

ELKHORN MOUNTAIN ROAD AGREEMENT

This Elkhorn Mountain Road Agreement (hereafter the "Agreement") is made as of March 1, 2017, by and between the Elkhorn Ranch Property Owners Association, Inc. ("Elkhorn") and the Redtail Mountain Ranch Property Owners Association, Inc. ("Redtail") and supersedes any and all prior Elkhorn Mountain Road Agreements in their entirety.

1. RECITALS

1.1 Elkhorn is the homeowners association representing the owners of the fourteen (14) parcels of property located within the Elkhorn Ranch subdivision in La Plata County, Colorado, which is more particularly defined and described on the Plat of Elkhorn Ranch, the Amended Plat of Elkhorn Ranch and the Plat of Elkhorn Ranch Phase 2 respectively recorded at Reception Nos. 738014 (recorded 12/29/97), 742965 (recorded 3/24/98), and 742966 (recorded 3/24/98), of the real estate records of the Clerk and Recorder of La Plata County, Colorado. Eleven (11) of the Elkhorn lots are currently developed. Lost Boys are the three (3) parcels of property located adjacent to Elkhorn subdivision in La Plata County, Colorado, which is more particularly defined and described in the Plat thereof recorded on December 15, 2000 in the real estate records of La Plata County, Colorado under Reception No. 797791. Two (2) of the Lost Boys lots are currently developed. For the purposes of this agreement in calculating expense allocation, including the budgetary component for road maintenance, snow plowing and trash removal services between Elkhorn and Redtail, the three (3) Lost Boys lots will be included in Elkhorn's expense allocation for a total, currently, of seventeen (17) lots, of which thirteen (13) are developed (see Schedule A, attached hereto and made a part hereof).

1.2 Redtail is the homeowners association representing the owners of the twenty-two (22) parcels of property located within the Redtail Mountain Ranch subdivision in La Plata County, Colorado, which is more particularly defined and described in the Plat thereof recorded on September 21, 2000 in the real estate records of La Plata County, Colorado, under Reception No. 793136. Three (3) of the Redtail lots are currently developed. All lot owners in Redtail pay annual assessments, which include the budgetary component for road maintenance, snowplowing and trash removal services (see Schedule B, attached hereto and made a part hereof).

AGREEMENT

IN CONSIDERATION of the promises and agreements herein contained, the sufficiency of which is hereby acknowledged, the parties do hereby promise and agree as follows:

Rtn: Colorado Water & Land Law LLC
679 E. 2nd Ave. Ste. 11 B
Durango, CO 81301

2. ROAD MAINTENANCE ADVISORY COMMITTEE

2.1 Development and Duties of the Road Maintenance Advisory Committee. A Road Maintenance Advisory Committee, (hereinafter the "Committee") that consists of two (2) members; one (1) from Elkhorn and one (1) from Redtail will be developed to act as the final decision making body for road maintenance, snow plowing, and trash removal expenses, and for the selection of contractors for Elkhorn Mountain Road. The Committee will act to effect the terms of this Agreement, but it will not have the power to make changes to this Agreement without the appropriate approval of the respective board members/owners.

2.2 Election of the Committee. The current president of Elkhorn and the current president of Redtail will serve on the Committee; each shall represent their respective property owners. The Committee will have the final determination representing each of their subdivisions, using their best judgment for the benefit of all parties to this Agreement (see Schedule E, attached hereto and made a part hereof).

2.3 Meetings. The Committee will meet at least one time per year, no later than the 30th day of November to determine what maintenance expenses will be required and the costs that will be incurred for the following year, as well as determining which contractors will be used to perform said services. The Elkhorn designated Committee member will set a date, time and location that is agreed upon by the Redtail Committee member. The meeting can take place in person, via telephone, or email communication or a combination thereof. No later than seven (7) days after the annual Committee meeting, each Committee member shall inform the property owners that he/she represents of the decisions made by the Committee.

3. DEFINITIONS

3.1 Baseline Condition shall mean the condition of Elkhorn Mountain Road to be kept and maintained in a manner consistent with the Road Maintenance Plan (see schedule D, attached hereto and made a part hereof). All Road Maintenance Expenses and contractors used for the same shall be approved in advance by the Committee.

3.2 Elkhorn Mountain Road or Road shall mean Elkhorn Mountain Road from the point that the Elkhorn Mountain Road leaves County Road 250 up to the Redtail gate.

3.3 Road Maintenance Expenses shall mean the expenses reasonably and necessarily incurred and approved by the Committee to maintain Elkhorn Mountain Road at the Baseline Condition and to keep Elkhorn Mountain Road reasonably clear of snow, in accordance with the definition of Snowplowing Expenses set forth below. The Road Maintenance Expenses shall not include weed management, irrigation or mowing on, near, or along Elkhorn Mountain Road, but shall include ditch and culvert cleaning along the sides and crossing under said road, annual sealing of cracks and seal coating of the asphalt surface, consistent with the Elkhorn Mountain Road Maintenance Plan as further described in Schedule D (attached to and made a part hereof).

3.4 Snowplowing Expenses shall mean the expenses reasonably and necessarily incurred to keep Elkhorn Mountain Road reasonably clear of snow. Elkhorn Mountain Road will typically only be plowed on the portions of the Road where the snow depth is 4 inches or greater. Absent exigent circumstances, Redtail shall be responsible for its proportionate share of snowplowing expenses only on those portions of the Road where the snow accumulation is 4 inches or greater. An exigent circumstance may include, but is not necessarily limited to, an accumulation of less than 4 inches of wet snow with a forecast of extremely cold temperatures that could create a potentially dangerous icy condition if the snow is not removed. The Committee will designate two representatives, at least one of which resides in the Redtail subdivision to communicate the need for snow removal with the Committee approved snow removal company. If the Committee approved snow removal company cannot reach the two designated representatives, then the Elkhorn president will be contacted. All effort will be made to avoid the use of chains on the snow plow equipment on completely exposed portions of the Road whenever possible to avoid physical damage to the surface of the road.

4. ROAD MAINTENANCE AND ASSESSMENTS

4.1 Road Maintenance. Effective March 1, 2017, Elkhorn shall maintain and repair Elkhorn Mountain Road to its Baseline Conditions, as authorized and approved in advance by the Committee and consistent with the Road Maintenance Plan.

4.2 Assessments

(a.) Redtail shall be responsible for their proportionate shares of Committee approved Road Maintenance Expenses.

(b.) If Elkhorn performs or contracts for Road Maintenance Expenses or other work that is not authorized by the Committee in accordance with the provisions of Schedule D of this Agreement, then and in that event Redtail will not be financially responsible for compensating Elkhorn for those unauthorized expenses.

4.3 Assessment Allocations/Timing of Payments

(a.) Allocation of Annual Road Maintenance Expenses. Elkhorn will be responsible for 17/39 and Redtail will be responsible for 22/39 of the Committee approved Road Maintenance Expenses. Should additional property owners, not described herein, that are adjacent to Elkhorn or Redtail be annexed into either subdivision for the their use of the Road and/or trash removal services, or in lieu of a property being annexed, they become part of either Elkhorn or Redtail's property owners association, then the foregoing allocations will be adjusted accordingly.

(b.) Annual Assessments. Road Maintenance Expenses and Snow Plowing Expenses will be assessed annually, commencing in 2017. Said Committee approved

expenses shall be billed in arrears for expenditures during the previous calendar year no later than February 1st of each year. In the event Elkhorn contracts for Committee approved Road Maintenance Expenses under an agreement that requires an advance deposit, Elkhorn may bill in advance for Redtail's proportional share of the deposit, when the request for an advance deposit is supported by proper documentation. Annual invoices shall include copies of all invoices or receipts for all Road Maintenance Expenses and Snow Plowing Expenses incurred during the annual billing cycle. Invoices to Redtail from Elkhorn shall be paid by Redtail within thirty days of the date of Elkhorn's transmittal of the invoice supported by proper documentation (invoices and receipts).

4.4 Road Impact Fee. Elkhorn and Redtail shall collect from their respective property owners a \$2,000.00 Road Impact Fee within thirty (30) days of the issuance of a building permit for a residential dwelling on any of the remaining twenty-three (23) undeveloped lots in Elkhorn, Redtail and Lost Boys. Road Impact Fees shall be reserved for repairs or improvements to Elkhorn Mountain Road, proportionately reducing each party's liability for said expenses, regardless of where the property providing the Road Impact Fee is located. All collected Road Impact Fees shall be maintained by Elkhorn and used for Road Maintenance Expenses as determined by the Committee. The total amount of collected and/or owed Road Impact Fees will be reported to the Committee upon request.

4.5 Road Repairs. In the event that Road repairs are necessitated by an act of a particular user, his agent, licensee, or invitee, during the course of construction or otherwise, said user/property owner shall be solely liable for the repair costs. If the Road damage is caused by a property owner that provided a Road Impact Fee, said property owner shall only be liable for the repair costs that exceed the collected \$2,000.00 Road Impact Fee.

4.6 Payment of Assessments and Fees and Remedies for Default.

(a.) Any Assessment or Road Impact Fee, supported by proper documentation not paid when due, shall be deemed delinquent and interest shall accrue at the rate of 6% compounded annually. Elkhorn shall be entitled to recover all reasonable attorney fees and other costs of collection in securing payment of any delinquent Assessments or Fees. It shall not be an excuse for nonpayment, nor a defense by Redtail for failure of its owners to pay an Assessment that it is unable to collect from its constituency.

(b.) Redtail hereby covenants and agrees to utilize any and all of its lien and enforcement powers pursuant to its declaration and all other powers of enforcement it has to assess and collect from its lot owners all amounts due for Assessments and Road Impact Fees. This covenant and agreement shall be enforceable by an action for specific performance.

(c.) Failure of the Lost Boys owners to pay their proportional share of assessed expenses to Elkhorn will not affect the cost liability of Redtail to Elkhorn. It will be the sole responsibility of Elkhorn to collect any and all assessments for Road Maintenance Expenses, Snowplowing Expenses, and trash removal services from the Lost Boys owners.

5. USE OF TRASH FACILITIES AND RELATED FEES.

5.1 Effective March 1, 2017, or when this Agreement is signed if later, Elkhorn shall maintain a trash receptacle in good working and aesthetic condition and shall commission regular trash removal services by a Committee approve contractor, sufficient to serve the needs of the property owners within Elkhorn, Redtail and the Lost Boys.

5.2 Elkhorn shall assess Redtail for trash removal services, as part of the annual billings, in proportion to the number of developed lots. The current formula to determine proportionate liability for trash removal services is Elkhorn 13/16 and Redtail 3/16.

5.3 Elkhorn shall invoice Redtail for trash removal services in the same manner as it invoices Road Maintenance Expenses, and shall have the same collection remedies as set forth in Section 4 above.

6. GENERAL PROVISIONS.

6.1 Registration of Mailing and Electronic Addresses. Elkhorn and Redtail shall provide their respective contact information to one another. All notices or demands intended to be served shall be sent both by U.S. mail, postage prepaid, addressed to the entity at its registered mailing address, and electronically to the designated email address. The notice or demands shall be deemed given on the day sent if both methods are utilized on the same day. If sent on different days, the latter day shall constitute the "sent" date. The current registered addresses are as follows:

Elkhorn:

U.S. Mail:

Elkhorn Ranch Homeowner's Association, Inc.

Attn: Brad Magee

957 Elkhorn Mountain Road

Durango, Colorado 81301

Email: doctormagee@gmail.com

Redtail:

U.S. Mail:

Redtail Mountain Ranch Property Owners Association, Inc.

Attn: Paula G. Romeo

3623 Elkhorn Mountain Road

Durango, CO 81301

Email: paularomeo@aol.com

The parties shall promptly notify each other of any change in address.

6.2 Applicable Law, Jurisdiction and Venue. The interpretation, enforcement or any other matters relative to this Agreement shall be construed and determined in accordance with the laws of the State of Colorado. All parties to this Agreement, or those parties who are benefited by this Agreement, hereby consent to venue for any action commenced with respect to this Agreement being in the District Court in and for the County of La Plata, State of Colorado.

6.3 Severability. Any determination by any court of competent jurisdiction that any provision of this Agreement is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

6.4 Attorney Fees. In the event any action is brought to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to an award of reasonable attorney's fees and expenses and costs of litigation. However, this provision shall not inure to the benefit of any entity or person who is not a party to this Agreement.

6.5 Recording. This Agreement shall be filed for record in the office of the La Plata County Clerk and Recorder.

6.6 Authority. Each individual executing this Agreement hereby warrants and represents that he/she is fully authorized to enter into this Agreement and each of its terms and that he/she has authority to bind his/her respective association to the subject matter herein.

6.7 Further Assurances. Each party agrees, without the receipt of additional consideration, to promptly execute such other documents and take such other actions as may be reasonably requested to facilitate or implement the terms of this Agreement and the parties' agreements as set forth herein. Said documents and actions may include any formalization of approval of this Agreement as may be required by the bylaws and/or rules and regulations of either party.

6.8 No Waiver. Failure by any party to exercise any right it may have shall not be deemed to be a waiver of that right to demand compliance with the other terms and conditions of this Agreement.

6.9 Jointly Drafted Agreement. This Agreement's final form resulted from review and negotiations among the parties and their attorneys and no part of this Agreement shall be construed against any party on the basis of authorship.

6.10 Authority. Each party expressly represents that such party does not require any third party consent to enter into this Agreement.

6.11 Entire Agreement. This Agreement embodies the entire understanding of the Parties hereto and each Party hereby represents and warrants that: (i) he/she is not relying on any representations or promises other than those contained herein; and (ii) this Agreement and

the terms provided for herein can be changed, altered or modified in any respect only an instrument in writing and signed by the Party against whom enforcement of any waiver, change, modification, or discharge is sought.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates indicated below.

Elkhorn Ranch Homeowners Association, Inc.

Signature: Brad Magee
By: Brad Magee
Its: President
Dated: 2-18-2017

Redtail Mountain Ranches Property Owners Association, Inc.

Signature: Paula G. Romeo
By: Paula G. Romeo
Its: President
Dated: 2/18/17

**SCHEDULE A
ELKHORN**

Lot #	Property Address	Parcel #	Acct#	Owner	Developed?
A	10862 CR250	537331202002	R433731 +	Dudley W & Margaret Hawkins	Developed
A1	126 Elkhorn Mnt Rd	537331202004	R433732		Developed
B	345 Elkhorn Mnt Rd	537330302007	R432538	Gary & Jeannie Aisenbrey	Developed
C	No Property Address	537331202006	R432537	Grey Handy & Dianne DeLayo	
D	539 Elkhorn Mnt Rd	537330302004	R420129	Garrett & Lisa Ford	Developed
E	No Property Address	537331102005	R420130	Robin Rasmussen & Alicia Romero	
F	587 Elkhorn Mtn Rd	537330402006	R420131	Alan & Teri Hoops	Developed
G	820 Elkhorn Mtn Rd	537331102007	R420132	Clark Behner	Developed
H	No Property Address	537330402008	R420133	Jodi & Wade Bigall	DEVELOPED
I	1363 Elkhorn Mtn Rd	537330402009	R420134	Mike & Anne Mahone	Developed
J	957 Elkhorn Mtn Rd	537330402010	R420135	Brad & Marcia Magee	Developed
K	No Property Address	537330100055	R420689	Joe Svatos	
L	1715 Elkhorn Mtn Rd	537330100056	R420690	David & Priscilla Adolphson	Developed
M	2955 Elkhorn Mtn Rd	537320300811	R024750	Paul & Laura Praxmarer	Developed
		537330100800			
		537329200812			

BM

LOST BOYS

Lot #	Property Address	Parcel #	Acct#	Owner	Developed?
A	1723 Elkhorn Mtn Rd	537319400049	R422934	William Trubeck	Developed
B	1719 Elkhorn Mtn Rd	537319400054	R424155	Parkin & Quinn Bryson	
C	2333 Elkhorn Mtn Rd	537319400055	R424156	Phillip & Earline Turner	Developed

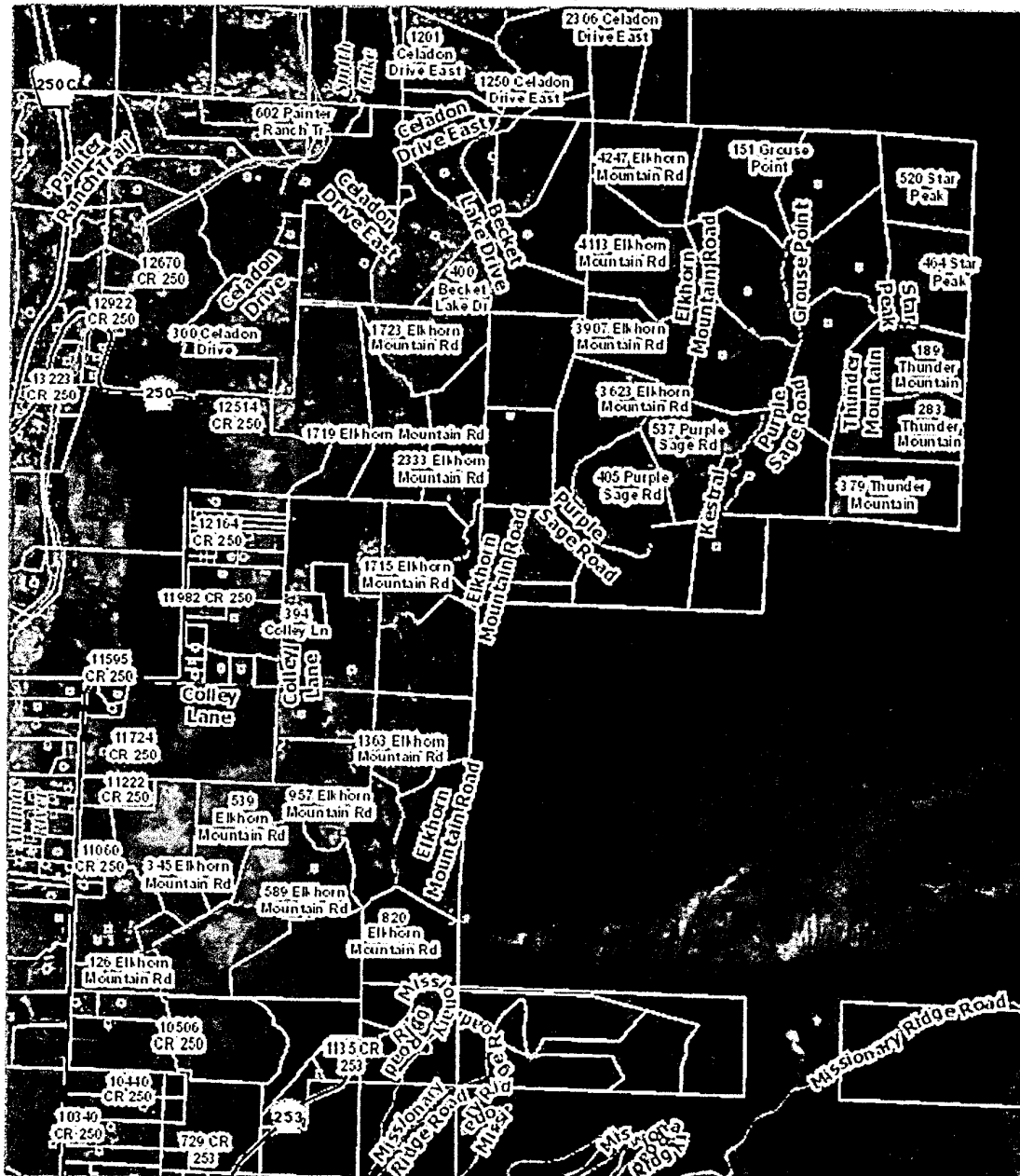
**SCHEDULE B
 REDTAIL**

Lot #	Property Address	Parcel #	Acct#	Owner	Developed?
1	3158 Elkhorn Mnt Rd	537329200068	R422495	Redtail Mountain Ranches LLC	
2	180 Purple Sage	537329200069	R422505	Ken Stern	Developed
3	170 Kestral	537329100070	R422506	Ray Sloss	
4	405 Purple Sage	537320300071	R422507	Paula G. Romeo Trust	Developed
5	3623 Elkhorn Mnt Rd	537320300094	R424046	Paula G. Romeo Trust	Developed
6	no address	537320300073	R422509	Redtail Mountain Ranches LLC	
7	3907 Elkhorn Mnt Rd	537320300074	R422510	Paula G. Romeo Trust	
8	4113 Elkhorn Mnt Rd	537320200075	R422511	Corridor Properties, LLC	
9	4247 Elkhorn Mnt Rd	537320200076	R422512	Global Partners Ltd	
10	151 Grouse Point	537320100097	R428383	Kiley III, LLC	
11	1085 Purple Sage	537320100078	R422514	Durango Red Tail Ranches LLC	
12	991 Purple Sage	537320400079	R422515	Paula G. Romeo Trust	
13	3623 Elkhorn Mnt Rd	537320400102	R432271	Paula G. Romeo Trust	
14	57 Kestral	537320400081	R422517	Redtail Mountain Ranches LLC	
15	1672 Purple Sage	537320400082	R422518	Robert & Bridget Edmonds	
16	1711 Purple Sage	537320100083	R422519	Durango Red Tail Ranches LLC	
17	188 Grouse Point	537320100084	R422520	Durango Red Tail Ranches LLC	
18	520 Star Peak	537321200085	R422521	Redtail Mountain Ranches LLC	
19	464 Star Peak	537321200086	R422522	Redtail Mountain Ranches LLC	
20	189 Thunder Mountain	537321300087	R422523	Redtail Mountain Ranches LLC	
21	283 Thunder Mountain	537321300088	R422524	Geof Schlittgen	
22	379 Thunder Mountain	537321300089	R422496	Pat Jeckel	

BEST IMAGE AT TIME OF PROCESSING

SCHEDULE C

La Plata County, CO



Disclaimer: The information is provided as is without warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. In no event shall La Plata County be liable for any damages whatsoever including direct, indirect, incidental, consequential, loss of business profits or special damages

Map Scale
1 inch = 2016 feet
11/6/2015

SCHEDULE D

Elkhorn Mountain Road Maintenance Plan

Effective February 14, 2017 Elkhorn shall maintain and repair Elkhorn Mountain Road to its Baseline Condition as will be determined by the Committee.

Crack Filling. Elkhorn shall contract with a Committee approved reputable road repair company for annual crack filling. Such work will be performed according to, at a minimum, generally accepted crack filling industry standards, including properly prepping and cleaning cracks prior to filling. Elkhorn will contract for said annual crack filling in order to experience substantial cost savings for such work.

Seal Coating. Seal coating will be performed on Elkhorn Mountain Road every five to six years as needed, to be determined by the Committee. Seal coating will be performed according to, at a minimum, generally accepted seal coating industry standards. It has been determined by two outside professional firms that spraying seal coating is highly discouraged and should be avoided. The Parties agree to give good faith consideration to any comments, suggestions or objections raised by the other parties.

Culvert and Ditch Cleaning. Elkhorn will maintain the ditches that run immediately along Elkhorn Mountain Road to avoid damage to the Road due to wash out. Likewise, Elkhorn will keep the culverts on the Road free and clear of debris that may cause damming.

Additional Road Repairs. Occasionally due to normal wear and tear of the Road, repairs are necessary to the Road outside of the aforementioned scope of road repairs.

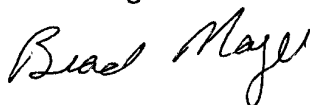
For any road maintenance work that Elkhorn intends to complete through a third-party contractor, Elkhorn shall obtain at least two competitive bids for substantially the same product and services. Elkhorn will present the competitive bids to the Committee for approval. Elkhorn will use its best efforts to coordinate said services with Redtail in an effort to experience further cost savings by using the same contractor at substantially the same time.

SCHEDULE E

The Committee

The Elkhorn and Redtail Committee will consist of two members, one from each of the subdivisions as chosen/elected by their respective members. The parties shall promptly notify each other of any changes in Committee members, addresses or contact information. The current Committee members are as follows:

Elkhorn: Brad Magee



Redtail: Paula Romeo



return to:

Colorado Water & Land Law,
LLC
679 E. 2nd Avenue, Suite 11-B
Durango, CO 81301