

shall substantially alter or amend any of the rights or obligations of the Owners set forth herein.

SCAN: 16
Common interest
Community Declaration

ARTICLE VIII

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

8.1 Association as Attorney in Fact for Owners. The Association is hereby irrevocably appointed attorney in fact for the Owners, and each of them, to manage, control and deal with the Ranch, and the beneficial use and interest of each Owner in the Common Elements, so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, to represent the Ranch and the interest of any Owner or Owners in any litigation, in the name of any or all Owners as a representative party, to deal with the Ranch upon its destruction or obsolescence as hereinafter provided and to grant easements through any portion of the Common Elements. The acceptance by a person of any interest in a Lot shall constitute an appointment of the Association as attorney in fact as provided above and hereinafter. The Association is hereby granted all of the powers necessary to own the Common Elements, govern, manage, maintain, repair, build, administer and regulate the San Juan Ranch and to perform all of the duties required of it.

8.2 General Common Elements. The Association shall own and provide for the care, operation, management, maintenance, repair and replacement of the General Common Elements. Without limiting the generality of the foregoing, said obligations shall include the keeping of such General Common Elements in good, clean, attractive and sanitary condition, order and repair; removing dead vegetation, clearing snow and any other debris or materials from any portion of such General Common Elements which might impair access to or within the Ranch or Lots, or which may create a fire or other hazard; keeping the Ranch safe, as possible attractive and desirable; and making necessary or desirable alterations, additions, betterments or improvements to or on the General Common Elements.

8.3 Road Maintenance

a. In the instance where a particular road, easement or right of way is an existing public road, which directly affects ingress or egress to the Ranch, or is within the Ranch, and is entitled in either San Miguel, Ouray or Montrose County, the U.S. Forest Service or some other public entity, and such road is not subject to current maintenance by such sovereign entity, then the Association shall be charged with the direct maintenance of such road or with negotiating a service and/or maintenance contract with the proper governmental authority or negotiating a turn-over arrangement with such proper governmental authority.

b. It is the specific intent of Declarant that future administrations of San Juan Ranch through the Association, provide for year round access of all roads and driveways within the Ranch. The Board of the Association is charged with the duty of equitably assessing the cost of such year round road maintenance to the respective owners.

8.4 Other Association Functions. The Association may undertake any activity, function or service for the benefit of or to further, the interests of all, some or any owners on a self supporting special assessment(s), or Common Assessment(s) basis. Such activities, functions or services may include but are not limited to the providing of security services, road maintenance, landscape maintenance service, garbage and trash collection services.

8.5 Labor and Services. The Association: (i) may obtain and pay for the services of a Managing Agent to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Ranch, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom it contracts; (ii) may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Ranch or enforcement of this Declaration or the rights of any Owner(s); and (iii) may arrange with others to furnish trash collection, road maintenance and other common services. The Association is specifically authorized to contract with, employ, retain and hire any affiliates of, companies controlled by, or persons employed by Declarant or any of its affiliates. The first Board, appointed as provided herein, shall ratify and approve an initial management agreement between the Declarant, on behalf of the Association, and a manager, which may be a corporation related to the Declarant, to act as Managing Agent for the Ranch.

8.6 Property of Association. The Association may pay for, acquire, own, hold, or lease real property, and tangible and intangible personal property and may dispose of the same by sale or otherwise. Subject to the rules and regulations of the Association, each owner and each Owner's family and guests may use such property. Upon termination of Common Interest Community ownership of the Ranch and dissolution of the Association, if ever, the beneficial interest in any such property shall be deemed to be owned by the then Owners as tenants in common in the same proportion as their votes in the Association. A transfer of a Lot shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Lot under foreclosure shall entitle the purchaser to the beneficial interest in such property