

**DECLARATION OF PROTECTIVE COVENANTS
MICHIGAN HILL RANCH**

State of Colorado)
) ss.
County of Park)

KNOW ALL MEN BY THESE PRESENTS:

That whereas the Declarant, John P. Olson, as trustee, herein sometimes called Subdivider, is the owner of all tracts in Michigan Hill Filing No. 1, situate in the County of Park and State of Colorado.

NOW THEREFORE, in consideration of the acceptance hereof by the several purchasers and grantees (his, her, their or it's heirs, executors, administrators, personal representatives, successors and assigns, and all persons or concerns claiming by, through or under such grantees) of deeds to tracts in said tract of land, said Subdivider hereby declares to and agrees with each and every person who shall be or shall become owner of any of said tracts, in addition to the ordinances of the County of Park, Colorado, shall be and are hereby bound by the covenants set forth in these presents and that the property described in these restrictions shall be held and enjoyed subject to and with the benefit and advantage of the following restrictions, limitations, conditions and agreements, to wit:

1. INTENT: It is the intent of these covenants to protect and enhance the value, desirability and attractiveness of said property. Restrictions are kept to a minimum while keeping in constant focus the right of property 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. ARCHITECTURAL CONTROL COMMITTEE:

(A) Purpose: To assure, through intelligent architectural control of building design, placement and construction, that Michigan Hill Filing No. 1 shall become and remain an attractive community, and to uphold and enhance property values.

(B) Membership: The Architectural Control Committee is composed of three (3) persons appointed by the Subdivider; provided, however, that after the erection of five (5) complete dwelling units within the subdivision, the owners of said units will elect two (2) members of said committee. Terms of membership on the committee is

three (3) years, after which time re-elections are held. A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor except that Subdivider will be represented on the committee until ninety (90) percent of the tracts in Michigan Hill Filing No. 1 are sold and until five (5) complete dwellings have been erected, after which all three (3) members will be from the homeowners group.

Neither the members of the committee nor its designated representatives shall be entitled to any compensation for services performed pursuant to this covenant.

(C) Authority: No structure, including walls and fences, shall be erected, converted, placed, added to or altered on any lot until the construction plans and specifications to include materials and colors to be used and a plan showing the location of the structure on the lot have been approved in writing by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to other structures planned, to topography and to finished grade elevation. Structural color schemes including trim, will be compatible with the natural environment of the subdivision. Natural or earth colors (shades of brown or green or natural wood) are required.

(D) Procedure: Contact with the Architectural Control Committee will initially be made through the Subdivider. The committee's approval or disapproval as required in these covenants shall be IN WRITING. In the event the committee, or its designated representative, fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, approval will not be required and the related covenants herein requiring approval by the Architectural Control Committee shall be deemed to have been fully complied with, provided that all other covenants herein have been properly observed.

3. DWELLINGS AND LOCATION:

A building permit must be obtained from Park County, prior to construction of any structure. The minimum size of the main dwelling shall be 400 square feet and the width shall not be less than one-third of the length. All structures must be first approved in writing by the Architectural Control Committee. Timber will be thinned and deadfall will be removed within a fifty (50) foot radius of each homesite. All structures must comply with the current Park County Building Code.

Any structure built will conform to Title 6 of Colorado Revised

Statutes, 1973, Article 7, Residential Energy Building Conservation Act of 1977, Section 6-7-106 as applies to minimum insulation standard for residential building.

Dwellings will be set back a minimum of fifty (50) feet from front and rear lot lines and thirty (30) feet from side lot lines.

If placed on supports or blocks, dwellings must be skirted within thirty (30) days of shell completion exceptions may be granted by the Architectural Control Committee. The exterior of each dwelling, or other structure located on any lot shall be maintained in good repair and painted condition. Exteriors must be of colors to blend with the natural environment. ALL COLORS MUST BE FIRST APPROVED IN WRITING BY SUBDIVIDER OR ARCHITECTURAL CONTROL COMMITTEE.

(A) Camper Units and Motor Homes: All campers, where permitted by County Zoning, must be of a temporary and transportable nature, and must comply with County regulations as regards disposal of sewage and gray water. Campers may not be left on the property year-round, but must be pulled in and out with use.

(B) Exceptions: Set-back requirements as set forth above may be adjusted in cases of topographic limitations or where excessive destruction of trees or foilage would be necessary to comply. Exceptions must be granted by Subdivider or by the Architectural Control Committee and must also be approved by Park County, in writing.

4. REFUSE AND RUBBISH: Rubbish, garbage or other waste shall be kept and disposed of in a sanitary manner, and containers shall be kept in a clean, sanitary condition. No trash, litter or junk shall be permitted to remain exposed upon the premises and visible from public roads or adjoining or nearby premises. Garbage and trash will be taken off the property when campers leave, or be otherwise secured where animals cannot get to it, and thus will not be encouraged to remain in the vicinity of houses and camps. There will be no dumping on any part of the property.

5. EASEMENTS:

Easements for installation and maintenance, utilities, roadways, driveways and such other purposes incident to development of the property are reserved as described or shown on the recorded plat. Such easements will be kept open and readily accessible.

When two flag lots have side by side "flagpoles", only one driveway will be constructed to serve both lots. Tracts fronting on the "flagpole" of any flag lot may use said flagpole to achieve access to their lots at any point where their lots front said

"flagpole."

6. COMMON AREAS:

Common areas are for the enjoyment of all property owners. Individual users should cooperate to police trash and endeavor to maintain said common areas in clean, neat, natural condition in keeping with the spirit and decor of a high-caliber second home community.

All common areas shall be kept open and unfenced. State Game, Fish and Parks Department regulations must be complied with. Subdivider and/or Michigan Hill Ranch Owners Association reserves right to establish and change fishing policy on common area lake. Owners of tracts along flood plain easements may not construct ponds and dams or in any way obstruct the natural flow of water into common area ponds. Augmentation dam may be used to provide water for fire fighting purposes. Any tract or tracts belonging to Park County are not included under terms of covenant restrictions.

7. NUISANCE:

Nothing shall be done or permitted on any tract which may be or become an annoyance or nuisance to the neighborhood. No obnoxious or offensive activities shall be carried on upon any tract. Obnoxious behavior on property with motor vehicles, whether from careless driving practice or from excessive noise, is prohibited. Storage of junk or old automobiles on lots is prohibited. Trail bikes, scooters and motor vehicles will be used on approved roads only.

8. ANIMALS:

(A) Animals may be kept but should not be left unattended. DOGS will be kept under control of owners at all times, in compliance with Park County leash laws.* No stables, corrals or other structure for the housing or feeding of horses or animals other than domestic pets, shall be located or placed closer than fifty (50) feet to any lot line or street. Existing boundary fences will not be removed, but may be reset to conform to staked property lines and/or be rebuilt as necessary. Tract owners purchasing tracts on the outside periphery of the property agree to jointly maintain fences with adjacent ranchers, as necessary.

(B) Property owners may fence their property, after receiving approval from the Architectural Control Committee. Barbed wire fences are prohibited.

* SEE PARAGRAPH 20.

9. SIGNS: Subdivider reserves the right to require the modification or removal of signs if deemed not in keeping with the area and subdivision decor.

10. VEHICLE PARKING:

No vehicles, trailers or vehicular equipment shall be habitually parked along any road.

11. DRIVEWAYS:

Culvert pipe of diameter and length approved by Park County must be used to cross road ditches. Driveway permits must be first obtained from Park County. The County Road Supervisor will advise tract owners of size needed in area contemplated. (Park County regulations currently require that "Culverts serving private driveways from the county road shall be a minimum of 15" CMP (in diameter) and shall also have a minimum 12 inch cover. Driveway culverts shall extend a minimum of two (2) feet past the edge of the driveway on both ends.")

Twenty (20) foot minimum length culvert pipe is recommended. Because too small pipe causes erosion of the road, it is essential that pipe of sufficient diameter be used.

12. SEWAGE:

Sewage disposal systems shall comply with the requirements of the State of Colorado and Park County Health Department. State law prohibits privies and outhouses whether chemical or dug; however, outside vaulted toilets are permitted, when first approved in writing by the County Sanitarian. The septic tank or field system shall not be nearer than fifty (50) feet to any tract line except with consent of the appropriate health official of the State or County, and no sewage, waste water, trash, garbage or debris shall be emptied, discharged, or permitted to drain into any body of water in or adjacent to the subdivision. Chemical toilets will not be dumped on Michigan Hill Filing No. 1 property. Property owners, to obtain approval and the necessary permits, must consult with the Park County Sanitarian, Fairplay, Colorado, before installation of sanitation systems.

13. WATER:

Water shall be supplied to the subdivision by each individual lot owner drilling his own well. Before a purchaser can construct a well on his property, he must obtain a well permit from the Colorado State Engineer's Office in Denver, Colorado. Household use only well permits will be the only types of permits granted for construction

of wells on the property. Lot owners obtaining household use only well permits are not allowed any external use of water, such as irrigation of lawns or gardens, nor are they allowed outside hydrants for watering of domestic animals.

14. FIREARMS: Discharge of firearms within the subdivision is prohibited.

15. MICHIGAN HILLS RANCH OWNERS ASSOCIATION (MHROA):

Purchasers of tracts in Michigan Hill Filing No. 1 automatically become members of the Michigan Hill Ranch Owners Association, hereinafter referred to as MHROA. Purchasers of tracts understand that membership in and full support of MHROA is an absolute requisite for every purchaser and owner of a tract or tracts in Michigan Hill Filing No. 1. The purposes of MHROA are to assume ownership and control of, and responsibility for the common areas within the subdivision; to provide surveillance over the property, to include, but not limited to maintenance of signs and enforcement of Protective Covenants; to govern Michigan Hill Filing No. 1 as required; and to attend to such other matters as may be determined necessary by the MHROA Directors.

TRACT PURCHASERS UNDERSTAND THAT PAYMENT OF DUES TO MHROA AND FULL COOPERATION WITH MHROA DECISIONS AND POLICIES IS A REQUIREMENT CONCOMITANT WITH TRACT PURCHASE AND OWNERSHIP, THAT PERIODIC DUES AND/OR FEES WILL BE REQUIRED WHICH MUST BE PROMPTLY PAID, AND THAT NON-PAYMENT OF SUCH DUES OR FEES WILL CAUSE A RECORDED LIEN TO BE PLACED AGAINST THE DEFAULTING MEMBER'S TRACT OR TRACTS.

Fees will be in accordance with MHROA By-Laws. MHROA will operate as a non-profit organization, it's books may be examined at all reasonable times by the property owners, and Rules and By-Laws separate from these covenants will be provided each purchaser prior to purchase of this tract. MHROA will not create unreasonable burden, requirements, or costs upon property owners in Michigan Hill Filing No. 1. Examples of MHROA responsibilities are: The regulation and enforcement of the terms and conditions of the water augmentation plan and court decree concerning the water rights perfected by the Subdivider to provide well permits for the subdivision, and to purchase more water if necessary; payment of taxes on community areas; maintenance of community areas and equipment; maintenance of lakes and dams; payments for stocking of lakes with fish; maintenance of common drinking water sources, if provided; maintenance of sewage dump station, if installed; enforcement of Protective Covenants; surveillance over property to prevent theft or vandalism; repainting or replacing of signs; surveillance over adjacent development and new County or State laws in order to maintain property owners' rights and uphold values. Since the roads will be private the bulk of the

MHROA yearly dues will go toward the year around maintenance of the roads.** Subdivider may retain control of and responsibility for above functions until ninety (90) per cent of all tracts are sold, at which time full responsibility must be vested in the MHROA excepting that Subdivider also may progressively relinquish control to the MHROA as indicated by circumstances and in it's sole discretion. There will be one vote per tract. Tract(s) belonging to Park County are non-assessable and they will not enjoy the use of the common area facilities. Unsold tracts belonging to Subdivider, it's heirs, successors or assigns, are non-assessable.

No liens may be placed by the MHROA on lots owned by Michigan Hill Ranch; and if liens have been placed against lots which subsequently are foreclosed upon by John P. Olson, as trustee, such liens shall be null and void. Any and all liens will be inferior to any liens which John P. Olson, as trustee may have.

16. RIGHT OF SUBDIVIDER: Subdivider, its successors and assigns, expressly reserves the right:

(A) to amend or revoke any Protective Covenants then in existence, but no such amendment or revocation shall apply to any tracts that are sold prior thereto without the written consent of a majority of the then-owners of any such tracts.

(B) to enter into agreements with the purchaser of any lot or lots (without the consent of the purchasers of other lots or adjoining or adjacent property) to deviate from those conditions, restrictions, limitations and agreements herein set forth, and any such deviation which shall be manifested by agreements in writing shall not constitute a waiver of any such condition, restriction, limitation, agreement as to the remaining lots in said subdivision, and the same shall remain fully enforceable by the original Subdivider, his successors or assigns on all other lots located in the said subdivision and the grantees of such other lots, except as against the lot where such deviation is permitted.

(C) to sell large portions of Michigan Hill Ranch land, which may be excluded from the provisions of these covenants, and to place such restriction thereon as the highest and best use of the land requires, except that Subdivider agrees to provide adequate protection to adjacent tract owners to assure the lasting value and attractiveness of their property, in keeping with the spirit and intent of these covenants.

** SEE PARAGRAPH 21.

(D) to maintain advertising, entrance, safety and directional signs throughout the subdivision.

17. TERM OF COVENANTS:

These Covenants and restrictions are to run with the land and shall remain in full force and effect for twenty (20) years from the date these Covenants are recorded, after which time said Covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then-owners of the tracts has been recorded, changing said Covenants in whole or in part.

18. ENFORCEMENT:

Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any Covenant, either to restrain violation or to recover damages. Subdivider further reserves the right, whenever there shall have been an obvious violation of one or more of the provisions of these covenants, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the owner and such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation, restriction, or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior to or subsequent thereto and shall not alter or effect it's enforcement. Property owners in Michigan Hill, filing no. 1 expressly agree to abide by injunctions, without necessity of bond, in order to simplify judicial proceedings to remedy Covenant violations. In addition, if a judicial action is necessary to prohibit a Covenant violation and a violation is established, the violator(s) shall pay all cost of the enforcement proceedings, including reasonable attorney's fees. The invalidation by any court of a restriction herein contained shall not in any way affect any of the other restrictions, but they shall remain in full force and effect.

19. SUBDIVIDER MAY ASSIGN:

Developer may assign any and all of its rights, powers, obligations and privileges under the instrument to any other corporation, association or person.

20. DOG CONTROL:

Dogs shall not be permitted to run at large within the Subdivision or on adjacent lands and shall be required to be within the "positive control" of the owner thereof at all times. Positive control shall mean that the dog, when on the Lot of the owner thereof, is within the sight and earshot of an adult person on the Lot who is capable of summoning and controlling the dog, and, when off of the Lot (within the Subdivision or on adjacent lands) is tethered with a leash no longer than ten (10) feet in length one end of which shall be held by an adult person capable of controlling the dog. No tethered dog shall be left unattended off of the Lot of the owner thereof, or on said Lot if such animal regularly and continuously barks or yelps so as to be bothersome to others. Because of the hazards to wildlife and livestock any dog found to be in violation of this covenant may be summarily destroyed by the direction of the Board of Directors, or its designated representative.

21. MICHIGAN HILL RANCH OWNERS ASSOCIATION (MHROA):

Michigan Hills Ranch Owners Association (MHROA) shall have dues payable by the purchaser of each lot in the Subdivision, in the amount of \$48.00 per year to be paid in installments of \$4.00 per month without interest until paid. The obligation for said dues shall be a lien upon the purchaser's lot until paid in full, junior in priority only to government tax liens and assessments of Park County, Colorado. Said lien shall be enforceable in the manner provided herein for enforcement of regular dues and assessments of the Association. The purpose of said dues obligation shall be primarily for road maintenance with the balance for necessary maintenance of common areas. All sums assessed by the Association but unpaid, together with such interest thereon as is herein after provided and costs of collection, shall be a charge on the land and shall be a perpetual and continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, as hereinafter provided and stated as well in the Articles of Incorporation and By-Laws of the Association, shall be a personal obligation of the person who was the Owner of such property at the time when the assessment fell due. Unpaid assessments shall constitute liens on the individual Lots, subject to foreclosure as provided in the By-Laws of the Association (MHROA).

If dues are not paid on the date when due, as fixed by the MHROA in accordance herewith, then such assessments shall become delinquent and shall, together with such interest thereon as hereinafter provided and cost of collection, thereupon become a continuing lien on the Member's Lot which shall bind such property in the hands of the Member, his heirs, devisees, personal representatives and assigns. Said liens shall be enforced by appropriate court action of foreclosure in Park

County, District Court, Park County, Colorado, and shall be a personal obligation of the owner.

JOHN P. OLSON AS TRUSTEE

STATE OF COLORADO)
) ss.
COUNTY OF PARK)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS ____
DAY OF _____, 1980, BY JOHN P. OLSON.

MY COMMISSION EXPIRES:

WITNESS MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC

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