

**SECOND AMENDMENT TO
DECLARATION OF PROTECTIVE COVENANTS
FOR
MURPHY-LARSEN RANCH**

A Planned Community in Routt County, Colorado

ENTELCO CORPORATION, an Ohio corporation (the "Declarant"), as Declarant, established a planned community common interest community in Routt County, Colorado known as Murphy-Larsen Ranch by recording the plat of Murphy-Larsen Ranch at Reception No. 686422 and File No. 13931 of the Routt County, Colorado real property records (the "Plat") and recording the Declaration of Protective Covenants for Murphy-Larsen Ranch at Reception No. 686423 of the Routt County, Colorado real property records. Such Declaration of Protective Covenants was previously amended by the First Amendment to Declaration of Protective Covenants for Murphy-Larsen Ranch recorded at Reception No. 687618 of the Routt County, Colorado real property records. In this Second Amendment, references to the Declaration shall include the Declaration of Protective Covenants recorded at Reception No. 686423, as amended by the First Amendment recorded at Reception No. 687618 and as amended by this Second Amendment. Capitalized terms used but not otherwise defined in this Second Amendment shall have the meanings set forth in the Declaration.

Declarant is the owner of Lot 2 of Murphy-Larsen Ranch ("Lot 2"). Routt County has issued to Declarant Conditional Use Permit No. PP2013-006 (the "Clubhouse CUP") authorizing the construction and use on Lot 2 of certain recreational facilities as an amenity for the Murphy-Larsen Ranch homeowners, their families and guests. Declarant has agreed to construct a portion of the recreational facilities authorized by the Clubhouse CUP, consisting of an owners' clubhouse (known as "Owen's Cabin"), a driveway and cul-de-sac with parking area and associated utilities (the "Clubhouse") as generally described in the application for the Clubhouse CUP submitted by Declarant to Routt County and the plans and specifications for the Clubhouse developed by Declarant. Declarant has further agreed that Lot 2 and the improvements thereon, including the Clubhouse, shall become Common Property of the Association. The CUP authorizes additional facilities that may be constructed on Lot 2, including without limitation a kids' cabin, tack shed, barn and riding arena. Declarant has agreed to construct the Clubhouse, as defined above, and Declarant's agreement to construct facilities on Lot 2 is limited to the Clubhouse. Declarant shall have no obligation to construct additional facilities that may be authorized by the Clubhouse CUP.

Pursuant to **Section 14.2** of the Declaration, Declarant reserved the right and power to amend the Declaration from time to time for the purpose, among others, of exercising any right reserved by the Declarant in **Section 13** of the Declaration. **Section 13.1(j)** of the Declaration provides that any Lot owned by Declarant may be converted to Common Property by recording an amendment to the Declaration specifying the Lot converted to Common Property, and that any such amendment may contain provisions in addition to the Declaration applicable to the Lot converted to Common Property. Declarant desires to convert Lot 2 to Common Property and to make certain other amendments to the Declaration relating to the Clubhouse and other matters.

Amendments to the Declaration not within the scope of **Section 14.2** of the Declaration may be made by Declarant and Owners (Members of the Association) as provided in **Section 14.1** of the Declaration. The Declaration may be amended pursuant to **Section 14.1** of the Declaration upon written approval of Owners entitled to cast specified percentages of the votes in the Association entitled to be cast by the Owners. **Section 10.6** of the Declaration provides that each Lot (including Outlot 1) shall be allocated one (1) vote on all and any matters to be voted on by the Members of the Association. One (1) vote is allocated to each of the twelve (12) Lots in Murphy-Larsen Ranch, and one vote is allocated to Outlot 1, for a total of thirteen (13) votes in the Association. Declarant is the Owner of Lot 1, Lot 2, Lot 3, Lot 4, Lot 5, Lot 6, Lot 8, Lot 9, Lot 10, Lot 11 and Outlot 1 of Murphy-Larsen Ranch and is entitled to cast eleven (11) of the thirteen (13) votes in the Association. Declarant is entitled to cast 84.62% of all the votes in the Association entitled to be cast at the time of this Second Amendment. The provisions of this Second Amendment other than those that may be enacted by the Declarant under **Section 14.2** require the written approval of Owners entitled to cast sixty-seven percent (67%) of all the votes in the Association entitled to be cast. Accordingly, this Second Amendment is approved and adopted upon approval by the Declarant only, and approval by any of the remaining Owners is not required.

Accordingly, pursuant to the right and power reserved to Declarant in **Section 14.2** of the Declaration and, pursuant to **Section 14.1** of the Declaration, the Declarant, in such capacity and as an Owner of Lots and Outlot 1 in Murphy-Larsen Ranch, hereby amends the Declaration as follows:

1. Declarant shall, at its expense, construct the Clubhouse (as defined above) on Lot 2 generally in the location described in the application for the Clubhouse CUP submitted by Declarant to Routt County and substantially in accordance with the plans for the Clubhouse developed and approved by Declarant. The plans, elevations and specifications for the Clubhouse have been submitted to and approved by the DRC in accordance with **Section 5.1** of the Declaration. Declarant shall not be required to pay any fees or other charges for review of Clubhouse plans or any construction deposits or similar amounts pursuant to the Design Guidelines. On or before substantial completion of the Clubhouse, Declarant shall convey to the Association by bargain and sale deed Lot 2 and the improvements thereon, including the Clubhouse, and shall transfer the Clubhouse CUP to the Association. Upon such conveyance and transfer, Lot 2 and the improvements thereon, including the Clubhouse and the Clubhouse CUP, shall become Common Property for all purposes of the Declaration, and the Association shall accept Lot 2 and the improvements thereon as Common Property and assume all obligations of the Declarant under the Clubhouse CUP. Lot 2 and the improvements thereon shall be conveyed to the Association subject to all the provisions of the Declaration, including without limitation rights reserved to the Declarant in **Section 13** of the Declaration. It is acknowledged that components of the Water System are located on Lot 2 and that the Water System was previously conveyed to the Association and is Common Property.

2. Notwithstanding **Section 2.34** and **Section 4.6** of the Declaration or any other provision of the Declaration defining or governing the use of the Privacy Area on Lot 2, the Privacy Area on Lot 2 is eliminated and **Section 2.34** of the Declaration and other provisions of

the Declaration defining or governing the use of the Privacy Area on Lot 2 are amended accordingly. Notwithstanding **Section 2.6** and **Section 4.1** of the Declaration or any other provision of the Declaration defining or governing the Building Envelope on Lot 2, the Building Envelope on Lot 2 is eliminated and, subject to other provisions of this Declaration regarding the location and construction of Structures, Structures may be located, constructed and used anywhere on Lot 2.

3. **Section 4.1** of the Declaration is amended to exclude Lot 2 from each reference to "Lots 1 through 12" contained therein. **Section 4.1** of the Declaration is further amended by the addition of a new subsection 4.1(d) thereof as follows:

(d) In addition to the uses specified in **Section 4.1(c)**, Lot 2 may be used for recreational purposes and for the Clubhouse and other Structures that may be constructed pursuant to the Clubhouse CUP. As long as the Clubhouse CUP is in effect and prohibits the construction of a residential dwelling on Lot 2, the construction of a residential dwelling on Lot 2 shall not be permitted. Notwithstanding any other provision of this Declaration regulating the location or use of Structures on Lots, construction and use of the Clubhouse and other facilities permitted under the Clubhouse CUP within Lot 2 shall be permitted, and Lot 2 may be used for other purposes authorized or permitted pursuant to the Clubhouse CUP.

4. The second paragraph of **Section 4.3(a)** of the Declaration is amended to delete the following sentence contained therein:

Portions of the Open Space Easement Area or Conservation Easement Property may be periodically closed by the Agricultural Operator to accommodate ranching and agricultural activities and by the Hunting Operator to accommodate hunting activities.

5. The first sentence of subparagraph (iv) of the third paragraph of **Section 4.3(a)** of the Declaration is amended to read as follows:

Use of Common Property by Association Users shall be compatible with the agricultural, ranching, hunting and recreational operations occurring within Murphy-Larsen Ranch.

6. **Section 8.1** of the Declaration is amended by the addition of a new **Section 8.1(j)** as follows:

(j) The Clubhouse and all its components, including access road and parking area, and any other Structures constructed by the Association on Lot 2 pursuant to the Clubhouse CUP.

7. The first sentence of the second paragraph of **Section 8.3** of the Declaration is amended to read as follows:

The Association shall be responsible for administering, insuring, conserving, managing, maintaining, operating and improving the Common Property, and all costs and expenses

incurred in connection therewith shall be a Common Expense, provided that nothing in this Declaration obligates the Association to (i) maintain, repair, improve or insure any portion of the Common Property for the benefit of the Agricultural Operator, the Hunting Operator or the Recreational Operator, or (ii) provide any maintenance, repair any damage or incur any expense for which a third party is obligated pursuant to the Agricultural Use Easement, the Hunting Use Easement, the Recreation Use Easement or otherwise.

8. Pursuant to Section 10.6 of the Declaration, as long as Lot 2 is owned by the Association no vote shall be allocated to Lot 2, and the Association shall not be entitled to vote with respect to Lot 2.

9 **Section 11.13** of the Declaration is amended to provide that upon the transfer by Declarant of Lot 2 to the Association, Declarant shall not be obligated to pay any amount to the Association and that upon any transfer of Lot 2 by the Association, the Association shall not be subject to the transfer assessment in **Section 11.13**.

10. The last sentence of **Section 14.1** of the Declaration is amended to correct a typographical error by removing the words "in title" contained therein and replacing them with the word "entitled."

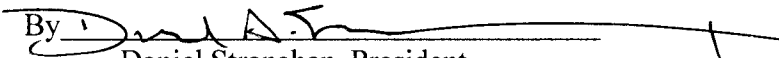
11, The Plat is hereby amended as necessary to be consistent with the provisions of the Declaration, as amended. Without limitation, the Plat is amended to eliminate the Building Envelope shown on Lot 2. Subject to applicable provisions of the Declaration regarding the location and construction of Structures, Structures may be located, constructed and used anywhere on Lot 2. In the event of any inconsistency between the provisions of this Declaration, as amended, and the Plat, the provisions of this Declaration shall control.

As amended by this Second Amendment, the Declaration is ratified and confirmed.

EXECUTED as of the 11th day of July, 2013.

**DECLARANT AND OWNER
OF LOTS 1, 2, 3, 4, 5, 6, 8, 9,
10, 11 AND OUTLOT 1:**

ENELCO CORPORATION, an
Ohio corporation

By 
Daniel Stranahan, President

