

**DECLARATION OF PROTECTIVE COVENANTS
FOR
EAGLES RIDGE at BAYFIELD**

Eagles Ridge at Bayfield, LLC, A Colorado Limited Liability Company, is the owner of real property situated in the County of La Plata, State of Colorado, hereinafter referred to as the Property and legally described in Exhibit A attached hereto, in order to protect the living environment and preserve the values in the Property, does hereby declare that the land shall be held, leased, sold and conveyed, subject to the covenants, restrictions and provisions hereinafter set forth, and that each covenant, restriction and provision shall inure to and run with the land and shall apply to and bind specifically subject to the following described covenants.

DEFINITIONS

The following words and expressions as used in these Covenants have the meanings indicated below unless the context clearly requires another meaning.

Association: Eagles Ridge at Bayfield Property Owners Association, Inc.

Board: Eagles Ridge at Bayfield Property Owners Association, Inc. Board of Directors.

Committee: Eagles Ridge at Bayfield Property Owners Association Architectural Review Committee.

Declarant: Eagles Ridge at Bayfield, LLC and its successors and assigns.

Unit: Those portions of the property designated on the recorded plat.

Owner: Any person, persons or legal entity holding the recorded fee simple interest in a Unit or Units in Eagles Ridge Property Owners Association.

Property: Certain real property described in Exhibit A hereto, together with all appurtenances thereto and all improvements now or hereafter thereon. The property is a planned community and shall be named Eagles Ridge at Bayfield.

1. INTENT: It is the intent of these covenants to protect and enhance the value, desirability and attractiveness of said property, and to prevent the impairment or reduction of property values, by, among other things, the construction of improper or unsuitable improvements. Restrictions are kept to a minimum while keeping in constant focus the right of owners to enjoy their property in attractive surroundings free of nuisances, undue noise, and danger. Further, it is intended that the natural environment be disturbed as little as possible.

2. PROPERTY OWNERS ASSOCIATION: The Association will be operated pursuant to the Articles of Incorporation, Declaration of Protective Covenants and By Laws of the Association. Should a conflict arise between the Declaration of Protective Covenants and these By-Laws, the Declaration of Protective Covenants shall prevail.

a. Members: Every Owner will automatically be a member of the Association. Members of the Association, including the Declarant, are entitled to one vote per unit owned. Units added to Eagles Ridge at Bayfield as allowed in Declarant's rights enumerated below and titled "Annexation/Subdivision", are to receive the same one vote per unit owned.

b. Purpose: The purpose of the Association is to use its authority, as given in the bylaws:

(1) To enforce these protective covenants.

(2) To assess annual assessments and special assessments to each Owner. Any unpaid assessment, charge, fee or other sums assessed against an Owner or his Unit shall be a continuing lien, in favor of the Association upon the Unit against which each assessment, charge, fee of other sum is made.

(3) To provide upkeep and improvements to all non-county roads.

(4) To provide upkeep and improvements to entry gate, wall and fencing.

(5) To represent all property Owners in matters of mutual interest.

(6) To administer and lease grazing and timber rights.

c. Board: The Board shall manage the business and affairs of the Association. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property.

d. Control of the Association: Notwithstanding anything else contained herein to the contrary, until all infrastructure and amenities are complete and/or as long as Declarant owns in fee simple greater than twenty five (25) percent of the Property subject to the Covenants, including any subsequently annexed property, the Declarant shall be entitled to appoint the majority of the Directors on the Board for the Association entitled to be elected Pursuant to the bylaws, with the remaining Directors elected by the Owners.

3. DWELLINGS: All Units shall be restricted to residential use with one primary dwelling, in accordance with La Plata County Rules & Regulations. Such structure shall not be less than 1,700 square feet of living space. Mobile homes and modular homes shall not be permitted on any Unit within the Property. Any structure must be on permanent footing and foundation.

a. Architectural Review Committee

(1) Written Approval of Plans Required. No improvements shall be constructed, erected, placed, applied or installed on any Unit unless plans and specifications therefore shall have been first submitted to, and approved in writing by, the Committee. Said plans and specifications shall show exterior design, height, materials, color, fencing and location of the improvements, as well as such other materials and information that may be required by the Committee. The Committee shall exercise its reasonable judgment to the end that all improvements conform to, and harmonize with, the existing surroundings, residences, landscaping and structures. Any construction activity on any Unit shall commence within (12) months of written approval of plans and specifications by the Committee. Any such construction activity shall be completed and fully cleaned up within eighteen (18) months from its commencement or a variance shall be obtained from the Committee to allow for a longer period of construction upon proof of due diligence.

(2) The first structure to be constructed on any unit must be a dwelling/residence consisting of not less than one thousand seven hundred (1,700) square feet of living space. Living space does not include decks, porches, garages, unfinished basements or any other unfinished space.

a. All residences shall be constructed with a fully enclosed attached two car garage.

b. The maximum height of any building shall be thirty (30) feet. The height of a building for the purpose of this requirement shall be measured and determined in the manner provided by the Uniform Building Code.

c. All exterior materials shall be of suitable materials and completed according to County Code. The use of native and natural materials such as wood, stone, stucco, earth etc. is encouraged but approved manufactured materials may be used. Bright or highly contrasting colors shall not be permitted, nor shall unfinished, light colored or reflective roofs be permitted.

d. No building, shed, fencing, outbuilding, or improvement may be erected without the prior approval in writing from the Committee. Any changes or additions, remodeling, reconstruction on any lot shall be subject to prior approval in writing from the Committee. This includes fencing for domestic animals.

(3) Culverts must be of sufficient size, 15" minimum, to ensure drainage through bar ditches is not obstructed causing damage to POA roads.

(4) Lagoons are not permitted. If property does not "perk" an engineered septic system must be utilized.

(5) Procedures. The Committee shall approve or disapprove all requests for approval within 30 days after the complete submission of the plans, specifications, other materials and information which the Committee may require in conjunction therewith. If the Committee fails to approve or disapprove any request within 30 days of the complete plans, specifications, materials and other information with respect thereto, the request shall be deemed to have been approved by the committee.

(6) However, if the applicant is required to resubmit the application, the Committee shall again have a maximum of 30 days to approve or disapprove the application.

4. **COMMERCIAL ACTIVITY:** No commercial activity shall be permitted unless approved by the Board. Home office usage is permitted providing that such business does not increase traffic in or out of the subdivision. Such home office usage where clientele and/or customers would visit the home office shall be prohibited unless the board gives prior approval. Signage at the entrance to the community is permitted at the discretion of the association. However, Declarant may maintain sales and promotional signage until all units in the property are sold.

5. **SET BACKS:** No structure may be erected within fifty (50) feet of the road within the Property, nor within twenty-five (25) feet of any side or rear line of any Unit unless approved by the Board. All setbacks are designated on the recorded plat for the Property. For the purpose of these covenants, eaves, steps, and open porches shall be considered part of the building.

6. **TRASH AND RUBBISH:** Rubbish, garbage or other waste shall be kept and disposed of in a bear-proof sanitary container and all containers shall be kept in a clean, sanitary condition so as not to endanger wildlife.

7. **PROPANE TANKS:** Propane tanks, for the storage of fuel, installed outside any building on the property shall be screened by masonry, wood-like fencing, shrubbery or other suitable material.

8. **FENCING:** T-post and wire fencing shall not be allowed along the interior road frontage or along interior Unit lines within fifty (50) feet of any roadway. However, T-post and wire fencing shall be allowed on the remainder of the Unit

9. **UTILITY EASEMENTS:** A ten (10) foot utility easement is hereby set aside on each side of all sides and common rear Unit lines and a twenty (20) foot utility easement is hereby set aside on the interior side of all exterior Unit lines. A fifty (50) foot utility easement is hereby set-aside on each side of all interior roads within

Eagles Ridge at Bayfield, LLC.

10. **NUISANCES:** No owner shall cause or allow the origination of excessive odors or sounds from their Units including any overgrazing of their Units. All complaints shall be brought to the Board of Directors and efforts causing said nuisance shall cease until an agreement has been reached. The Board shall make the final determination of what constitutes a nuisance.

11. **ANIMALS:** Animals will be allowed on the Property for personal use and enjoyment of Unit owners, with a maximum of 5 horses per Unit. Provisions must be made for all animals and pets to be contained within the Unit owner's property. No poultry or swine shall be housed, raised or kept on any unit. The owner of any animal shall at all times be personally liable and responsible for all action of such animals and any damage caused by such animals. Feeding of wildlife is restricted to enclosed food dispensers, which, whether dispensing solids or liquids, shall be placed in a manner such that they are suspended a minimum of twelve (12) feet in height and placed a minimum of four (4) feet away from any permanent structure. Platform feeders and ground feeding are prohibited.

12. **HUNTING AND THE USE OF FIREARMS:** No hunting of any kind shall be permitted within the property. No use of or discharge of firearms shall be permitted within the Property.

13. **MOTOR VEHICLES:** No motorized vehicle, which is either non-operational or non-licensed, shall be kept or stored on any Unit, unless said vehicle is kept or stored in a fully enclosed building.

14. **TEMPORARY RESIDENCES:** No structure of temporary character, recreational vehicle, camper unit, trailer, basement, tent or accessory building shall be used on any Unit as a residence. Recreational Vehicles, camper units and tents may be used for vacation camping for periods not to exceed ninety (90) consecutive days in any calendar year.

15. **LAND USE:** Commercial wood harvesting, mining (including the removal of soil, gravel or rock) and oil or gas production is prohibited unless specifically permitted by the association. Further subdivision of less than thirty-five (35) acres is prohibited. This covenant shall not preclude the Declarant and/or assigns from removing rock, soil, and gravel from any Unit owned by the Declarant for the purpose of road building material or the benefit of future Unit and/or roads within the subdivision.

16. **ENFORCEMENT:** Enforcement shall be by proceedings at law, or in equity or by mediation, against any person or persons violating or attempting to violate any covenant.

17. **TERMS OF COVENANTS:** These covenants and restrictions are to run with the land and shall remain in full force and effect for ten (10) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years, excepting that an instrument signed by not less than two-thirds majority of the owners of the Units has been recorded, changing said covenants in whole or part at any time after the association assumes control. The Declarant reserves the right to change said covenants, in whole or part, prior to the Association assuming control. Declarant reserves the right to change said covenants, in whole or part at any time after the association assumes control, upon an instrument being signed by a majority of the Owners of the Units.

18. **SEVERABILITY:** Invalidation of any of these covenants or any part thereof by judgment or court order shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

19. **COUNTY REGULATIONS:** To the extent that the applicable county or other governmental regulations, rules, codes, ordinances or laws are more restrictive in their allowable land utilization than these covenants, they

shall supersede these covenants and govern at all times.

20. COUNTER PARTS: This instrument may be executed in a number of counter parts, any one of which may be considered an original.

21. ANNEXATION/SUBDIVISION: Declarant may from time to time within ten (10) years after the date of the recording of this Declaration of Protective Covenants for the Property annex or subdivide property or allow to be annexed or subdivided certain property the Declarant deems appropriate to the development by recording one or more annexation or subdivision statements. Upon the recording of such Statement in the public records of La Plata County, Colorado, all of the real property described in such Statement shall be deemed to be part of the development and subject to all of the terms and provisions of these Covenants. Declarant shall not create, through annexation or subdivision, more than 43 (forty three) units. The above paragraph #15 notwithstanding, Subdivision of existing units shall be limited to Unit numbers one (1) two (2) and three (3) as defined on plat map recorded and made a part hereof. Units one, two and three may be subdivided in whole or in part and in any order deemed appropriate by the Declarant. Subdivision of the above described units is limited to Declarant and to any persons or entity to whom Declarant may transfer said rights as per section 33.3-304 of the Colorado Revised Statutes.

22. COMMON PROPERTY: All easements within the subdivision are private, and neither the Declarant's recording of the plat nor any other act of the Declarant with respect to the plat, shall be construed as a dedication to the public, but rather all such easements shall be for the use and enjoyment by the Association. All areas as designated on the plat for the use by the Association shall be conveyed to the Association as easements for the common use, benefit and enjoyment of its members, and such conveyance shall be accepted by it, provided it is free and clear of all financial encumbrances. All uses of the easement shall be subject to rules and regulations of the Association as established by the Board thereof from time to time.

23. FEES AND ENFORCEMENT: All Units within the Property shall be subject to assessment for Property Owners Association fees in an amount to be determined by the Association. Units shall be assessed equally on a "one Unit, one share" basis. The percentage share of each unit owner's obligation, prior to exercising of annexation or subdivision rights of Declarant, shall be 4%. Units added to Eagles Ridge at Bayfield as allowed in Declarant's rights enumerated above and titled Annexation/Subdivision" are to receive the same assessment of one assessment per unit owned. The percent-age of assessment will be changed to reflect 100% of assessments divided by the total number of units in Eagles Ridge at Bayfield at any given time. Assessments may be increased only by 2/3-majority vote of Members of the Association. Until the Property Owners Association assumes control of the Association, the Declarant shall determine and set the fees described in this paragraph. Assessments for fees will commence upon conveyance at the date of closing. Whenever the obligation to pay fees arises after the start of the calendar year, the first year's fees will be prorated to the commencement date for the Unit involved. Fees shall be payable in advance in January of each year. Any assessments, not paid when due, shall be delinquent. The Association may bring action by law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Owner's Unit, and/or may suspend the delinquent Owner's right to vote. In the event a judgment is obtained, such judgment shall include late charges and interest on the assessment and reasonable attorneys' fees, together with the expenses and costs of the action. The Board may enforce such lien by filing with the Clerk and Recorder of La Plata County a statement of lien with respect to the Unit, setting forth the name of the Owner, the legal description of the Unit and the Owner's interest therein, the name of the Association and the amount of the delinquent assessments then owing. The lien statement shall be duly signed and acknowledged by an officer of the Association and notice thereof shall be mailed to the Owner of the Unit, at the address of the Unit or at such other address as the Association may have in its record for the Owner of the Unit. Such a claim of lien shall also secure all assessments, charges, fees and sums which come due thereafter until the lien, together with all costs, attorney fees, charges and interest have been fully paid or otherwise satisfied. Thirty (30) days following the mailing of such notice, the Board may foreclose the statement of

lien in the same manner as provided for in the foreclosure of mortgages under the statutes and laws of the State of Colorado. Except to the extent that the lien of the Association is subordinated to the lien of a First Mortgage, a Unit pursuant to these Covenants and except as subordinated by law to the lien or real property taxes, the lien of the Association shall be deemed to have a priority date as of the date of the recording of this Declaration and Shall have priority over all other liens and encumbrances against a Unit. Declarant does not pay assessments but is responsible for contributing any necessary funds so that any obligation of the Association is met by the Declarant until such time as the Declarant transfers his interest in and control of the Association.

24. LIEN: Any unpaid assessment, charge, fee or other sums assessed against an Owner or his Unit, shall include without limitation, interest thereon calculated at a rate equal to 18% per annum. In addition, the Association may impose a late charge for each delinquent assessment not to exceed 10% of such assessment. Late charges, Court costs and all other collection costs and reasonable attorney's fees, shall be a charge on the interest of the Owner in that Unit, and shall be a continuing lien in favor of the Association upon the Unit against which each such assessment, charge, fee or other sum is made. All payments on account shall be first applied to interest, late charges and fees and costs, then to the assessment payment first due. The Board may enforce such lien by filing with the Clerk and Recorder of La Plata County, CO a statement of lien with respect to the Unit, setting forth the name of the Owner, the legal description of the Unit, the Owner's interest therein, the name of the Association and the amount of delinquent assessments then owing. The lien statement shall be duly signed and acknowledged by an officer or authorized agent of the Association. Notice thereof shall be mailed to the Owner of the Unit at the address of the Unit, or at such other address as the Association may have in its records for the Owner of the Unit. Such a claim of lien shall also secure all assessments, charges, fees and sums which come due thereafter until the lien, together with all costs, attorney's fees, charges and interest collected at the above rate, have been fully paid or otherwise satisfied. Thirty (30) days following the mailing of such notice, the Board may proceed to foreclose on mortgages under the statutes and law of the State of Colorado, or in addition to, or in lieu of, bringing suit to collect such amounts due and owing. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to stop or otherwise preclude the Association from suing the Owner personally liable therefore, or from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments, charges, fees or other sums which are not fully paid when due. Except to the extent of lien for real property taxes, the lien of the Association shall be priority over all other liens and encumbrances against a Unit.

25. ROAD CUTS: At any time any Property road is to be disturbed by a Property owner or a contractor on behalf of a Property Owner for any purpose, such as the installation of a driveway or extension of utility lines to the Owner's property, a deposit of \$1,000.00 will be required as assurance of the proper restoration of the roads. One year after the road has been properly restored, the deposit will be returned to the Owner if the road is properly restored and approved by Declarant or Board. If the road is not properly restored, the Association will use the deposit (or any portion of the deposit) to fully restore the road.

Buyer_____ Date_____

Buyer_____ Date_____

