

RULES AND REGULATIONS FOR
THE OPEN SPACE PARCEL
OWL CREEK RANCH SUBDIVISION

These Rules and Regulations ("Rules") for the Open Space Parcel have been adopted by the Board of Directors of the Owl Creek Ranch Homeowners' Association ("the Association"), a Colorado not-for-profit corporation. The Rules are promulgated pursuant to Article V, Section 2(e) of the Protective Covenants for Owl Creek Ranch, recorded in Book 531 at Page 387 of the real property records of Pitkin County, Colorado and Article III, Section 2(a) of the Bylaws of the Association. These Rules apply to the Open Space Parcel and Construction License shown on the Final Plat of Owl Creek Ranch, a P.U.D. ("Owl Creek Ranch"), recorded in Book 19 at Page 45 of the records of Pitkin County, Colorado.

1. No recreational vehicles, including, but not limited to snowmobiles, four wheelers and off-road motorcycles, shall be utilized on the Open Space Parcel, Ranch Road, or the Construction License area, except as may be required for ranch operations.
2. Violation of this Rules by an owner or an owners tenant or guest, may result in any one or more of the following:
 - A. Payment equal to the amount of actual damage to the Association's property, including, but not limited to the Ranch Road, ditches and landscaping; or
 - B. Imposition of a fine in an amount to be established or imposed by the Board of Directors.

The penalty shall be determined by the Board in its sole discretion.

These Rules and Regulations were adopted by Resolution of the Board of Directors of the Association at a meeting held on April 20, 2000.

CONSENT OF BOARD OF DIRECTORS
AND THE ARCHITECTURAL COMMITTEE

OF

OWL CREEK RANCH HOMEOWNERS' ASSOCIATION

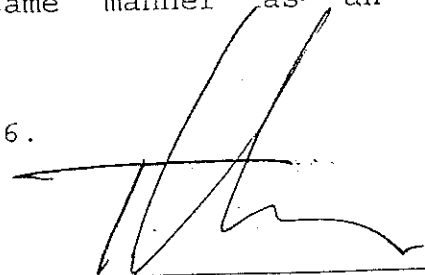
The undersigned, being all of the directors of the Owl Creek Ranch Homeowners' Association and the Architectural Committee, a Colorado non-profit corporation, waive notice of the special meeting held on September 17, 1996.

The Board and Committee discussed recent construction activities within the subdivision and complaints about the construction noise. This noise affects not only the resident homeowners', but has the potential for interfering with the migration of wildlife through the Subdivision. Article II.D. of the Rules and Regulations of the Architectural Committee provides that the Committee may review construction activity to minimize the off-site construction impacts on the surrounding residents. Article IV.10. of the Protective Covenants provides that the Rules and Regulations may be amended by a majority of the Committee to address, among other matters, sound and wildlife concerns. After full discussion, and upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, that the Rules and Regulations of the Architectural Committee be amended by adding a new paragraph which provides that construction shall not be allowed on Sundays without the prior permission of the Architectural Committee. A fine in the amount of \$5,000.00 for each day this rule is violated shall be imposed on the owner and may be enforced in the same manner as an assessment lien.

Dated: September 17, 1996.

signature on file
Garry Snook


Tom Sando

signature on file
George Shifrin

APPROVED BY THE BOARD OF DIRECTORS
ON MAY 18, 1994

RULES AND REGULATIONS
FOR THE OWL CREEK RESERVOIR PONDS NOS. 1-10

GENERAL RULES

1. The ponds shall be constructed and operated in conformance with these rules and regulations.
2. By constructing a pond, the Lot Owner relinquishes the right to irrigate with the domestic water supply. If a pond is not constructed and irrigation takes place solely from the domestic water supply, each lot owner is limited to 4,000 square feet of irrigation. Any use of the domestic water supply for irrigation purposes must be separately metered and is subject to the gallons per month limitations attached hereto as Exhibit "A".
3. Title to the water rights for the ponds shall remain vested in the Owl Creek Ranch Homeowner's Association ("Homeowner's Association"). Title to the pond structure and dam shall be vested in each Lot Owner.
4. Each Lot Owner shall be responsible for the cost of construction, operation and maintenance of the pond structure and dam located on their property. The Lot Owner shall be deemed to be the person actually in control of the physical structure of the dam for liability purposes.
5. Failure to construct the pond within a reasonable time may result in the loss of the water right. Upon completion of construction of the pond, the Homeowner's Association must be notified of the date of completion, the size and legal description of the pond.
6. For water conservation purposes, all irrigation shall be by sprinkler or other conservation measures and shall occur only during the hours between sunset and sunrise.
7. The Homeowner's Association shall be responsible for determining the amount of water available to each pond based upon an even distribution of the water to each Lot Owner. The Homeowner's Association cannot guarantee the availability of any given quantity of water. The irrigation of the open space property shall have priority over supplying water to the ponds. The Homeowner's Association shall not be liable for damage due to a shortage of supply of water to fill the ponds, or for any other damages relating in any way to the ponds.
8. In the event of a shortage of augmentation water for the domestic supply, the Homeowner's Association shall have the right release water from any or all ponds in an amount sufficient to

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satisfy a call on the water. Use of the water in the ponds is subject to the provisions of the Plan for Augmentation decreed in Case No. 82 CW 284 and the terms of the Change Case decreed in Case No. 91 CW 160.

9. Interference with the distribution of water to the ponds or use of domestic water to fill a pond may result in:

- A. A fine in an amount to be established or imposed by the Board of Directors of the Homeowner's Association ("Board");
- B. The disconnection of the water supply to the pond;
- C. Any other remedy which the Board deems appropriate.

The penalty shall be determined by the Board in its sole discretion.

10. The Homeowner's Association reserves the right to inspect the source of supply to the pond to determine if it is connected to the domestic water supply.

11. In the event of an emergency, the Board may, in its sole discretion, make domestic water available for irrigation purposes.

DESIGN AND CONSTRUCTION STANDARDS

12. One pond per lot with a maximum total water storage capacity of 10 acre-feet (3,258,510 gallons) may be constructed. A series of ponds may be constructed if the ponds are interconnected and adjacent to each other (i.e., they could be considered as a single pond).

13. The pond must be located within 200 feet of the location decreed in Case No. 91 CW 160. A copy of the Pond Location Map and the legal descriptions of the pond outlet (dam) locations from the water rights application are attached.

14. Pond embankments should be sloped to conform to natural contours. The ponds should be designed aesthetically to account for drawdown of the water surface elevation (e.g., steep, rock-lined side slopes minimize "mud flats"). Include seepage and evaporation losses; evaporation is estimated at 2.25 feet per year (May - October).

15. Recirculation or aeration of the pond water may be desired to maintain water quality especially if fish live in the pond. Sufficient water depth for fish may be difficult to

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maintain; the water level in the ponds will be at its lowest level during the fall and winter season.

16. Ponds shall be lined to limit seepage to a maximum of 1/32 inch per day. 30-mil PVC plastic liners with earth or rock cover are recommended.

17. Pond embankments shall be constructed and compacted sufficiently to form a stable structure as recommended by a qualified Geotechnical Engineer. Maximum embankment height, measured from the center of the top of the embankment to the natural ground surface, shall not exceed 10 feet at any location.

18. All ponds shall include an emergency overflow that will direct flows away from embankments and that will minimize potential erosion. Willow and Owl Ditch ("Ditch") water shall not overflow from the ponds, except in emergency situations. Flow from the Ditch into the pond must automatically shut off when the pond is full.

19. Each Lot Owner shall install a totalizing flow meter along with their diversion pipeline to allow the Ranch Manager to measure diversions. The Lot Owner shall install a continuous pipeline from the Ditch to their pond.

20. Notice of the intent to construct a dam must be provided to the State Water Resources Division Engineer (Orlyn Bell, Glenwood Springs) not less than 10 days prior to construction. Contact the Division of Water Resources (945-5665) for the appropriate forms. Notice is not necessary if the pond will store water only below the lowest point of the natural ground.

OPERATIONAL PROCEDURES

21. The ponds may be filled with Ditch water only; water from the domestic water system shall not be used in any pond. Water shall be diverted from the Ditch pipeline into the ponds by the Ranch Manager only. For ponds on Lots 1-4, the source of supply will be determined on a case-by-case basis in conjunction with the Homeowner's Association engineer.

22. The Ranch Manager will fill each pond in the spring.

23. All water diversions from the Ditch shall be metered with a totalizing flow meter located near the location of the Ditch diversion. Meter readings will be used by the Ranch Manager and the Homeowner's Association to provide for the equitable distribution of irrigation water.

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24. The Ranch Manager will provide water to each pond on a pro rata basis. Each pond will receive an equal amount of water, measured as the total volume.

25. Pumping water directly from a Ditch for irrigating landscape areas is not recommended because water may not always be available from the Ditch. It will be necessary to pump water from storage in the ponds after the Ditch water is no longer available.

26. The amount of landscaping area that may be irrigated with water from the ponds depends upon the size of the pond and the amount of water that can be pumped from the pond due to aesthetic limitations. The following parameters may be used for designing the ponds and additional landscaping area:

- * Assume that the ponds will be full on the first of June and the irrigation water will be pumped from pond storage.
- * Evaporation loss during the summer (June - October) is estimated to be 2.10 acre-feet of water per surface acre of pond. Allowable seepage loss is 0.40 acre-feet of water per surface acre of pond.
- * Irrigation water requirements should be determined by a Landscape Architect or Irrigation professional. For planning purposes, an irrigation water requirement of 1.24 acre-foot/acre during August through October for lawn irrigation may be assumed.

Example Calculation: If 10,000 square feet of landscaping is to be irrigated and the pond has a surface area of 20,000 square feet, how much will the pond's water surface drop during the summer?

Irrigation Water Used = $(10,000/43,560) \times (2.59) = 0.59$ ac-ft.
Evaporation Loss = $(20,000/43,560) \times (2.10) = 0.96$ ac-ft.
Seepage Loss = $(20,000/43,560) \times (0.40) = 0.18$ acre-feet
Total Water Used = $0.59 + 0.96 + 0.18 = 1.73$ acre-feet

Change in Pond Level = $(1.73) \times (43,560/20,000) = 3.78$ feet

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Exhibit "A"

If a lot owner is utilizing the domestic water supply for irrigation purposes, the outside uses of the water must be separately metered and a 4,000 square foot limitation is imposed. The gallons allowed to be utilized from the domestic supply on a monthly basis per lot are as follows:

Month	Gallons per Month per Lot
June	11,792
July	15,206
August	14,276
September	8,380
October	3,104