

**RULES AND REGULATIONS**  
**FOR**  
**BRIGHTWATER CLUB PROPERTY OWNERS ASSOCIATION**

THESE RULES AND REGULATIONS FOR BRIGHTWATER CLUB (THESE "RULES"), are promulgated and effective as of the day of September 5, 2005 (the "Effective Date").

**INTRODUCTION**

These Residential Rules govern the use and occupancy of Brightwater Club (the "Property"). They shall remain in effect unless otherwise amended by the Board of Directors for Brightwater Club Property Owners Association (the "Association"), and shall apply to and be binding upon all Owners of the Property. Owners shall at all times comply with these Rules and use their best efforts to ensure that such Rules are fully and faithfully observed by other Owners. The Owners are also subject to and governed by the governing documents for the Property, including but not limited to, the: (1) Declaration of Covenants, Conditions, Restrictions and Easements for Brightwater Club (the "Declaration"), (2) Articles of Incorporation, and (3) Bylaws for Brightwater Club Property Owners Association (collectively herein, the "Property Documents").

**DEFINITIONS**

Unless otherwise specifically defined in these Rules and Regulations, all terms used in these Rules and Regulations have the meanings given to them in the Declaration.

**USE RESTRICTIONS**

1. **Permitted Uses.** All or any portion of the Property may be occupied and used only for: (i) residential uses and uses incidental to them; (ii) long term rentals of individual residential dwellings within the Property for residential purposes (to the extent permitted by applicable zoning laws); and (iii) home occupations permitted by applicable zoning laws, so long as that use is incidental to the residential use of the applicable residential dwelling located within the Property and is not advertised or identified by signage on or any directory in the Property.

2. **General Restrictions.** The occupation and use of the Property by the Owners, their tenants and respective Permittees is subject to the following restrictions:

a. **Timeshares.** Except for permitted leases in Section 16.6 of the Declaration, no Lot may be used for the creation, by any means, for any "time share estate," as defined in C.R.S. § 38-33-110 or as a part of any other time share, interval ownership, vacation club, or similar estate or interest in the Lot, whether on an equity or non-equity basis, no matter how described or classified, by which a purchaser, investor, owner, tenant, member or licensee

obtains the right to exclusive use of the Lot for a period of time and subject to availability, reservation procedures, or rights of others within such program to use the Lot. As used in the preceding sentence, "vacation club" is defined as any arrangement, formal or informal, under which persons or entities share the right to use the Lot if (a) such arrangement is adopted, imposed, marketed, sold, or managed by a part other than those persons or entities who share the right to use the Lot, or (b) such Lot is marketed for use pursuant to or subject to such arrangement. Without limiting the foregoing, no Lot may be owned by more than four co-Owners, and without limiting such four-co-Owner limit, no co-Owner of a Lot may own less than a twenty-five percent (25%) interest in such Lot. This provision shall specifically not be applicable to any Development Parcel until such time, and to the extent, that the Development Parcel is resubdivided into Lots.

b. Insurance Risks. The Residential Property may not be used for any use that would constitute an unusual fire hazard, jeopardize any insurance maintained on any part of the Improvements or cause any increase in the premium for that insurance.

c. Nuisance. No obnoxious or offensive activity will be carried on within the Property, nor will anything be done or permitted which will constitute a public nuisance. No noise or other nuisance will be permitted to exist or operate upon the Property so as to be offensive or detrimental to any other part of the Property or its occupants. Notwithstanding the foregoing, this restriction shall be subject to permissibility of equestrian use of Equestrian Lots.

d. Violation of Law. No portion of the Property may be used for any use which violates any law, statute, ordinance, rule, regulation or order of any governmental authority having jurisdiction over the Property, including, without limitation, any of them that regulate or concern hazardous or toxic waste, substances or materials.

e. Use of Lots. Subject to Section 2.w. below, which permits certain business uses of a Lot, and Section 3.5.6 of the Declaration, which permits model residences and offices under certain circumstances, each Lot may be used only for residential purposes in accordance with the restrictions applicable to a particular Lot contained in the Plat and in the Town Documents.

f. Antennae. Owners and their guests or lessees may install, maintain and use any exterior radio, television, microwave, satellite dish or other antennae or signal capture and distribution device if such device is less than one meter in diameter and is used only on their own and exclusive property. Installation of any and all such devices shall be subject to prior written approval by the Design Review Board and regulation by the Federal Communications Commission and other applicable laws in effect from time to time.

g. Animals and Pets. No Owner shall keep, raise or breed any animals, livestock, horses or poultry of any kind on the Property, except dogs, cats, permitted horses, or other household pets (the kind and number of which may be regulated, permitted or prohibited from time to time by the Association Rules). Notwithstanding the foregoing, in no event shall an Owner, Guest or Lessee permit his dog, cat or other household pet or permitted horse to access the Preserve Area. Each Owner shall comply with all applicable leash laws and shall have its

dog on a leash when it is not contained on his Lot and is otherwise on Brightwater Club Property or Club property.

h. Containment. Household pets, such as dogs and cats, and any permitted horses may not be permitted to run at large at any time. Those pets or horses which, in the sole discretion of the Executive Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to, the occupants of other Lots or wildlife shall be removed upon request of the Executive Board as further set forth in the Association Rules. If the owner of the pet or horse fails to honor such request, the Executive Board may remove the pet.

i. Signs and Flags. No signs, flags, banners, pennants or similar items, unless patriotic or religious in nature, may be displayed to the public view on or from the Property. Notwithstanding the foregoing, one political sign per political office or ballot issue may be displayed in Lot windows during the forty-five (45) days before and seven (7) days following an election. Such sign is limited to a size of 36"x48". In addition, military service flags and the American flag may be displayed. In addition, holidays signs, symbols and decorations may be displayed.

j. No Outside Clotheslines. No laundry, linens, clothing, bathing suits or swimwear, curtains, rugs, mops and clothes lines will be dried or hung outside on any Lot.

k. Motorized Vehicles. No trucks, trail bikes, recreational vehicles, golf carts, motor homes, motor coaches, snowmobiles, campers, trailers, boats or boat trailers or similar vehicles other than passenger automobiles or pickup or utility trucks with a capacity of three-quarter ton or less or any other motorized vehicles will be parked, stored or in any manner kept or placed on any portion of the Property except in an enclosed garage. Notwithstanding the foregoing, a motor vehicle may be parked at an Owner's residence by such Owner's occupant, if the following criteria are met:

i. if the vehicle is required to be available at designated periods at the Owner's occupant's residence as a condition of such occupant's employment; and

ii. the Owner's occupant is a bona fide member of a volunteer fire department or is employed by an emergency service provider, as defined in section 29-11-101 (1.6), C.R.S. a primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical services; and

iii. Parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other Owners or such occupant to use streets, and driveways, and guest parking space within Brightwater Club.

These restrictions, however, will not be deemed to prohibit commercial and construction vehicles and construction mobile offices, in the ordinary course of business, from making deliveries or otherwise providing services to the Property or for Declarant or the other Owners.

l. Parking and Auto Repair. No automobiles or other vehicles will be parked in any street or upon any portion of the Property except within garages, carports or designated

parking areas except as provided herein. No work on automobiles or other vehicle repair will be performed in any visible or exposed portion of the Property except in emergencies.

m. Abandoned, Inoperable or Oversized Vehicles. No abandoned or inoperable vehicles of any kind will be stored or parked on any portion of the Property, other than within enclosed garages, except as provided below. "Abandoned or inoperable vehicle" is defined as any vehicle which has not been driven under its own propulsion for a period of three weeks or longer. A written notice describing the abandoned or inoperable vehicle and requesting its removal or storage within an enclosed garage may be personally served upon the Owner or posted on the abandoned or inoperable vehicle. If such vehicle has not been removed or stored within an enclosed garage within seventy-two (72) hours after notice has been given, the Association will have the right to remove the vehicle without liability, and the expense of removal will be a Default Assessment charged against the Owner as provided in Article 10 of the Declaration. All unsightly or oversized vehicles, snow removal equipment, garden maintenance equipment, and all other unsightly equipment and machinery may be required by Declarant or the Executive Board to be stored at a designated location or locations. "Oversized" vehicles, for purposes of this Section, will be vehicles which are too high to clear the entrance to a residential garage or too long to fit within a standard residential garage.

n. Outside Burning. There will be no exterior fires, except barbecues, outside fireplaces and braziers contained within facilities or receptacles and in areas designated and approved by the Design Review Board. No Owner will permit any condition on his Lot which creates a fire hazard or is in violation of fire prevention regulations. No Owner shall emit from his Lot any noxious or offensive smoke or fumes.

o. Noise. All Owners and Owner's guests, occupants and permittees are encouraged to observe quiet time in or about the Property from 10:00 p.m. each evening to 8:00 a.m. the next morning. No Owner or Occupant shall make or permit any disturbing noises by himself, his family, servants, employees, agents, visitors, and licensees, nor do or permit anything by such persons that will or is likely to interfere with the rights, comforts or convenience of the other Owners. No Owner shall allow any operation of a radio, phonograph or CD player, television or sound amplifier on the exterior of the Lot in such manner as to disturb or annoy other Owners or their occupants, guests or permittees on the Property. Any Managing Agent shall have the right to abate all nuisances in or about the Project. No exterior horns, whistles, bells or other sound devices except security devices used exclusively to protect the security of the Property or improvements will be placed or used on any portion of the Property.

p. Children. All Owners shall be responsible for the conduct of their children and the children of their guests, occupants, and permittees. Owners shall ensure that such children's behavior is neither offensive to any Owner nor damaging to any Lot or any portion of the Property.

q. Wildlife. Each Owner will abide by any wildlife regulations imposed by the Association Rules or by any agency or authority having jurisdiction over the Property.

r. Leases and Overnight Rentals. No Owner may rent a Lot or residence for a term less than six (6) months in duration; provided, however, an Owner who is a current

member of the Club may rent his Lot or residence to another current member of the Club for a shorter period; and provided further that the Declarant shall have the right to rent any Lot owned by Declarant, or any other Lot with the permission of the Owner thereof, to any Guest of Declarant.

s. Leasing. The Owner of a Lot will have the right to lease his Lot, subject to the following conditions:

i. All leases will be in writing and will be for a term not less than six (6) months, subject to the exception set forth in Section 2.r above.

ii. All leases must limit the total number of occupants permitted in each Lot on the basis of the size and facilities of the Lot and its fair use of the Common Area, as determined by the Executive Board.

iii. The lease shall be specifically subject to the Association Documents, and any failure of a tenant to comply with the Association Documents will be a default under the lease, enforceable by the Association. The lease shall contain a provision which states that it shall be subject to the Association Documents and that breach of same shall be an event of default under the Lease enforceable by the Association.

iv. Any default by the Owner's tenant under any provision of the Declaration, the Bylaws or these Rules shall be deemed a default by the Owner thereunder and shall entitle the Association to all remedies for such default as provided in the Declaration as against the Owners and such Owner's tenant. The Owner shall be liable for any violation of the Association Documents committed by the Owner's tenant, without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant.

t. Businesses. No Owner shall conduct any business, trade, garage sale, moving sale, rummage sale or similar activity on any Lot, except in compliance with the Association Rules, which shall at minimum provide that an Owner or occupant residing on a Lot may conduct typical "home-office" business activities within the residence so long as: (a) the existence or operation of the business activity is undetectable to the senses of sight, sound or smell from outside the residence; (b) the business activity conforms to all zoning requirements for the Property; (c) the business activity may be carried out within the confines of the residence and is free from regular visitation of the residence by clients, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Property. Without limiting the generality of the foregoing, in no event shall any Lot be used for any mechanical repair business, manufacturing business, or other similar industrial use.

This subsection shall not apply to any activity conducted by the Declarant or a builder approved by the Declarant with respect to the development and sale of the Property, including, without limitation, the Development Parcels, or the Declarant's use of any Lot.

u. General Practices Prohibited. The following practices are prohibited at Brightwater Club:

- i. Careless disposition of cigarettes and other flammable materials;
- ii. Capturing, trapping, harassing or killing of wildlife within the Property, except in circumstances posing an imminent threat to the safety of persons using the Property; and
- iii. Any activity which materially disturbs, threatens or destroys the vegetation, wildlife, wetlands, or air quality within the Property or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution.

v. Use of the Word "Brightwater Club" or Logo. No Person shall use the words "Brightwater Club" or any derivative of any of such name, or any other name given to the Property by the Declarant, or the logo of the development in any printed or promotional material without Declarant's, or following the Declarant Control Period, the Association's, prior written consent. If any Owner breaches this agreement, the Declarant or the Association shall receive to immediate injunctive relief and reasonable attorneys' fees. However, Owners may use the terms "Brightwater Club" in printed or promotional matter where such term is used solely to specify that particular property is located within Brightwater Club and the Association shall be entitled to use the word "Brightwater Club" in its name.

w. Compliance with Laws. Subject to the rights of reasonable contest, each Owner will promptly comply with the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Property, including, without limitation, the Town Documents.

x. Enforcement. Notwithstanding anything in the foregoing to the contrary, the Executive Board may prohibit any activity, business or otherwise, which, in the sole direction of the Executive Board, constitutes a nuisance, or a hazardous or offensive use, or threatens the value of the Property or any Lot or the security, safety, or quiet enjoyment of other residents of the Property. The Association may take such action as it deems advisable to enforce these covenants as provided in this Declaration. In addition, the Association will have a right of entry on any part of the Property for the purposes of enforcing these covenants, and any costs incurred by the Association in connection with such enforcement (including, without limitation, attorneys' and legal assistants' fees and expenses and costs of suit) which remain unpaid thirty (30) days after the Association has given notice of the cost to the Owner and otherwise complied with Act will be subject to interest at the default rate from the date of the advance by the Association through the date of payment in full by the Owner, and will be treated as a Default Assessment enforceable as provided in Article 10.

y. Ditch Easements. Each Owner, by taking title to his Lot, hereby acknowledges that certain Lots are near the Ditch Easements as further described in Section 8.14 and are subject to said easements.

z. Neighboring Agricultural Land. Each Owner, by taking title to his Lot, hereby acknowledges and understands that certain farming, ranching and other agricultural activities will be conducted on property near or adjacent to the Property and that such activities represent a unique and desirable amenity to the Property. The farming, ranching and other

agricultural operations may include many year-round activities; as such, the farming, ranching and other agricultural activities may generate, pursuant to their legal and authorized operation, an unpredictable amount of visible, audible and odorous impacts and disturbances from activities relating thereto. The activities associated with the farming, ranching and other agricultural operations include, without limitation: (i) traffic congestion and/or delays on the roads within or near Brightwater Club which may arise from the movement of livestock and/or the transportation of slow-moving agricultural vehicles and equipment; (ii) activities relating to the construction, operation, improvement and maintenance of facilities necessary or useful in farming, ranching and other agricultural operations, including, without limitation, barns, houses, fences and the like; and (iii) the straying of livestock. Each Owner further acknowledges and understands that such adjacent agricultural lands may be developed in the future and may cease to be agricultural areas.

aa. Airport Facilities. Brightwater Club is located near the Eagle County Regional Airport, which the use of such airport may generate attendant noise and other inconveniences to Owners.

bb. Preserve Area Restrictions. The Preserve Area, which consists of four (4) spring-fed lakes including .50 acres of wetland habitat within Brightwater Club and is approximately 11 acres, is governed by the terms, conditions and restrictions set forth in the Preserve Declaration, the Mitigation and Monitoring Plan and the Operation and Management Plan, as they may be amended or supplemented from time to time. Restrictions set forth in such governing documents on the date of this Declaration limit the use of the Preserve Area for passive recreation including angling, birding, nature study, and pedestrian use ("walking"), consistent with the prohibition against construction of roads and trails. Hunting for waterfowl or other species shall not be allowed. Active recreation (i.e., motorized boats, rowboats, canoes, kayaks, sailboats, and other watercraft) on designated lakes 1, 2 and 3 is prohibited. Limited use of non-motorized watercraft shall be allowed on designated lake 4 during Association and Club supervised events only. Use of wetland or aquatic areas for training or trials of hunting dogs shall also be prohibited on all lakes unless approved by appropriate governmental or quasi-governmental agencies or entities, including the U.S. Army Corps of Engineers.

cc. Preserve Area. Each Owner acknowledges that in the event the Declarant delegates ownership interest in the Preserve Area to the Club or any other party other than the Association, the Preserve Area shall be included in the definition of "Private Amenities" hereunder.

3. Construction Regulations of the Design Guidelines. All Owners and contractors will comply with the portions of the Design Guidelines regulating construction activities. Such regulations may affect, without limitation, the following: trash and debris removal; sanitary facilities; parking areas; outside storage; restoration of damaged property; conduct and behavior of builders, subcontractors and Owners' representatives on the Property at any time; the conservation of landscape materials; and fire protection. In addition to the Design Guidelines implemented and in effect from time to time, each Owner is subject to the following:

a. Building Envelopes. No structures or other improvements of any kind shall be constructed or allowed to exist on any Lot except within the area described and shown

on the Plats as "Building Envelope" ("Building Envelope"), except for (i) driveways, entrance monuments, historical structures and trails, all as approved by the Design Review Board, and (ii) Roads, trails and utility improvements to be constructed hereunder by or at the instance of Declarant, unless a variance is obtained from a majority of the Design Review Board and Executive Board and from the Town, and the Town Documents are appropriately amended.

b. Excavation. No excavation will be made except in connection with improvements approved as provided in these covenants. For purposes of this Section, "excavation" means any disturbance of the surface of the land which results in a removal of earth, rock, trees or other substance at a depth of more than twelve (12) inches below the natural surface of the land.

c. Blasting. If any blasting is to occur, the Design Review Board and Declarant will be informed far enough in advance to allow them to make such investigation as they deem necessary to confirm that appropriate protective measures have been taken prior to the blasting. No blasting shall occur without the prior written approval of the Design Review Board. Notwithstanding the foregoing, no approval of any blasting by Declarant or the Design Review Board will in any way release the person conducting the blasting from all liability in connection with the blasting, nor will such approval in any way be deemed to make Declarant or the Design Review Board liable for any damage which may occur from blasting, and the person doing the blasting will defend and hold harmless and hereby indemnifies Declarant and the Design Review Board from any such expense or liability. Declarant or the Design Review Board may impose any reasonable conditions and restrictions, including time and date restrictions, on all blasting.

d. Drainage. No Owner will do or permit any work, place any landscaping or install any other improvements or suffer the existence of any condition whatsoever which will alter or interfere with the drainage pattern for the Property, except to the extent such alteration and drainage pattern is approved in writing by the Design Review Board or the Executive Board, and except for rights reserved to Declarant to alter or change drainage patterns.

e. Temporary Structures. No temporary structures will be permitted except as may be determined to be necessary during construction and as specifically authorized by the Design Review Board.

f. No Conversion. No Owner shall construct or convert any carport, garage, attic or other unfinished space, other than a basement, to finished space for use as an apartment or other integral part of the living area on any residence without approval of the Design Review Board, the Association and the appropriate Town agency(ies).

g. Lighting. All exterior lighting of the improvements and grounds on the Property, or interior lighting visible outside of any building, will be for safety purposes only and will be subject to regulation by the Design Review Board.

h. House Numbers. Each dwelling Lot will have a house number with a design and location established by the Design Review Board in cooperation with the appropriate governing municipal authority.



i. Hazardous Materials. No Owner will dispose or allow any person under the Owner's control or direction to release, discharge or emit from the Property or dispose of any material on the Property that is designated as hazardous or toxic under any federal, state or local law, ordinance or regulation.

j. Roofing Materials. Notwithstanding any provision in the Declaration, Bylaws, Design Guidelines, or these Rules to the contrary, Owners shall not be required to use cedar shakes or other flammable roofing materials.

k. General Practices Prohibited. The following practices are prohibited at Brightwater Club:

i. Allowing construction suppliers and contractors to clean their equipment other than at a location designated for that purpose by the Design Review Board;

ii. Removing any rock, plant material, top soil or similar items from any property of others;

iii. Use of surface water for construction; and

iv. Any activity which materially disturbs, threatens or destroys the vegetation, wildlife, wetlands, or air quality within the Property or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution.

l. Use of Property During Construction. It will be expressly permissible and proper for any Owner acting with the prior written consent of the Design Review Board and for Declarant, and their respective employees, agents, independent contractors, successors and assigns involved in the construction of improvements on, or the providing of utility service to, the Property or other real property owned by Declarant, to perform such activities and to maintain upon portions of the Common Area as they deem necessary such facilities as may be reasonably required, convenient, necessary or incidental to such construction and development of the Property. This permission specifically includes, without limiting the generality of the foregoing, maintaining storage areas, construction yards, model residences, sales offices, management offices and equipment and signs. However, no activity by any Owner will be performed and no facility will be maintained on any portion of the Property in such a way as to unreasonably interfere with or disturb any Owner of a Lot, or to unreasonably interfere with the use, enjoyment or access of such Owner or his Lessees or Guests of and to his Lot. If any Owner's use under this provision is deemed objectionable by the Design Review Board, then the Design Review Board, in its sole discretion, may withdraw this permission.

m. Partition or Combination of Lots. To the extent permitted by the applicable Project Declaration, no part of a Lot may be partitioned or separated from any other part thereof. To the extent permitted by the applicable Project Declaration, no Lots may be combined, but the Owner of two or more contiguous Lots may build one single family dwelling Lot on the contiguous Lots, upon complying with all applicable requirements of the Town, and with all applicable Design Guidelines, including without limitation procedures for amending Building Envelopes set forth above and accommodating a larger dwelling Lot, minimum and

maximum limitations of living area that may be constructed on any given number of contiguous Lots, and measures necessary to preserve any easements reserved with respect to the contiguous Lots.

The fact that two or more contiguous Lots may be owned by one person and developed with one single family dwelling Lot will not affect the number of votes or the amount of Assessments allocated to the Lots. If the Owner is required by the Town or any other governmental authority to replat the Lots in order to construct improvements thereon, the number of votes and the allocation of Assessments to the Lots after replatting will equal the sum of the votes and Assessments allocated to the Lots before replatting. Each Lot will be conveyed, transferred, gifted, devised, bequeathed, encumbered or otherwise disposed of, as the case may be, with all appurtenant rights and interests created by law or by this Declaration, including the Owner's membership in the Association and the right to use the Common Area, and with the appropriate allocation of voting rights and liability for Assessments established for the Lot as provided in this Declaration.

n. Damage by Owners During Construction. Each Owner is responsible for any damage caused to roads, streets, ditches, fences, trails, natural drainage courses, utilities, Common Areas, or to other Lots or improvements thereon, during the construction or alteration of improvements upon the Owner's Lot, including without limitation damage caused by any construction vehicles using the roads or streets within Brightwater Club. Damage shall include any degradation in the appearance or condition of such Common Areas, or other Lots or improvements thereon. The responsible Owner, under the direction of the Design Review Board, shall promptly repair and clean up any such damage, at its sole expense. Each Owner shall also be responsible for any damage caused by utility cuts in roads, washouts and runoff damage caused by failure to properly install culverts, and to promptly repair any such damage. If the Owner fails to repair any such damage within 10 days following receipt of a written notice from the Executive Board requesting the same, the Executive Board shall have the right to perform such repairs on behalf of the Owner, and to levy a Default Assessment upon the Owner and its Lot to recover the costs thereof.

o. No Obstruction. There shall be no obstruction of any easements or drainage, irrigation or water feature systems or the Irrigation System located upon the Property, or any interference with the use thereof, except such obstruction or interference as may be reasonably required in connection with the construction, maintenance or repair thereof. No Owner shall construct, install, maintain or permit any fence or other improvement or obstruction or plant trees or take any other action which damages or interrupts or interferes in any way with (i) the normal flow of water through and along waterways or Irrigation System on the Property, (ii) the Irrigation System or its components including without limitation, any irrigation ditch or lateral or other water collection, storage or distribution system within or serving the Property or the Golf Course or property down ditch of the Property or the flow of water through the same, or (iii) normal drainage patterns on the Property or the Golf Course, subject always to the rights of owners of ditches and other water rights and the requirements of the Design Review Board and subject to the terms and conditions of applicable ditch operation and maintenance agreements and associated easements and easement agreements. The Association shall promptly take such action as may be necessary to abate or enjoin any such obstruction or interference, and shall have the right to enter upon a Lot for purposes of removing the same, and any costs incurred by the

Association in connection with such abatement, injunctive or corrective activities shall be assessed to the responsible Lot Owner or Owners in the form of a Default Assessment.

p. No Interference with Waterways or Drainage or Irrigation Systems. No Lot Owner shall construct, install, maintain or permit any fence or other improvement or obstruction or plant trees or take any other action which damages or interrupts or interferes in any way with (i) the normal flow of water through and along waterways within Brightwater Club, (ii) any irrigation ditch or lateral or other water collection, storage or distribution system within or serving Brightwater Club or the Golf Course, or (iii) normal drainage patterns within Brightwater Club or the Golf Course, subject always to the rights of owners of ditches and other water rights and the requirements of the Design Review Board.

q. No Individual Water Wells or Individual Sewage Disposal Systems. No individual water wells, and no cesspools, septic tanks or other individual sewage disposal systems, shall be drilled, constructed, maintained or permitted to remain within Brightwater Club, except such water and/or septic systems as may be installed by Declarant or Declarant's successor, assign or agent or the Association to serve Brightwater Club.

r. Irrigation Systems, Ditches, Laterals, Ponds, and Water Use Obligations. Declarant hereby discloses that certain irrigation systems, ditches, ditch laterals and ponds are currently located or may be constructed within ditch and irrigation easement areas located upon (a) certain Lots, (b) upon Common Areas, and/or (c) within the Golf Course (collectively referred to as the "Irrigation System"). Declarant further discloses that as of the date of this Declaration, the ownership of any and all water rights carried or to be carried in said Irrigation System is vested in the Declarant, or in other owners, and Declarant has no obligation to transfer ownership of any of such water rights to any Lot Owner or the Association. The water rights owned by the Declarant have been or may be conveyed to the owner of the Golf Course and/or the Association. In no event shall the Association or any Owner be entitled to the right of use of the Irrigation System or any water flowing through said Irrigation System, except pursuant to a conveyance, written agreement or license with Declarant, another owner thereof, or an assignee of Declarant, or pursuant to an operation and maintenance agreement between the owner of the Golf Course and the Association. Furthermore, in no event shall any Owner be entitled to install irrigation facilities, to divert or use water from the Irrigation System or to make modifications to the Irrigation System for diversion or use purposes. In addition, in no event shall any Owner or the Association obstruct or impede the flow of water through the Irrigation System.

Some facilities of the Irrigation System convey water to other owners of water rights along easements reserved for such facilities. The rights and obligations of some of the other owners of water rights are set forth in those certain ditch operation and maintenance agreements that may be filed of record from time to time and are reserved in easements on the Plat or easement agreements otherwise separately recorded. The rights of Owners and the Association are subject to the terms and conditions of such ditch operation and maintenance agreements, easements, and easement agreements.

The Association shall be responsible for irrigating designated portions of the Common Areas, and roadway shoulders, and for maintaining the portion of the Irrigation System that is owned by the Association. The owner of the Golf Course shall be responsible for

irrigating the Golf Course. All such irrigation shall be accomplished with untreated water from the Irrigation System. The owner of the Golf Course shall be responsible for the maintenance of the portions of the Irrigation System that services both the Golf Course and remaining designated lands for irrigation on the Property, unless the owner of the Golf Course and the Association agree otherwise in writing. It is understood that the Association will be responsible for paying the owner of the Golf Course for its pro rata expenses associated with the operation and maintenance of the Irrigation System. The owner of the Golf Course will bill the Association for untreated water delivered to the Common Areas and additional lands within the Property excluding the Golf Course, as indicated on the various master meters installed throughout the lands within the Property or on a pro rata basis based on the percentage of irrigated acreage irrigated by the Association and that irrigated on the Golf Course. All such expenses will be a Common Expense. There will be no irrigation of any Lots through the raw water Irrigation System. All Lot irrigation will be through the municipal system and subject to those restrictions and limitations set forth in the Annexation Agreement and the Subdivision Improvements Agreement recorded July 10, 2003, as Reception No. 839983 in the official records of Eagle County, as amended, as entered into between Declarant and the Town (as amended or otherwise modified from time to time, the "Subdivision Improvements Agreement").

Each Owner is obligated to irrigate all or a portion of the Owner's Lot to the extent permitted by this Declaration or a Supplemental Declaration and the Annexation Agreement and Subdivision Improvements Agreement, and to install an underground water irrigation system that will accomplish such irrigation with municipal water provided by the Town through the municipal water system. Each Lot shall be irrigated by each respective Owner, at the sole expense of the Owner, through the installation and operation of a sprinkler system, which shall be limited to irrigation of lawns, gardens and landscaping on each Lot in accordance with Section 2.11 of the Annexation Agreement, which provides that the lesser of (a) 70 acres of the Property dedicated to residential Lots or (b) eighteen percent (18%) of any single Lot may be irrigated by water provided through the Town's municipal water system. Each Owner acknowledges that this irrigation restriction shall run with the land, be binding on all parties and heirs, successors, and assigns of parties having any right, title, or interest in any part of the Property, and is specifically enforceable by the Town, Association and/or Declarant.

There will be conservation and use restrictions imposed upon the Owners by the Town consistent with Town policies, rules, and regulations. The Association and Declarant hereby reserve the right to implement additional irrigation restrictions with respect to each Lot as reasonably determined from time to time. Such conservation and use restrictions may include restrictions on days and hours of irrigation. All Owners hereby assume any risk involved with respect to the Irrigation System and hereby acknowledge that the Association, the Declarant, the owner of the Golf Course, and other water right owners shall not have any responsibility or liability of any kind to any Owner who incurs any loss, damage, cost or expense arising from or relating to said Irrigation System, including, but not limited to, any loss or damage caused by flooding or the failure to deliver water. In accordance with the foregoing, such Owners, on behalf of themselves and their occupants, guests, successors and assigns, by acceptance of a deed acknowledge their assent to the provisions hereof, and hereby release Declarant, the Association, the owner of the Golf and other owners of water rights that utilize the Irrigation System and each of their officers, directors, partners, trustees, members, agents, employees, stockholders, and contractors, from and against any and all obligations, claims, demands, liabilities, costs,

expenses, attorneys' fees, or causes of action of any kind whatsoever, whether arising prior or subsequent to the date hereof, whether known or unknown, based upon, arising out of, or in any manner related to the Irrigation System.

s. Restoration of Irrigation System in the Event of Damage or Destruction.

In the event of damage to or destruction of any portion of the Irrigation System on any Lot by the Owner, the Owner thereof shall cause the damaged or destroyed Irrigation System to be promptly restored or replaced to its original condition or such other condition as may be approved in writing by the Design Review Board. Such Irrigation System shall be repaired, restored or otherwise replaced within such time frame as may be established by the Design Review Board in order for the Irrigation System to be functional and for the obligations under the ditch operation and maintenance agreements, easements, and easement agreements to be fulfilled in a timely manner.

t. Completion and Conduct of Maintenance Improvements to Irrigation System. Declarant shall have the right throughout the Property to complete maintenance improvements to the Irrigation System as appropriate, convenient, necessary or required from time to time. Furthermore, the Declarant shall have the right to construct and complete maintenance improvements pursuant to the terms and conditions of any ditch operation and maintenance agreements and related easements and easement agreements. Furthermore, Declarant shall have the right to create, grant and/or use and enjoy additional non-exclusive easements, and to relocate existing platted easements, upon or across any portion of the Property except Building Envelopes, as may be reasonably required for the completion by Declarant of the maintenance improvements to the Irrigation System and any of its components and for the operation of the Irrigation System.

### ALTERATIONS

Alterations by the Owners, their tenants and permittees shall be performed in accordance with terms and conditions set forth in the Declaration and Design Review Board Design Guidelines.

### MISCELLANEOUS

1. Authority: Enforcement. Pursuant to the Declaration, the Owners have delegated the power and duty to enforce these Rules and Regulations to any Managing Agent; provided, however, that such delegation does not relieve the Owners of any of its obligations under the Property Documents or these Rules and Regulations. All Owners are subject to and bound by the Association's delegation of its enforcement rights to any Managing Agent. Any duty or power specified to be exercised by the Owners may therefore be exercised by any Managing Agent. The Association shall be entitled to recover all monetary fees, fines, late charges, interest, expenses and reasonable attorneys' fees and disbursements, including legal assistants' fees, incurred in connection with the enforcement of these Rules and Regulations.

2. Emergencies. In case of an emergency originating in or threatening the condition of any Lot, improvements, or the health or safety of any person, including but not limited to any Managing Agent, shall have the right to enter any area for the purpose of remedying or abating

such emergency. In order to facilitate such right of entry, any Managing Agent must retain a key(s) to each Lot and any improvement within the Property.

3. Attorneys' Fees. In any civil action to enforce or defend the provisions of this article or of the declaration, bylaws, articles, or rules and regulations, the court shall award reasonable attorneys' fees and costs, and costs of collection, to the prevailing party.

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