



DECLARATION CREATING RESTRICTIVE COVENANTS

FOR

POWERS RANCH SUBDIVISION

THIS DECLARATION FOR CREATING RESTRICTIVE COVENANTS FOR POWERS RANCH SUBDIVISION (this "**Declaration**") is executed as of the 16th day of July, 2026, by Powroy Family Living Trust (the "**Declarant**").

WITNESSETH:

WHEREAS Declarant is the owner of that certain real property situated in the County of El Paso, State of Colorado, commonly known as the Powers Ranch Subdivision, and more particularly described on Exhibit A, attached hereto and made a part hereof (the "**Property**"); and

WHEREAS, Declarant desires to subject and place upon the Property certain covenants, conditions, restrictions, and reservations as set forth herein for the purpose of protecting the value and desirability of the Property to the end that a harmonious and attractive development of the Property may be accomplished and the health, comfort, safety, convenience, and general welfare of the Declarant, all subsequent owners of portions of the Property and its and their respective heirs, personal representatives, grantees, successors, executors, administrators, devisees and assigns in the Property, or any portion thereof (including the Declarant, collectively, the "**Owners**"), is promoted and safeguarded.

NOW, THEREFORE, the Declarant hereby imposes upon all of the Property the following terms, provisions, covenants, conditions, restrictions, reservations, uses, limitations, and obligations, which shall be deemed to run with the Property and shall be a burden and a benefit to the Owners.

ARTICLE I

RESTRICTIVE COVENANTS

1.1 Structures on Property

Except for outbuildings that complement the design, colors, and materials of the main residence and that do not exceed 2000 square feet in building footprint, and greenhouses intended for personal (non-commercial) use, no temporary structures or vehicles such as trailers, recreational vehicles, campers, shacks, or similar structures shall be used as a residence on any portion of the Property. Outbuildings permitted under this section shall be incidental to residential use of the Lot.

1.2 Animals

Animals may be kept on any Lot in compliance with all applicable governmental laws, ordinances, and regulations. Livestock and other animals commonly associated with residential or agricultural use may be kept on a Lot. No more than four (4) dogs and cats, in the aggregate, may be kept on any Lot. No animals shall be kept, bred, boarded, or maintained for commercial breeding, boarding, kennel, or similar commercial animal operations. Animals must be maintained in a manner that does not create a nuisance or unreasonable disturbance to neighboring Lots, including excessive noise, odor, unsanitary conditions, or safety hazards. No animal shall be permitted to create repeated, prolonged, or habitual barking, howling,

whining, or other noise that unreasonably disturbs the peace, quiet, or enjoyment of any neighboring Lot. No dog shall be routinely confined, housed, tethered, or left unattended on an exterior deck, patio, porch, kennel, or other outdoor area when doing so results in repeated or prolonged barking or other disturbing noise. Each Owner shall be responsible for taking reasonable and prompt measures to stop such disturbance, regardless of the time of day. Each Owner is responsible for controlling animals kept on the Lot and for promptly removing and properly disposing of animal waste from the Lot and adjacent public areas.

1.3 Exterior Lighting

Exterior lighting shall be installed and maintained in a manner that minimizes glare and light trespass onto neighboring Lots. Lighting shall be directed downward where reasonably practicable and shall not create an unreasonable nuisance to neighboring properties.

1.4 Property Maintenance and Storage

Each Owner shall maintain their Lot in a reasonably neat and orderly condition. No Lot shall be used for the storage of commercial equipment, construction materials, debris, scrap, junk, or inoperable vehicles in a manner that creates an unsightly condition or is inconsistent with residential or agricultural use of the Lot. The accumulation of discarded materials, debris, or refuse is prohibited. Equipment, vehicles, and materials associated with normal residential or agricultural use shall be permitted provided they are maintained in an orderly manner.

1.5 Landscaping

Each Owner shall maintain their Lot in a reasonably neat and orderly condition. Landscaping, if installed, shall be maintained so as not to create an unsightly condition, excessive weeds, or a fire hazard.

1.6 Nuisances

No nuisance shall be permitted on any Lot, nor any use or activity that unreasonably interferes with the peaceful enjoyment of neighboring Lots. Each Owner shall maintain their Lot in a clean and sanitary condition and shall not permit the accumulation of rubbish, refuse, or garbage or allow any condition that creates a fire hazard. All applicable laws, ordinances, and regulations of governmental authorities having jurisdiction over the Property shall be observed.

1.7 Rural and Agricultural Activities

The Lots are located in a semi-rural area where agricultural and rural activities may occur. Owners acknowledge that activities associated with rural living and agricultural use, including the keeping of livestock, operation of agricultural equipment, odors, dust, insects, and noise associated with such activities, may occur from time to time. Such activities shall not be deemed a nuisance provided they are conducted in compliance with applicable laws and regulations.

1.8 Subdivision of Lots

No Lot within the Subdivision may be subdivided into parcels smaller than 2.5 acres. Any subdivision of a Lot must comply with all applicable county regulations and approval requirements.

1.9 Enforcement

Any Owner of a Lot within the Subdivision shall have the right to enforce these covenants by legal or equitable proceedings. Failure to enforce any provision at any time shall not be deemed a waiver of the right to enforce such provision thereafter.

1.10 Amendment

These covenants may be amended, modified, or terminated at any time by a written agreement signed by the Owners of all Lots within the Subdivision and recorded in the real property records of El Paso County, Colorado.

1.11 Water Rights

1.11.1 Water Augmentation Plan and Water Rights Adjudication.

1.11.1.1 Water Augmentation Plan. The Subdivision shall be subject to the obligations and requirements set forth in the January 22, 2025, Augmentation Plan as set out in Case No. 24CW3039 District Court, Water Division 2, as recorded at Reception No. 225030523 of the El Paso County, Colorado, Clerk and Recorder, which is incorporated by reference ("Augmentation Plan"). The Augmentation Plan concerns the water rights and water supply for the Subdivision and creates an obligation upon the Subdivision and the Lot Owners, which run with the land. The water supply for the Subdivision shall be by individual well to the not-nontributary Denver aquifer and the not-nontributary Arapahoe aquifer, under the Augmentation Plan. The Augmentation Plan contemplates that the Lot 1 Owner will be responsible for obtaining a permit from the Colorado Division of Water Resources and drilling an individual well for water service to their residence and Lot to the Arapahoe aquifer, and use of such well as consistent with the terms of the Augmentation Plan, including wastewater treatment through a non-evaporative individual septic disposal system. The Augmentation Plan contemplates that the Lot 2 Owner will use their existing individual well for water service to their residence and Lot to the Denver aquifer, and use of such well as consistent with the terms of the Augmentation Plan, including wastewater treatment through a non-evaporative individual septic disposal system. Each lot Owner will be the owner of the water within the aquifers underlying their Lot and also own the Augmentation Plan. The Lot Owner will be responsible for reporting and administration based on pumping records.

1.11.1.2 Water Rights Ownership.

1.11.1.2.1. Reservation of Water. Declarant hereby reserves 195 acre-feet of Arapahoe aquifer water, 120 acre-feet of Denver aquifer water and 297 acre-feet of Laramie-Fox Hills aquifer water pursuant to Findings of Fact, Conclusions of Law, Ruling of Referee and Decree in Division 2 Case No. 2023CW3039 to satisfy El Paso County's 300-year water supply requirement for the 2 lots of the Powers Ranch Subdivision. 195 acre-feet (0.65 acre-feet/year) of Arapahoe aquifer water and 184.14 acre-feet of Laramie-Fox Hills aquifer water is allocated to Lot 1, and 120 acre-feet (0.40 acre-feet/year) of Denver aquifer water and 112.86 acre-feet of Laramie-Fox Hills aquifer water is allocated to Lot 2, in accordance with the Augmentation Plan. Said reservations shall not be separated from transfer of title to the property and shall be used exclusively for primary water supply and augmentation.

1.11.1.2.2 Declarant will transfer and assign to the Lot Owner their portion of all rights, title, and interest in the Augmentation Plan and water rights thereunder. Declarant will transfer and assign to the Lot Owner of Lot 1 at least 195 total acre-feet of the not-nontributary Arapahoe aquifer groundwater and 184.14 acre-feet of the Laramie-Fox Hills aquifer for use on their Lot. Declarant will transfer and assign to the Lot Owner of Lot 2 at least 120 total acre-feet (.40 acre-feet/year) of the not-nontributary Denver aquifer groundwater for use on their Lot. The Declarant will further transfer and assign to the owner of Lot 2 at least 112.86 acre-feet of Laramie-Fox Hills aquifer water, pursuant to the final decree in Case No. 24CW3039 District Court, Water Division 2, recorded at Reception No. 225030523, El Paso County, Colorado, Clerk and Recorder.

1.11.1.2.3 The Declarant will further assign to each Lot Owner all obligations and responsibilities for compliance with the Augmentation Plan, 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 operation of the Augmentation Plan. Such conveyance shall be subject to the obligations and responsibilities of the Augmentation Plan and said water rights may not be separately assigned, transferred, or encumbered by the Lot Owners. The Lot Owners shall maintain such obligations and responsibilities in perpetuity, unless relieved of such replacement responsibilities by properly entered administrative relief.

1.11.1.2.4 These Denver Basin aquifer water rights conveyed, and the return flows therefrom, are intended to provide a 300-year water supply, and replacement during pumping, for each of the lots of Powers Ranch Subdivision. The water rights so conveyed and the return flows therefrom shall be appurtenant to each of the respective lots with which they are conveyed, 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. Such conveyance 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.

1.11.1.2.5 The water rights referenced herein shall be explicitly conveyed; however, if a successor lot owner fails to explicitly convey the water rights, such water rights shall be intended to be conveyed pursuant to the appurtenance clause in any deed conveying said lot, whether or not the Water Court Decree and Augmentation Plan referenced above and the water rights therein are specifically referenced in such deed. The water rights so conveyed shall be appurtenant to the lot with which they are conveyed, 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. Such conveyance 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.

1.11.1.2.6 Advise of responsibility for costs. Declarant hereby advises the lot owners and their successors and assigns of their obligations regarding the costs of operating the plan for augmentation, which include pumping of the Arapahoe and Denver wells in a manner to replace depletions during pumping and the cost of drilling a Laramie-Fox Hills aquifer well in the future to replace post-pumping depletions.

1.11.1.2.7 The owners of Lot 1 and Lot 2 are required to use a non-evaporative septic system to ensure that return flows from such systems are made to the stream system to replace actual depletions during pumping and said return flows shall not be separately sold, traded,

assigned, or used for any other purpose. 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.

1.11.1.3 Water Administration.

1.11.1.3.1. Each Lot Owner shall promptly and fully account to the Engineers for total pumping from the individual well on each Lot. The frequency of such accounting shall be annually, unless otherwise reasonably requested by the Engineers. The Lot Owners shall submit records to the Engineers with accounting for pumping of their wells on each Lot on an annual basis for the previous calendar year, by February 15th of the following year, as stated in the Augmentation Plan, unless otherwise reasonably requested by the Engineers. Such metering and data collecting may be required regarding water withdrawals from existing and future wells in the Arapahoe and/or Laramie-Fox Hills aquifers.

1.11.1.4 Well Permits.

1.11.1.4.1 Each Lot Owner shall be responsible for obtaining a well permit for the individual well to the Denver Basin aquifer for provision of water supply to their respective Lot pursuant to the requirements of Findings of Fact, Conclusions of Law, Ruling of Referee and Decree in Division 2 Case No. 23CW3039 and C.R.S. § 37-90-137(4) and (10). All such wells shall be constructed and operated in compliance with the Augmentation Plan, 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 diversion information necessary for the accounting and administration of the Augmentation Plan. It is acknowledged that well permits, and individual wells, may be in place on some of the Lot 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.

1.11.1.4.2 No party guarantees to the Lot Owners the physical availability or the adequacy of water quality from any well to be drilled under the Augmentation Plan. The Denver Basin aquifers, which are the subject of the Augmentation Plan, 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.

1.11.1.5 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 Powers Ranch Subdivision pursuant to Findings of Fact, Conclusions of Law, Ruling of Referee and Decree in Division 2 Case No. 23CW3039. 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 amendments must be pursuant to the Division 2 Water Court 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.

1.11.1.6 Termination. These Covenants shall not terminate unless the requirements of Findings of Fact, Conclusions of Law, Ruling of Referee and Decree in Division 2 Case No. 23CW3039 are also terminated by the Division 2 Water Court and a change of water supply is approved in advance of termination by the Board of County Commissioners of El Paso County.

1.12 Shared Driveway Maintenance.

A portion of the asphalt driveway serving the Property is shared by Lot 1 and Lot 2 (the “Shared Driveway Area”). No vehicles shall be parked on or along the Shared Driveway Area. The Owners of Lot 1 and Lot 2 shall jointly and equally be responsible, in perpetuity, for the maintenance, repair, sealing, resurfacing, and replacement of the Shared Driveway Area, including without limitation crack sealing, patching, seal coating (typically performed every three to five (3–5) years), and asphalt resurfacing or replacement, which is generally expected to be required approximately every fifteen to twenty-five (15–25) years depending on condition, use, and maintenance. All such work shall be performed as reasonably necessary to maintain the Shared Driveway Area in good and serviceable condition. Unless otherwise agreed in writing by the Owners, all costs associated with such work shall be shared equally. Each Owner shall cooperate in scheduling such work and shall not unreasonably withhold consent to reasonably necessary maintenance or repair. If one Owner fails or refuses to pay their share of reasonably necessary maintenance or repair within thirty (30) days after written notice from the other Owner, the non-defaulting Owner may perform the work and recover the defaulting Owner’s share of the cost through legal action.

This covenant shall run with the land and shall be binding upon and inure to the benefit of all present and future Owners of Lot 1 and Lot 2.

ARTICLE II

BURDENS AND BENEFITS OF DECLARATION

2.1 Covenants Running With Property. The benefits, burdens and all other provisions contained in this Declaration shall be covenants running with and binding upon the Property.

2.2 Binding Upon and Inure to the Successors. The benefits, burdens and all other provisions contained in this Declaration shall be binding upon and inure to the benefit of all Owners.

ARTICLE III

DECLARATION

3.1 Property Subject to Declaration. Declarant hereby declares that the Property is and shall be subject in all requirements to the provisions of the Declaration. Owners must comply with all applicable provisions of the Declaration.

ARTICLE IV
MISCELLANEOUS

4.1 Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations and other provisions contained in this Declaration shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision, to enjoin or restrain such violation or attempted violation or to recover damages, or both, and any aggrieved Owner shall have the right to institute, maintain and/or prosecute any such proceedings. In any such action the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto

4.2 Non-Waiver. Failure by any Owner or other person or entity to enforce any covenant, condition, restriction, reservation, or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

4.3 Severability. The provisions of this Declaration shall be deemed to be independent and severable, and the invalidation of any one or more of the provisions hereof, or any portion thereof, by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

4.4 Amendment. The provisions of this Declaration may be amended, in whole or in part, at any time and from time to time, by instrument approved in writing by the unanimous consent of all Owners.

4.5 Counterparts. This Declaration, and any amendments hereto, may be executed in several counterparts and all counterparts so executed shall constitute one document binding on all signatories thereof, notwithstanding that all signatories have not executed the original or the same counterpart. In the event that any such document is executed in counterparts, those pages from the counterparts on which signatures and/or certificates of public notaries appear may be attached to the original instrument for the recordation thereof.

4.6 Choice of Law and Venue. THIS DECLARATION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO. ANY LITIGATION, SPECIAL PROCEEDING OR OTHER PROCEEDING AS BETWEEN THE PARTIES THAT MAY BE BROUGHT, OR ARISE OUT OF, IN CONNECTION WITH OR BY REASON OF THIS DECLARATION SHALL BE BROUGHT IN THE APPLICABLE FEDERAL OR STATE COURT IN AND FOR EL PASO COUNTY, COLORADO, WHICH COURTS SHALL BE THE EXCLUSIVE COURTS OF JURISDICTION AND VENUE.

Signature on the Following Page

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand
this 16 day of July, 2026.

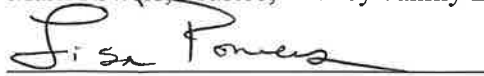
Powroy Family Living Trust

By:



Mark Powers, Trustee, Powroy Family Living Trust

By:



Lisa Powers, Trustee, Powroy Family Living Trust

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The above and foregoing DECLARATION CREATING RESTRICTIVE COVENANTS FOR POWERS
RANCH SUBDIVISION was acknowledged before me this 16th day of July, 2026, by Powroy
Family Living Trust.

WITNESS my hand and official seal.

My commission expires: June 23, 2029

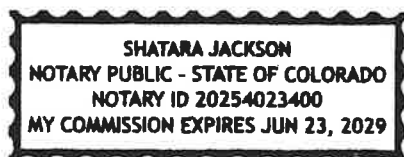

Notary Public

EXHIBIT A

Legal Description

POWERS RANCH SUBDIVISION, County of El Paso, State of Colorado, according to the plat thereof recorded at Reception No. 4 in the records of the El Paso County Clerk and Recorder.

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