

easements shall be permitted in the Agricultural Lands. LOCC shall make all reasonable efforts to comply with the architectural and site development guidelines in the construction of water and utilities facilities for the Lazy O Ranch.

#### ARTICLE VIII

##### Domestic Water System

1. Construction of Domestic Water System. LOCC shall construct a central water system providing domestic water service to Lots 1 through 21, the ranch manager house and employee bunkhouse on the Ranch Facilities Parcel. LOCC shall be permitted to drill and construct water wells and water transmission facilities in the Agricultural Lands and the Ranch Facilities Parcel without the need for obtaining any recommendations or approvals from the Association or the Architectural Committee. LOCC shall construct water lines to the Lot lines. Individual Lot owners shall be responsible for the extension, construction and maintenance of water services lines and the installation of fire hydrants required to service any structures which may be built on a Lot prior to the issuance of a Certificate of Occupancy for the residence. All water use on the central domestic water system shall be required to be individually metered at the cost of the Lot owner.

Upon completion of the domestic water system and prior to providing water service to any Lot, LOCC shall assign to the

Association, by separate instrument, the domestic water system along with the water rights involved within and governed by the appropriations and legal water supply plan decreed in Case Nos. 85CW47, 85CW48 and 85CW49, Water Division No. 5, Colorado, serving the Lazy O Ranch as described in Exhibit "C" herein. The Association shall be responsible for operating, maintaining and replacing the domestic water system for the Lazy O Ranch. The Association shall promulgate reasonable rules and regulations governing the providing of service and the payment of fees and assessments which may include, without limitation, requirements that each owner enter into a water service contract with the Association. All owners of any Lot in the Lazy O Ranch shall be obligated to enter into a water service contract with the Association, to tap into the domestic water system and to share the costs and expenses on a pro rata basis with the other owners for the domestic water system except for Lot 22 which is not serviced by the domestic water system. The Association shall have the ability to terminate water service if water fees and Homeowners' Association assessments are not paid in a timely fashion and unpaid fees and assessments shall constitute a lien against a Lot until such fees and assessments are paid. This lien may be collected and enforced and shall have the same priority as is provided with respect to the lien for nonpayment of Association assessments provided for in Article XV, herein. No owner of any lot shall develop or operate any water system, water right or facility except as provided for herein and for Lot 22. Individual wells shall not be permitted on Lots 1 through 21

and no owner shall be permitted to drill for water on Lots .1 through 21 in the Lazy O Ranch. Lot 22 shall be serviced by individual well(s) and not by the central water system; these well(s) shall conform to the provisions of Case No. 85CW47, Water Division No. 5, Colorado.

2. Ownership of Domestic Water Rights. The adjudicated domestic water rights described in Exhibit "C" attached hereto shall be assigned or conveyed by deed by LOCC to the Association, in form and manner determined by LOCC only, in conjunction with and at the time of conveyance of the domestic water system. The Association shall not have the right to assign or convey to any outside third parties any adjudicated water rights necessary for the proper operation of domestic water service to Lots 1 through 21, and the Ranch Facilities Parcel in the Lazy O Ranch.

#### ARTICLE IX

##### Wildlife Conservation Area

The Wildlife Conservation Area (hereinafter referred to as "WCA") as described on the recorded plat of the Lazy O Ranch, contains sensitive wildlife areas protected by these Covenants. At the time of recordation of these Covenants, LOCC shall convey, by separate instrument, its right, title and interest in the WCA to the Association. Representatives of the Colorado Division of Wildlife and the Aspen Center for Environmental Studies shall be permitted access and inspection of the property in this area to