion and must be commenced and completed within twelve (12) months of approval unless extended by the ACC upon written application and upon such terms and conditions as the ACC may require.

8.6 INSPECTION OF WORK. Upon completion of any improvement for which approved plans and specifications are required under this Declaration, the Owner shall give written notice of completion to the ACC. The ACC shall have thirty (30) days from receipt of such notice to inspect the improvement. If the ACC finds that the improvement does not comply with all approved plans and specifications, it shall notify the Owner in writing of such noncompliance and shall require the Owner to remedy the same. In the event the Owner fails to remedy the noncompliance within the time frame specified by the ACC, the Association may take such steps, including court action, as may be necessary to obtain compliance.

8.7 ADMINISTRATIVE FEES. As a means of defraying its expenses, the ACC may institute and require a filing fee not to exceed \$750.00 to accompany the submission of plans and specifications.

8.8 LIABILITY. Notwithstanding the approval by the ACC of plans and specifications or of its inspection of the work, neither the ACC, the Association, nor any person acting on behalf of either of them shall be responsible in any way for any defects in any plans or specifications or other material submitted to the ACC, nor for any defects in any work done pursuant thereto. Each person submitting such plans or specifications shall be, and agrees to be, solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto. The Association shall not be liable for damages caused by erosion, washing, or other action of water, or rock fall.

8.9 APPEALS. Any applicant shall have the right to appeal to the Board from any decision of the ACC within thirty (30) days after the date of such decision.

8.10 MATERIALS. Construction materials shall not at any time be placed or stored so as to impede, obstruct, or interfere with pedestrian or vehicular traffic, and construction materials shall not be kept, placed or stored on Parcels for a period exceeding thirty (30) days following substantial completion of construction.

8.11 RESTORATION OF PARCEL, ROADS AND EASEMENTS. Upon completion of construction, the Owner shall, to the greatest extent possible, restore the area, including roads and easements, to the conditions which existed prior to such construction. The Owner must complete said restoration within forty-five (45) days of completion of construction or such additional period as may be allowed by the Board upon application by the Owner. In the event restoration is not completed as required by this paragraph, the Association may complete the restoration at the expense of the Owner and may impose a lien on the Owner's Parcel for any unreimbursed expense incurred by the Association in connection with the restoration.

ARTICLE IX
MINIMUM BUILDING AND USE RESTRICTIONS

9.1 BUILDING RESTRICTIONS. No structure, other than residences approved by the ACC and completed at the time of this Declaration, which fails to meet the following minimum standards shall be erected, placed, or allowed to remain on any Parcel, and the ACC shall have no power to approve any structure failing to meet, at a minimum, these conditions:

a. In Phase I, all residences and outbuildings on Parcel A6 are restricted to a single-story. Parcels A15, A17 and A19 shall have a minimum 80-foot setback along Mary's Court. Parcel A-10 shall have a 40-foot setback along Irwin's Place. In Phase III, Parcels C24 and C25 are restricted to a single-story with Parcel C25 further restricted to a single-story "Santa Fe" style house with flat-roofed construction. In Phase IV, Parcel D30 shall be restricted to no more than a single story dwelling above grade. Parcels D15, D16, and D17 must keep all improvements east of all utility easements including water lines and water tanks. For all Phases, single-story constitutes no more than a maximum height of twenty-four (24) feet from natural ground level or at current level of building pad provided as designated building site. Basements, walkouts or lower floors as approved by the ACC are permissible.

b. The location of engineered individual sewage treatment systems on the Common Area to serve Parcels in Phase I will be reviewed and approved by the ACC and the Board.

c. In Parcels A1, A5, A9, A11, and A12 inclusive, locations of Designated Building Sites (DBS) have been flattened or excavated by the Developer and appear on the Phase I Plat. Enlargement of the DBS may be approved by the ACC, but in no case can the general location of the DBS be changed. Many Phase III parcels partially contain areas of potentially unstable slopes. Home sites are confined to higher flat areas on these lots. Steep slopes should be avoided when accessing these lots from the road. Building areas for Phase III are designated on the recorded Plat for Phase III. A Geologic Hazard map is in the files of the Archuleta County Planning Department.

d. Other than as may be permitted by the ACC and the Board relating to small storage facilities, no structure shall be erected, altered, placed or permitted to remain on any Parcel, other than one single family dwelling, a private garage, and barn, subject to the exceptions provided below for Phase II. If Parcels D32 and D33 are to be consolidated, there may only be two (2)

residences on the entire parcel. All structures shall be erected only on specific sites approved by the ACC. All single-family dwellings shall contain in total at least sixteen hundred (1600) square feet of living area on the main floor, exclusive of porches, decks, patios, and garages. Each single family dwelling in Phases I, III, and IV will contain no more than four thousand (4000) square feet of living area. Single-family dwellings in Phase II are limited to a maximum of six thousand (6000) square feet of living area. All residences must be completed within twelve (12) months of ACC approval of plans and specifications. Separate guest quarters are not permitted in Phases I, III, and IV, but may be constructed in Phase II with ACC review and approval. A guesthouse in Phase II will contain no more than twenty-four hundred (2400) square feet of living area, and a guesthouse must be located in accordance with a site plan approved by the ACC.

e. Any building or residence erected on any Parcel shall be of new construction, and no mobile homes, trailers, old buildings or pre-assembled homes, except pre-assembled log homes as may be approved by the ACC, shall be placed or moved onto a Parcel. The Association may, upon application, permit the use of a motor home or RV as temporary living quarters during residential construction upon such limits and conditions as may be imposed by the Board.

f. No basement or other structure on any Parcel may be used for dwelling purposes until after its area, as defined by the foundation, has been completely enclosed according to the plans, and until it has been substantially completed, with sanitary facilities and utilities permanently installed. No tent, shack, camper trailer, or other outbuilding shall be placed on any Parcel for use as either a permanent or temporary residence, except as provided in sub-paragraph e. above.

g. Residential styles may vary, but exterior materials shall be of log, rock, brick, wood, or wood siding. Stucco and adobe exteriors are permitted. No T-1-11 or panel-type exterior siding is permitted. In some cases high quality, non-glossy metal sidings may be approved by the ACC. All exterior paint or stain shall be harmonious with the natural surroundings. Propanel, copper, wooden shake, or shingle roofs are permitted. No galvanized tin, asbestos roofing shingles, or asbestos papered roofs shall be permitted.

h. Exterior TV and radio antennae, and satellite dishes may be installed. In any case, satellite dishes shall not exceed thirty (30) inches in diameter. The number, location, height, color, screening, and size of any exterior antennae must be approved by the ACC, and in no

event shall ham radio type antennas or antennas that extend more than five (5) feet above the roof line be allowed.

i. All water, gas, electricity, telephone, TV cable and similar improvements, together with facilities constructed incidental thereto, shall be placed and installed underground. Propane tanks shall not be visible from neighboring property, whenever possible, and shall be confined to each Parcel (unless part of an Association approved distribution system). Each tank shall be screened or enclosed by natural plantings or by a structure approved by the ACC and authorized by building codes set forth for enclosing such tanks. Outdoor lighting shall be permitted if it is consistent with the safety and security of the Owners and occupants, but it shall be of a subdued nature, harmonious to the surroundings, of reasonable candlepower and generally shall be shaded so that the source of illumination is not directly visible and annoying to neighboring Parcels. The installation and use of such lighting shall be subject to the approval of the ACC, and may be further restricted by Rules and Regulations. All exterior lighting must be dark sky compliant.

j. Fences or screens surrounding or adjacent to buildings, parking, lawns, patio areas, and fences for corrals, pastures, protection of improvements or privacy, and designation of perimeters of roads and other use areas, and for the exclusion of animals from residential or recreational areas when constructed, must conform in location, design, material, color, height, and size to reasonable guidelines established by the ACC, and must be approved by the ACC. The area inside the fence may not exceed 18,000 square feet with the exception of Lots D31, D32, D33, and D34 where fencing of all irrigated or potentially irrigated land is allowed without limitation as to size, and all Parcels in Phase II where up to two (2) acres may be fenced for the confinement of horses. In addition, in Phase II movable single strand electric fences may be utilized on Parcels, except during wildlife migration periods. The purpose of such guidelines shall be to provide harmony and consistency in appearance and the appropriate use of such structures on the Premises consistent with the concept of open space and the intent of this Declaration.

k. Adequate enclosed garage space shall be provided by each Owner within such Owner's Parcel for cars, trucks, trailers, boats, tractors, snowmobiles or other mobile devices regularly situated on any Parcel. Vehicles must not be parked where they will hinder or interfere with the free flow of two-way traffic and the construction, maintenance, repair of, and snow removal from roads. All garage or combination garage/storage buildings on a site, will match

the external design of and be made of the same basic external material as the primary structure; and, unless such building is otherwise approved by the ACC, shall be attached to the principal residential structure. The primary residence must be erected prior to or along with the construction of the garage, or the garage and storage facility.

l. No garbage, trash, or unsightly debris, organic or inorganic waste, shall be collected and/or permitted by an Owner to accumulate on any Parcel or in any road adjacent thereto, but shall be promptly, consistently, and efficiently disposed of. No Common Area or Parcel shall be used as a dump ground or burial pit by any Owner. The only allowable outside trash or refuse cans or containers shall be those which are kept and maintained in an effective animal (including bear) proof condition and enclosed or screened by a structure approved by the ACC. Outside incinerators shall not be permitted. Nothing stated herein shall preclude the Board from establishing a central trash collection or incineration facility in the Common Area, or preclude the designation and use by the Association of portions of the Common Area for the removal or storage of gravel, building materials and equipment of the Association.

m. Except as required by law, and subject to such restrictions as may be legally imposed by Rules and Regulations, no signs, billboards, posters, other advertising devices, or media of any kind or character shall be erected or displayed on or upon any of the Parcels or on Common Area. One 6" by 18" property identification sign per Parcel is allowed. The Association may place throughout the Common Area information or identification signs such as those that may identify a roadway, lake, or various camping areas.

n. Roads, walks, paths, and trails will be laid out in a manner so as to conform with the topography and the general aesthetic scheme of the Premises.

o. No outhouse or privy shall be permitted or maintained on any Parcel, except that a chemical toilet shall be permitted on a Parcel during the time approved improvements are being constructed. Any sewage or waste disposal system shall be installed and maintained at all times in compliance with standards established by the Colorado State Board of Health and by any other governmental agency with jurisdiction. All residences and structures must comply with applicable state and local laws, and it shall be the responsibility of the Owner to assure such compliance.

p. No mining, quarrying, excavation, oil and gas drilling, geothermal water or domestic water drilling, or development of any kind shall be allowed in or on the Parcels. Probes using the earth's natural heat may be drilled for heating purposes only.

q. Footings, foundations, and piers must be designed by a licensed engineer. Parcel specific geo-technical engineering assessment and soil stability studies are required, and structural modifications that would protect against moderate earthquake events designed by a licensed engineer or architect may be required. Securing such assessments, studies, and modifications shall be the responsibility of the Owner. No outbuilding or permanent residence shall be constructed on slopes that exceed thirty (30%) percent in Phases I and II or twenty (20%) in Phases III and IV.

r. Woodstoves and fireplaces must be equipped, at a minimum, with anti-pollution devices required by state and local ordinances.

s. There is currently no fire protection district serving the Community. However, a fire protection plan has been established for Phase IV. The plan includes fire hydrants within 1000 feet of each lot and the placement of dry hydrants in two lakes.

t. If a residence or other structure is destroyed, wholly or partially by fire or other casualty, such residence or other structure shall be rebuilt, repaired or replaced in compliance with this Declaration and the requirements of the ACC, or all remaining debris and foundations shall be removed from the lot within one hundred eighty (180) days of the date the structure was wholly or partially destroyed, subject to weather conditions and other delays beyond the control of the Owner.

u. Owners of Parcels D2 through D7 shall be responsible for any rock fall mitigation required to protect their Parcels. Other than as required by emergency conditions, plans for rock fall mitigation must be submitted to and approved by the Board before implementation.

9.2 USE RESTRICTIONS. The following use restrictions shall be applicable to the Community:

a. Neither hunting, trapping nor the discharge of any rifle, shotgun, pistol or other firearms or use of traps shall be permitted anytime on the Parcels or Common Area unless such activities are expressly authorized and permitted by the Board.

b. No animals or poultry shall be kept or fed on any Parcel except ordinary household pets belonging to the household. Four (4) household pets shall be permitted on each Parcel, only

two (2) of which may be dogs. The exception to this would be horses belonging to the Owner of the Parcel; provided that on Parcels D31 through D34 there is no restriction on the number and type of domesticated animals, except that there may be no more than two (2) dogs and no commercial livestock operations of any kind are permitted. Horses must be kept in the allowable fenced area or otherwise restricted from entering any of the neighboring Parcels. Any barn or structure housing horses must be of the same architectural quality as the primary residence, and it must be approved by the ACC. Owners with horses shall regularly clean and maintain structures, enclosures, and Parcels to prevent offensive odors as well as visually offensive by-products. All feed, including hay, must be stored in barns or other structures. All household pets and animals must remain within the boundaries of an Owner's Parcel, unless in the immediate company and control of an Owner, Family Member, Occupant, or guest. The Association may require the removal of any domestic animal from the Premises whose Owner, Family Member, Occupant, or guest violates the restrictions of this paragraph or other applicable provisions of this Declaration or whose animal represents a nuisance to livestock, wildlife, property or other Owners, Family Members, guests or Association personnel. "Nuisance" includes excessive noise made by household pets or animals.

c. The Association may, but is not required to, erect in the Common Area for the benefit of the Owners, stables, corrals, fences, and other structures for keeping horses or other livestock within the Common Area. The ownership and control of all horses or other livestock, permitted in the Common Area shall be governed by Rules and Regulations of the Association. Such Rules and Regulations may include but are not limited to: the number of animals permitted to each Owner and in total; riding or grazing on the Premises; the care, keeping and feeding of animals; and the use of the Common Area and any common corrals, stables, or other facilities that may be constructed. The Association shall be entitled to charge for use of pasturage of the Common Area or for the use of the Association's horses, stables, or other facilities, if any, and shall be authorized to manage and regulate the use of stables, or pasturage areas by any Owners of horses or other livestock. Notwithstanding the above, nothing contained herein shall create an obligation on the part of the Association to permit horses or other livestock on the Common Area or to construct any corrals, stables or other facilities.

d. Efforts to domesticate wild animals found on the Premises are prohibited. There shall be no feeding of large game animals on the Premises.

e. There shall be no cutting, removal, or voluntary destruction of timber or vegetation located on the Premises except to the extent necessary to create defensible fire space, or otherwise permitted by the ACC or the Board to enable the building of structures and improvements on a building site, and, as approved by the Association for the removal of dead or diseased trees and noxious weeds; for the maintenance or establishment of approved roads, streams, paths, ponds, and utility lines; and for the health and care of grazing lands and crops, forests, planned habitats or landscaping; except that the Association may extract and sell trees in the tree farm bordered by Henry's Lake Drive and East Arbol. Removal of timber, undergrowth, and vegetation for obtaining greater views from and more diverse use on the Parcels shall be permitted only under the Rules and Regulations of the Board. The Plat for Crowley Ranch Reserve Phase IV establishes Wildlife Critical Areas. These Wildlife Critical Areas, as shown on the Plat, shall never be improved in any manner in areas exceeding a thirty (30%) slope.

f. The layout, design and installation of all plant life, landscaping, grasses, lawns or ground covers, except those in specifically confined vegetable or flower gardens or planters, must be approved by the ACC. Manicured lawns are not allowed and xeriscaping is encouraged. Plants must generally conform to native varieties (and not be of an undesirable spreading nature) and planted in irregular or staggered natural spacing. No Owner shall permit noxious weeds or other undesirable plants to grow or spread upon the Owner's Parcel. In the event any Owner fails to control or eliminate the growth or spread of such noxious weeds and undesirable plants, the Association may impose fines or take such additional steps as are necessary to obtain compliance.

g. No external burning of refuse or other materials shall be permitted on any Parcel without the specific approval of the Association. The use of any outdoor fires for camping or other purposes shall require a permit from the Association. The design, location, and use of all barbecue pits except portable grills located on decks, porches, or patios must be approved by the ACC. No Owner shall commit any act or permit the continuance of any conditions that creates an unnecessary or unreasonable risk of fire and shall follow the rules for fire prevention and protection established by governmental authorities and the Association. All Owners shall create fire defensible spaces around buildings as required by the county to obtain building permits, and an inspection of the defensible space by appropriate governmental authority may be required.

h. The Association shall adopt and publish Rules and Regulations governing the use of all designated roads, streets, and trails, as well as Common Area on the Premises, and set fines or other penalties for violations. All Owners, Occupants, and guests shall be bound by and abide by such rules. Snowmobiles, ATVs (except utility type vehicles used exclusively on Parcels for residence and lot maintenance), trail bikes, or other off-road motorized vehicles shall not be used within the Premises except that any such vehicle owned by the Association and used by it for construction, maintenance or repair work, monitoring or weed treatment, rescue or firefighting, or for any other proper purpose relating to the duties of the Association is exempt from this rule. Electric powered vehicles are permitted for on-road use only. Overnight camping may be allowed in specified portions of the Common Area in accordance with the Rules and Regulations of the Association.

i. Owners, Family Members, Occupants, and guests shall at all times conduct their use of and activities in a manner that will preserve the integrity of the springs, ponds, and creeks within the Premises, including the prevention of any degradation of water quality, any reduction or increase in the flows of the springs or creeks, or any damage to streambeds or stream banks. Further, Owners, Family Members, Occupants, and guests shall not commit, encourage or facilitate the discharge of any liquid, solid, or gas into such waterways or the polluting of such waterways. The outdoor use of potentially damaging or hazardous fertilizers, pesticides, or herbicides by an Owner, unless approved by the Association, is expressly prohibited.

j. The Association is empowered and authorized to designate any ponds and creeks, as well as any portion of the Common Area surrounding said ponds and creeks, or such other portions of the Common Area, as a special wildlife or fishing area. No Owner shall conduct nor shall he permit the conduct of any act which would damage, impair, or degrade the natural vegetation, water quality, or environment in such wildlife or fishing areas.

k. If parked for an extended period of time (more than fourteen (14) days) passenger vehicles (including pickups or vans) normally used by the Owner, Family Members, Occupants, or guests shall be kept and parked within structures as provided by the plans and specifications approved by the ACC. Except as provided below and in section 9.1e, other vehicles, including any other truck, RV, mobile home, trailer unit, boat, tractor, wagon, other recreational vehicles, snowmobile, or other mobile device, large construction or farm equipment or implements shall not be parked overnight or stored on any Parcel unless properly housed on an Owner's Parcel in

such a manner as approved by the ACC so as to not be visible from the Common Area or neighboring Parcels; provided, however, such items may be parked or stored in an area or areas within the Common Area designated for such purposes by the Board in accordance with Rules and Regulations adopted by the Board (including limitations on number and type) and subject to any fees to cover the cost of any buildings, maintenance, repairs, and operations connected therewith; and, at the occasional request of an Owner, such items and extra passenger vehicles may remain unenclosed on the Owner's Parcel for short periods not to exceed five (5) days per month. No vehicles of any type may be parked for purposes of repair, reconstruction, or storage. A vehicle shall be deemed parked for repair, reconstruction, or storage if it is not driven out of the Premises for fourteen (14) consecutive days.

l. No Parcel or part thereof, nor any building or improvement erected thereon, shall at any time be used for the storage of agricultural or commercial supplies or equipment (except agricultural supplies for permitted horses) or used for purposes of any trade, profession, manufacturing or business of any description except for the supplies, business and management of the Association; nor shall any Parcel or building be used for any commercial purposes. Notwithstanding the above, an Owner or Occupant may engage in his/her business activities and maintain an office within his/her residence for such activities providing those activities involve no client or customer access and the attendance of no more than two (2) employees.

m. No illegal, noxious, unsightly, or offensive activities shall be carried on nor shall anything be done on any Parcel or in the Common Area which constitutes or may become an unreasonable annoyance or nuisance to the other Owners or Occupants in the quiet and peaceful enjoyment of the Premises. Fireworks are prohibited.

n. The short-term rental of a residence is discouraged, and no Owner shall lease or rent, for money or otherwise, the Owner's Parcel or residence for periods of less than one month without first securing written permission of the Association. Any Owner who desires to enter into a short-term rental agreement shall submit a written statement or plan to the Association disclosing the beginning dates and the length of the rental or occupant period. The process for securing such permission shall be governed by the Rules and Regulations of the Association.

o. Owners shall be responsible for all acts of Family Members, Occupants, or guests resulting in damage to Association property, as well as for adherence by Family Members,

Occupants, or guests to all the covenants and restrictions imposed by this Declaration and to all Rules and Regulations of the Association.

p. Owners in Phase IV are advised that ditch companies, water right owners, the Developer, and/or the Association have a right to access irrigation ditches crossing their Parcels for the purpose of maintenance, repair, and control of said ditches. Impoundment of surface water on lots in Phase II may be permitted by the Board in its discretion.

9.3 EXTERIOR MAINTENANCE. Each Owner shall provide exterior maintenance within his Parcel and upon any structure thereon; including painting and repairing structures; maintaining the grounds to preclude weeds, underbrush, and other unsightly growth; and not permitting fire hazards, refuse piles, or other unsightly objects to accumulate or remain on the grounds. In providing such exterior maintenance, the Owner shall utilize materials, colors, plants, and landscaping schemes harmonious with the surrounding area and consistent with generally accepted concepts of desirable residential developments. The Association may impose fines or penalties or take such other action as it deems necessary to secure compliance.

ARTICLE X

REMEDIES

10.1 ENFORCEMENT. Subject to the following paragraphs of this Article, the Association may proceed at law or in equity to prevent the occurrence, continuation, or violation of any provisions of this Declaration, and the court in such action may award the successful party reasonable expenses in prosecuting such action, including reasonable attorney fees.

10.2 PENALTIES. The Board, through the Covenant Compliance Committee, may impose penalties for violations of the provisions of this Declaration, as well as the Association's By-Laws and published Rules and Regulations. Those penalties may include, but are not limited to, suspension of rights to use the Common Area and reasonable fines. The Covenant Compliance Committee shall act pursuant to the procedure set out in the published Rules and Regulations, which shall accord the Member fair notice and a hearing before the Covenant Compliance Committee. The Member shall have the right to present evidence to the Covenant Compliance Committee and to be represented by counsel. Hearings shall be open to the public. Notice shall be given by written communication identifying the violation charged and given to the Member sufficiently in advance of the hearing to allow preparation of a defense. Giving due consideration to the testimony and other evidence, the Covenant Compliance Committee shall make its decision based on this Declaration, the By-Laws, and published Rules and Regulations, and shall issue a written decision. Any fine imposed shall constitute an assessment, and if not paid within the time frame specified in the decision, a lien on the Owner's property may be imposed, and the monetary fine shall be a personal obligation of the Owner. Owners subject to penalty under this section shall have the right to appeal to the Board in the mode and manner prescribed in Rules and Regulations. In addition to remedies herein set out, the Covenant Compliance Committee shall have the power to order the removal or abatement of any structure, thing, or condition which is in violation of this Declaration, the By-Laws, or Rules and Regulations. All costs incurred by the Association in the removal or abatement of a violation shall be assessed against the violating Owner and may be collected as an assessment. "Costs" include reasonable attorney's fees and interest, if applicable, at the maximum rate allowed by law.

10.3 CUMULATIVE RIGHTS. Remedies specified herein are cumulative of remedies enumerated in other Articles of this Declaration, and any specifications of them shall not be taken to preclude the Association's resort to any other remedy afforded by law. No delay or failure on the part of the Association to invoke an available remedy in respect of a violation of any provision of this Declaration shall be held to be a waiver of any right available to the Association upon the recurrence or continuance of said violation or the occurrence of a different violation.

10.4 EMERGENCY RIGHTS. The Board may declare a violation of the use restrictions in Article IX to constitute an emergency and an immediate threat to the health, welfare, or property of the Owners or to the Common Area, in which event the Association may by-pass the procedures contained in this Declaration and its Rules and Regulations respecting the procedure for notice and hearing before the Covenant Compliance Committee and may proceed directly to seek judicial relief.

ARTICLE XI
EXCEPTIONS/VARIANCES TO DECLARATION*

Unless the Declaration specifically states that the Board of Directors of the Association or the Architectural Control Committee may grant an exception/variance to the requirements of an Article or Paragraph of the Declaration, no exceptions/variances to the Declaration's requirements are allowed, unless as an amendment to the Declaration approved by Sixty-seven percent (67%) of the Members.

* This amendment was incorporated into the First Restatement of Declarations of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II, III and IV on February 7, 2012. The document on file with the Archuleta County Clerk's Office is titled: "Second Amendment to First Restatement of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II, III, and IV". It is recorded at 21200675 and consists of two (2) pages. Steve Kohlhagen was the President of the Board of Directors.

ARTICLE XII
OWNER'S ACCEPTANCE

Each grantee or purchaser of any Parcel shall, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, accept such deed or contract upon and subject to each and all of the provisions of this Declaration and to the jurisdiction, right, powers, privileges and immunities of the Association. By such acceptance such grantee or purchaser shall for himself, his heirs, devisees, personal representatives, grantees, successors and assigns, lessees and/or lessors, covenant, consent, and agree to and with the Association and the grantee or purchaser of each other Parcel to keep, observe, comply with and perform the covenants, conditions and restrictions contained in this Declaration.

ARTICLE XIII
SEVERABILITY

Every provision of this Declaration is hereby declared to be independent of and severable from every other provision hereof. If any provision hereof shall be held by a court of competent jurisdiction to be invalid, or unenforceable, all remaining provisions shall continue unimpaired and in full force and effect.

ARTICLE XIV
CAPTIONS

Paragraph captions in this Declaration are for convenience only and do not in any way limit or amplify the terms or provisions hereof.

ARTICLE XV
TERM

The provisions of this Declaration shall be binding for a term of twenty-five (25) years from the date of recordation of this Declaration, after which time the Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument agreeing to amend, revoke, or terminate this Declaration has been approved by sixty-seven percent (67%) of the Owners.

HISTORY OF CROWLEY RANCH COVENANTS

I. "THE OLD COVENANTS"

THE "OLD COVENANTS" WERE CREATED AND FILED BY THE DEVELOPER OF CROWLEY RANCH RESERVE IN 1991. THEY WERE KNOWN AS THE "DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CROWLEY RANCH RESERVE." INITIALLY, THEY APPLIED TO PHASE I, HOWEVER, OVER TIME, THEY WERE AMENDED TO INCLUDE PHASES II, III AND IV.

1. The first "Declaration of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phase I, Lots 1 – 24" was filed by the Developer on July 22, 1991 and covered Phase I, Lots A1 - A24.

FILED:	July 22, 1991
CLERK DATA:	0180831
	Book 338, Page 17-56
NUMBER OF PAGES:	40

2. The "Amendment to Declaration of Covenants, Conditions and Restrictions" was filed on October 21, 1993. This Amendment covered a replat of Phase I, Lots A1 – A19 and included Phase II, Lots B1 – B6.

FILED:	October 21, 1993
CLERK DATA:	0093006469
NUMBER OF PAGES:	19

3. Along with the above Amendment, "Article IX – Minimum Building and Use Restrictions Crowley Ranch Reserve, Phase I Parcels A1 – A19" were filed.

FILED:	October 21, 1993
CLERK DATA:	0093006470
NUMBER OF PAGES:	9

This document also included an "Article X General Provisions" and can be found on pages 8 – 9 of the document.

4. Additionally, "Article XI Minimum Building and Use Restrictions Crowley Ranch Reserve Phase II Tracts 1 – 6" were filed.

FILED:	October 21, 1993
CLERK DATE:	0093006471
NUMBER OF PAGES:	

5. In 1997, Phase III, Lots C1 – C28 was added to and made subject to the covenants in a document titled “Declaration of Covenants, Conditions and Restrictions for Crowley Ranch Reserve Phase III Parcels C1 – C28”.

FILED: July 20, 1997
CLERK DATA: 97004827
NUMBER OF PAGES: 28

6. In 2003, “Amendments to Declarations of Covenants, Conditions and Restrictions for Crowley Ranch Reserve Phases I, II and III” were filed by then President of the Board of Directors Ben Douglas. This one page document made 4 changes to the Declaration: (1) Article XI, paragraph 11.1e (satellite dish cannot exceed 30” in diameter); (2) Article III, paragraph 3.2a (regular annual meeting of the Board of Directors shall be held on the third Friday in July...); (3) Article VI, paragraph 6.2a (defines Class A Members); (4) Article VI, Paragraph 6.2c (applicable to Phase II is repealed).

FILED: March 19, 2003
CLERK DATA: 20302753
NUMBER OF PAGES: 1

7. In 2005, Phase IV was made subject to the covenants in a document titled “Declaration of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phase IV, Parcels D1 – D34”. This document was filed by Ron Barsanti. On pages 2 – 4 of the document, there is a “Supplemental Declaration” that provides for “Exceptions and Limitations and Additions to Covenants, Conditions and Restrictions” that include: (1) the developer is exempt from paying assessments; (2) allows for fencing of irrigated land on D31 to D34; (3) allows for D31 to D34 to disregard the number of animals on the lots (except for just 2 dogs); (4) wildlife critical areas shall never be improved in areas exceeding 30% slope; (5) no manicured lawns in Phase IV; (6) maintenance of roads shall include signage; (7) geo-technical engineering assessment and soil stability studies may be required for certain lots; (8) requires sprinkler systems in Phase IV; (9) owners to create fire defensible spaces; (10) gives CRROA the right to access irrigation ditches on all lots; (11) restricts lots D32 and D33 if they are consolidated; and (12) places restrictions on lots D30, D15, D16, and lot D17.

FILED: March 1, 2005
CLERK DATA: 20501851
NUMBER OF PAGES: 4

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II. THE “NEW COVENANTS”

THE “NEW COVENANTS” WERE ADOPTED BY THE MEMBERS OF THE CROWLEY RANCH OWNER’S ASSOCIATION IN 2006. THEY ARE KNOWN AS THE “FIRST RESTATEMENT OF DECLARATIONS OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CROWLEY RANCH RESERVE, PHASES I, II, III, AND IV”.

1. In November of 2006, the Covenants were amended due to changes in Colorado law. They were titled: “First Restatement of Declarations of Covenants, Conditions and Restrictions for Crowley Ranch Reserve. Phases I, II, III, and IV”. This First Restatement was prepared by President Ben Douglas and was approved by 82.2% of the Association members. They are considered to be the “New Covenants” and incorporate all of the above filings.

FILED:	11/13/2006
CLERK DATA:	20611004
NUMBER OF PAGES:	24

2. Four years later, Board of Director’s President Steve Kohlhagen prepared and filed a document titled: “Amendment to The First Restatement of Declarations of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II, III, and IV”.

FILED:	October 27, 2010
CLERK DATA:	21007508
NUMBER OF PAGES:	3

This amendment repeals Article IX, paragraph 9.1(s) applicable to Phase IV (deleted the requirement for fire extinguishers in Phase IV).

3. In 2012, the “Second Amendment to the First Restatement of Declarations of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II, III, and IV” were filed. They were filed “to clarify the authority of the Board of Directors and the ACC to grant variances”.

FILED:	February 7, 2012
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These amendments were filed by President Steve Kohlhagen and provide: (1) for renumbering Articles XI, XII, XIII, and XIV to XII, XIII, XIV and XV; and (2) sets out a new Article XI entitled Exceptions/Variances to Declaration. This provision prohibits the Board of Directors and the Architectural Control Committee from granting exceptions/variances to the Declaration’s requirements unless specifically allowed in the Declaration itself.

III. SUMMARY OF DOCUMENTS FILED

THE “OLD” COVENANTS

1. 1991 Declaration of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phase I, Lots 1 - 24
2. 1993 Amendment to Declaration of Covenants, Conditions and Restrictions for Crowley Ranch Reserve
 - A. Article IX- Minimum Building and Use Restrictions Crowley Ranch Reserve Phase I Parcels A1 – A19
 - B. Article XI Minimum Building and Use Restrictions Crowley Ranch Reserve Phase II Tracts 1 – 6
3. 1997 Declaration of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phase III Parcels C1 – C28
4. 2003 Amendments to Declaration of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II and III
5. 2005 Declaration of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phase IV, Parcels D1 – D34

THE “NEW” COVENANTS

1. 2006 First Restatement of Declarations of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II, III, and IV
2. 2010 Amendment to The First Restatement of Declarations of Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II, III, and IV
3. 2012 Second Amendment to First Restatement Covenants, Conditions and Restrictions for Crowley Ranch Reserve, Phases I, II, III, and IV