

EXHIBIT "C"

Initial Use Restrictions and Rules

The following restrictions shall apply to all of the Ranch until such time as they are amended, modified, repealed or limited by rules of the Association adopted pursuant to Article III of this Declaration.

1. General. The Ranch shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker retained by Declarant to assist in the sale of property described in Exhibits "A" or "B," offices for any property manager retained by the Association, or business offices for Declarant or the Association) consistent with this Declaration and any Supplemental Declaration.

2. Restrictions. The following activities are prohibited at the Ranch unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board:

(a) Parking of mobile homes or inoperable vehicles in places other than enclosed garages;

(b) Raising, breeding or keeping of livestock or poultry. A reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Unit. However, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet. Pets shall be registered, licensed and inoculated as required by law;

(c) Any activity which emits foul or obnoxious odors outside the Unit or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Units;

(d) Any activity which violates local, state or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

(e) Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on the Unit;

(f) Dumping of debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the Ranch, except that legally-sanctioned fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff, and Declarant and Builders may dump and bury rocks and trees removed from a building site on such building site;

(g) Accumulation of rubbish, trash, or garbage;

(h) Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and Recorded, except that Declarant shall be permitted to subdivide or replat Units which it owns;

(i) Any activities which materially disturb or destroy the vegetation, wildlife, or air quality at the Ranch or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution; and

(j) Any construction, erection, or placement of any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article IV of this Declaration and The Covenant. This shall include, without limitation, signs, basketball hoops, swing sets and similar sports and play equipment; clotheslines; umbrellas, awning-type, or related patio accessories visible from outside the Unit; garbage cans; woodpiles; above-ground swimming pools; docks, piers and similar structures; antennas, satellite dishes, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind; and hedges, walls, dog runs, animal pens, or fences of any kind.

3. Prohibitions.

The following shall be prohibited at the Ranch:

(a) Plants, animals, devices or other things of any sort of which activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Ranch;

(b) Structures, equipment or other items on the exterior portions of a Unit which have become rusty, dilapidated or otherwise fallen into disrepair;

(c) Use of any carport for storage or parking of any item, except for guest vehicles, or for any form of vehicle maintenance;

(d) Sound-amplification instruments of any kind, placed on exterior portions of any Unit, the use of which, in the discretion of the Board, negatively impacts anyone outside the Unit; and

(e) Storage of recreational vehicles, campers, or boats within the Ranch, except in enclosed portions of a Unit.

4. Leasing of Units. "Leasing." for purposes of this paragraph, is defined as regular, exclusive occupancy of a Unit by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or in-kind benefit. All leases shall be in writing. The Board may require a minimum lease term, which requirements may vary from Neighborhood to Neighborhood. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the

Board by the Unit Owner within ten days after execution of the lease. The Owner shall make available to the lessee copies of the Ranch and Community Council Governing Documents.