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Sara L. Rosene, Grand County Clerk,
Colorado

SECOND AMENDED AND RESTATED DECLARATION

FOR

GRANBY RANCH

(A Large Planned Community formerly known as Silver Creek Development Area)

The Declaration previously recorded on April 5, 2013 at Reception # 2013003128 contained a minor typographical error in the numbering of the subparagraphs under Section 7.9(e). The corrected Declaration is attached.

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SECOND AMENDED AND RESTATED

DECLARATION

FOR

GRANBY RANCH

THIS DECLARATION is effective when recorded in the real property records for Grand County, Colorado.

RECITALS

WHEREAS, the Amended and Restated Declaration for Granby Ranch (the "Original Declaration") was recorded May 3, 2007 at Reception No. 2007004769 in Grand County, Colorado.

WHEREAS, the First Amendment to Amended and Restated Declaration for Granby Ranch was recorded on November 1, 2012 at Reception No. 2012008334 in Grand County, Colorado (the "Amendment"), which amends specific provisions of the Original Declaration.

WHEREAS, The Board of Directors of Granby Ranch Conservancy, Inc. (The "Board") and the Declarant have determined that it is in the best interest of the Owners to restate the Original Declaration and combine the provisions of the Amendment therein, in order to enhance its accessibility and readability.

WHEREAS, The purpose of this Second Amended and Restated Declaration for Granby Ranch is to entirely amend and restate the Original Declaration with this Declaration, replacing and superseding the Original Declaration, as amended, and all prior declarations and covenants in their entirety for the purposes stated above.

WHEREAS, The Board and the Declarant, pursuant to the powers vested in them through the Declaration and the Act, do hereby amend certain provisions of the Original Declaration and the Amendment to correct clerical, typographical and technical errors.

NOW THEREFORE THE AMENDED AND RESTATED DECLARATION IS AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

PART ONE: INTRODUCTION TO THE COMMUNITY

The common interest community is located within the development known as the Silver Creek Resort ("Silver Creek"). Because it is located within Silver Creek, all of the Property is subject to the documents described below which govern Silver Creek and all Owners of Units are also members of the Silver Creek Master Association.

Article I. Creation of Granby Ranch

1.1. Purpose and Intent.

Pursuant to the Original Declaration, the Declarant created a general plan of development for the Property; reserved special declarant rights, development rights and additional rights to the Declarant; provided for a flexible and reasonable procedure for the future expansion of Granby Ranch to include additional real property as Declarant deems appropriate; and provided for the overall development, administration, and preservation of the real property now and hereafter comprising Granby Ranch Conservancy.

1.2. Binding Effect.

The real property currently within Granby Ranch, and any additional property which is made a part of Granby Ranch in the future by Recording one or more Supplemental Declarations, shall be owned, conveyed, and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of Granby Ranch, their heirs, successors, successors-in-title, and assigns.

This Declaration shall have perpetual duration, unless terminated as provided in Section 218 of the Act by agreement of Members representing at least 80% of the total votes in Granby Ranch Master Association, Inc. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

Declarant, the Master Association, any Owner, and their respective legal representatives, heirs, successors, and assigns, may enforce this Declaration. If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

1.3. Governing Documents.

The Governing Documents (as hereafter defined) create a general plan of development for the Property which may be supplemented by additional covenants, restrictions, and easements applicable to particular property within Granby Ranch. In the event of a conflict between or among the Declaration and any such additional covenants or restrictions, or the provisions of any other articles of incorporation, bylaws, rules, or policies governing any portion of the property, the Declaration shall control.

All provisions of the Governing Documents shall apply to all Owners and to all Related Users. Any lease shall provide that the lessee and all occupants of the leased property shall be bound by the terms of the Governing Documents.

Article II. Definitions

The terms used in the Governing Documents shall be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

2.1. Architectural Guidelines. The architectural, design, and construction guidelines and review procedures for Non-Residential Units adopted pursuant to Article III, as they may be amended.

2.2. Area of Common Responsibility. The real property and improvements which the Master Association owns, leases, or otherwise has or assumes responsibility for the management, operation, construction, maintenance, repair or improvement pursuant to the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, contracts, or agreements, specifically including "Common Elements," as that term is defined by the Act, and as more particularly described in Section 6.2 and elsewhere in the Governing Documents.

2.3. Articles. The Articles of Incorporation, as amended, for Granby Ranch Conservancy Inc. (formerly known as "SolVista Master Association, Inc." and also known as "Granby Ranch Master Association, Inc."), as may be amended.

2.4. Assessment(s). Referred to in the Act as "Common Expense Assessment," this term shall include reference to any of the items set forth in the Act, all late fees, charges, interest, fines, attorneys fees and collection and foreclosure costs, and any one or more of the following:

(a) Base Assessments. Assessments levied against all Units to fund Community Common Expenses as determined in accordance with Section 7.3. below.

(b) Residential Assessments. Assessments levied against all Residential Units to fund Residential Common Expenses pursuant to Section 7.4 below.

(c) Non-Residential Assessments. Assessments levied against all Non-Residential Units to fund Non-Residential Common Expenses pursuant to Section 7.5 below.

(d) Private Amenity Assessments. Assessments levied against the Private Amenity Units to fund Private Amenity Common Expenses pursuant to Section 7.6 below.

(e) Specific Assessments. Assessments levied against one or more Units as provided in Section 7.7 below.

(f) Special Assessments. Assessments levied against Units pursuant to Section 7.11 below, which may be Special Base Assessments, Special Residential Assessments, Special Non-Residential Assessments or Special Private Amenity Assessments.

(g) Use and Consumption Fees. Charges levied pursuant to Section 7.8 below.

(h) Community Fees. Fees levied pursuant to Section 7.9 below.

2.5. Association. Any or all (as the context requires) of the unit owners associations which govern common interest communities located within Granby Ranch, including without limitation, Granby Ranch Residential Association, Inc. and Sol Vista Residential Association, Inc. The term shall not include any of the following: (i) the Silver Creek Master Association; (ii) the Master Association; (iii) any "Sub-association" (e.g., a neighborhood or condominium association organized as a common interest community whose jurisdiction is concurrent with, but subordinate to, that of an Association); or (iv) any association which governs a time share, time span, interval estates or fractional estates ownership regime. Each Association is subordinate to the Master Association.

2.6. Association Declaration. Any Recorded instrument which creates a common interest community within Granby Ranch; the provisions of which are administered and enforced by an Association.

2.7. Board of Directors; Board. The governing body responsible for administration of the Master Association, selected as provided in the Bylaws and serving the same role as the board of directors under Colorado nonprofit law.

2.8. Builder. Any Person who owns or purchases three or more Units for the purpose of constructing improvements for later sale to consumers or who purchases one or more parcels of land within the Property for further subdivision, development, or resale in the ordinary course of such Person's business.

2.9. Bylaws. The Bylaws of Granby Ranch Conservancy, Inc., formerly known as SolVista Master Association, Inc.

2.10. Common Expenses. Collective term for the actual and estimated expenses incurred, or anticipated to be incurred, by the Master Association pursuant to the Governing Documents, including the acquisition of real or personal property and the construction of improvements, maintenance, repair and further improvement thereof, and including any reasonable reserve, as the Board deems appropriate, and including:

(a) Community Common Expenses. Expenses for the general benefit of all of the Units and real property within Granby Ranch and all of the Owners and Related Users of such property.

(b) Residential Common Expenses. Expenses for the general benefit of the Residential Units and the Owners and related Users of such Units.

(c) Non-Residential Common Expenses. Expenses for the general benefit of the Non-Residential Units and the Owners and Related Users of such Units.

(d) Private Amenity Common Expenses. Expenses for the general benefit of the Private Amenity Units and the Owners of such Units.

(e) Specific Common Expenses. Expenses related to one or more but less than all Units as described in and levied and pursuant to Section 7.7 below.

2.11. Community-Wide Standard. The standard generally prevailing within Granby Ranch. Such standard shall be established initially by Declarant and may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and demands of Granby Ranch change.

2.12. Covenants. Collective reference to all easements, promises, restrictions, conditions, reservations, and agreements contained in or referenced by one or more of the Governing Documents. All Covenants shall be given the same force and effect as if set forth in this Declaration.

2.13. Declarant. Granby Realty Holdings, LLC, a Colorado limited liability company, or any successor or assign who takes title to any portion of the property described in Exhibit A or Exhibit B for the purpose of development or sale, and who is designated as Declarant in a Recorded instrument executed by the immediately preceding Declarant or who succeeds to Declarant status in the manner prescribed by the First Amendment.

2.14. Declarant Control Period. The period of time during which Declarant is entitled to appoint a majority of the members of the Board. The Declarant shall have the right to appoint and remove the members of the Board until the first to occur of the following:

- (a) Sixty (60) days after 75% of the Maximum Units have certificates of occupancy issued thereon and have been conveyed to Persons other than a declarant (as defined in the Act);
- (b) six years after the last conveyance of a Unit by Declarant in the ordinary course of business;
- (c) 20 years after the Recordation of the Original Declaration; or
- (d) when, in its discretion, Declarant so determines.

Notwithstanding the foregoing, if Declarant voluntarily relinquishes its right to appoint and remove members of the Board prior to the termination of the Declarant Control Period, Declarant reserves the right to approve or disapprove specified actions of the Master Association as provided in the Act.

Within 60 days after termination of the Declarant Control Period, Declarant shall deliver to the Master Association all property and other items required by Section 303 of the Act.

2.15. Declaration. This Amended and Restated Declaration for Granby Ranch, a large planned community, as it may be amended or restated from time to time.

2.16. Delegate. The representative elected to represent the interests of the Owners in the Silver Creek Master Association and to cast votes attributable to the Owners' Units on all matters requiring a vote of the Silver Creek Master Association's membership. The term "Delegate" shall also refer to the alternate Delegate acting in the absence of the Delegate.

2.17. Delegate District. A group of Units, also consisting of each Association (referred to in the Silver Creek Master Declaration as a "Sub-association"), designated as a Delegate District for purposes of electing a Delegate to the Silver Creek Master Association. Granby Ranch, alone, does not constitute a Delegate District. A Delegate District may consist of differing land use types and must include at least fifteen votes.

2.18. Development Period. The period of time during which Declarant is entitled to exercise Development Rights and Special Declarant Rights. The Development Period commenced upon the Recording of the Original Declaration and shall terminate 30 years later, unless reinstated or extended by agreement between Declarant and the Master Association, subject to such terms as the Board may impose.

2.19. Development Rights. The rights reserved by Declarant in Subsection 10.2(b) of the Original Declaration which are restated herein.

2.20. Governing Documents. A collective term referring to this Declaration and any Supplemental Declaration, any applicable Association Declaration, the Bylaws, the Articles, the Architectural Guidelines, the Rules, and any policies and procedures adopted by the Board, as each may be amended from time to time.

2.21. Master Association. Granby Ranch Conservancy, Inc., a Colorado non-profit corporation, formerly known as SolVista Master Association, Inc., its successors and assigns.

2.22. Maximum Units. The maximum number of Units which Declarant reserved the right to create and develop within the Property as set forth in the Original Declaration; provided, nothing in this Declaration shall require Declarant to develop the maximum number of Units and further provided that this number may be altered by the local governmental jurisdiction having control over the development of the Property. The Original Declaration provided that the number of Maximum Units is to be 6,000 Residential Units and 1,000,000 square feet of space contained within structures comprising Non-Residential Units.

2.23. Member. A member of the Master Association, which pursuant to Section 5.3, includes each of the following as a Member: (i) the Residential Owners; (ii) the Private Amenity Owners; and (iii) the Non-Residential Owners.

2.24. Member Vote. A majority vote of the Members, calculated pursuant to Section 5.3(b).

2.25. Mortgage. A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit. "Mortgagee" shall refer to a beneficiary or holder of a Mortgage. A "First Mortgage" shall be a Recorded Mortgage having first priority over all other Mortgages encumbering a Unit. "First Mortgagee" shall refer to a beneficiary or holder of a First Mortgage.

2.26. Non-Residential Unit(s). A Unit intended for any purpose other than a Residential Unit, but specifically excluding the Private Amenity Units. Non-Residential Units specifically include, without limitation:

- (a) Unimproved Non-Residential Units consisting of undeveloped land zoned for commercial purposes which includes land zoned as Mixed-Use;
- (b) Units used for general retail, commercial business, or restaurant purposes;
- (c) Units used for multi-family, residential apartment purposes; and
- (d) Units used for inn or hotel purposes.

2.27. Non-Residential Owner(s). The Owner or Owners of a Non-Residential Unit.

2.28. Owner(s). One or more Persons who hold the record title to any property within Granby Ranch, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If property is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) shall be considered the Owner. Each Unit may: (i) be owned by more than one Owner; (ii) be subjected to an ownership regime of interval estates, time share estates, or time span estates pursuant to C.R.S § 38-88-110 and 111, as the same may be amended, or otherwise pursuant to Colorado law by recorded instrument acknowledging subordination to this Master Declaration; and (iii) be owned by more than one Person as co-owners of that Unit each owning a fractional interest or percentage interest of the Unit stated within the document conveying the Unit to such co-owners. The term shall refer to Owners of all Residential Units, Non-Residential Units and Private Amenity Units and shall include Declarant, provided Declarant has an ownership interest in a Residential Unit, Non-Residential Unit or a Private Amenity Unit.

2.29. Person. A natural person, a corporation, a partnership, a trustee, or any other legal entity.

2.30. Plat. Any Recorded land survey plat for all or any portion of the Property, including without limitation, the land survey plat Recorded contemporaneously with the Original Declaration, as amended and supplemented.

2.31. Private Amenity Owner. The Owner of a Private Amenity Unit which may be a private or public entity, governmental unit, metropolitan or special improvement district or any other Person. If a Private Amenity Unit is acquired by the Master Association or by any Association, no voting rights or Assessment liabilities will be allocated to that Unit.

2.32. Private Amenity Unit. Certain real property, and any improvements and facilities thereon (sometimes referred to as "Private Amenities"), which is designated by Declarant as a Private Amenity Unit for recreational and related purposes, on a club membership basis, use fee basis, or otherwise. Private Amenities shall include, without limitation, golf courses, recreational and fitness facilities such as Grange Hall, trails, fishing areas, clubhouses, and ski area. Pursuant to written agreement, the Master Association may elect to acquire ownership or possessory rights in any Private Amenity through purchase, lease, license or easement, and in such event, the Private Amenity Unit will cease to be a Unit and will be an amenity of the Master Association. The Master Association may also elect to operate, maintain, repair or improve any Private Amenity if the Board determines it to be in the best interests of the Residential Owners and their Related Users or for the common interests of all Owners and their Related Users within Granby Ranch.

2.33. Property. The real property described in Exhibit A, together with such additional property as is subjected to this Declaration in accordance with Article IX.

2.34. Record; Recording; or Recorded. To file, the filing, or filed of record in the Office of County Clerk and Recorder of Grand County, Colorado, or such other place which is designated as the official location for recording deeds and similar documents affecting title to real estate. The date of Recording shall refer to that time at which a document, map, or plat is Recorded.

2.35. Related User. Any person who: (i) resides with an Owner within a Residential Unit; (ii) is a guest or invitee of an Owner of any Residential Unit or Non-Residential Unit; (iii) is an occupant or tenant of any Residential or Non-Residential Unit; and (iv) any family member, guest, invitee or cohabitant of the foregoing.

2.36. Residential Unit. A Unit intended for development, use, and occupancy as an attached or detached residence for residential purposes.

2.37. Residential Owner(s). An Owner or Owners of a Residential Unit.

2.38. Rules. Collective term for all rules, regulations, and guidelines of the Master Association, in general, as the same may be adopted, amended and repealed from time to time by the Board of Directors, or by the Declarant, as the case may be pursuant to the Act, this Declaration and the Bylaws.

2.39. Silver Creek. All real property located within that certain common interest community created by the Silver Creek Master Declaration. Granby Ranch is located within Silver Creek.

2.40. Silver Creek Master Association. The Master Homeowner's Association of Silver Creek, Inc., a Colorado nonprofit corporation, its successors and assigns.

2.41. Silver Creek Master Declaration. That certain Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for SilverCreek, Recorded at Book 329, Page 338, as amended by that certain First Amendment to Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for SilverCreek, Recorded as File Number 97011141 ("First Amendment"), and as may be further amended.

2.42. Special Declarant Rights. The rights of Declarant set forth in Article X of the Original Declaration and restated herein.

2.43. Supplemental Declaration. A Recorded instrument which subjects additional property to the Original Declaration or to this Declaration pursuant to Article IX, evidences the Declarant's exercise of Development Rights and Special Declarant Rights, or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

2.44. Unit(s). A portion of the Property, whether improved or unimproved, which may be independently owned and conveyed. The term shall refer to all the land, if any, which is part of

the Unit as well as any improvements thereon. In the case of property subject to an Association, "Unit" shall mean only that portion of property which is also a lot, unit, or other parcel, however denominated under the applicable Association Declaration, which may be assessed by the Association. Units owned by the Master Association or by an Association shall be considered a common element of such association and no votes or Assessment liabilities shall be allocated to such Unit. Each Unit may: (i) be owned by more than one Owner; (ii) be subjected to an ownership regime of interval estates, time share estates, or time span estates pursuant to C.R.S. § 38-88-110 and 111, as the same may be amended, or otherwise pursuant to Colorado law by recorded instrument acknowledging subordination to this Master Declaration, and (iii) be owned by more than one Person as co-owners of a Unit each owning a fractional interest or percentage interest of the Unit stated within the document conveying the Unit to such co-owners; provided, however, in no event shall any partial or fractional interest in a Unit create additional Units or additional votes beyond the one vote allocated to the Unit. The term shall refer to Owners of all Residential Units, Non-Residential Units and Private Amenity Units. The term "Unit" shall include Residential Units, Non-Residential Units and Private Amenity Units. Any separately-taxed parcel of real property created for the purpose of the parking of vehicles within an Association of Residential Units shall not be considered a "Unit" for purposes of voting and payment of Assessments.

Subject to the above, a parcel of land shall be deemed to contain a single Unit until such time as a Plat subdivides all or any portion of the parcel. After Recording a Plat, any land encompassed by the Plat shall contain the number of Units determined as set forth in the preceding paragraph. Any land not encompassed by the Plat shall continue to be considered as a single Unit.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use, conduct, and architecture within the Property are what give Granby Ranch its identity and make it a place in which people want to live, work, and recreate. The Original Declaration established procedures for regulation-making as a dynamic process which allows the community standards to evolve as Granby Ranch changes and grows over time, and such procedures are restated below.

Article III. Architecture and Landscaping

3.1. Applicability to Non-Residential Units.

No structure or thing shall be placed, erected, or installed upon any Non-Residential Unit and no improvements or other work (including staking, clearing, excavation, grading, and other site work, exterior alterations of existing improvements, painting, or planting or removal of landscaping) shall take place on such Non-Residential Unit, except pursuant to approval in compliance with this Article and the Architectural Guidelines. Each Association shall be

responsible for architectural and landscape control and oversight pursuant to the particular Association Declaration.

No approval shall be required to repaint the exterior of a structure in accordance with a previously approved color scheme or to rebuild in accordance with previously approved plans and specifications. Modifications to the interior of a Non-Residential Unit visible from outside the structure shall be subject to approval.

Any improvements constructed on a Non-Residential Unit shall be designed by and built in accordance with the plans and specifications of a licensed architect unless otherwise approved by Declarant or its designee in its sole discretion. The review and approval requirements in this Article shall apply to Non-Residential Units only. They shall not apply to Declarant, any Private Amenity, or (except as provided in this Section 3.1) any Residential Unit.

This Article also shall apply to residential portions of "mixed-use" structures (i.e., structures containing areas designated in part for residential use and in part for non-residential use) within the Property; provided, Declarant or the Master Association Committee, as applicable, may, in their sole and absolute discretion, assign review and approval rights over such residential areas to an Association.

3.2. Architectural Review.

(a) By Declarant. Each Non-Residential Owner, by accepting a deed or other instrument conveying any Non-Residential Unit, acknowledges that Declarant, as the developer of Granby Ranch and owner of real estate adjacent to or in the vicinity of Granby Ranch, has a substantial interest in ensuring that improvements within Granby Ranch enhance Declarant's reputation and do not impair Declarant's ability to market, sell, or lease its property. Therefore, each Non-Residential Owner agrees that no activity within the scope of this Article shall be commenced on his or her Non-Residential Unit unless and until Declarant or its designee has given its prior written approval for such activity, which approval may be granted or withheld in Declarant's or its designee's sole discretion.

In reviewing and acting upon any request for approval, Declarant or its designee shall act solely in Declarant's interest and shall owe no duty to any other Person. Declarant's rights reserved under this Article shall continue so long as Declarant owns any portion of Granby Ranch or has the right to expand Granby Ranch pursuant to Section 9.1 (whichever is the last to occur), unless earlier terminated by Declarant in a Recorded instrument.

Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder.

Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to any other Person or committee, including, without limitation, an Association comprised of Non-Residential Owners. Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of any delegate shall be limited to such matters as are specifically delegated to it by Declarant.

(b) Architectural Review Committee. Upon expiration or termination of Declarant's rights under this Article, the Master Association shall assume jurisdiction over architectural matters. In addition, Declarant may, at any time, delegate all or any portion of its rights under this Article to the Master Association. The Master Association shall act through an architectural review committee (the "ARC") appointed by the Board. The ARC, when appointed, shall consist of at least three, but not more than seven, individuals who shall serve and may be removed and replaced in the Board's discretion. The members of the ARC need not be representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Master Association or Declarant's rights under this Article terminate, the Master Association shall have no jurisdiction over architectural matters.

(c) Reviewer. For purposes of this Article, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer."

(d) Fees; Assistance. The Reviewer may establish and charge reasonable fees for review of applications hereunder and may require that such fees be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. Declarant and the Master Association may employ architects, engineers, or other Persons as deemed necessary to perform the review. The Board may include compensation of such Persons in the Master Association's operating budget.

(e) Delegation of Authority to Non-Residential Association. Notwithstanding the above, Declarant or the Master Association may, but shall not be obligated to, delegate all or any of their authority under this Article to an Association having jurisdiction over Non-Residential Owners ("Non-Residential Association"). In such event, Declarant or the Master Association, as applicable, shall have oversight authority over any design review and approval action taken or proposed by the Non-Residential Association and may, in its discretion, veto actions deemed to be contrary to the Architectural Guidelines or the general scheme of development for Granby Ranch.

3.3. Guidelines and Procedures.

(a) Architectural Guidelines. Declarant may prepare Architectural Guidelines applicable to Non-Residential Units which may contain general provisions applicable to all Non-Residential Units as well as specific provisions which vary among the Non-Residential Units according to location, use, or other factors. The Architectural Guidelines are not the exclusive basis for decisions of the Reviewer, and compliance with the Architectural Guidelines does not guarantee approval of any application. The Architectural Guidelines shall define standards of quality and appearance which meet or exceed the minimum requirements under the First Amendment.

Declarant shall have sole and full authority to amend the Architectural Guidelines as long as it owns any portion of, or has a right to expand, Granby Ranch pursuant to Section 9.1, notwithstanding a delegation of reviewing authority, unless Declarant also delegates the power to amend. Upon termination or delegation of Declarant's right to amend, the ARC shall have the authority to amend the Architectural Guidelines with the consent of the Board. Any amendments to the Architectural Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

In Declarant's discretion, the Architectural Guidelines may be Recorded, in which event the Recorded version, as it may be amended, shall control in the event of any dispute as to which version of the Architectural Guidelines was in effect at any particular time.

(b) Procedures. Except as otherwise specifically provided in the Architectural Guidelines, no activity described in Section 3.1 shall commence on any Non-Residential Unit until an application for approval has been submitted to and approved by the Reviewer. Such application shall include plans and specifications showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Non-Residential Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability or attractiveness of particular improvements. Such determinations shall not be subject to review so long as they are made in good faith and in accordance with the procedures described in this Article.

The Reviewer shall make a determination on each application only after receipt of a completed application and all information it requires. The Reviewer may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove

other portions; or (iii) disapprove the application. The Reviewer may, but shall not be obligated to, specify the reasons for any objections or offer suggestions for curing any objections.

Until expiration of Declarant's rights under this Article, the Reviewer shall notify Declarant in writing within three (3) business days after the ARC has approved an application. The notice shall be accompanied by a copy of the application and any additional information which Declarant may require. Declarant shall have 10 days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the ARC.

In any event, the Reviewer shall notify the applicant in writing of a final determination within 60 days after its receipt of a completed application and all required information. In the event that the Reviewer fails to respond in a timely manner, approval shall be deemed to have been given, subject to Declarant's veto right. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Architectural Guidelines unless a variance has been granted pursuant to Section 3.5.

If construction does not commence on a project for which an application has been approved within one year after the date of approval, such approval shall be deemed withdrawn, and it shall be necessary for the Non-Residential Owner to reapply for approval before commencing construction of any proposed improvements. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Master Association, Declarant, or any aggrieved Owner.

The Reviewer may exempt by resolution certain activities from the application and approval requirements of this Article. Such activities may be undertaken without application or approval provided they are done in strict compliance with the requirements of such resolution.

(c) Expenses. Except as otherwise provided in this Article or the Architectural Procedures, all expenses of the ARC will be paid by the Master Association and will constitute a Non-Residential Common Expense to be assessed against the Non-Residential Units or an Individual Common Expense to be assessed against the Individual Unit seeking the approval. The ARC shall charge a fee for each application submitted to it for review, in an amount which may be established by the ARC from time to time, and such fees will be collected by the ARC and remitted to the Master Association to help defray the expenses of the ARC's operation. Further, the ARC may retain the services of a third party consultant to assist the ARC in reviewing a particular application. In such event, the ARC may charge the applicant for the professional fees incurred in retaining such consultant.

3.4. No Waiver of Future Approvals.

Each Owner acknowledges that the individual Reviewer under this Article may change and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly. In addition, Owner acknowledges that it may not be possible to identify objectionable features until work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans, or in connection with any other matter requiring approval, shall not constitute a binding precedent or waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

3.5. Variances.

The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. No variance shall (i) be effective unless in writing; (ii) be contrary to this Declaration; or (iii) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

3.6. Limitation of Liability.

The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of Granby Ranch; they do not create any duty to any Person. The ARC will use reasonable judgment in accepting or disapproving all plans and specifications submitted to it; provided that the ARC may enforce Architectural Guidelines as written and amended from time to time. Neither the ARC nor any individual ARC member will be liable to any person for any official act of the ARC in connection with submitted plans and specifications, except to the extent the ARC or any individual ARC member acted with malice or wrongful intent. Approval by the ARC does not necessarily assure approval by the appropriate governmental body. Review and approval of any application pursuant to this Article may be based on aesthetic considerations only and the Reviewer shall not bear any responsibility for ensuring (i) the structural integrity or soundness of approved construction or modifications; (ii) compliance with building codes and other governmental requirements; (iii) that Units are of comparable quality, value, size, or of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners; (iv) that views from any other Units are protected; or (v) that no defects exist in approved construction.

Neither Declarant, the Master Association, the Board, any committee, or any member of any of the foregoing shall be held liable for soil conditions, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the actions, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents; or any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Unit. In all matters, the Board, the ARC, and any members thereof shall be defended and indemnified by the Master Association as provided in Section 6.7.

3.7. Certificate of Compliance.

Any Non-Residential Owner may request that the Reviewer issue a certificate of architectural compliance certifying that there are no known violations of this Article or the Architectural Guidelines. The Reviewer shall either grant or deny such request within 30 days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Master Association from taking enforcement action with respect to any condition as to which the Master Association had notice as of the date of such certificate.

3.8. Enforcement of the Provisions of this Article III.

The chair person or authorized consultant or representative of the ARC, or any authorized officer, Board Member, employee or agent of the Master Association may enter upon any Unit at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect improvements constructed or under construction on the Unit to determine whether the improvements have been or are being built in compliance with the Governing Documents and the plans and specifications approved by the ARC.

Before any improvements on a Non-Residential Unit may be occupied, the Owner of the Unit will be required to obtain a temporary certificate of compliance issued by the ARC indicating substantial completion of the improvements in accordance with the plans and specifications approved by the ARC, and imposing such conditions for issuance of a final certificate of compliance issued by the ARC as the ARC may determine to be appropriate in its reasonable discretion. Without limiting the generality of the preceding sentence, the ARC may require that the Owner deposit with the Board at any time (including prior to commencement of construction) such sums as may be necessary to complete the construction and landscaping on the Unit by a specified date. If the construction and landscaping is not completed as scheduled, the ARC may apply the deposit to cover the cost of completing the work and enforce such other remedies as are available to the Master Association for the failure of the Owner to comply with these covenants, including without limitation the remedies set forth in this Section.

Every violation of the Covenants is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against an Owner will be applicable. Without limiting the generality of the foregoing, these Covenants may be enforced as provided below:

(a) The ARC may adopt a schedule of fines for failure to abide by the ARC rules and the Architectural Guidelines, including fines for failure to obtain any required approval from the ARC.

(b) The Master Association, upon request of the ARC and after reasonable notice to the offender and, if different, to the Owner, may enter upon any Unit at any reasonable time after notice to the Owner, without being deemed guilty of trespass, and remove any improvement constructed, reconstructed, refinished, altered or maintained in violation of these covenants. The Owner of the improvement will immediately reimburse the Master Association for all expenses incurred in connection with such removal. If the Owner fails to reimburse the Master Association within thirty (30) days after the Master Association gives the Owner notice of the expenses, the sum owed to the Master Association will bear interest at the default rate from the date of the advance by the Master Association through the date of reimbursement in full, and all such sums and interest will be a Specific Assessment enforceable as provided in Section 7.7.

Article IV. Maintenance and Repair

4.1. Maintenance and Repair.

Each Owner shall maintain his or her Unit and all landscaping and improvements comprising the Unit in a manner consistent with Community-Wide Standard and all applicable Covenants. In the case of a Unit that is not subject to the jurisdiction of an Association, the Master Association shall be responsible for the monitoring and enforcement of such maintenance responsibility. In the case of any Unit subject to the jurisdiction of an Association, the Association shall have primary responsibility for monitoring and enforcing maintenance standards on such Units in the manner set forth in an Association Declaration; provided, the standards established under the Association Declaration shall meet or exceed the Community-Wide Standard.

4.2. Maintenance of Association Property.

Each Association shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with the Community-Wide Standard and all applicable covenants.

4.3. Maintenance by the Master Association.

The Master Association shall maintain the Area of Common Responsibility in a manner consistent with Community-Wide Standard. In addition, the Master Association may, but shall not be obligated to, perform maintenance on a Residential or Non-Residential Unit or an Association's common property, if, in the Board's opinion, the level and quality of service then being provided is not consistent with Community-Wide Standard. Any costs incurred by the Master Association in performing such maintenance shall be assessed against the particular Owner or particular Association for which the service is provided as a Specific Assessment. Except in an emergency situation, the Master Association shall provide the Owner or Association reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

Notwithstanding the above, the Master Association shall not have the right to enter upon or perform maintenance on any Private Amenity Unit except with the express consent of the Private Amenity Owner.

4.4. Responsibility for Repair and Replacement.

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary to maintain the property to a level consistent with Community-Wide Standard. An Association Declaration may establish requirements for insurance and more stringent standards for rebuilding or reconstructing structures and for clearing and maintaining property in the event the structures are not rebuilt or reconstructed.

4.5. Limitation of Liability for Maintenance. The Board and the Master Association shall not be liable to Owners for injury or damage, other than for the cost of maintenance and repair of the Area of Common Responsibility caused by any latent condition of the Area of Common Responsibility to be maintained and repaired by the Board or caused by the elements or other Owners or persons.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

The success of Granby Ranch is dependent upon the support and participation of every Member in its governance and administration. The Declaration establishes the Master Association as the mechanism by which each Member is able to provide that support and participation.

Article V. The Master Association and its Members

5.1. Function of Master Association.

The Master Association is the entity responsible for: (i) architectural review of Non-Residential Units; (ii) the promotion of Granby Ranch; (iii) the acquisition, lease, or license of real and personal property and the construction, maintenance, and repair of any improvements thereto; (iv) providing for the benefit of some or all of the Owners certain use, occupancy or recreation rights within Granby Ranch; (v) the operation, maintenance, repair and improvement of the Area of Common Responsibility; (vi) the election of Delegates and Alternates pursuant to Section 6.15 below; (vii) performing any and all duties and exercising any rights set forth in the Act and in the Articles; (viii) the collection of any fees costs or other expenses incurred in furtherance of its functions; and (ix) such other activities as are authorized by the Governing Documents. The Master Association shall also constitute the “Primary Sub-Association” for Silver Creek referred to in the First Amendment. The Master Association shall perform its functions in accordance with the Governing Documents and Colorado law.

5.2. Board of Directors.

The Board of Directors shall govern the Master Association. Except as to matters specifically requiring the approval of Members pursuant to this Declaration or the Act, all rights, duties and powers granted to the Master Association shall be exercised solely by the Board.

The Master Association may exercise any right, powers or privilege given to it expressly by the Governing Documents, or reasonably inferred from the Governing Documents or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration or required by the Act, all rights and powers of the Master Association shall be exercised by the Board without a vote of the membership, including without limitation the rights to:

- (a) adopt and amend the Bylaws and Rules;
- (b) adopt and amend budgets for revenues, expenditures and reserves and collect Assessments, including without limitation Assessments for Common Expenses, from Owners;

(c) institute, defend or intervene in mediation, arbitration, litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Master Association. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Master Association or its Members;

(d) establish the Architectural Review Committee as provided in Article III and regulate the construction, reconstruction and alteration of any improvements located or to be located within Non-Residential Units;

(e) make contracts and incur liabilities, including contracts for the lease, acquisition, operation and/or maintenance of property or facilities;

(f) regulate the use, improvement, maintenance, repair, replacement and modification of property within Granby Ranch;

(g) cause additional improvements to be made as part of the Area of Common Responsibility, including the construction of any capital asset, in whole or in part, for the benefit of some or all of the Units or Owners or Related Users as well as members of the general public, including without limitation, streets, and other limited access roads, paths, walkways, snowmelt systems, sidewalks and trails; any facilities necessary or useful for transit purposes, including means of transportation to and from Granby Ranch; bus stops and related structures and signage; mailbox structures; newspaper racks; gardens, sprinkler systems and other landscaping changes, improvements (including without limitation, removal of trees and other vegetation) and appurtenances; ponds and water tanks; drainage facilities; monuments; recreational areas and facilities; parking areas; ducts, shafts and flues; conduit installation areas; storage facilities for supplies and equipment; earthen walls, retaining walls and other road supports; lighting; signage;

(h) acquire, hold, encumber and convey in its own name any right, title or interest in real or personal property; provided, however, that no interest in a Common Element may be conveyed or subjected to a security interest unless such action is done in accordance with the Act; and such action does not deprive any Unit of its rights of ingress, egress and support;

(i) sell, lease, grant easements, rights-of-way, licenses, leases or concessions in or to, transfer, encumber, abandon or dispose of any real or personal property owned by the Master Association;

(j) impose and receive any payments, fees or charges for the use, rental or operation of the Area of Common Responsibility;

(k) impose and receive charges for late payments of Assessments, recover reasonable attorney's fees and disbursements and other costs of collection for Assessments and

other actions to enforce the rights of the Master Association, regardless of whether or not suit was initiated, and after notice and opportunity to be heard, levy reasonable fines and penalties for violations of the Governing Documents;

(l) impose and receive reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid Assessments;

(m) provide for the indemnification of the Master Association's officers, Board Members and ARC members and maintain directors' and officers' liability insurance;

(n) assign its right to future income, including without limitation, its right to receive Assessments, as security for a loan or for other purposes deemed necessary or appropriate in the exercise of the Board's business judgment;

(o) obtain and pay for legal, accounting and other professional services;

(p) perform any function by, through or under contractual arrangements, licenses, or other arrangements with any governmental, quasi-governmental or private entity as may be necessary or desirable;

(q) enforce the terms and conditions of any Conservation Easements and Wildlife Agreements against any Owner as if the Master Association were the benefited party;

(r) act as agent, trustee, or other representative of other corporations, firms, or individuals, and such to advance the business or ownership interests in such corporations, firms or individuals;

(s) hold any real property owned by the Master Association which may be used for agricultural purposes pursuant to easements or leases to parties who may conduct farming and/or horse ranching operations thereon;

(t) enter upon any Unit for the purpose of cutting trees for beetle infestation removal of weeds or to take such other action within a Unit as may be required by law or in furtherance of environmental considerations, health and safety or for other reasons the Board deems necessary;

(u) effectuate any and all powers provided in the provision of this Declaration and any other Governing Document; and

(v) enjoy and exercise any other power or authority which similar Associations may now or hereafter enjoy or exercise in the State of Colorado.

In exercising the rights and powers of the Master Association, making decisions on behalf of the Master Association, and conducting the Master Association's affairs, Board members shall be subject to, and their actions shall be judged in accordance with, the standards of conduct set forth in the Act or other applicable Colorado law.

5.3. Membership.

(a) Qualification. Each Residential Owner, Non-Residential Owner and Private Amenity Owner shall be a Member of the Master Association. The rights of any Member may be exercised by an officer, director, partner, or trustee of the Member designated from time to time in a written instrument provided to the Secretary of the Master Association.

(b) Voting. For all matters for which the Members are entitled to vote under the Governing Documents, two out of the three categories of Members constitute a majority vote on a matter (i.e., a Member Vote). The Member Vote shall be determined as follows:

- (i) The Private Amenity Owners, collectively, shall have one vote;
- (ii) The Residential Owners, collectively, shall have one vote; and
- (iii) The Non-Residential Owners, collectively, shall have one vote.

(c) Method of Determining the Votes of Units. The vote of each individual category of Member shall be determined by the majority vote of the Owners within such category, cast at a meeting where a quorum is present or by written ballot in accordance with the Bylaws. All owners of Units shall be eligible to vote, but only in accordance with the Governing Documents, and no vote may be fractionalized in any way.

(d) Allocation of Votes for Each Unit.

(i) As to the Residential Owners, each Residential Unit within an Association or platted on a subdivision plat shall have one vote.

(ii) As to the Private Amenity Owners, each Private Amenity Unit shall have an equal vote.

(iii) As to Non-Residential Owners, the votes shall be allocated as follows:

(A) Unimproved Non-Residential Units shall have one vote for each 1,000 square feet of vacant land zoned for commercial purposes (rounded to the nearest 1,000);

(B) Units used for general retail, commercial business, or restaurant purposes shall have one vote for each 1,000 square feet of gross floor area within a structure (rounded to the nearest 1,000);

(C) Units used for multi-family, residential apartment purposes shall have one (1) vote for each separately leasable apartment dwelling unit; and

(D) Units used for inn or hotel purposes shall have one vote for every three rooms available for occupancy (rounded to the next highest factor of three), for example, a four-room inn would be allocated two (2) votes).

A Non-Residential Unit's classification shall be determined initially by Declarant. After Declarant no longer owns any property described in Exhibit A or Exhibit B, such classification may be changed only with application to and approval from the Board. Decisions of Declarant or the Board, as applicable, on Unit classifications shall be final.

Article VI. Master Association Powers and Responsibilities

6.1. Acceptance and Control of Real Property.

The Master Association may acquire, hold, and dispose of tangible and intangible personal property and real property and to enter into agreements for such. By way of example only and not limitation, the Master Association has the right to acquire Private Amenities (including the acquisition of real property and the construction of improvements thereon), and other amenities known commonly as "Grange Hall" and "Fishing Camp," as well as river frontage, trails and open space. Declarant and its designees may convey to the Master Association personal property and fee title, leasehold, or other property interests in real property, improved or unimproved. The Master Association shall accept and maintain such property at its expense for the benefit of Granby Ranch, subject to any restrictions set forth in the deed or other instrument transferring such property to the Master Association. Upon Declarant's written request, the Master Association shall reconvey to Declarant any unimproved portions of Granby Ranch originally conveyed by Declarant to the Master Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

6.2. Maintenance of Area of Common Responsibility.

The Master Association shall maintain, in accordance with Community-Wide Standard, the Area of Common Responsibility, which shall include, but need not be limited to:

- (a) all portions of, and structures and other improvements situated on, real property which it owns or otherwise has possessory or use rights;
- (b) all Master Association Common Elements;

(c) Granby Ranch trail system and roads as shown on the Plat (unless conveyed or assigned to the Silver Creek Master Association or other third party);

(d) landscaping within rights-of-way or within or abutting Granby Ranch (unless conveyed or assigned to the Silver Creek Master Association or other third party);

(e) any areas and improvements thereon the Master Association is permitted to acquire lease or license pursuant to the Governing Documents or the Act; and

(f) such portions of any additional property as may be dictated by this Declaration, any Supplemental Declaration, a covenant to share costs, or any contract or agreement for maintenance thereof entered into by the Master Association.

The Master Association may maintain property which it does not own, including, without limitation, property dedicated to the public or owned by the Declarant, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. Further, the Master Association may contract with the Declarant or any affiliate of the Declarant to manage real or personal property or any Private Amenity.

Except for any periods necessary, as determined in the Board's sole discretion, to perform required maintenance or repairs, the Master Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation. In any event, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means, and facilities and equipment may not be made inoperative, except with Declarant's prior written approval during the period that Declarant possesses Special Declarant Rights.

The costs associated with maintenance, repair, and replacement of the Area of Common Responsibility shall be a Community Common Expense; a Residential Common Expense or a Non-Residential Common Expense as determined by the Board; provided the Master Association may seek reimbursement from the Association, or from Owner(s) or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, a covenant to share costs, or other Recorded covenants, or agreements with the Owner(s) thereof.

6.3. Insurance.

(a) Required Coverages. The Master Association shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance for all insurable improvements within the Area of Common Responsibility to the extent that the Master Association has responsibility in the event of a casualty, regardless of ownership. All property insurance policies obtained by the

Master Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes.

The Master Association shall be deemed trustee of the interests of all Members in all insurance proceeds paid to the Master Association under any such policies and shall have full power to receive and to deal with such proceeds. The insurance proceeds shall be used by the Master Association for the repair or replacement of the property for which the insurance was carried, except as otherwise provided in this Section;

(ii) Commercial general liability insurance on the Area of Common Responsibility. Coverage shall include, without limitation, liability for death, bodily injury, and property damage, in connection with the ownership, operation, maintenance, and other use of the Area of Common Responsibility. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage. The Board may exercise its business judgment in determining whether additional coverage or higher limits need to be obtained.

To the extent reasonably available, the liability insurance shall name, as separately protected insureds, Declarant, any property manager, the Master Association, the Board, the ARC, and their respective representatives, members, agents, and employees with respect to any liability arising out of the maintenance or use of the Area of Common Responsibility.

(iii) Workers' compensation insurance and employers' liability insurance, if and to the extent required by law.

(iv) Directors' and officers' liability coverage.

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Master Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-quarter of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

(vi) Such additional insurance as the Board, in its reasonable business judgment, determines advisable.

Premiums for all insurance on the Area of Common Responsibility shall be Community Common Expenses. The Board shall review annually the limits of all insurance policies of the Master Association and shall adjust the policy limits as the Board deems necessary or appropriate. In addition, the Master Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons.

(b) Policy Requirements. All Master Association policies shall provide for a certificate of insurance to be furnished to the Master Association and:

(i) all policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct or actions or failure to act of one or more Members or Owners, or their Related Users, then the Board may assess the full amount of such deductible against such Members and Owner(s) and their Units jointly and severally as an Specific Assessment pursuant to Section 7.7.

(ii) All insurance coverage obtained by the Board shall (if reasonably available):

(A) be written in the name of the Master Association as trustee for the benefited parties;

(B) contain an inflation guard endorsement;

(C) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(D) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of an act or omission of anyone or more Members, or on account of any curable defect or violation without prior written demand to the Master Association to cure the defect or violation and allowance of a reasonable time to cure; and

(E) include an endorsement precluding the insurer from denying a claim by a Member or Owner or conditioning recovery under the policy based upon or due to the negligent acts or omissions of the Master Association, any other Member, or any other Owner.

(iii) In addition, the Board shall use reasonable efforts to secure insurance policies which list the Members as additional insureds and provide:

(A) waiver of subrogation as to any claims against the Master Association's Board, officers, employees, and its manager, or the Members;

(B) a waiver of the insurer's right to repair and reconstruct instead of paying cash;

(C) an endorsement requiring at least 30 days' prior written notice to the Master Association of any cancellation, substantial modification, or non-renewal; and

(D) a provision vesting in the Board exclusive authority to adjust losses; provided, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

6.4. Conservation Easements.

The Master Association acting through the Board shall have the right, but shall not be obligated, to enforce the terms and conditions of any Conservation Easements as against any Owner as if the Master Association were the benefited party under such Conservation Easements and may obtain any relief granted in such Conservation Easements or by law in the event of any breach of or default under such Conservation Easements, all of which may be exercised for the benefit of the Master Association and the Owners. Any Owner in violation of the terms of the Conservation Easements shall be responsible for any costs and expenses incurred by the Master Association to enforce the Conservation Easements. Any such amount shall be a Specific Assessment, enforceable pursuant to Section 7.7 below.

6.5. Wildlife Agreements.

The Master Association acting through the Board shall have the right and the obligation (to the extent such right is afforded to the Master Association pursuant to the Wildlife Agreements) to enforce the terms and conditions of any Wildlife Agreements as if the Master Association were the benefited party under such Wildlife Agreements and may obtain any relief granted in such Wildlife Agreements or by law in the event of any breach of or default under such Wildlife Agreements by any Owner, all of which may be exercised for the benefit of the Master Association and the Owners. Any Owner in violation of the terms of the Wildlife Agreements shall be responsible for any costs and expenses incurred by the Master Association to enforce the Wildlife Agreements. Any such amount shall be a Specific Assessment, enforceable pursuant to Section 7.7 below.

6.6. Agricultural Land.

Without limiting the generality of any other function enumerated in this Declaration, the Master Association may hold property it owns or in which it has possessory or use rights for agricultural purposes pursuant to easements or leases to parties who may conduct farming and/or horse ranching operations thereon. In addition, the Master Association may own property which may be used for agricultural purposes pursuant to easements or leases to parties who may conduct farming and/or horse ranching operations thereon. Each Owner, by taking title to his Unit, hereby acknowledges and understands that certain farming, horse ranching and other agricultural activities may be conducted on property near or adjacent to his Unit and that such activities

represent a unique and desirable amenity to Granby Ranch. The farming, horse ranching and other agricultural operations may include many year-round activities; as such, the farming, horse ranching and other agricultural activities may generate, pursuant to their legal and authorized operation, an unpredictable amount of visible, audible and odorous impacts and disturbances from activities relating thereto. The activities associated with the farming, horse ranching and agricultural operations include, without limitation: (i) traffic congestion and/or delays on the roads within or near Granby Ranch which may arise from the movement of horses and/or the transportation of slow-moving agricultural vehicles and equipment; (ii) activities relating to the construction, operation, improvement and maintenance of facilities necessary or useful in farming, horse ranching and other agricultural operations, including, without limitation, barns, houses, fences and the like; and (iii) the straying of horses onto the Units and the retrieval of such strayed horses from such Units.

6.7. Indemnification of Officers, Directors and Others.

(a) The Association shall be obligated to and shall indemnify and defend Declarant and hold it harmless from all liability, loss, cost, damage and expense, including without limitation attorneys' fees and disbursements, arising with respect to any operations or actions taken by the Board pursuant to this Declaration.

(b) Subject to Colorado law and in accordance with the Bylaws, the Master Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

6.8. Relationship with Other Properties and Other Property Owners.

The Master Association may enter into contractual agreements or covenants to share costs with neighboring property owners or others to contribute funds for such things as shared or mutually beneficial property or services.

6.9. Cooperation with Special Districts.

Special improvement districts and additional metropolitan districts which include all or some portion of Granby Ranch ("Special Districts") may be created as special purpose units of local government in accordance with Colorado law to provide certain community services to some or all of Granby Ranch. The Master Association is hereby authorized to contract with and cooperate with any Special District. The Master Association is further authorized to act on behalf of the Members to ensure that the level of services provided by Special Districts is consistent with Community-Wide Standard.

Special Districts are created in accordance with Colorado law. Each Owner, by acceptance of his or her deed or Recorded contract of sale, covenants and consents to the creation of Special Districts and agrees to execute a separate document evidencing such consent to the creation of a Special District, if requested to do so by Declarant.

6.10. Relations With Tax-Exempt Organizations.

Declarant may create or enter into agreements or contracts with non-profit, tax-exempt organizations, the operation of which confers some benefit upon Granby Ranch, the Master Association, Owners, or Related Users. The Master Association may contribute money, real or personal property, or services to such entity. Any such contribution shall be a Community Common Expense, a Residential Common Expense or a Non-Residential Common Expense as the Board determines. For the purposes of this Section, a “tax-exempt organization” shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code (“Code”), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

6.11. Facilities and Services Open to the Public.

Certain facilities and areas within Granby Ranch may be open for use and enjoyment of the public. Such facilities and areas may include greenbelts, trails, paths, parks, and other neighborhood spots conducive to gathering and interaction, roads, sidewalks, and medians, and amenities and related facilities. Declarant may designate such facilities and areas as being open to the public.

6.12. Provisions of Services.

The Master Association may provide for services and facilities for the Members, the Owners and their Related Users, and shall be authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include landscape maintenance, pest control service, cable television service, Internet and intranet services, security, caretaker, intra-community bus service, other transportation systems serving areas within or outside of Granby Ranch, gate houses and gated security, trash and recycling removal, environmental testing such as air, soil and water, availability of books, records and financial statements of the Master Association, fire protection, utilities, including access to fiber optics networks, and similar services and facilities. Nothing herein shall be construed as a representation by Declarant or the Master Association as to what, if any, services shall be provided. In addition, the Board, in its discretion, shall be permitted to modify or cancel existing services if to do so will be in the best interest of those served or for whose benefit the services exist, unless otherwise required by the Governing Documents. No Member shall be exempt from the obligation to pay for such services,

if provided to all Owners as a Community Common Expense, or to Residential Owners as a Residential Common Expense or to Non-Residential Owners as a Non-Residential Common Expense (as may be determined by the Board) based upon non-use or any other reason.

6.13. Security.

The Master Association may, but shall not be obligated to, maintain or support certain activities designed to make Granby Ranch safer than it otherwise might be. Neither the Master Association nor Declarant shall in any way be considered insurers or guarantors of security within Granby Ranch, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to Granby Ranch, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended.

Each Owner acknowledges, understands, and covenants to inform its tenants and all occupants of its Unit that the Master Association, its Board and committees, and Declarant are not insurers and that each Person living in or using Granby Ranch assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

6.14. Powers of the Master Association Relating to Associations.

The Master Association shall have the power to veto any action taken or contemplated to be taken by any Association which the Board reasonably determines to be adverse to the interests of the Master Association or its Members or inconsistent with the Community-Wide Standard. The Master Association also shall have the power to require specific action to be taken by any Association in connection with its obligations and responsibilities.

An Association shall take appropriate action required by the Master Association in a written notice within the reasonable time frame set by the Master Association in the notice. If the Association fails to comply, the Master Association shall have the right to effect such action on behalf of the Association and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

6.15. Election of Delegates.

For each Delegate District within Granby Ranch which is not otherwise subject to an Association, the Board is authorized to elect a Delegate and an alternate Delegate. The Board may, but shall not be obligated to, delegate its election responsibility as to any Delegate District to

the Owners within such Delegate District. Any such delegation shall be in writing and shall prescribe the procedures for such election.

For each Delegate District subject to an Association, the Association shall elect a Delegate and an alternate Delegate in the manner prescribed in the Association's Declaration. Additionally, in the event the power to elect Delegates and alternate Delegates is delegated to an Association's board by virtue of any Recorded instrument (specifically including but not limited to, an instrument creating a common interest community within an Association, i.e. a "Sub-association" described in Section 2.5 (iii) above, that shall be the manner in which such Delegates and alternate Delegates are elected.

For each Delegate District subject to an Association where that Association fails or refuses to elect a Delegate and alternate Delegate, the Board of the Master Association shall elect the Delegate and alternate Delegate from such Delegate District.

6.16. Conveyance of Property to Silver Creek Master Association.

The Master Association may convey real and personal property to the Silver Creek Master Association if so obligated under the Silver Creek Master Declaration or if the Board otherwise deems such conveyance necessary or appropriate in the exercise of its business judgment.

6.17. Compliance and Enforcement.

(a) Every Member, Owner, and Related User shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents. Such sanctions may include, without limitation:

(i) imposing reasonable monetary fines after notice and opportunity to be heard;

(ii) suspending any Person's right to use any recreational or other facilities or amenities operated by or through the Master Association or their vote to be cast in accordance with Section 5.3 above;

(iii) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(iv) requiring a Non-Residential Owner, at its own expense, to remove any structure or improvement on his or her Non-Residential Unit in violation of Article III and to restore the Non-Residential Unit to its previous condition and, upon failure of the Non-Residential Owner to do so, the Board or its designee shall have the right to enter the property (which entry shall not be deemed a trespass), remove the violation, restore the property to substantially the

same condition as previously existed, and levy a Specific Assessment against the Non-Residential Unit in accordance with Section 7.7 and as further provided in Section 3.8 below;

(v) without liability to any Person, precluding any contractor, subcontractor, agent, or employee who fails to comply with the terms and provisions of Article III and the Architectural Guidelines from continuing or performing any further activities in Granby Ranch; and

(vi) levying a Specific Assessment against any Owner or an Association in the manner provided in Section 7.7 to collect any costs incurred by the Master Association in curing any violation, plus a reasonable administrative fee to discourage noncompliance, or to collect any fine that remains unpaid for a period of 10 days or more.

In addition, the Board may, without providing the Owner the necessity of compliance with the procedures set forth in the Bylaws, (i) exercise self-help in any emergency situation, and (ii) bring suit at law or in equity to enjoin any violation, to recover monetary damages, or both.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Master Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

(b) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(vii) further action if the Master Association's position is not strong enough to justify taking any; or

(viii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or

(ix) although a technical violation may exist or occur, it is not of such a nature as to be objectionable to a reasonable person or to justify expending the Master Association's resources; or

(x) that it is not in the Master Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed as a waiver of the right of the Master Association to enforce such provision at a later time or preclude the Master Association from enforcing any other covenant, restriction, or rule.

Article VII. Master Association Finances

7.1. Creation of Association Lien.

Pursuant to the Act, the Master Association has a statutory lien as described in this Article below. The lien for all Assessments levied by the Master Association pursuant to the Act and as described by this Article VII is prior to all other liens and encumbrances on the Unit except:

- (a) Liens and encumbrances Recorded before the Original Declaration;
- (b) Liens for real estate taxes and other governmental assessments or charges against the Unit;
- (c) The lien created by the Silver Creek Master Declaration for payment of assessments and other charges due to Silver Creek Master Association; and
- (d) A First Mortgage on the Unit Recorded before the date on which the Assessment sought to be enforced became delinquent, except to the extent the Master Association's lien is made superior by the Act (i.e. the Act provides that the Master Association's lien shall be prior to all First Mortgages to the extent of six (6) months of Common Expense Assessments).

This Section does not affect the priority of mechanics' or materialmen's liens. Recording of the Original Declaration constituted Recorded notice and perfection of the lien. No further recordation of any claim of lien for Assessment under this Article VII is required, except a notice of delinquent Assessment must be Recorded before commencement of foreclosure. Sale or transfer of any Unit shall not affect the Assessment lien, however, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of a First Mortgage shall extinguish that portion of the Master Association's lien that is subordinate to the First Mortgage. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Owner from continuing liability for any Assessments thereafter becoming due nor from Assessments which were levied prior to the sale and remain unpaid. No sale or transfer shall relieve such Unit from the Master Association's lien rights for any Assessments thereafter becoming due. Where the holder of a Recorded First Mortgage or other purchaser of a Unit obtains title to the same as a result of foreclosure or conveyance in lieu, such acquirer of title, his or her successors and assigns, shall not, except as provided by this Section, be liable for Assessments levied by the Master Association which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of Assessments shall be deemed to be Common Expenses collectible from all of the Units including such acquirer, his or her successors and assigns.

7.2. Purpose of Assessments.

In addition to such other purposes as set forth in the Act, Assessments shall be used for the purposes of promoting the health, safety, and welfare of Owners and Related Users, and in particular:

- (a) To enforce all provisions of the Governing Documents and all Covenants;
- (b) To exercise all rights and powers and to discharge all duties and obligations pursuant to the Act and the Governing Documents;
- (c) To provide for the payment of fees or other charges to the Declarant, any Special District, any Private Amenity Owner or to any other Person providing an amenity to Units or any category of Unit;
- (d) To discharge all expenses incurred by the Master Association in carrying out its functions pursuant to the Governing Documents; and
- (e) To fund any operating deficit or reserves the Master Association deems necessary to meet its financial obligations.

7.3. Base Assessments.

Base Assessments shall be due and payable annually. The omission or failure of the Board of Directors to levy the Base Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay. Base Assessments shall be levied on an annual basis against all Units based upon the Master Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such Assessment year as adopted by the Board. The budget for Community Common Expenses shall be submitted to the Owners, pursuant to Section 303(4) of the Act and the Bylaws. Base Assessments shall be levied against all Units based upon the following allocations:

- (a) The Private Amenity Units, collectively, shall be allocated 1/3 of the total Base Assessments;
- (b) The Residential Units, collectively, shall be allocated 1/3 of the total Base Assessments; and
- (c) The Non-Residential Units, collectively, shall be allocated 1/3 of the total Base Assessments.

Base Assessments shall be allocated among Owners within the Member categories described above in the same manner as provided for the determination of Owner votes within Member categories under Section 5.3.

7.4. Residential Assessments.

Residential Assessments, shall be separately provided for in the Master Association's financial operations based upon the Residential Common Expenses (if any) and shall be levied against the Residential Units based upon a fraction:

the numerator of which is 1 and the denominator of which is the number of Residential Units in Granby Ranch subject to the payment of Residential Assessments.

7.5. Non-Residential Assessments.

Subject to the provisions of Section 7.15 below, Non-Residential Assessments, shall be separately provided for in the Master Association's financial operations based upon the Non-Residential Common Expenses (if any) and shall be levied against each Non-Residential Units based upon a fraction:

the numerator of which is the number of votes allocated to that Non-Residential Unit pursuant to Section 5.3, and the denominator of which is the total number of votes held by all Non-Residential Units.

7.6. Private Amenity Assessments.

Private Amenity Assessments shall be separately provided for in the Master Association's financial operations based upon the Private Amenity Common Expenses (if any) and shall be levied against the Private Amenity Units equally based upon a fraction:

the numerator of which is 1 and the denominator of which is the number of Private Amenity Units in Granby Ranch subject to payment of Private Amenity Assessments.

7.7. Specific Assessments.

The Master Association shall have the power to levy Specific Assessments against a particular Unit or particular Units as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services upon request of an Owner pursuant to any menu of special services which may be offered by the Master Association (which might include the items identified in Section 6.11). Specific Assessments for special services may be levied in advance of the provision of the requested service;

(b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner, including but not limited to, expenses incurred pursuant to Section 6.3 above and all legal fees and costs incurred by the Master Association;

(c) to collect use and consumption fees charged pursuant to Section 7.8 below;

(d) to collect the Community Fee described in Section 7.9 below;

(e) to cover expenses born by the Master Association which benefit one or more but fewer than all Units and which are not otherwise levied pursuant to Sections 7.4, 7.5 and 7.6 above; and

(f) to levy fines levied against the Unit in the enforcement of the Covenants (provided, the Board shall give the Unit Owner prior written notice and an opportunity to be heard, before levying any Specific Assessment under this subsection (f)).

The Master Association also may levy a Specific Assessment against an Association or the Units within the jurisdiction of an Association to reimburse the Master Association for costs incurred in bringing the Association into compliance with the provisions of the Governing Documents, provided that the Board gives prior written notice to the Association's board of directors and an opportunity for such board to be heard before levying any such Assessment.

7.8. Use and Consumption Fees.

(a) Mandatory Fees. The Master Association is authorized to charge use and consumption fees to any Person who uses services or facilities provided by or through the Master Association or in connection with any amenity the Master Association determines it wishes to provide. The Master Association is also authorized to impose and receive fees or charges for the use, rental, or operation of the Area of Common Responsibility. The Board shall have sole discretion to determine the amount and method of calculation of use and consumption fees, which fees may vary based upon services provided and the users of such services. Any mandatory use and consumption fees which are a continuing annual obligation of any Owners ("Mandatory Use and Consumption Fees"), such as the fees referenced in Section 13.5, shall be set forth in the annual budget, and shall be submitted to the Members, pursuant to Section 303(4) of the Act and the Bylaws. Mandatory Use and Consumption Fees shall be levied against those Units subject to the payment thereof, based upon a fraction: the numerator of which is 1 and the denominator of which is the number of Units subject to the payment of Mandatory Use and Consumption Fees.

(b) Voluntary Fees. During the period described in Section 13.5 below, the Master Association shall collect use and consumption fees in lieu of Residential Assessments

levied for a period of time commencing on the date this Declaration is Recorded and ending as provided in Section 13.5.

7.9. Community Fees.

(a) Authority. As an additional funding source to carry out any one or more of its functions set forth in this Declaration or in the Articles, the Master Association may establish and collect a "Community Fee" from the transferee of an Owner upon each transfer of title to a Residential or Non-Residential Unit, or any portion, component or ownership interest thereof which fee shall be payable to the Master Association at the closing of the transfer, and shall be secured by the Master Association's lien for Assessments. Owners shall notify the Master Association's Secretary or designee of a pending title transfer at least seven days prior to the transfer. Such notice shall include the name of the prospective transferee, the date of title transfer, and other information as may be required by the Board. A transfer of title shall include the transfer of stock or ownership interest in an Owner.

Additionally, upon request of an Association, the Master Association shall levy a Community Fee (or a fee in addition to that otherwise being charged) against the transferee of a Unit subject to the Association's jurisdiction. Any funds collected pursuant to such a request shall be applied as requested by the Association.

(b) Fee Limit. The Board shall have the sole discretion to determine the amount and method of determining the Community Fee. The Board is authorized, but is not required, to determine the Community Fee based upon a sliding scale which varies in accordance with the "gross selling price" of the property, classification of the property as Residential or Non-Residential, or any other factor as determined by the Board. However, in no event shall any Community Fee exceed 3% of the gross selling price of the property. The "gross selling price" shall be the total cost paid to or for the benefit of the seller by or on behalf of the purchaser of the property. Unless demonstrated otherwise to the reasonable satisfaction of the Board, it shall be presumed that the gross selling price for the property is the fair market value of the property. The Board may rely on values obtained from the Grand County Assessor's office to help the Board determine the fair market value of the property.

(c) Purpose. Community Fees shall not be used to fund Master Association routine expenses, but shall be used for such purposes as the Board deems beneficial to the general good and welfare of Granby Ranch. By way of example and not limitation, Community Fees may be used for any or all of the following purposes: to acquire or contribute to the acquisition by others of real property, including recreational and fitness facilities, fishing areas open space, trails and wildlife habitat or other amenities within Granby Ranch or to which Owners have access to, construct improvements including club houses, recreational and fitness buildings and facilities, or other amenities, or such Community Fees might be used to assist the Master Association or one or more tax-exempt entities in funding any one or more of the following:

(i) preservation, improvement and maintenance of natural areas, wildlife preserves, or similar conservation areas, and sponsorship of educational programs and activities which contribute to the overall understanding, appreciation, and preservation of the natural environment of Granby Ranch;

(ii) programs and activities which serve to promote a sense of history and community within Granby Ranch, such as recreational leagues, historical preservation programs, cultural programs, educational programs, festivals, and holiday celebrations and activities, a community computer network, and recycling programs;

(iii) social services, community outreach programs, and other charitable causes; and

(iv) general Association purposes (provided, only funds collected from the sale of Units subject to the particular Association may be used for such purposes).

(d) Use as Security. The Master Association specifically is authorized to pledge, assign, transfer, or convey as security (i) its right to levy and/or collect Community Fees, and (ii) its right, title, and interest in and to all or any portion of Community Fees levied and collected. The Master Association has such authorization regardless of whether such funds are advanced to the Master Association or to any other party.

(e) Exempt Transfers. The Community Fee shall not apply to any of the following, except to the extent that they are used for the purpose of avoiding the Community Fee:

(i) 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 this state;

(ii) any transfer by or to a Declarant, the Association or the successors of such entities;

(iii) 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;

(iv) 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;

(v) any transfer of a Private Amenity Unit;

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

(vii) any transfer made:

(A) by an 80 percent or more owned subsidiary to its parent entity or by a parent entity to its 80 percent or more owned subsidiary, or between 80 percent or more owned subsidiaries of a common parent entity; or

(B) by a partner, member or a joint-venturer to a partnership, limited liability company or a joint venture in which the partner, member or joint venture has not less than an 80 percent interest, or by a partnership, limited liability company or joint venture to a partner, member or joint venture holding not less than an 80 percent interest in such partnership, limited liability company or joint venture; or

(C) by a corporation to its shareholders; in connection with the liquidation of such corporation or other distribution of property or dividend in kind to shareholders, if the Unit is transferred generally pro rata to its shareholders and no consideration is paid other than the cancellation of such corporation's stock; or

(D) by a partnership, limited liability company or a joint venture to its partners, members or joint venturers, in connection with a liquidation of the partnership, limited liability company or joint venture or other distribution of property to the partners, members or joint venturers, if the Unit is transferred generally prorata to its partners, members or joint venturers and no consideration is paid other than the cancellation of the partners', members' or joint venturers' interests; or

(E) to a corporation, partnership, limited liability company, joint venture or other association or organization where such entity is owned in its entirety by the persons transferring the Unit and such persons have the same relative interests in the transferee entity as they had in the Unit immediately prior to such transfer, and no consideration is paid other than the issuance of each such persons' respective stock or other ownership interests in the transferee entity; or

(F) 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 Board of Directors in its sole discretion applied on a consistent basis; provided; however, that no such transfer or series of transactions shall be exempt unless the Board of Directors finds that such transfer or series of transactions(1) is for no consideration other than the issuance, cancellation or surrender of stock or other ownership interest in the transferor or transferee, as appropriate, (2) is not inconsistent with the intent and meaning of this Subsection (vi), and (3) is for a valid business purpose and is not for the purpose of avoiding the obligation to pay the Community Fee. For purposes of this Subsection (vi) (F), a transfer shall be deemed to be without consideration (x) if the only consideration is a book entry made in connection with an intercompany transaction in accordance with generally accepted accounting principles, or (y) no person or entity which does not own a direct or indirect equity interest in the Unit immediately prior to the transfer becomes the owner of a direct or indirect equity interest in the Unit (an "Equity Owner") by virtue of the transfer, and the aggregate interest immediately prior to the transfer of all Equity Owners whose equity interest is increased on account of the transfer does not increase by more than 20 percent (out of the total 100 percent equity interest in the Unit), and no individual is entitled to receive directly or indirectly any consideration in connection with the transfer. In connection with considering any request for an exception under this Subsection (vi)(F), the Board of Directors may require the applicant to submit true and correct copies of all relevant documents relating to the transfer and an opinion of the applicant's counsel (such opinion and counsel to be reasonably acceptable to the Board of Directors) setting forth all relevant facts regarding the transfer, stating that in their opinion the transfer is exempt under this Subsection (vi)(F), and setting forth the basis for such opinion;

(viii) any transfer made solely for the purpose of confirming, correcting, modifying or supplementing a transfer previously recorded, making minor boundary adjustments, removing clouds on titles, or granting easements, rights-of-way or licenses.

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

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

(xi) any transfer solely of minerals or interests in minerals;

(xii) 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;

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

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

(xv) 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;

(xvi) any transfer from a partially owned direct or indirect subsidiary entity to its direct or indirect parent entity 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 entity A owns 60 percent of entity B, and entity B owns 100 percent of entity C and entity C conveys a Unit to entity A for \$2,000,000, 60 percent of the Community Fee would be exempt and a Community Fee would be payable only on \$800,000 (i.e., 40 percent of the \$2,000,000 consideration);

(xvii) the consecutive transfer of a Unit wherein the interim owner acquires such Unit for the sole purpose of immediately reconveying such Unit, but only to the extent there is no consideration to the interim owner and such interim owner receives no right to use or enjoyment of such Unit, provided the Board of Directors 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 Community Fee and subsequent transfers will only be exempt as long as a transfer assessment has been paid in connection with the first transfer of such Unit in such consecutive transaction and only to the extent there is no consideration to the interim owner; and

(xviii) if a purchaser (“Owner”) of a Residential Unit (“Original Unit”) from a Builder exchanges with that same Builder the Original Unit for another Residential Unit (“Second Unit”) in the same project, as determined by the Board of Directors, then the Community Fee levied on the Builder’s transfer of the Second Unit to the Owner pursuant to Section 7.9 of the Declaration shall be based on the difference in value, as determined by the

Board of Directors, between the Original Unit and the Second Unit, provided that such exchange occurs within seventy (70) days after the Owner's purchase of the Original Unit. Under the foregoing circumstances, no Community Fee shall be levied on the Owner's transfer of the Original Unit back to the Builder. If such exchange does not occur within seventy (70) days of the Owner's purchase of the Original Unit, the Community Fee will be levied on the value of both the Original Unit and the Second Unit.

(xix) under circumstances the Board or an Association's board (with respect to a Community Fee the Association requests), in their exercise of business judgment, deems an exempt transfer (e.g., a transfer made solely for estate planning purposes may, but is not required to be, deemed exempt from payment of the Community Fee).

7.10. Charges on Sale and Services.

The Master Association may charge and collect fees or surcharges on retail sales and services as permitted under the Act, and may pledge, transfer, assign, or convey the same as security or as a direct repayment source of any funds advanced or borrowed or money raised for purposes permitted under this Declaration.

7.11. Special Assessments.

In addition to other authorized Assessments, the Master Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted, or for the purpose of acquiring real property and/or constructing improvements thereon, or for any capital or large single-item expense. Special Assessments may be "Special Base Assessments," for Community Common Expenses; "Special Residential Assessments," for Residential Common Expenses; or "Special Non-Residential Assessments," for Non-Residential Common Expenses. Any Special Assessment shall require the consent of Declarant during the Declarant Control Period. Special Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

7.12. Authority To Assess Members; Time of Payment.

Assessments shall be paid in such manner and on such dates as the Board may establish. If the Board so elects, Base Assessments, Residential Assessments, Private Amenity Assessments, and Non-Residential Assessments may be paid in two or more installments. Unless the Board otherwise determines: (i) the Base Assessment shall be due and payable in advance on the first day of each fiscal year; and (ii) the Residential Assessments, Private Amenity Assessments and Non-Residential Assessment shall be due within 30 days of the levy, but in no event later than the first day of the next fiscal year. If any Member is delinquent in paying any Assessments or other

charges levied, the Board may require the outstanding balance on all Assessments to be paid in full immediately.

7.13. Obligation for Assessments.

The Owners covenant and agree to pay all Assessments described in this Article VII as may be levied against it, together with, if applicable, interest (not to exceed 21 % per annum), late charges as determined by Board resolution, costs, and reasonable attorneys' fees. Failure to make payment within the sixty (60) days of the due date thereof shall cause the total amount of such Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. The Board shall establish collection policies in accordance with the Act. Further, the Master Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue Assessments, and may also proceed to foreclose its lien against such Owner's Unit. An action at law or in equity by the Master Association against an Owner to recover a money judgment for unpaid Assessments, may be commenced and pursued by the Master Association without foreclosing or in any way waiving the Master Association's lien therefor. The Master Association's costs of suit, expenses and reasonable attorneys' fees incurred simply by virtue of the failure of the Owner to timely pay Assessments when due, including attorneys' fees and costs for preparing and recording any lien notice, and the Master Association's costs of suit, expenses and reasonable attorneys' fees incurred for any such action and/or foreclosure proceedings, shall be taxed by the court as a part of the costs of any such action or foreclosure proceeding and shall be recoverable by the Master Association from any Owner personally obligated to pay the same and from the proceeds of the foreclosure sale of such Owner's Unit. Foreclosure or attempted foreclosure by the Master Association of its lien shall not be deemed to estop or otherwise preclude the Master Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessments, which are not fully paid when due. The Master Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, and cast the votes appurtenant to such Unit, and to convey or otherwise deal with the same. The grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the Unit which accrued prior to the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. Whether or not the Master Association forecloses its lien, it may apply for the ex parte appointment of a receiver for a Unit and the Owner of such Unit shall be liable for all costs and expenses in securing and maintaining this appointment, including receiver's fees, attorney's fees, and costs.

The Master Association, at the request of an Association, can collect the Association's Assessments directly from the Residential Members who are also members of the Association making the request. The Association may, but is not obligated to, by permission of the Master Association, collect Assessments due under the Master Declaration from each Member and pay such amounts to the Master Association. In such case, the Association also shall include such amounts in its Common Expense budget.

Failure of the Board to fix Assessment amounts or rates or to deliver or mail each Owner an Assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Assessments on the same basis as during the last year for which an Assessment was made, if any, until a new Assessment is levied, at which time the Master Association may retroactively assess any shortfalls in collections.

No Owner may exempt itself from liability for payment of Assessments. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Master Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs, improvements, or from any other action it takes.

7.14. Statement of Account.

Upon written request of any Owner or such Owner's representative delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Master Association's registered agent, the Master Association shall issue a written statement setting forth the amount of any unpaid Assessments of such Member, the amount of the current periodic Base Assessment and the Residential Assessment or Non-Residential Assessment, as the case may be, and any Special Assessments or Specific Assessments and the date on which such Assessments become or became due, and any credit for advanced payments or prepaid items. Such statement shall be delivered to the requesting Person personally or by certified mail, first-class postage prepaid, return receipt requested, within 14 calendar days after receipt of such request. The Master Association may require the payment of a reasonable processing fee for issuance of such statement. Such statement shall be binding on the Master Associations, the Board, and all Members as provided in the Act.

7.15. Exempt Property.

Because property which is not subject to the jurisdiction of an Association or is not subdivided by a Plat into units uses no services and receives no benefit from the Master Association, it shall be exempt from payment of Base, Special and Residential or Non-Residential Assessments. Additionally, any property dedicated to and accepted by any governmental authority or public utility, or which is intended to be so dedicated, shall be exempt from payment of Assessments.

In addition, Declarant and the Master Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

Article VIII. Private Amenities

8.1. General.

Membership in the Master Association or an Association shall not confer any ownership interest in or right to use any Private Amenity Unit or the Private Amenities. Rights to use the Private Amenity Units and Private Amenities shall be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the respective Private Amenity Owners. The Private Amenity Owners shall have the right, from time to time, in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities, including, without limitation, eligibility for and duration of use rights, categories of use, extent of use privileges, and number of users. Any Private Amenity Unit may make their amenities available to any Person, including, without limitation, guests of hotels and inns either within or in the vicinity of Granby Ranch. Private Amenity Owners shall also have the right to reserve use rights and to terminate use rights altogether, subject to the terms of any written agreements with their respective members.

8.2. No Representations.

Persons, including all Owners, are hereby advised that no representations or warranties, either written or oral, have been made or are made by the Declarant or Board or any other person with regard to the nature or size of improvements to, or the continuing ownership or operation of, the Private Amenities. No purported representation or warranty, written or oral, in regard to the private amenities shall ever be effective without an amendment hereto executed or joined into by Declarant.

8.3. Conveyance of Private Amenities.

All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by Declarant, the Master Association, any Association, any Builder, nor by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity. No purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the Private Amenity Owner. The ownership or operation of any Private Amenity may change at any time by virtue of, but without limitation, (a) the sale to or assumption of operations of the Private Amenity by a Person other than the current owner or operator including but not limited to the Master Association; (b) the establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the members of the Private Amenity or an entity owned or controlled by its members become the owner(s) and/or operator(s) of the Private Amenity; or (c) the conveyance of any Private Amenity Unit to one or more of Declarant's affiliates, shareholders, employees, or independent contractors. Consent of the Master Association, any Association, or any Owner shall not be required to effectuate any change in

ownership of a Private Amenity Unit or operation of any Private Amenity, for or without consideration and subject to or free of any mortgage, covenant, lien, or other encumbrance.

8.4. Assumption of Risk and Indemnification.

(a) Golf Course. Each Owner, by purchasing a Unit in the vicinity of a golf course, hereby expressly assumes the risk of noise, personal injury, and property damage caused by maintenance and operation of any such golf course, including, without limitation: (i) noise from maintenance equipment (it being specifically understood that such maintenance typically takes place around sunrise or sunset); (ii) noise caused by golfers; (iii) use of pesticides, herbicides, and fertilizers; (iv) use of effluent in the irrigation of the golf course; (v) reduction in privacy caused by constant golf traffic on the golf course or the removal or pruning of shrubbery or trees on the golf course; (vi) errant golf balls and golf clubs; and (vii) design or redesign of the golf course.

(b) Ski Area. Each Owner hereby expressly assumes the risk of disturbance, personal injury, and property damage caused by maintenance and operation of the Silver Creek skiing facility and recreation area ("Ski Area") including, without limitation: (i) unpredictable amounts and varieties of noise and odors, and unpredictable visible disturbances, from activities and equipment relating to the construction, operation, use, and maintenance of the Ski Area; (ii) traffic, including without limitation, buses, vans, snowcats, snowmobiles, and other vehicles which transport skiers and others around Silver Creek and to the base of the Ski Area and the parking units, and construction and maintenance vehicles and equipment; (iii) tree cutting and clearing, grading, earth moving, and other construction activities relating to the construction, operation, and maintenance of ski trails, skiways, skier bridges, and tunnels within or serving the Ski Area; (iv) construction, operation, and maintenance of access roads, snowmaking equipment, and chair lifts, gondolas, and other skier transportation systems; (v) operation of snow grooming vehicles and equipment and safety and supervision vehicles; and (vi) Owner's and Related Users and others' activities relating to the use of the Ski Area, including, without limitation, skiing, night skiing, snowboarding, hiking, horseback riding, bicycling, and other recreational activities, and organized events and competitions relating to such activities.

(c) Equestrian Center. Each Owner hereby expressly assumes the risk of disturbance, personal injury, and property damage caused by the maintenance and operation of an equestrian center within Silver Creek ("Equestrian Center") including, without limitation: (i) unpredictable amounts and varieties of noise, odors, and dust from horses, activities, and equipment relating to the construction, operation, use, and maintenance of the Equestrian Center; (ii) the presence of insects and rodents (e.g., flies and mice) commonly found in and around horses and equestrian operations; (iii) tree cutting and clearing, grading, earth moving, and other construction activities relating to the construction, operation, and maintenance of horse trails and other riding areas within or serving the Equestrian Center; (iv) operation of maintenance vehicles and heavy equipment in connection with the construction, maintenance, and operation of the

Equestrian Center; and (v) pedestrian and vehicular traffic and activities relating to the Owner's and Related User's and others' use of the Equestrian Center, including, without limitation, horseback riding, hiking, and other recreational activities, and organized events and competitions relating to such activities.

(d) Indemnification. Each Owner agrees that Declarant, the Master Association, each Association, the Private Amenity Owner(s), and any of Declarant's affiliates or agents shall not be liable to Owner or any other Person claiming any loss or damage, including, without limitation, indirect, special, or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment, or any other alleged wrong or entitlement to remedy based upon, due to, arising from, or otherwise related to the proximity of the Owner's Unit to any Private Amenity, including any golf course or the Ski Area. Each Owner hereby agrees to indemnify and hold harmless Declarant, Declarant's affiliates and agents, the Master Association, the Private Amenity Owners, and any Association against any and all such claims by Owner's visitors, tenants, and others upon such Owner's Unit.

8.5. View Impairment.

Declarant, the Master Association, any Association, and any Private Amenity Owner do not guarantee or represent that any view over and across the Private Amenity Unit from adjacent Units will be preserved without impairment. Private Amenity Owners shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping to the Private Amenities from time to time. The owner of any Private Amenity Unit which includes a golf course may, in its sole and absolute discretion, and without limitation, change the location, configuration, size, and elevation of the trees, bunkers, fairways, and greens from time to time. The owner of any Private Amenity Unit which includes a Ski Area may, in its sole and absolute discretion, and without limitation, create new trails, reconfigure existing trails, move or establish ski lifts or elevations, change the terrain of any ski slope or other area, and create new facilities from time to time. Any such additions or changes may diminish or obstruct views from the Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

8.6. Rights of Access and Parking.

There is hereby established for the benefit of the Private Amenities and the Private Amenity Owners' members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within Granby Ranch reasonably necessary to travel between the entrance to Silver Creek and the Private Amenity Unit and over those portions of Granby Ranch reasonably necessary to the operation, maintenance, repair, and replacement of the Private Amenity. Without limiting the generality of the foregoing, members, and guests, and invitees of the Private Amenities shall have the right to park their vehicles on the roadways located

within Granby Ranch at reasonable times before, during, and after tournaments and other similar Private Amenity functions to the extent that the Private Amenity holding such function has insufficient parking to accommodate such vehicles, and with the prior approval of the Board and of the Declarant.

8.7. Architecture and Landscaping.

The Private Amenities shall not be subject to the Architectural Guidelines or the review and approval procedures set forth in Article III. In any event, each Private Amenity Unit shall maintain a quality and style of architecture and landscaping which is consistent with the general scheme of development and design existing within Granby Ranch and which meets or exceeds the minimum requirements under the First Amendment.

8.8. Limitations and Amendments.

In recognition of the fact that the provisions of this Article are for the benefit of the Private Amenity Owners, no amendment to this Article, and no amendment of any other provision of this Declaration which directly benefits the Private Amenity Owner (or any of them), may be made without the written approval of a majority of the Private Amenity Owners. However, the foregoing shall not apply to amendments made by Declarant.

8.9. Jurisdiction and Cooperation.

It is Declarant's intention that the Master Association and the Private Amenity Owners shall cooperate to the maximum extent possible in the operation of Granby Ranch and the Private Amenities. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and Architectural Guidelines.

PART FOUR: COMMUNITY DEVELOPMENT

The Original Declaration reserved various rights to the declarant in order to facilitate the smooth and orderly development of Granby Ranch and to accommodate changes which inevitably occur as a community the size of Granby Ranch grows and matures, and such rights are restated, but not expanded, below.

Article IX. Expansion of Granby Ranch

9.1. Expansion By Declarant.

(a) Without Approval of Master Association. Until all property described in Exhibit B has been subjected to this Declaration or the expiration of the Development Period, whichever is earlier, Declarant may unilaterally subject to the provisions of this Declaration all or any portion of the real property described in Exhibit B. Declarant may transfer or assign this right

to subject property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibit A or Exhibit B and that such transfer is memorialized in a written, Recorded instrument executed by Declarant and the transferee.

Declarant shall subject property to the Declaration by Recording a Supplemental Declaration describing the property being subjected. Such Supplemental Declaration also shall subject such property to the terms of the Master Declaration, as amended, and shall give the Recording information therefor. Such Supplemental Declaration shall not require the consent of Members but shall require the consent of the owner of such property, if other than Declarant.

Declarant shall have no obligation to subject any portion of the property described on Exhibit B to this Declaration.

(b) Master Declaration Requirements. Declarant or the Master Association may, but shall not be obligated to, subject property that is not described in Exhibit B to the terms of this Declaration and the Master Declaration by Supplemental Declaration. Any such annexation shall comply with the applicable Master Declaration requirements, if any.

9.2. Expansion by the Master Association.

After Declarant's right unilaterally to subject additional property expires as provided in Section 9.1, the Master Association may subject any real property to the provisions of this Declaration with the consent of the owner of such property, a Member Vote, the consent of Declarant during the Declarant Control Period, and, if the property to be subjected is not described in Exhibit B, pursuant to the terms of the Master Declaration.

The Master Association shall subject such property by Recording a Supplemental Declaration describing the property being subjected. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Master Association, by the owner of the subjected property, by Declarant, if Declarant's consent is required, and by the President of the Master Association, if the Master Association's consent is required. Any such subjection of property shall be effective upon Recording unless otherwise provided therein.

9.3. Withdrawal of Property.

Declarant reserves the unilateral right during the Development Period to amend this Declaration to withdraw any portion of the Property from the coverage of this Declaration whether originally described in Exhibit A or added by Supplemental Declaration. Such amendment shall not require the consent of any Person other than the owner of the property to be withdrawn but shall be subject to any restrictions imposed by the Act.

9.4. Additional Covenants.

In addition to rights granted to Declarant pursuant to Articles IX and X of this Declaration, during the Development Period, Declarant may subject unilaterally any portion of the Property to additional Covenants. Such additional covenants and easements shall be set forth in a declaration filed either concurrent with or after the subjection of the property and shall require the written consent of the owner(s) of such property, if other than Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.5. Effect of Filing Supplemental Declaration.

A Supplemental Declaration shall be effective upon Recording unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Master Association and Assessment liability in accordance with the provisions of this Declaration.

9.6. Amendment.

This Article shall not be amended without the prior written consent of Declarant during the Development Period.

Article X. Development Rights and Protections

10.1. Reasonable Rights To Develop.

The completion of construction and the sale or other disposal of Units is essential to the establishment and welfare of Granby Ranch as a master planned community. Therefore, until the expiration of the Development Period, nothing in this Declaration or the other Governing Documents shall be understood or construed to:

(a) prevent Declarant, its contractors, or its subcontractors from doing in Granby Ranch or on any Unit whatever is reasonably necessary or advisable in connection with the development, construction, and sale of Units;

(b) prevent Declarant or its representatives from erecting, constructing, and maintaining on any part of Granby Ranch such structures as Declarant may deem to be reasonably necessary for the sale, lease, or disposition of Units;

(c) prevent Declarant from maintaining such signs and conducting such activities on any part of Granby Ranch owned by Declarant or the Master Association as Declarant may deem to be reasonably necessary for the sale, lease, or disposition of Units; or

(d) prevent Declarant from placing and utilizing on Units or other property which it owns one or more mobile homes or temporary structures as sales offices or for construction activities.

10.2. Special Declarant Rights.

During the Development Period, Declarant reserves the following Special Declarant Rights:

(a) the right to complete any improvements indicated on a Plat or, development plans, for the Property described in Exhibit A or Exhibit B by any reasonable means necessary;

(b) the right to exercise the following Development Rights:

(i) the right to expand and contract Granby Ranch as provided in Article IX;

(ii) the right to create additional Units up to the number of Maximum Units;

(iii) the right to subdivide Units which it owns; and

(iv) the right to withdraw from Granby Ranch any Unit or any portion of a Unit not yet conveyed by Declarant, subject to such local government approvals as may be required;

(c) the right to maintain sales offices, management offices, and advertising signs on the property described in Exhibit A and Exhibit B, as set forth in Section 10.3;

(d) the right to merge or consolidate the Master Association with another common interest community of the same form of ownership; and

(e) the right to appoint and remove any director or officer of the Master Association during the Declarant Control Period as provided in the Bylaws.

The foregoing rights may be exercised with respect to different portions of the Property at different times. If a Development Right is exercised with respect to any portion of Granby Ranch, it need not be exercised with respect to all or any other portion of Granby Ranch. No assurances are made as to the boundaries of, or the order in which such Development Rights may be exercised with respect to, portions of Granby Ranch.

10.3. Marketing and Sales Activities.

During the Development Period, Declarant and Builders authorized by Declarant may construct, relocate, maintain, and carry on upon portions of the property described in Exhibit A or Exhibit B such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Units. Such facilities and activities may include, without limitation, business offices, signs, model units, and sales offices. There shall be no limit on the number or size of such facilities. Declarant and authorized Builders shall have easements for access to and use of such facilities. Declarant reserves the right to remove any personal property used in connection with its activities upon termination of its rights under this Section.

10.4. Construction of Improvements.

During the Development Period, subject to Section 11.3(d), Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the property described in Exhibit A and Exhibit B for the purpose of discharging Declarant's obligations under this Declaration; exercising any Special Declarant Right; or making, constructing, and installing such improvements as deemed appropriate in Declarant's sole discretion. Every Person that acquires any interest in Granby Ranch acknowledges that the development of Granby Ranch is likely to extend over many years and agrees not to protest, challenge, or otherwise object to (a) changes in uses or density of property in Granby Ranch or (b) changes in development plans.

Declarant is not legally obligated to construct any Common Element within Granby Ranch. Declarant anticipates, however, that the Master Association may construct, operate or maintain any of the following: parking areas, streets, roads, paths, walkways, sidewalks, trails, drives, malls, stairs, skiways, ski lifts, snow-making facilities, health care facilities, security systems, fire protection facilities, fire water system, lights, signage, transportation systems including but not limited to gondola, bus, automobile or rail systems and any facilities necessary or appropriate for the proper operation and maintenance of such systems, access road control gates, daycare facilities and such equipment as may be appropriate for use in connection therewith, swimming pools, ice rinks, skating ponds, clubhouses, foot and bicycle trails and related facilities, saunas, steam baths, tennis courts, game or sports courts, game and special events areas, fishing areas and facilities, bob sledding and snow shoeing facilities, outdoor entertainment and other recreational amenities and such equipment as may be appropriate for use in connection therewith, reception and information centers, facilities to accommodate guests and visitors, a central waste collection and/or disposal facility, animal control facilities, kennel facilities, satellite dishes, cable television equipment and related facilities, telephone answering service facilities, warehouses, central laundry facilities, a central communications center, mailbox structures, bus stops and related structures, gardens, sprinkler systems and other landscaping improvements and appurtenances, ponds, water tanks, drainage facilities, monuments, recreational areas, storage facilities for

supplies and equipment, earth walls, retaining walls and other road and skiway supports, ducts, shafts and flues, conduits, utility and service lines and systems including but not limited to water, sanitary sewer, gas, storm drainage, telephone, electricity, cable and/or satellite television, and other communications lines and systems, sales offices, booths and other structures used for sales or promotional purposes, management offices, housing for Master Association or Association employees, models, buildings, environmental monitoring equipment or facilities, all types of structures, facilities and improvements that a Special District may be empowered by law from time to time to construct, and such other buildings, facilities, structures and improvements as the Master Association may from time to time deem necessary or advisable. Neither the Master Association nor the Declarant shall have any obligation to construct, operate or maintain any of the foregoing improvements.

10.5. Rights To Approve Additional Covenants.

No Person shall Record any Association documentation or other declaration of covenants, conditions, and restrictions; condominium declaration; or similar instrument affecting any portion of Granby Ranch without Declarant's review and written consent, for so long as Declarant owns property described in Exhibit A and Exhibit B, and, thereafter, without the Master Association's review and written consent. Any instrument Recorded without such consent shall be void and of no force and effect unless Declarant subsequently approves by signed and Recorded written consent.

10.6. Rights To Transfer or Assign Declarant Rights.

Any or all of Declarant's special rights and obligations set forth in this Declaration or the Bylaws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. No such transfer or assignment shall be effective unless it is in a written instrument signed and Recorded by Declarant. The foregoing shall not preclude Declarant from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety. In such case, it shall not be necessary to Record any written assignment unless necessary to evidence Declarant's consent to such exercise.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a large planned community, with its wide array of properties and development types and its ongoing development activity, requires the creation of special property rights and provisions to address the needs and responsibilities of the Members, Declarant, the Master Association, and others within or adjacent to the community.

Article XI. Easements

11.1. Easements in Property Owned or Operated by Master Association.

Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the facilities and amenities owned by the Master Association, subject to:

(a) The Master Declaration, the Governing Documents, and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed or other instrument conveying an interest in such property to the Master Association;

(c) The Board's right to:

(i) adopt rules regulating use and enjoyment of facilities and amenities, including rules limiting the number of guests who may use particular facilities and amenities;

(ii) limit the right of access to properties owned by the Master Association in cases where the Owner has not agreed to be bound by the terms of this Declaration, during the period and in the manner set forth in Section 13.5;

(iii) suspend the right of any Owner or Member to use facilities operated or maintained by the Master Association (A) for any period during which any charge against such Member or Owner remains delinquent, and (B) for a period not to exceed 30 days for a single violation, or for a longer period in the case of any continuing violation, of the Governing Documents after notice and a hearing pursuant to the Bylaws;

(iv) dedicate or transfer all or any part of such property, subject to such approval requirements as may be set forth in this Declaration;

(v) permit use of any facilities by persons other than Owners, their families, lessees, and guests under conditions established by the Board (which may include the payment of use fees) and designate areas and facilities as open for the use and enjoyment of the public; and

(vi) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

11.2. Easements of Encroachment.

Declarant grants reciprocal appurtenant easements of encroachment between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed,

reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3. Easements for Utilities, Infrastructure, and other Improvements.

(a) Installation and Maintenance. Declarant reserves for itself, its successors and assigns during the Development Period, and thereafter grants to the Master Association, non-exclusive easements throughout Granby Ranch (but not through a structure) to the extent reasonably necessary for the purpose of:

(i) installing utilities and infrastructure, cable, fiber optics, and other systems for sending and receiving data or other electronic signals, security and similar systems, walkways, pathways, trails, drainage systems, street lights, ponds and water tanks, sprinkler systems and other landscaping improvements, streets, parking areas, drainage structures, and signage;

(ii) constructing, using, operating, and maintaining mountain or golf course access roads and other limited access roads; skiways; recreational trails; any facilities necessary or useful for transit purposes, including gondolas or other means of transportation to and from portions of the Silver Creek Resort; bus stops and related structures; ski lifts; snowmaking facilities; clubhouses; storage facilities for supplies and equipment; earth walls, retaining walls, bridges, and other road and skyway supports; lighting (including trail lighting for night skiing); golf fairways and cart trails; golf driving ranges and related facilities; recreational areas and facilities (including, but not limited to, equine facilities); signage pertaining to any of the foregoing; and any and all types of structures, facilities, and improvements that Declarant may be empowered by law from time to time to construct; and

(iii) inspecting, maintaining, repairing, and replacing the utilities, infrastructure, and other improvements described in Section 11.3(a)(i) and (ii) (including, but not limited to access to read utility meters).

(b) Special Development. During the Development Period, Declarant also reserves the non-exclusive right and power to grant and Record such specific easements or licenses within Granby Ranch as may be necessary, in Declarant's sole discretion, in connection with the orderly development of Granby Ranch.

(c) Benefit. Any easements or licenses created pursuant to this Section may run to Declarant's benefit or may be created in the name of or assigned to any governmental or quasigovernmental entity, utility provider, special district, or other Person for the benefit of the

public or any other specified group of Persons, or for the benefit of owners of property within or adjacent to the Silver Creek Resort.

(d) Minimal Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement to the extent feasible. Regardless of whether such specification is made, upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

(e) Waiver or Limitation. Declarant may waive, limit, or restrict any easement or license rights granted by this Section, in whole or in part, by Recording a written statement to such effect, executed by Declarant or its agent. No such waiver, limitation, or restriction shall affect any residual rights of Declarant under this Section except as specifically set forth in such statement. The Recording of a final Plat creating Units shall be deemed to extinguish Declarant's rights as to initial construction or installation under this Section on or within the Units created by such final Plat as of the date of the sale of the first such Unit to a purchaser other than a Builder, except to the extent noted in a Recorded Supplemental Declaration, Plat, map, license, easement, or other instrument. In any event, Declarant's rights as to property which is not a part of a Unit shall not be so extinguished.

The rights granted pursuant to this Section 11.3 may be assigned to the Master Association, an Association, a metropolitan district or a special improvement district.

11.4. Easements To Serve Additional Property.

Declarant hereby reserves, during the Development Period, for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over Granby Ranch for the purposes of enjoyment, use, access, and development of the property described in Exhibit B, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over Granby Ranch for construction of roads and for connecting and installing utilities on any portion of the Exhibit B property.

Declarant agrees that it and its successors or assigns shall be responsible for any physical property damage caused as a result of their actions in connection with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property, or any portion thereof, benefiting from such easement is not made subject to this Declaration, Declarant, its successors or assigns shall enter into a reasonable

agreement with the Master Association to share the cost of any maintenance which the Master Association provides to or along any roadway providing access to such property.

11.5. Easements for Maintenance, Emergency, and Enforcement.

Declarant grants to the Master Association easements over Granby Ranch as necessary to enable the Master Association to fulfill its maintenance responsibilities under Section 6.2. The Master Association also shall have the right, but not the obligation, to enter upon any Residential or Non-Residential Unit for emergency, security, and safety reasons, to perform maintenance or to make emergency repairs and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

Additionally, a general easement is granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or person to enter Granby Ranch and all property therein in the proper performance of their duties.

11.6. Easements for Cross-Drainage.

Each portion of Granby Ranch is burdened with easements for drainage of storm water runoff from other portions of Granby Ranch. No Person shall grade or otherwise modify the natural drainage on any property without complying with the architectural review procedures set forth in Article III.

11.7. Easement for Access.

The Master Association is hereby granted an easement to enter upon the ponds, streams and wetlands located within Granby Ranch to:

(a) install, keep, maintain, and replace pumps in order to provide water for irrigation; and

(b) construct, maintain, and repair any bulkhead, wall, dam or other structure retaining water; and remove trash and other debris therefrom and fulfill their maintenance responsibilities. The Board and its designees shall have an access easement over and across any of the Property, abutting or containing any portion of any of the lakes, ponds, streams, or wetlands to the extent reasonably necessary to exercise their rights under this Section. In particular, the Board shall have access over, under, upon, above, across and through Granby Ranch for the purposes of construction, operation, maintenance, repair and replacement of a Road or Roads and for the use, construction, operation, maintenance, repair and replacement of trail systems, including, without

limitation, pedestrian, equestrian, bicycle, nordic skiing trails, walkways and pathways, within the Property, and for the purposes of agricultural use, including without limitation, pastures and for the growing of hay and other agricultural crops customarily and historically grown in the area;

11.8. Easements for Golf Course.

Every Unit and each Association's common property is burdened with an easement permitting golf balls unintentionally to come upon such areas, and for golfers at reasonable times and in a reasonable manner to come upon the common property of an Association or the exterior portions of a Unit to retrieve errant golf balls; provided, if any Unit is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: Declarant; the Master Association; any Association or its members (in their capacities as such); any Private Amenity Owner, its successors or assigns; any builder or contractor (in their capacities as such); any officer, director, or partner of any of the foregoing, or any officer or director of any partner.

The owner of any golf course within or adjacent to any portion of Granby Ranch, its agents, successors, and assigns, shall at all times have a right and nonexclusive easement of access and use over those portions of an Association's common property as are reasonably necessary to the operation, maintenance, repair, and replacement of its golf course.

Any portion of Granby Ranch immediately adjacent to any golf course is hereby burdened with a non-exclusive easement in favor of the adjacent golf course for overspray of water from the irrigation system serving such golf course. Under no circumstances shall the Master Association, any Association, or the owner of such golf course be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

The owner of any golf course within or adjacent to any portion of Granby Ranch, its agents, successors, and assigns, shall have a perpetual, exclusive easement of access over Granby Ranch for the purpose of retrieving golf balls from bodies of water lying reasonably within range of golf balls hit from its golf course.

11.9. Conservation Easements.

Portions of Granby Ranch are or may in the future be subject to Conservation Easements. In addition to Conservation Easements existing at the time of recording this Declaration, the Master Association shall have the right, power and authority to amend and modify such Conservation Easements and to grant additional easements for conservation, wildlife mitigation, wetlands mitigation or similar purposes to governmental agencies or bodies or to other appropriate organizations over all portions of Granby Ranch which are subject to Conservation Easements, so

long as such additional easements are not inconsistent with the provisions and requirements of the Conservation Easements. The interest of each Owner in and to his Unit shall be and is hereby made subject and subordinate to any such amendment and modification of the Conservation Easements and additional easements for conservation, wildlife mitigation, wetlands mitigation or similar purposes granted by the Master Association at any time and from time to time. The Master Association shall be granted the power of attorney for the Owners described in this Declaration for the purposes described in this Section 11.9

PART SIX: PROMOTION OF THE COMMUNITY

Promoting Silver Creek as a community in which people want to live and visit benefits all of its residents. The Master Association, as an entity representing all residents of Granby Ranch, can play a significant role in this regard.

Article XII. Promotion of Silver Creek

12.1. Activities and Purpose.

The Master Association is authorized to establish and implement programs and activities, the primary purpose of which shall be to increase awareness and support of Silver Creek and to project a positive image to people and businesses both within and outside of Silver Creek. In this regard, the Board may appoint and provide funding for a committee of three to five members ("Promotion Committee"), which Promotion Committee shall engage in activities designed to accomplish this purpose including, but not limited to, market research, public relations, advertising, and joint enterprises with other Persons or groups. The Board may also delegate to the Promotion Committee the authority to provide various services the Board deems appropriate.

The Promotion Committee shall have the authority to determine the nature and extent of any promotion of Silver Creek and make necessary recommendations to the Board, but shall not have the authority to bind the Master Association to any contract or agreement with any third party.

The Promotion Committee shall not promote single entities or components within Silver Creek but shall only engage in promotion of Silver Creek as a whole; provided, the reasonable and balanced use of single entities as focal viewpoints of periodic promotional activities shall not violate this provision. The activities carried out by the Promotion Committee may be on-site, off-site, within, and outside Silver Creek and may be conducted in cooperation with nonmembers.

12.2. Committee Membership.

Members of the Promotion Committee shall be chosen from among the Members or their representatives.

12.3. Obligation to Support.

The Board shall establish an annual budget for the Promotion Committee, which shall be included as a Common Expense and listed as a separate line item in the annual Master Association budget.

12.4. Rules and Regulations.

The Promotion Committee shall be governed by rules and regulations established for its governance by the Board.

12.5. Cooperation by Declarant.

Declarant agrees to cooperate with the Promotion Committee in promoting Silver Creek and may, but shall not be obligated to, contribute to support its activities. Declarant may be a member of the Promotion Committee and, in any event, shall also be an ex-officio member of the Promotion Committee.

PART SEVEN: CHANGES IN THE COMMUNITY

Communities such as Silver Creek are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change, as the residents age and change over time, and as the surrounding community changes. Granby Ranch and the documents that govern the community must be able to adapt to these changes while protecting the things that make Granby Ranch unique.

Article XIII. Miscellaneous

13.1. Condemnation.

If any part of the real property owned by the Master Association shall be taken by any authority having the power of condemnation or eminent domain (or conveyed in lieu of and under threat of condemnation), each Member shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Master Association to be disbursed as follows:

If the taking or conveyance involves a portion of the real property on which improvements have been constructed, the Master Association shall restore or replace such improvements on its remaining land to the extent available, unless within 60 days after such taking Declarant, during the Declarant Control Period, and Members, by a Member Vote, shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board.

If the taking or conveyance does not involve any improvements, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Master Association and used for such purposes as the Board shall determine.

13.2. Transfer, Partition, or Encumbrance of Master Association Property.

(a) Except as otherwise specifically provided in this Declaration, the property owned by the Master Association shall not be judicially partitioned, nor shall its ownership be otherwise divided or encumbered in any manner after conveyance to the Master Association, except upon a Member Vote and the consent of Declarant during the Declarant Control Period.

(b) The Master Association shall have the authority to transfer portions of the real property it owns and improvements thereon to appropriate governmental entities or tax-exempt organizations for the maintenance, operation and preservation thereof, provided that any such transfer shall not relieve the Master Association and the Members of any rights provided in this Declaration. Property so transferred shall otherwise be subject to the provisions of this Declaration. This authority to transfer real property shall be subject to Declarant's consent, during the Declarant Control Period and, thereafter, to the approval of Members entitled to cast a majority of the total votes in the Master Association.

13.3. Exclusive Rights to Use Name of Development.

No Person shall use the names "Silver Creek," "SolVista," "Granby Ranch," or any derivative of such name in any printed or promotional material without Declarant's written consent. However, Owners may use the name "Silver Creek Resort" in printed or promotional matters where such term is used solely to specify that particular property is located within the Silver Creek Resort, and the Master Association and any Association shall be entitled to use the words "Silver Creek" or "Granby Ranch" in their name.

13.4. Amendment.

Except for amendments which may be executed unilaterally by Declarant during the Development Period in the exercise of its Development Rights, or amendments executed by Declarant or the Master Association as authorized in the Act, this Declaration may be amended only by a Member Vote, and the consent of Declarant during the Declarant Control Period.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Amendments to this Declaration shall be executed and certified by the President of the Master Association and Recorded. The recitation in such certificate that the requisite

consent or vote has been obtained for its adoption shall constitute prima face evidence of such fact.

13.5. Effective Date of this Declaration and Applicability of Provisions to Existing Units.

All provisions are applicable to all Units within Granby Ranch as of the date of recording of the Amended and Restated Declaration for Granby Ranch (May 3, 2007), except as follows:

(a) Residential Units Within Kicking Horse Lodges Owners Association.

Owners of and Persons under contract to purchase Residential Units within the common interest community known as "Kicking Horse Lodges at Silver Creek Golf & Ski Ranch" as of May 1, 2007 shall have the option of either: (i) electing to pay Mandatory Use and Consumption Fees levied pursuant to Section 7.8(a), which Mandatory Use and Consumption Fees are levied for the purpose of providing unlimited ski access for the Owner and his or her immediate family (as defined under the membership plan of the Club at Granby Ranch, as may be amended from time to time) and for the purpose of funding the operation of the Grange Hall, recreational trails, river frontage (for fishing) and the River Camp, as well as other open spaces and amenities; or (ii) paying the voluntary use and consumption fees associated with these amenities as may be established by the Master Association from time to time pursuant to Section 7.8(b). Additionally, Owners of Kicking Horse Lodges Residential Units are entitled to exercise their rights granted to them under amenity fee agreements to which they may be parties with Declarant.

(b) Residential Owners Outside of Kicking Horse Lodges Owners Association.

Owners of and Persons under contract to purchase Residential Units (excluding Builders) within Granby Ranch as of May 1, 2007 and which Residential Units are not under the jurisdiction of the Kicking Horse Lodges Owners Association shall have the option of either: (i) electing to pay Mandatory Use and Consumption Fees levied pursuant to Section 7.8(a), which Mandatory Use and Consumption Fees are levied for the purpose of providing unlimited ski access for the Owner and his or her immediate family as defined under the membership plan of the Club at Granby Ranch, as may be amended from time to time), and for the purpose of funding the operation of the Grange Hall, recreational trails, river frontage (for fishing) and the River Camp, as well as other open spaces and amenities; or (ii) paying the voluntary use and consumption fees associated with these amenities as may be established by the Master Association from time to time pursuant to Section 7.8(b). All Owners of Residential Units (except certain purchasers of Residential Units under the jurisdiction of the Kicking Horse Lodges Owners Association as well as Declarant and Builders) are entitled to exercise their existing rights granted to them under any amenity fee agreements or amenity fee resolutions including their right to annually receive 16 daily ski passes.

Builders are excluded from the obligation to pay these Mandatory Use and Consumption Fees because they have no rights to use any recreational amenities or open space or any entitlement under this Declaration for discount skiing.

(c) Expiration of the Rights Granted in this Section 13.5. All rights granted pursuant to Section 13.5(a)(i) and 13.5(b)(i) are personal to the Owners and do not inure to their successors in title of the Unit. Therefore, this right of election expires upon the earlier of: (i) the execution by all Owners of the Unit of a written instrument provided by the Master Association which expressly waives this right and under which the Owner and his successors and assigns are fully bound to pay the amounts levied pursuant to Section 13.5(a)(i) or Section 13.5(b)(i); or (ii) transfer of title to such Owner's Unit, upon which transfer the Owner's transferee and their successors and assigns shall thereafter be fully bound to pay these amounts pursuant to the terms of this Declaration. References in any written instrument Recorded pursuant to this Section 13.5 to "Residential Assessments" shall be deemed to mean Mandatory Use and Consumption Fees which are levied for the purposes set forth in Section 13.5(a)(i) and Section 13.5(b)(i).

13.6. Validity of Amendments

No amendment may remove, revoke, or modify any right or privilege of Declarant without Declarant's written consent (or the assignee of such right or privilege).

If a Member consents to any amendment to this Declaration or the Bylaws, it shall be conclusively presumed that such Member has the authority to consent, and no contrary provision in any contract between the Member and a third party shall affect the validity of such amendment.

Except as provided in Section 13.5 above, any amendment shall become effective upon Recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one year of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

13.7. Exhibits.

Exhibits A and Exhibit B attaches to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Article.

13.8. Interpretation of this Declaration.

Except for judicial construction, the Master Association shall have the exclusive right to construe and interpret provisions of this Declaration. In the absence of any adjudication to the contrary by court of competent jurisdiction, the construction or interpretation of the provisions hereof by the Master Association shall be final, conclusive, and binding as to all Persons and property benefited or bound by the covenants and the provisions hereof.

13.9. Trademarks and Tradenames.

Each Owners by acceptance of a deed to its Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed: (i) to acknowledge that “Silver Creek,” “SilverCreek” and their derivatives (including but not limited to “Silver Creek Resort” and “Silver Creek Golf and Ski Ranch”) and associated logos are the proprietary tradenames and trademarks of the Declarant; and (ii) to covenant that it shall not use such terms or logos without the prior written consent of Declarant.

13.10. Number and Gender.

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

13.11. Captions.

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

13.12. Severability.

The provisions of this Declaration shall be deemed to be independent and severable, and the invalidation of any one or more of the provisions hereof, or any portion thereof, by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provision shall remain in full force and effect.

IN WITNESS WHEREOF, the president of Granby Ranch Conservancy Inc. by her/his signature below, hereby certifies that a majority vote of the Members as required by Section 13.4 of the Declaration has been obtained to approve the foregoing Amendment.

GRANBY RANCH CONSERVANCY INC., a
Colorado non-profit corporation

M. Cipriani

Name: Marise Cipriani
Title: President

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

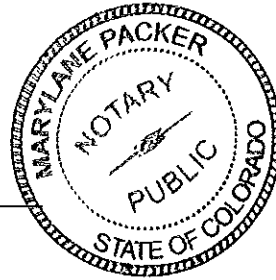
The foregoing instrument was acknowledged before me this 15th day of May, 2013 by Marise Cipriani, the President of Granby Ranch Conservancy Inc., a Colorado non-profit corporation.

Witness my hand and official seal.

[Signature]

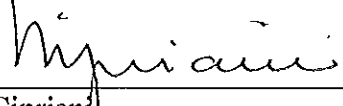
Notary Public

My commission expires: 8/13/15



BY ITS REPRESENTATIVE'S EXECUTION BELOW, GRANBY REALTY HOLDINGS LLC, THE DECLARANT, HEREBY APPROVES THE FOREGOING SECOND AMENDED AND RESTATED DECLARATION FOR GRANBY RANCH.

GRANBY REALTY HOLDINGS LLC, a Colorado limited liability company

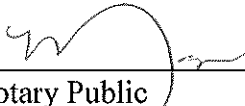


Name: Marise Cipriani
Title: Manager

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

The foregoing instrument was acknowledged before me this 15th day of MAY, 2013 by Marise Cipriani, the Manager of Granby Realty Holdings LLC, a Colorado limited liability company.

Witness my hand and official seal.



Notary Public

My commission expires:

8/13/15

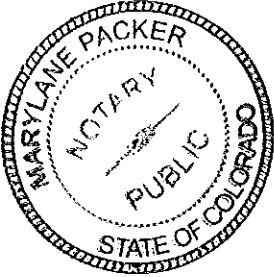


EXHIBIT A
GRANBY RANCH CONSERVANCY
LEGAL DESCRIPTION OF LAND INITIALLY AND SUBSEQUENTLY INCLUDED

All of the following described lands are within Township 1 North, Range 76 West of the Sixth Principle Meridian, Grand County, Colorado.

Section 3:

W1/2 of the SW1/4;
NE1/4 of the SW1/4;
SW1/4 of the NW1/4;

EXCEPT the Union Pacific (Denver & Rio Grande Western) Railroad right-of-way.

Section 4:

S1/2;
S1/2 of the NW1/4;
SE1/4 of the NE1/4;

EXCEPT the Union Pacific (Denver & Rio Grande Western) Railroad right-of-way.

Section 5:

SW1/4 of the SE1/4;
SW1/4;
S1/2 of the N1/2;
NW1/4 of the SE1/4;

lot 5 and lot 6 as shown on the Dependent Resurvey and Survey of Township 1 North, Range 76 West of the 6th P.M. accepted by the Bureau of Land Management on October 10, 1979 and filed in the Colorado State office on November 1, 1979;

EXCEPT (1) the Union Pacific (Denver & Rio Grande Western) Railroad right-of-way, and (2) the Silversage Subdivision.

Section 6:

SE1/4;
S1/2 of the NE1/4 lying Easterly of U.S. Highway 40;

EXCEPT (1) any portion lying within U.S. Highway 40, and (2) that tract of land as conveyed in instrument recorded July 18, 1962, in book 140, at Page 303, and (3) that tract of land as conveyed by

Morris Herefords to Gerald L. Rust and Betty Rust by instrument recorded March 12, 1963, in Book 142 at Page 510, and (4) that tract of land as conveyed by Morris Herefords to W.H. Sheppard and Susan A. Sheppard by instrument recorded August 9, 1966, in Book 154 at Page 119, and (5) The Highlands Subdivision, and (6) the Silversage Subdivision, and (7) that tract of land as conveyed by Silver Creek Development Company to Teddy Gene Kellner by instrument recorded January 6, 1987, in Book 410 at Page 642, and (8) Lot 5A of the 2nd Amendment to Granby Ranch Filing 14 as shown on the plat recorded on December 16, 2011 at Reception No. 2011009215 (withdrawn by document recorded on July 3, 2012 at Reception No.2012004831).

Section 7:

NE1/4 of the SE1/4 lying Easterly of U.S. Highway 40;

EXCEPT (1) any portion lying within U.S. Highway 40, and (2) that tract of land as conveyed by Leah R. Morris and Harry Morris by instrument recorded September 15, 1952, in Book 103 at Page 174, and (3) that tract of land as conveyed by Morris Herefords to William L. Walden and Winifred Mae Walden by instrument recorded August 25, 1965, in Book 151 at Page 17, and (4) that tract of land as conveyed by Morris Herefords to C & H Distributing Company by instrument recorded October 30, 1969, in Book 167 at Page 725, and (5) that tract of land as conveyed by Markus Marte and Antonia Marte to Joseph J. Marte by instrument recorded May 1, 1970, in Book 170 at Page 397, and (6) the Highlands Subdivision, and (7) the Silversage Subdivision, and (8) The Inn at Silver Creek - Phase II.

Section 6/7:

A 35.0 acre parcel of land West of U.S. Highway 40 as described in Book 352, Page 660, Grand County records.

Section 8:

NE1/4 of the SW1/4;

E1/2 of the NE1/4;

N1/2 of the SE1/4;

SE1/4 of the SE1/4;

E1/2 of the NW1/4;

Lots 2, 3, 4 and 5 Lakeview Subdivision;

lot 1 and lot 2 as shown on the Dependent Resurvey and Survey of Township 1 North, Range 76 West of the 6th P.M. accepted by the Bureau of Land Management on October 10, 1979 and filed in the Colorado State office on November 1, 1979;

All of Blocks 1, 2, 3 and 4, and lots 1, 2, 3, 4 and 5, Block 5, Brook Drive, Nymph Drive, Crystal Drive and Crystal Court, Innsbruck-Val Moritz, Grand County, Colorado, as recorded at Reception

Number 127907, Grand County records, in Section 8, Township 1 North, Range 76 West of the Sixth Principle Meridian, being more particularly described as follows:

Beginning at the Southwest corner of Section 8; thence along the West line of Section 8 N07°02'09"E, 1304.65 feet to the Northwest corner of the SW1/4 of the SW1/4 of Section 8; thence departing said West line N23°36'45"E, 285.82 feet to a point on the Southerly line of Village Road; thence along the Southerly line of Village Road the following three courses and curve;

- 1) N72°00'00"E, 207.66 feet;
- 2) 168.94 feet along the arc of a curve to the left having a radius of 440.00 feet, a central angle of 22°00'00" and a long chord which bears N61°00'00"E, 167.91 feet;
- 3) N50°00'00"E, 175.15 feet;

thence S39°59'59"E, 30.00 feet to a point on the Easterly line of Nymph Drive; thence along the Easterly line of Nymph Drive the following course and curve;

- 1) S39°59'59"E, 8.20 feet;
- 2) 130.66 feet along the arc of a curve to the right having a radius of 280.00 feet, a central angle of 26°44'14" and a long chord which bears S26°37'54"E, 129.48 feet to the Northwest corner of Lot 5, Block 5;

thence along the Northerly line of Lot 5 N76°44'14"E, 135.12 feet; thence along the Easterly line of lots 5, 4, 3 and 2, Block 5, S04°15'15"E, 435.00 feet to the Northeast corner of Lot 1, Block 5;

thence along the Easterly and Southerly lines of Lot 1 the following two courses:

- 1) S15°16'16"W, 127.52 feet;
- 2) N63°19'18"W, 140.00 feet to a point on the Easterly line of Nymph Drive; thence along the Easterly line 41.93 feet along the arc of a non-tangent curve to the right having a radius of 230.00 feet and a central angle of 10°26'47" to the North corner of Lot 12, Block 4; thence along the Northerly, Easterly and Southerly lines of Block 4 the following nine courses:

- 1) S52°52'31"E, 140.00 feet;
- 2) S54°46'02"W, 314.39 feet;
- 3) S29°27'00"W, 115.57 feet;
- 4) S06°34'33"E, 135.29 feet;
- 5) S05°20'29"W, 144.50 feet;
- 6) S27°08'50"W, 141.09 feet;
- 7) S48°37'10"W, 199.82 feet;
- 8) S18°50'13"W, 171.02 feet;

9) N54°26'51"W, 130.00 feet to a point on the Easterly line of Crystal Drive; thence along the Easterly line 15.00 feet along the arc of a non-tangent curve to the right having a radius of 50.00 feet and a central angle of 17°11'20" to the Northeast corner of Lot 12,

Block 3; thence along the Easterly and Southerly lines of Lots 12 and 11, Block 3, the following two courses:

- 1) S37°15'32"E, 183.87 feet;

2) S85°44'44"W, 345.00 feet to the Point of Beginning;

All of the property labeled "Tract C" and "Tract D" on the First Administrative Plat Amendment to Granby Ranch Filing No. 7, recorded in the real property records of Grand County Colorado on June 30, 2006 at Reception No. 2006-006560;

EXCEPT (1) the Silversage Subdivision, and (2) the Inn at Silver Creek Phase 1, and (3) the Innsbruck-Val Moritz Subdivision, and (4) the Lakeview Subdivision, Phase 1 other than Lots 2, 3, 4 and 5.

Section 9:

E1/2 of the NW1/4;

NE1/4 of the SW1/4;

N1/2 of the NE1/4;

lots 1, 2, 3, 7, 8 and 9 as shown on the Dependent Resurvey and Survey of Township 1 North, Range 76 West of the 6th P.M. accepted by the Bureau of Land Management on October 10, 1979 and filed in the Colorado State office on November 1, 1979;

EXCEPT the Union Pacific (Denver & Rio Grande Western) Railroad right-of-way.

Section 10:

NW1/4 of the NW1/4;

EXCEPT the Union Pacific (Denver & Rio Grande Western) Railroad right-of-way.

Section 15:

W1/2 of the SW1/4;

NW1/4;

EXCEPT (1) the 23.99 acre Open Space Parcel in the Eagle Crest Subdivision, and (2) the Union Pacific (Denver & Rio Grande Western) Railroad right-of-way.

Section 16:

All of Section 16;

EXCEPT (1) that portion of Phase 1 of The Summit at Silver Creek platted as The Summit at Silver Creek Condominiums by the As Built Plat filed for record in the office of the Clerk and Recorder of Grand County, Colorado on February 22, 1985 at Reception No. 226723, and (2) The Mountainside at Silver Creek Phase I and II, and (3) Lots 1 and 2, Block 4 of the Silvergate Subdivision, and

(4) the 11.91 acre Open Space Parcel in the Ski Haven Estates Phase 1, and (5) the 2.40 acre Open Space Parcel in The Mountainside at Silver Creek Phase I, and (6) the 8.63 acre Open Space Parcel in the Silvergate Subdivision, and (7) the property described in the Quit Claim Deed from SilverCreek Development Company to The Summit at SilverCreek Homeowner's Association, recorded in the real property records of Grand County, Colorado on April 23, 1990 in Book 462 at page 890.

Section 17:

E1/2 of the E1/2;
W1/2 of the SE1/4;
E1/2 of the SW1/4.

Section 20:

NE1/4;
NW1/4 of the SE1/4;
NE1/4 of the NW1/4;
E1/2 of the SE1/4;

EXCEPT (1) Val Moritz Village Second Filing, and (2) the 7.8 acre open space parcel shown on the final plat of the Westridge Subdivision.

Section 21:

All of Section 21;

EXCEPT Val Moritz Village Second Filing.

Section 22:

W1/2 of the NW1/4.

Section 28:

All of Section 28;

EXCEPT that parcel of land as described in Book 467, Page 130, Grand County Records.

Section 29:

NE1/4 of the NE1/4;
S1/2 of the NE1/4;
SE1/4;

EXCEPT a parcel of land as described in Reception No. 95008910.

Section 32:

NE1/4;

EXCEPT the U.S. Highway 40 right-of-way.

Section 33:

NW1/4;

W1/2 of the NE1/4;

SE1/4 of the NE1/4;

EXCEPT the parcels of land as described in the following:

Book 467,	Page 130
Book 381,	Page 755
Book 375,	Page 47
Book 379,	Page 963
Book 350,	Page 947
Book 350,	Page 946
Book 375,	Page 48
Book 354,	Page 124
Book 328,	Page 625
Book 328,	Page 628
Book 328,	Page 630
Book 329,	Page 810, Grand County Records.

PORTIONS OF THE ABOVE DESCRIBED PROPERTIES HAVE BEEN SUBDIVIDED AND ARE NOW DESCRIBED AS FOLLOWS:

Granby Ranch Filing Nos. 1, 1B, 2, 2B, 3, 4, 5, 5B, 6, 7, 8, 9, 10, 11, 12, 13 and 14, as such plats may have been amended.

EXHIBIT B

**PROPERTY THAT MAY BE SUBJECTED TO THE DECLARATION PURSUANT TO
ARTICLE IX**

I.

All of the following property in Township 1 North, Range 76 West of the 6th P.M.:

Section 6 Lot 5A of Filing 14 withdrawn on July 3, 2012 at Reception No.2012004831

Section 8 N1/2NW1/4NW1/4
 SE1/4NW1/4NW1/4

Section 9 Lot 4, Lot 5 and Lot 6

Section 10 Lot 2 and Lot 3
 SW1/4SW1/4

Section 18 NE1/4SE1/4
as shown on the Dependent Resurvey and Survey of Township 1 North, Range 76 West of the
6th P.M. accepted by the Bureau of Land Management on October 10, 1979 and filed in the
Colorado State office on November1, 1979.

II.

Val Moritz Village (Second Filing), Grand County, Colorado.

III.

All of the property described in the Warranty Deed from Robert W. Linke to The Robert Warren Linke Living Trust recorded in the real property records of Grand County, Colorado on February 17, 1988 in Book 431 at Page 893, excepting therefrom the property described in the Warranty Deed from The Robert Warren Linke Living Trust to Winter Park Land Company, LLC recorded in the real property records of Grand County Colorado on April 4, 1997 at Reception No. 97003303.

IV.

All of the property described in (i) the Deed from Val Moritz Village, Inc. to Joseph J. Marte recorded in the real property records of Grand County, Colorado on July 14, 1971 in Book 178 at Page 708, and (ii) the Deed from Markus Marte, a/k/a Marcus Marte, and Antonia Marte, a/k/a Antonio Marte to Joseph Marte recorded in the real property records of Grand County, Colorado

on May 1, 1970 in Book 170 at Page 397, that is not included in the legal description attached to this Declaration as Exhibit A.

V.

NE1/4NE1/4, Section 33, Township 1 North, Range 76 West of the 6th P.M.

VI.

That portion of the N1/2NE1/4, Section 6, Township 1 North, Range 76 West of the 6th P.M. lying east of U.S. Highway 40.

VII.

SW1/4NW1/4 and SW1/4NW1/4NW1/4, Section 8, Township 1 North, Range 76 West of the 6th P.M.

That portion of the E1/2NE1/4, Section 7, Township 1 North, Range 76 West of the 6th P.M. lying east of U.S. Highway 40 that is not included in the legal description attached to this Declaration as Exhibit A.

VIII.

That portion of the NW1/4 of the NW1/4 of Section 17, Township 1 North, Range 76 West of the 6th P.M. that is not included in the Warranty Deed from Robert W. Linke to The Robert Warren Linke Living Trust recorded in the real property records of Grand County, Colorado on February 17, 1988 in Book 431 at Page 893.

IX.

All of the property described in the Warranty Deed from The Robert Warren Linke Living Trust to Winter Park Land Company LLC, recorded in the real property records of Grand County, Colorado on April 14, 1997 at Reception No. 97003303.

X.

Phase I and Phase II of The Inn at SilverCreek, Grand County, Colorado.

XI.

The Highlands, Grand County, Colorado.

XII.

Any parcel referenced as an exclusion in the legal description attached to this Declaration as Exhibit A.

ALL OF THE PROPERTY DESCRIBED IN THIS EXHIBIT IS LOCATED IN THE COUNTY OF GRAND, STATE OF COLORADO.

Note to clerk and title examiners:

This Declaration is not intended to create an encumbrance on title to the property described in this Exhibit B. Such title may be encumbered only with the consent of the owner by filing a Supplement in accordance with Article IX.