

**DECLARATION OF PROTECTIVE COVENANTS
ROUND MOUNTAIN AT ROARING JUDY RANCH**

Nicholas J. Lypps and Mary E. Frame, owners of Round Mountain at Roaring Judy Ranch in Gunnison County, Colorado hereby declare the following covenants, limitations, conditions, restrictions and uses upon said subdivision under the terms and conditions hereafter set forth.

1. PURPOSES. This Declaration of Protective Covenants is made for the purpose of preserving the agricultural character of Round Mountain at Roaring Judy Ranch and allowing the subdivision thereof, providing for an orderly manner of use of the property, and providing for the mutual benefit and protection of the owners of the real property within the subdivision and the owners of other property in the vicinity.

2. PROPERTY AFFECTED. These protective covenants shall apply to and be binding upon Round Mountain at Roaring Judy Ranch, which is more particularly described in Exhibit A attached hereto.

3. TRACT USE. All tracts within the subdivision shall be used exclusively for one single family residence and one guest house.

4. PARTITION. No tract may be divided, resubdivided, or partitioned into a smaller tract of land; provided, however, that adjoining tract owners may exchange adjoining property to accomplish a relocation of boundary lines between adjoining tracts so long as such exchange shall not decrease the size of any tract within the subdivision to less than 35 acres.

5. MINING/TIMBERING. No tract shall be used for the purpose of mining, quarrying, drilling, boring, exploring for or removing oil, gas, other hydrocarbons, minerals, rocks, stones, gravel or soil, nor may any tract be used for commercial logging of any nature.

6. MOBILE HOMES, TRAILERS OR TEMPORARY BUILDINGS. No mobile homes, house trailers or temporary buildings shall be permitted upon any tract, whether for use as a dwelling, for storage or otherwise, except during construction of a permanent dwelling upon a tract, but in no event in excess of one year from the date of commencement of construction.

7. FENCES. No tract owner shall fence in excess of a total of five acres of his tract; provided however, that the Goss Tract can additionally fence not to exceed 22.74 acres thereof south of Common Access Easement No. 1.

8. DOMESTIC ANIMALS. Any domestic animals maintained upon any tract shall not be allowed to run at large, and shall be kept within the permissible fenced area of the tract.

9. RANCHING OPERATIONS. In order to preserve the nature of the real property described on Exhibit B attached hereto as a working ranch, the owner of that portion of the real property described on Exhibit B attached hereto shall for a period of five years from the date hereof, and thereafter upon the written consent of the homeowners' association formed pursuant to Paragraph 11 hereof, have the right to continue agricultural operations within the subdivision, except only the permissible fenced area within each tract. Such agricultural operations may include, without limitation, the grazing of livestock, herding and driving livestock across or through the subdivision and the roads therein, and erecting and maintaining those fences in existence upon the date of adoption of these protective covenants forming the boundary of the subdivision. Said owner shall have the right in perpetuity to use, maintain, and repair ditches and other facilities for decreed water rights, and any fences on exterior boundaries of the subdivision and historic drift fences.

10. ROAD AND UTILITY MAINTENANCE. All costs of maintenance and repair of the platted roads within the subdivision and snow plowing thereof, and all costs of maintenance and repair of common utilities not maintained and repaired by the utility supplier shall be maintained and repaired by the Round Mountain at Roaring Judy Ranch Association.

11. DRIVEWAY ACCESS. All driveways shall have a forty-five foot radius to centerline at the intersection with the main road.

12. ROUND MOUNTAIN AT ROARING JUDY RANCH ASSOCIATION. The declarants have formed the Round Mountain at Roaring Judy Ranch Association, a Colorado non-profit corporation for the purpose of promoting the health, safety, and welfare of the owners and occupants of all tracts within the subdivision, for the enforcement and implementation of these protective covenants, for maintenance, repair, and snowplowing of all platted roads within the subdivision, and for installation, maintenance and repair of common utilities within the subdivision.

13. MEMBERSHIP AND VOTING RIGHTS. Each record owner of a tract within the subdivision shall automatically be a member of such Association, and shall have one vote per tract owned. The declarants Nicholas J. Lypps and Mary E. Frame, their successors and assigns, reserve the right to dedicate two additional tracts, each of not less than 35 acres, one of the boundaries of each of which shall be contiguous in part to Round Mountain at Roaring Judy Ranch, as members of the Round Mountain at Roaring Judy Ranch Association. Upon such dedication, the record owner of said tract or tracts shall be deemed a full voting member(s) of such Association, and shall be liable for the payment of assessments and such tract(s) shall be subject to the same lien rights of said Association in the event of non-payment of assessments as are set forth herein; in all other respects, such tract(s) shall not be subject to the provisions, obligations, and limitations set forth in this Declaration of Protective Covenants.

14. **POWERS.** The Board of Directors of the Association shall have the powers and duties necessary for the administration of the affairs of the Association and may perform all acts in furtherance thereof consistent with the purposes and objects of the Association and these protective covenants. Subject only to the limitations on the exercise of such powers and duties as are expressly set forth in its articles of incorporation, its bylaws, these protective covenants, or the Colorado Non-Profit Corporation Code, the Association's powers and duties shall include but not necessarily be limited to the following:

14.1 Exercising all powers, duties and authorities vested in or delegated to the association under these protective covenants or the articles and bylaws of the Association.

14.2 Enforcing these protective covenants.

14.3 Fixing, levying, collecting and enforcing all assessments as provided for herein.

14.4 Commencing and maintaining, in its own name, on its own behalf, or in the names and on behalf of tract owners who consent thereto, suits and actions to restrain and enjoin any breach or threatened breach of these protective covenants.

14.5 Exercising any and all powers granted to the Association by the Colorado Non-Profit Corporation Code.

15. **BOARD OF DIRECTORS.** The Board of Directors of the Association shall consist of three members, each being a tract owner whose election, term of office, method of replacement and specific powers and duties shall be as set forth in the Association's articles of incorporation and bylaws.

16. **ASSESSMENTS.** The Association, acting through its Board of Directors, is further charged with the responsibility for and is granted the authority to enact, adopt and enforce assessments for the reasonable cost of maintaining the Association and performing its various functions and duties, including without limitation the following: (1) costs of maintenance, repair, and snow plowing of all plated roads within the subdivision; (2) costs of installation, maintenance and repair of all common utilities within the subdivision not installed, maintained and repaired by the utility supplier; (3) reasonable insurance coverage, including liability insurance for directors, agents and employees of the Association; (4) legal, accounting and audit fees incurred by the Association; (5) reserves for future capital expenditures of the Association; and (6) a reasonable reserve for contingencies. Written notice of all assessments shall be mailed to each tract owner at the same address as is utilized by the Gunnison County Treasurer for the mailing of tax notices. If an assessment is not paid when due,

together with interest thereon at such rate as the Board of Directors of the Association may direct, together with the Association's reasonable attorneys' fees incurred in collection thereof, shall be a lien upon all tracts owned by the defaulting tract owner.

17. LIEN STATEMENT. To evidence its lien, the Association may prepare a written notice of such lien setting forth the amount thereof, the date the same became due, the amount remaining unpaid including the Association's attorneys' fees and costs incurred in the preparation and recording of said notice of lien and a release thereof, a description of the tract encumbered by such statement of lien, and the name of the record owner of such tract if known. Such notice shall be signed on behalf of the Association by any director, officer, or the Association's attorney, and shall be recorded in the office of the Gunnison County Clerk and Recorder. Such lien may be enforced by judicial foreclosure in the same manner in which mortgages upon real property may be foreclosed in Colorado, or in any other manner now or hereafter permitted by law. In any such foreclosure, the tract owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of the filing of the notice of assessment lien and a release thereof, and all reasonable attorneys' fees and costs incurred by the Association. All such fees and costs shall be secured by the lien being foreclosed. The tract owner shall also be required to pay to the Association any assessments, including interest, against the tract which become due during the period of foreclosure. The Association is expressly authorized to bid at any foreclosure sale or other legal sale, and to acquire, hold, convey, lease, rent, encumber, use, and otherwise deal with any tract acquired at such foreclosure sale in the same manner as the tract owner.

18. ASSESSMENT PERSONAL OBLIGATION. The amount of any assessment provided for herein shall be the personal obligation of the tract owner. Suit to recover a money judgment for such personal obligation, together with reasonable attorneys' fees and costs incurred by the Association, may be maintained by it without foreclosing or waiving the lien securing payment thereof. No tract owner may avoid or diminish such obligation by waiver of the use and enjoyment of his tract or by abandoning his tract.

19. ADDITIONAL REMEDIES. In addition to the penalties imposed above for failure to pay assessments when due, the Association by its Board of Directors may suspend voting rights of any tract owner failing to pay assessments when due and owing and may preclude participation in any member or director meeting of the Association.

20. ENFORCEMENT. If any person shall violate or threaten to violate any of the provisions of these protective covenants, it shall be lawful for any tract owner, the declarants, or the Association to institute proceedings at law or in equity to enforce the provisions of this instrument, and to recover damages, actual and punitive, together with reasonable attorneys' fees and costs.

A tract of land containing 234.36 acres, being the East half of the Northeast Quarter of Section 11 and portions of the Northwest Quarter of Section 12, the West Half of the Northeast Quarter of Section 12, and the Northwest Quarter of the Southwest Quarter of Section 12, all in Township 15 South, Range 85 West of the Sixth Principal Meridian, County of Gunnison, State of Colorado, more particularly described by metes and bounds as follows:

BEGINNING at the re-established Section Corner of Sections 1, 2, 12 and 11;

Thence along the North line of Section 12, N88°18'14"E a distance of 2,483.59 feet;

Thence S11°18'36"E a distance of 655.29 feet;

Thence S24°55'30"W a distance of 344.33 feet;

Thence S4°13'54"E a distance of 62.51 feet;

Thence S36°48'W a distance of 1,646.37 feet;

Thence N54°44'W a distance of 174.0 feet;

Thence S67°30'09"W a distance of 314.2 feet;

Thence S8°52'W a distance of 630.0 feet;

Thence S4°26'W a distance of 898.0 feet;

Thence West a distance of 924.0 feet;

Thence N1°35'52"W a distance of 1,168.0 feet;

Thence S89°40'15"W a distance of 1,281.25 feet;

Thence N0°21'16"W a distance of 2,608.71 feet;

Thence N88°18'14"E a distance of 1,367.14 feet to the said Section corner, the point of beginning.

EXHIBIT A