



**SIDNEY PEAK RANCH
OWNERS' ASSOCIATION, INC.
RULES AND REGULATIONS**

Revised February 2005

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RULES AND REGULATIONS

Pursuant to Section 5 (c) of the Declaration of Covenants, Conditions, Restrictions and Easements for Sidney Peak Ranch (the "Declaration"), the Association has promulgated these Rules and Regulations that apply to all Properties, as such term is defined in the Declaration. Capitalized terms used but not defined herein shall be as defined in the Declaration or the Colorado Common Interest Ownership Act (the "Act"), as each may be amended from time to time. In the event of any conflict between the Declaration and these Rules and Regulations, the Declaration shall control.

GENERAL RULES

1. Owners, their family members and their guests must abide by all rules and regulations of the Association, as the same may be amended from time to time. Owners are responsible for ensuring that their family members and guests comply with all such rules and regulations.
2. Attire appropriate to the activity, proper decorum and consideration of the rights of others must be observed at all times.
3. Alcoholic beverages shall only be served on Association property or property controlled by the Association in accordance with applicable law.
4. No advertisements or commercial solicitations in any form shall be posted or circulated in the Association's facilities, nor on, linked to or disseminated through the Sidney Peak Ranch website without the prior approval of the Board.
5. No petitions or announcements may be originated, solicited, circulated or posted on any property of the Association or the Sidney Peak Ranch website without the prior approval of the Board.
6. Owners should not request personal use of the Association's furnishings or equipment which are not ordinarily available for use by an Owner.
7. Owners, their family members and their guests may not abuse or mistreat any of the Association's employees, contractors or agents, verbally or otherwise. No Owner, family member or guest shall reprimand or discipline any Association employee, contractor or agent, request any such employee, contractor or agent to perform personal tasks or services while on duty or send any such employee, contractor or agent off the premises for any reason.
8. The Association may designate certain areas as "non-smoking" areas, and certain facilities as "non-smoking" facilities, and shall post such areas accordingly. The Barn Facilities are designated as Non-Smoking areas.
9. The roster or list of Owners shall be furnished only to Owners and shall not be used or given to anyone other than an Owner for any reason whatsoever. All Owner information supplied to other Owners is for personal use and shall not be used for any commercial use including solicitation.

10. There shall be no solicitation in the name of, or on behalf of, the Association nor shall the Sidney Peak Ranch name or logo be used for any purpose, without the prior written approval of the Board. The Sidney Peak Ranch name and logo are trademarks and service marks owned by, and used by the Association with the permission of, Sidney Peak Ranch Ltd. Liability Co.

11. Parking is permitted only in areas clearly identified for parking. Parking on grass areas, at the main gate or in the delivery areas of the facilities, or in any way which blocks the normal flow of traffic is not permitted. "No Parking" signs must be observed.

12. Outside burning of trash, leaves, debris or other materials is prohibited except with prior, written approval of the Association or for maintenance purposes, including but not limited to controlled burns to help prevent wildfires and for property maintenance purposes.

13. Use of any radio, loudspeaker, horn, whistle, bell or other sound device so as to be audible to occupants on any other Lot is prohibited, except for alarm devices used exclusively for security purposes.

14. Use and discharge of firecrackers and other fireworks is prohibited.

15. Dumping grass clippings, leaves, manure, debris, petroleum products, fertilizers, pesticides or other hazardous materials or toxic substances in any drainage ditch, stream, pond, lake or elsewhere within the Properties is prohibited; except that fertilizers and pesticides may be applied to landscaping on Lots in accordance with their instructions for such use provided care is taken to minimize runoff, and an Owner may dump or bury rocks and trees on an Owner's Building Site that were found or cut down on such Building Site.

16. There shall be no accumulation of rubbish, trash or garbage on a Lot except between regular garbage pickups, and then only in approved containers.

17. Owners shall not obstruct or re-channel drainage flows after location and installation of drainage swales, storm sewers or storm drains; provided, however, that this shall not restrict Declarant's rights with respect to the development and maintenance of Properties pursuant to the Governing Documents.

18. The use of firearms anywhere within the boundaries of Sidney Peak Ranch is strictly prohibited without the express written consent of the Board.

19. Storage of gasoline, heating oil or other fuels on Lots is prohibited, except that a reasonable amount of fuel may be stored on each Lot for emergency purposes and the operation of lawn mowers and similar tools and equipment, and the Association shall be permitted to store fuel for the operation of its vehicles and equipment, including generators, as may be reasonable and necessary for its operations and the maintenance of Properties. This regulation shall not apply to any underground fuel tank authorized pursuant to the Design Guidelines.

20. The use of licensed motorized vehicles is limited to the paved roads within Sidney Peak Ranch, provided such use is consistent with, and not abusive of the rights of others to the quiet enjoyment of the ranch properties. Any such use shall be subject to the same rules, regulations, and laws that would apply to use of the same vehicle on public streets and highways. The use of unlicensed motorized vehicles is strictly prohibited throughout the entire ranch property, except as may be required and necessary for agricultural and other related Association operations.

21. The installation of antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind shall be in accordance with the Design

Guidelines and applicable laws and regulations.

22. No rusty, dilapidated or broken structures, equipment or other items shall be placed or allowed to remain on any Lot, except as may be approved by the Board.

23. Except for the Declarant, no Owner may install or utilize any sprinklers, irrigation systems or wells of any type which draw water from lakes, creeks, streams, rivers, ponds, wetlands, canals or other ground or surface waters within the Properties.

24. Other than as may be constructed by the Declarant or an Owner with approval from the Design Review Committee, no Owner shall construct or use curb cuts or other means of vehicle access to any Lot.

25. Boundary or cross fencing of Lots is prohibited, except for limited stall runouts from a barn, not to exceed twice the length of the stall.

26. Nothing in these Rules and Regulation is intended to modify or limit the Design Guidelines or the jurisdiction or authority of the Design Review Committee. In the event of conflict the Design Guidelines shall be controlling.

27. Violation of any of these Rules and Regulations may subject the person in violation to disciplinary action, fines and penalties as may be approved and amended by the Board at any time.

28. The Board of Directors ("Board") of the Association reserves the right to amend or modify these Rules and Regulations when deemed appropriate, and will notify the Owners of any change.

LOSS OR DESTRUCTION OF PROPERTY OR INSTANCES OF PERSONAL INJURY

1. Each Owner assumes sole responsibility for his or her personal property. The Association is not responsible for any loss or damage to any personal property of an Owner, family member or guest used or stored on the premises of the Association.

2. Property or furniture of the Association shall not be removed from the facility without proper authorization. Every Owner is liable for any property damage and/or personal injury incurred on Association property, or at any activity or function operated, organized, arranged or sponsored by the Association, caused by the Owner and his or her family members and guests.

3. Owners, family members, guests and all other persons who in any manner make use of, or accept the use of, any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Association, or who engage in any contest, game, function, exercise, competition or other activity operated, organized, arranged or sponsored by the Association, either on or off the Association premises, shall do so at his or her own risk. Each Owner releases, waives, and forever discharges Sidney Peak Ranch Ltd. Liability Co., Sidney Peak Ranch Properties, LLC and the Association and their respective directors, officers, shareholders, partners, managers, members, employees, affiliates, representatives and agents, from any and all manners of action, causes of action, damages, claims and demands whatsoever, including any claims arising out of negligence, in law or in equity, which the Owner may have now or at any time in the future, arising out of or resulting from the use of any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Association, or participation in any contest, game, function, exercise, competition or other activity operated, organized, arranged or sponsored by the Association, either on or off Association

premises. Each Owner shall defend, indemnify and hold harmless Sidney Peak Ranch Ltd. Liability Co., SPR Properties, LLC and the Association and their respective directors, officers, shareholders, partners, managers, members, employees, affiliates, representatives and agents, from and against any and all losses, damages, claims or suits arising out of any personal injury or property damage caused by the intentional or negligent acts or omissions of the Owner, its family members and guests.

4. Should any Owner, designee, family member or guest commence a legal action against Sidney Peak Ranch Ltd. Liability Co., Sidney Peak Ranch Properties, LLC or the Association for any claim and fail to obtain judgment therein against them, the Owner shall be liable to Sidney Peak Ranch Ltd. Liability Co. or the Association, as the case may be, for all costs and expenses incurred by them in the defense of such legal action, including but not limited to reasonable attorneys' fees.

GUESTS

Guests of Owners may be extended guest privileges to use certain facilities subject to the payment of applicable guest fees and charges, execution of a Full and Final Waiver and Release of All Claims, and compliance with these rules and regulations. Guest privileges may be denied, withdrawn or revoked at any time by the Association for non-compliance with these rules and regulations. All guests shall be either houseguests or day guests of an Owner. A houseguest is defined as a guest temporarily residing in an Owner's residence at Sidney Peak Ranch. All other guests of an Owner shall be considered day guests and must be registered with the Association.

Day Guests

1. Day guests must be accompanied by the Owner or a member of Owner's family at all times when using any facility of the Association.
2. Day guest fees and charges for all services are payable at the time such service is rendered, or will be charged against the sponsoring Owner's account.
3. Day guest privileges may be limited from time to time.

Houseguests

1. Houseguest privileges will be extended to guests of an Owner while that guest is residing in the Owner's residence at Sidney Peak Ranch. To provide use privileges for a houseguest, the sponsoring Owner must initiate the application for houseguest privileges at least two business days prior to the arrival date of the houseguest.
2. Houseguests are permitted to use the facilities without being accompanied by the Owner.
3. The houseguest may pay his or her charges at the end of his or her stay. The sponsoring Owner is responsible for all charges made by his or her houseguests which are not paid by their guest.
4. Houseguest privileges may be limited from time to time.

BARN FACILITIES RULES AND REGULATIONS

The Association endeavors to provide Owners with riding facilities and services that fulfill their needs and expectations, and to provide an enjoyable, positive and safe experience to anyone using the barn, arenas, trails and related facilities (collectively referred to as the "Barn Facilities"). The fulfillment of this mission depends upon the cooperation of all parties, including those parties who board their horses at the barn, ride or train horses, or provide other equestrian services, and those who work at Sidney Peak Ranch.

To help assure the fulfillment of this mission, the Association has adopted the following rules and regulations. These rules and regulations apply to all Owners, guests, invitees, agents, representatives, riders, trainers, and others using or working on Sidney Peak Ranch, and are subject to change by the Association without advance notice.

Use of Facilities

1. Liability. All users of the Barn Facilities must sign the Full and Final Waiver and Release of All Claims ("Release") prior to use ("Release"). If under the age of 18, a parent or guardian must complete and sign the Release.
2. Use of Barn Facilities. Each Owner will be provided with a key to gain access to the barn. Outside facilities are available during daylight hours. Children under the age of 16 must be accompanied by an adult while utilizing the Barn Facilities. Subject to availability and obtaining a reservation, private parties and special events may be held utilizing the clubhouse area in the barn. The Owner assumes full responsibility for the conduct of the Owner's guests, for any loss or damage caused by the guests, and for any damage caused by the installation of party décor and shall be responsible for the removal of all such party décor following the event. Any private party or special event requiring the use of the clubhouse area of the barn will be posted on the Information Board at the barn and on the Sidney Peak Ranch website on the Barn Usage & Event Schedule 72 hours in advance of the event.
3. Tack Rooms. Each boarder is provided with a key and assigned a designated space in the tack room. Tack rooms are required to be kept clean and organized, and should be kept locked. The Association is not responsible for lost or stolen property.
4. Use of Paddocks. Paddocks are assigned by the Barn Manager and must not be used without permission. Contact the Barn Manager at least twenty-four (24) hours in advance to reserve the use of a paddock.
5. Noise. Please respect and be considerate to others. No outdoor speakers or public address systems shall be used on the barn property.
6. Arena Turnout. Turnout is not allowed in the indoor or outdoor arenas.
7. Cleaning Up. After grooming, riding or training of a horse, the Owner or rider is to clean up after himself or herself and the horse (with the exception of stalls and arenas).
8. Doors and Gates. Doors and gates in the barn, paddocks and on trails should generally be left as you found them.
9. Lights. Turn off barn and arena lights when they are not needed. If you are the last one to leave at night, be sure to turn off lights.

10. Parking. Vehicles and trailers must be parked in assigned areas only.
11. No Smoking. There is absolutely NO SMOKING in or on any of the Barn Facilities.
12. Pets. All dogs must be kept under control by the owner at all times. If behavior problems occur, the Barn Manager may prohibit the dog from returning to the facility. No dogs are permitted in the clubhouse area of the barn.
13. Treatment of Horses. All horses must be treated with kindness and respect.
14. Authorized Persons. Each Owner must provide the Barn Manager with a list of all persons authorized by the Owner to take the Owner's horse(s) out of the stall, paddock or pasture areas in the Owner's absence.
15. Cool Down. The rider is responsible for insuring that the horse is properly cooled down (after riding) before returning the horse to the groom or stall.
16. Stallions. Stallions are not allowed at the barn, in the arenas or the paddocks, or anywhere on the premises without the express written consent of the Board. Stallions may be kept on a Development Envelope with consent of the DRC and under controlled circumstances.
17. Other Services. A list of additional services offered at the Barn Facilities can be obtained from the Barn Manager.

Independent Trainers

1. Liability. All trainers and other independent contractors working at Sidney Peak Ranch must have a current Release signed and on file with the Barn Manager before using the Barn Facilities.
2. Scheduling/Reservations.
 - (a) In order to provide for the efficient, equitable use of the Barn Facilities, Owners and/or their trainers are required to schedule such use at least twenty-four (24) hours in advance with the Barn Manager, which schedule will be posted on the Information Board at the barn and on the Sidney Peak Ranch website's Barn Usage & Event Schedule.
 - (b) Reserving the use of any of the Barn Facilities is a privilege, not a right, and may be suspended for failure to abide by these rules and regulations or other applicable rules or Governing Documents of the Association or Sidney Peak Ranch.

BUNKHOUSE RULES AND REGULATIONS

Sidney Peak Ranch Bunkhouse is an amenity of Association that is intended to be enjoyed by all Owners. In order to accommodate all of the Owners, these rules and regulations outline specific policies and procedures that must be followed with respect to Bunkhouse use.

- a. Each Owner is entitled to reserve the use of the Bunkhouse for ten (10) days during each calendar year.

b. Requests for reservations for any dates during the winter season from November 1 through April 30 must be submitted by August 15 in order for management to review the reservation applications, assign available dates based on the requests and priorities (as described below), and leave ample time for Owners to make the necessary arrangements. Reservations of days allotted to an Owner may be made after August 15, subject to availability.

c. Requests for reservations for any dates during the summer season from May 1 through October 31 must be submitted by March 15 in order for management to review the reservation applications, assign available dates based on the requests and priorities, and leave ample time for Owners to make the necessary arrangements. Reservations of days allotted to an Owner may be made after March 15, subject to availability.

d. Management hopes to accommodate all Owners with their desired dates; however, because Steamboat Springs is a resort area, it is possible that more than one Owner would desire to reserve the Bunkhouse for the same period of time. Therefore, all Owners will be assigned a priority number in January of each year, which number will be used during that year if more than one Owner desires to reserve the Bunkhouse during the same time period. In this situation the Owner with the higher priority number will receive the desired date. During the reservation period for the summer season from May 1 through October 31 the lowest priority number will receive the highest priority and during the winter season from November 1 through April 30 the highest priority number will receive the highest priority. The initial assignment of priority numbers will be made as of January 1, 2005, on the basis of the order in which the Owners as of that date closed on their initial purchase of a lot at Sidney Peak Ranch. Thereafter, subsequent Owners of lots will be assigned a priority number in the order in which they close on their initial purchase of a lot at Sidney Peak Ranch, and on January 1 of each year the Owner with the highest priority number (i.e., number 1 on the list) will drop to the bottom of the list and all other Owners will move up one place on the list.

e. As a courtesy to other Owners, any Owner who does not plan to use some or all of his or her 10 days each year, or who will not use dates already reserved for the Owner, should notify management as soon as possible. These dates, as well as all other dates allocable to Lots that have not been sold to Owners, will be made available according to the following priorities: (i) sales prospects visiting the property who are registered by the broker-in-charge of sales for Sidney Peak Ranch; (ii) Owner's engaged in the process of constructing a residence on their lot at Sidney Peak Ranch; and (iii) all other Owners on a first come, first served basis. A schedule of available dates for the winter season will be provided to all Owners in October and for the summer season in May of each year. All reservations for space available dates must be made at least fourteen (14) days in advance.

f. Check-in is after 3 p.m. and check out is by noon. Owners should re-confirm their reservations at least 72 hours prior to arrival.

g. Dates not allotted to Owners' use shall be reserved for Sidney Peak Ranch maintenance and repair. Management also reserves the right to cancel reservations as a result of emergencies requiring repairs or that would otherwise materially interfere with the use and enjoyment of the Bunkhouse, in which event management shall use commercially reasonable efforts to notify the Owner as soon as possible.

h. Special events may be held at the Bunkhouse if space is available or during an Owner's

reserved time period.

i. Owners must provide a credit card when reservations are confirmed, which will be charged a one night deposit for each stay. Failure to cancel a reservation at least 72 hours in advance of the scheduled arrival date could subject the Owner to the forfeiture of the one night deposit.

j. The charge for use of the Bunkhouse is currently \$75.00 per night, plus applicable taxes (if any), which rate may be changed from time to time by the Association. An Owner is responsible for all costs incurred by the Association that result from damages to the Bunkhouse or its furnishings that occur during the Owner's stay. Additional charges for special events at the Bunkhouse will be determined on a case-by-case basis.

k. The Association is responsible for maintaining, repairing and cleaning the Bunkhouse prior to and after any uses at the Bunkhouse.

l. All reservations must be made through the Management Company.

m. All charges for use of the Bunkhouse must be paid through the Management Company.