

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF
MARY JANE RANCH SUBDIVISION**

Mountains Reign Ranch Trust ("Declarant"), is the sole owner of real property more particularly described as being 40 acres, located in and described as the NW1/4 of the NW1/4 of Section 15, Township 13 South, Range 63 West of the 6th P.M., in El Paso County, State of Colorado, also known as 6425 JD Johnson Road, Peyton, Colorado 80831, and depicted on attached **Exhibit A** plat map, which depicts Lots 1, 2, 3, and 4 together making up the Mary Jane Ranch Subdivision (the "Subdivision"), which is recorded in the El Paso County Clerk and Recorder's Office at Reception Number _____ . The Declarant desires to place limited protective covenants, conditions, restrictions, and reservations upon the Subdivision to ensure compliance with all applicable Determinations concerning water and water rights utilized within the Subdivision. These Covenants, Conditions and Restrictions of the Subdivision shall be solely in Declarant's control until such time as all property with the Subdivision is conveyed to other owners.

The Declarant hereby declares that all of the Subdivision, including each of the planned four (4) lots of the Subdivision ("Lot" or "Lots"), with all appurtenances, facilities and improvements thereon, shall be held, sold, used, improved, occupied, owned, resided upon, hypothecated, encumbered, liened, and conveyed subject to the following reservations, uses, limitations, obligations, restrictions, covenants, provisions and conditions, all of which are for assurance of legal water usage, and all of which shall run with the land and be binding on and inure to benefit of all parties having any right, title or interest in the Subdivision or any part thereof, their heirs, successors and assigns.

Certain documents are recorded in the real estate records of the Clerk and Recorder of El Paso, Colorado at the reception numbers noted below, and referred to in this Declaration of Covenants as pertaining to the Subdivision.

NOW, THEREFORE, the following Declaration of Covenants is made:

1. Water Rights Determination.

A. Water Rights Ownership.

i. Declarant will transfer and assign to each owner of a Lot ("Lot Owner") their portion of all right, title, and interest in the water rights underlying their Lot. The specific amounts conveyed will be detailed in a special warranty deed with each Lot conveyed, pursuant to the terms of the Basin Determinations. The Declarant will transfer and assign to each Lot Owner a twenty-five percent (25%) interest in the not-nontributary Denver aquifer, the not-nontributary Arapahoe aquifer, and the nontributary Laramie-Fox Hills aquifer, which are subject of the Findings and Order in Determination Nos. 4474-BD, 4473-BD, and 4472-BD, respectively. All three of these Determinations were recorded with El Paso County, Colorado, Clerk and Recorder on November 29, 2023 under Reception Nos. 223097651, 223097650, and 223097649, respectively.

ii. The Declarant will further assign to each Lot Owner all obligations and responsibilities for compliance with the Determinations, including

monitoring, accounting, and reporting obligations. By this assignment to the Lot Owners, the Declarant is relieved of any and all responsibilities and obligations for the administration, enforcement, and compliance with the Colorado Ground Water Commission for each well. The Lot Owners shall maintain such obligations and responsibilities in perpetuity, unless relieved of such replacement responsibilities by properly entered administrative or judicial relief.

iii. The water rights referenced herein shall be explicitly conveyed with any transfer of any Lot or Lots; however, if a successor Lot Owner fails to explicitly convey water rights to the not-nontributary Denver or Arapahoe aquifers or nontributary Laramie-Fox Hills aquifer underlying their respective Lot, such water rights shall transfer automatically upon the transfer of title to each Lot as an appurtenance pursuant to such a clause in any deed conveying said Lot, whether or not Determination of Water Rights Nos. 4474-BD, 4473-BD, and 4472-BD and the related water rights are specifically or separately deeded. Explicit conveyance of the water rights shall be by special warranty deed, but there shall be no warranty as to the quantity or quality of water conveyed, only as to the title. Each Lot Owner covenants that it cannot sell, trade, barter, assign, encumber or transfer such groundwater rights to any party separate from the conveyance of the Lot.

B. Water Administration.

i. The Lot Owners shall limit the pumping of each their respective Arapahoe aquifer wells to a maximum of 1.275 acre-feet annually per lot, for a combined maximum total of 5.1 acre-feet annually. Each Lot Owner shall further ensure that the allocations of use of water resulting from such pumping as approved by their well permits is maintained, as between in-house, irrigation, commercial, stock water, fire protection, and other allowed uses. Each Lot Owner shall use non-evaporative septic systems in order to ensure that return flows from such systems are made to the stream system to replace depletions during pumping. Each lot shall provide a sufficient amount of return flows that is at least four percent (4%) of the amount of water withdrawn annually. Return flows shall only be used for replacement purposes, shall not be separated from the transfer of title to the land, and shall not be separately conveyed, sold, traded, bartered, assigned, or encumbered in whole or in part for any other purpose. Lot Owners must follow all applicable laws, rules, regulations, court orders, and permit conditions related to return flows. Each Lot served by an Arapahoe aquifer well must have an occupied single-family dwelling that is generating return flows from a non-evaporative septic system prior to an application of water for any other use. The Lot Owners, as the Owners of all obligations and responsibilities under the Basin Determinations, shall administer and enforce the obligations as applied to each Lot Owner's respective Lot and pumping from individual Arapahoe aquifer wells. Such administration shall include, without limitation, accountings to the Colorado Ground Water Commission ("Commission") and taking all necessary and required actions to protect and preserve the groundwater rights for all Lot Owners. Each Lot Owner has the right to specifically enforce, by injunction if necessary, the obligations of the Basin Determinations against any other Lot Owner for failing to comply with the Lot Owner's respective obligations under the Basin Determinations, including the enforcement of the terms and conditions of well permits issued pursuant to the Basin Determinations, and the reasonable legal

costs and fees for such enforcement shall be borne by the party against whom such action is necessary. The use of the not-nontributary Arapahoe groundwater rights owned by each Lot Owner is restricted and regulated by the terms and conditions of this Declaration, including, without limitation, that the Owners of the Lots are each subject to the maximum annual well pumping of 1.275 acre-feet, for a combined total of 5.1 acre-feet annually. Failure of a Lot Owner to comply with the terms of the Basin Determination and these Covenants may result in an order from the Commission to curtail use of groundwater rights.

ii. Each Lot Owner shall promptly and fully account to the Commission for total pumping from the individual well to the not-nontributary Arapahoe aquifer on each Lot. The frequency of such accounting shall be annually, unless otherwise reasonably requested by the Commission or other stated authorized entity. The Lot Owners shall submit records to the Commission with accounting for pumping of their not-nontributary individual Arapahoe aquifer wells on each Lot on an annual basis for the previous calendar year, by November 15th of the following year, unless otherwise reasonably requested by the Commission or other state authorized entity.

C. Well Permits.

i. Each Lot Owner shall be responsible for obtaining a well permit for the individual well to the not-nontributary Arapahoe aquifer for provision of water supply to their respective Lot. All such Arapahoe aquifer wells shall be constructed and operated in compliance with the well permit obtained from the Colorado Division of Water Resources, and the applicable rules and regulations of the Colorado Division of Water Resources. The costs of the construction, operation, maintenance, and repair of such individual well, and delivery of water therefrom to the residence located on such Lot, shall be at each Lot Owner's respective expense. Each Lot Owner shall comply with any and all requirements of the Division of Water Resources to log their well, and shall install and maintain in good working order an accurate totalizing flow meter on the well in order to provide the Division of Water Resources information necessary for accurate accounting of water pumped. It is acknowledged that well permits, and individual wells, may be in place on some or all of the Lots at the time of sale, and by this Declaration no warranty as to the suitability or utility of such permits or structures is made nor shall be implied.

ii. No party guarantees to the Lot Owners the physical availability or the adequacy of water quality from any well to be drilled on the Lots. The Denver Basin aquifers are considered a nonrenewable water resource and due to anticipated water level declines the useful or economic life of the aquifers' water supply may be less than the 100 years allocated by state statute or the 300 years of El Paso County water supply requirements, despite current groundwater modeling to the contrary.

2. General Covenants.

A. Abandoned or Unlicensed Vehicles. No stripped down, abandoned, unlicensed, partially wrecked, or junk motor vehicle, or part thereof shall be permitted to be parked or left on any street or on any Lot within the Subdivision in such a manner as to be visible at ground level from any neighboring Lot within the Subdivision or from any private or public road.

B. Property Uses. All Lots shall be used for private residential purposes, and no portion of the Subdivision shall be used at any time, either temporarily or permanently, for any other purpose. Notwithstanding the foregoing, home-office type purposes may be permissible under El Paso County zoning and land use regulations applicable to the Subdivision, provided that such activities do not result in excessive traffic, parking, or any offensive or noxious activities, or otherwise jeopardizes the character of the Subdivision, and the business conducted is clearly secondary to the residential use of the Lot.

C. Dwellings and Buildings. All construction shall be new. No building previously used at another location, nor any building or structure originally constructed as a "mobile home" type dwelling (to the extent such structures have the appearance of "mobile homes" or "doublewides"), may be moved onto any Lot within the Subdivision, except as expressly provided herein for temporary buildings. Panels and major house components may be manufactured off-site, provided that the assembly is conducted on-site and the resulting structure does not have the appearance generally associated with manufactured housing.

D. Construction Completion. All construction work shall be completed within a reasonable period of time, and shall be prosecuted diligently and continuously from the time of commencement until fully completed. "Commencement of Construction" for a building is defined as the obtaining of necessary building permits, if any, and for the undertaking of any visible work, including storage of building materials.

E. Temporary Buildings. A moveable or temporary house, trailer, tent, garage, or other outbuilding shall not be placed or erected on a Lot or used for residential occupancy. A temporary structure may be placed on a Lot for the storage of building materials during construction.

F. Accessory Buildings. Any accessory buildings, outbuildings, or other structures shall be constructed in an architecturally pleasing manner, and shall be consistent with the finishes and exterior of the main dwelling structure. Metal and pre-manufactured storage sheds will not be allowed, except to the extent that they likewise blend in with the overall architecture of the main dwelling structure. Any such accessory buildings, outbuilding, or other structures shall be placed on permanent foundations. Accessory Dwelling Units ("ADU") may be constructed upon any Lot within the Subdivision only upon proper planning and development approval by El Paso County government, and in compliance with these Declarations.

G. Maintenance of Lots. It shall be the duty and obligation of each Lot Owner within the Subdivision, at such Owner's expense, to beautify and keep neat, attractive, and in good order such Owner's residence, the parcel of land surrounding the residence, and to maintain, repair, regularly perform upkeep, and replace the same.

H. Restoration in the Event of Damage or Destruction. In the event of damage or destruction of any kind on a Lot, the Lot Owner thereof shall restore or replace the damage or destruction to original, or better, Lot conditions, so as to present a pleasing and attractive appearance. All such restoration, or demolition and removal, shall be completed within one (1) year of the event causing the damage or destruction.

I. Solar Collectors. Solar collectors or other solar devices are permitted so long as they are designed and installed to blend in with the overall architecture of other improvements on the Lot and cannot be ground level freestanding. Any roof or wall-mounted collectors or solar devices must be built-in to the roof or wall, be flush with, and of the same or substantially similar pitch as, the adjacent portions of the building, and be architecturally compatible with the building upon which they are affixed. Solar collectors may be mounted to standing seam metal roofs through attachment at the standing seams.

J. Trailers, Campers, Boats, and Other Vehicles. No boat, trailer, camper (not installed on its supporting vehicle), tractor, commercial vehicle, mobile home, motor home/RV, trail bikes, mini-bikes, motorcycles, all-terrain vehicles, snowmobiles, or any other type of recreational vehicle, or any towed trailer or truck, excepting pickup trucks solely for private use of the residents of a dwelling, shall be parked more than seven (7) consecutive days, on any street or within any Lot, except in a completely enclosed structure or accessory building, or unless they are parked or screened in a manner as to not be visible at ground level from any neighboring or nearby Lot within the Subdivision, or street. Utility trailers under twenty (20) feet in length (excluding the neck and hitch points for the trailer) may be kept and stored in an inconspicuous manner beyond seven (7) consecutive days.

K. Vehicle Repairs. No maintenance, servicing, repair, dismantling or repainting of any type of vehicle, boat, machine, or device may be carried on within the Subdivision except within a completely enclosed structure, or at such location as screens the sight and sound of the activity from the street and from adjoining Lots within the Subdivision.

L. Refuse. Unsightly objects or materials, including but not limited to ashes, trash, garbage, grass or shrub clippings, scrap material or other refuse, or containers for such items, shall not be stored, accumulated or deposited outside or so as to be visible from any neighboring property or adjoining street.

M. Nuisance. No noxious, hazardous, or offensive activity shall be permitted upon any Lot, nor shall actions intended to or tending to cause embarrassment, discomfort, annoyance or nuisance to other Lot Owners within the Subdivision be permitted on any Lot. No annoying lights, sounds or odors shall be permitted to emanate from any Lot. Outdoor lighting will be permitted to the extent it does not create a visual nuisance to neighboring or nearby Lot Owners. Any exterior lighting on any Lot shall either be indirect or of such controlled focus and intensity as not to disturb adjacent or nearby Lot Owners and other nearby property owners. Exterior lighting designs shall be consistent with the design provisions of the "International Dark-Sky Association," minimizing local and regional light pollution. No activities which pollute or have the potential to pollute any well, surface water right, groundwater aquifer, or other water resource shall be permitted within the Subdivision. No trail bikes, mini-bikes, motorcycles, all-terrain vehicles, snowmobiles, or other such noise causing vehicles shall be operated within the Subdivision other than on county roads and going to and from Lots, or for use in maintenance activities upon a Lot, or during emergency situations including but not limited to flood, fire, and blizzard/snow emergencies. No activity shall be permitted which will generate a noise level sufficient to interfere with the peaceful and reasonable quiet

enjoyment of the persons on any adjoining or nearby Lots within the Subdivision. No hunting of any kind by any form or device, nor the discharge of any type of firearm, explosive, or fireworks devices shall be permitted, unless the discharge of firearms is operated in a reasonable manner and during reasonable hours. Firearms shall be operated in accordance with state law, and Lot Owners must take all reasonable precautions to ensure that projectiles cannot go through, over, or under property or property lines. Lot Owners shall be responsible for damage or injury occurred as the result of reckless or negligent behavior.

N. Sound Devices. No exterior speakers, horns, whistles, bells or other sound devices, except for built-in speakers on the decks and patios adjoined to or in the immediate vicinity of primary dwelling structures, and for security devices used exclusively for security purposes, shall be located, used or placed on any structure or within any Lot. Volumes of such permitted exterior sound devices shall be maintained at such a level as to maintain the peace and tranquility of the community and subdivision.

O. Animals. Acknowledging the semi-rural environment represented by the Subdivision, keeping of animals on any Lot within the Subdivision shall be limited as provided in these Declarations. Lot Owners may keep commonly accepted domesticated birds, fish, dogs, cats, and other small domestic animals confined as household pets. Each Lot Owner within the Subdivision may keep up to eight horses or equivalent livestock, and further may keep such chickens, or other similar fowl, provided that at all such times any and all such pets, fowl and livestock must be properly contained, by means of fencing as described below, and/or within such other enclosures as permitted hereby and as appropriate for such animals, within such Lot Owner's respective lot. No roosters shall be permitted within the Subdivision, and all chicken coops shall be of a size appropriate for a flock no bigger than 15 birds, and no taller than 10 feet in height. Any harvesting or slaughtering of livestock or fowl permitted by this Paragraph shall be within an enclosed space not observable by neighboring property owners or the public, and shall be conducted in a humane manner. No such animals may be kept or maintained in violation of any government regulation and all such animals must be thoroughly secured and maintained within the Lot of the owner of such animals, and must be kept under the control of the Lot Owner at all times. Any animal, of any kind, which makes an unreasonable amount of noise or odor, harms wildlife, disturbs the peace of the Subdivision, or is otherwise a nuisance, is prohibited. No kennels, whether for breeding, rent, or sale shall be allowed within the Subdivision at any time. The Owner of a Lot upon which an animal is kept is responsible for payment of any and all damage caused to the property of other Lot Owners by such animal(s). Owners are responsible for cleaning up after their pets at all times and maintaining sanitary conditions.

P. Fences. All fencing, including yard, pasture, and accent fencing, shall be of such design as appropriate for containing livestock, pets, or for such other purposes as the fencing is desired. Wire mesh may be attached to fencing for yards and/or fencing enclosing areas for outbuildings. Perimeter chain-link fencing is prohibited.

Q. Weeds and Dead Foliage. Lot Owners are responsible for removing plants infected with noxious insects or plant diseases which are likely to cause a spread of noxious insects or plant diseases to neighboring properties, and for controlling and

removing weeds declared noxious by applicable governmental authorities and in accordance with Colorado and El Paso County weed control rules and regulations, whether or not structures have been constructed thereon. This includes removal of dead foliage and trees.

R. Outdoor Burning. Outside burning of leaves, trash, garbage or household refuse shall not be permitted. Owner shall not permit any condition on a Lot that creates a fire hazard or is in violation of fire prevention regulations adopted by El Paso County or any governmental authority having jurisdiction and control over outside burning. If any ban on any type of outdoor fires, cooking devices, heat sources, or similar, is at any time imposed by El Paso County other applicable governmental authority, such ban shall be observed within the Subdivision.

S. Mineral Excavation. No portion of any Lot within the Subdivision shall be used to explore for or to remove soil, hydrocarbons, or other minerals of any kind.

3. Compliance. The Lot Owners shall perform and comply with all terms, conditions, and obligations of the Basin Determinations, these Covenants, and shall further comply with the terms and conditions of any well permits issued by the Division of Water Resources, C.R.S. § 37-90-137(4) and (10), and any other applicable statutory and regulatory authority.

4. Violations of Law. Any violation of any law, ordinance, rule, or regulation, pertaining to the ownership, occupation, or use of any property within the Subdivision is declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

5. Enforcement. Any aggrieved Lot Owner and any created homeowner's association shall have the right, but not the obligation, to enforce any or all of the provisions, covenants, conditions, and restrictions contained in this Declaration against any Lot Owner who fails to comply with the provisions contained herein. The right of enforcement shall include the right to bring an action for damages, as well as an action to enjoin any violation or attempted violation of any provision, covenants, or restrictions within this Declaration and specific execution thereof, in addition to all other rights and remedies available at law or in equity. In any action maintained under this paragraph, the prevailing party shall be awarded its reasonable attorneys' fees and costs.

6. Dispute Resolution Process. Parties bringing any claim or action to enforce any covenant, condition, or restriction contained in this Declaration, or other disputes arising from this Declaration, shall be subject to mediation as a condition precedent to other dispute resolution, if the parties have not resolved the dispute within thirty-five (35) days following the notice of claim through discussions and negotiations among or between the parties. Any and all parties involved in a claim, dispute, or other matter, shall endeavor to resolve all claims and disputes in good faith by mediation prior to any arbitration, litigation, or other dispute resolution proceeding. The parties shall share the mediator's fee and any associated fees equally, and the mediation shall be held in a mutually agreed upon place. All mediations shall be confidential and based on the terms acceptable to the mediator and/or mediation service provider, and shall be conducted in

compliance with the Colorado Dispute Resolution Act and all applicable Colorado Statutes, including C.R.S. §§ 13-22-302 to 13-22-308.

7. Governing Law. This Declaration shall be governed by, and construed in accordance with, the laws of the State of Colorado, and venue shall be proper in a Court of competent jurisdiction in El Paso County, Colorado.

8. Water Related Amendments. Notwithstanding any provisions herein to the contrary, no changes, amendments, alterations, or deletions to these Covenants may be made which would alter, impair, or in any manner compromise the water supply for Mary Jane Ranch Subdivision pursuant to Determination of Water Right No. 4473-BD. Further, written approval of any such proposed amendments must first be obtained from the El Paso County Planning and Community Development Department, and as may be appropriate, by the Board of County Commissioners, after review by the County Attorney's Office. Any such amendments must be pursuant to the Colorado Ground Water Commission approving such amendment, with prior notice to the El Paso County Planning and Community Development Department for an opportunity for the County to participate in any such determination.

9. Terms of Covenants and Severability. These Covenants shall run with the land and shall remain in full force and effect until amended or terminated, in whole or in part, by the owners of the entirety of the Subdivision (i.e. all Lot Owners), and filed for record with the Clerk and Records of El Paso County. If any portion of this Declaration is held invalid or becomes unenforceable, the other Covenants shall not be affected or impaired but shall remain full force and effect. Notwithstanding the above, this Declaration shall not terminate unless the requirements of Determination of Water Right No. 4474-BD are also terminated by the Colorado Ground Water Commission and a change of water supply is approved in advance of termination by the Board of County Commissioners of El Paso County.

10. Other than Water Amendments. Except as expressly mandated by applicable law, this Declaration and the Plat may be amended only by unanimous vote or agreement of the Lot Owners. An amendment may not create or increase the number of Lots, change the boundaries of a Lot, change the vested property interests of a Lot or Lot Owner, or the uses to which a Lot is restricted, except by unanimous consent of the Lot Owners. Further, all amendments are subject to Paragraph 8 above.

11. Recordation of Amendments. Each amendment to this Declaration must be recorded in the records of the Clerk and Recorder for El Paso County, Colorado, and the amendment is effective only upon recording.

12. Compliance with Documents. All Lot Owners, tenants, occupants of dwellings on Lots, and, to the extent they own Lots, mortgagees and the Declarant, shall comply with this Declaration, and shall be subject to all rights and duties under the Declaration. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the occupancy of a Lot constitutes agreement that the provisions of this Declaration are accepted and ratified by that Lot Owner, tenant, mortgagee, or occupant. All provisions recorded in this Declaration are covenants

