



**BYLAWS  
OF  
SILVERADO RANCH HOME OWNERS ASSOCIATION**

The following Bylaws set forth the provisions of the Bylaws of Silverado Ranch Home Owners Association, and were duly adopted pursuant to the Colorado Revised Nonprofit Corporation Act.

**ARTICLE I  
NAME AND LOCATION**

The name of the corporation is SILVERADO RANCH HOME OWNERS ASSOCIATION, hereinafter referred to as the "Association". The Association has been incorporated as a Colorado nonprofit corporation pursuant to its Articles of Incorporation (which are incorporated herein by this reference and hereafter called the "Articles"). The principal office of the corporation shall be located at 18911 Cherry Springs Ranch Dr., Monument, Colorado 80132, but meetings of Members and Directors may be held at such places within the County of El Paso as may be designated by the Board of Directors, which shall also be known and referred to sometimes herein as the "Board."

**ARTICLE II  
DEFINITIONS**

All terms which are defined in the Declaration of Covenants, Conditions and Restrictions of Silverado Ranch (which is incorporated herein by this reference and hereinafter called the "Declaration" and incorporated herein by this reference) and the Colorado Revised Nonprofit Corporation Act C.R.S. 7-121-101 et. seq. (hereinafter called the "Nonprofit Act") shall have the same meaning herein. The Association shall not be subject to the Colorado Common Interest Ownership Act as more fully provided in C.R.S. 38-33.3-116 thereof.

**ARTICLE III  
MEETING OF MEMBERS**

3.1. Membership and Voting Rights. The requirements and conditions of Membership and of voting rights shall be as provided in the Declaration and the Articles of Incorporation. By acquiring title to a Lot, a person or entity automatically consents to becoming a Member of the Association and subject to the rights and duties set forth in the Declaration, the Articles, Bylaws and applicable laws and statutes. Each Lot shall have one vote on any issue duly submitted to the Members and/or each vacant directorship. Different rights and obligations with respect to voting and all other matters may be set forth in the Declaration, which shall be controlling over C.R.S. 7-127-202 or otherwise. Members may only transfer their Memberships and any right arising therefrom as permitted by the Declaration, Articles, and these Bylaws and in accordance therewith. Membership shall automatically transfer upon transfer of title to a Lot. The Association's Board may adopt rules regarding any termination, expulsion or suspension of a Member, but such Rules shall be subject to the provisions of the Covenants and Nonprofit Act (C.R.S., §7-126-303). A Member may not resign from the Association, but may be expelled or suspended or have Membership terminated as provided by the Declaration, Articles of Incorporation and C.R.S. 7-126-302; a Member shall remain liable for all assessments, fees, charges and sums, whether past, present or future, despite such expulsion, suspension or termination. Foreclosure of a Lot shall include the membership interest attached thereto but such foreclosure shall not be considered a purchase of such interest as prohibited by C.R.S., 7-126-303.

3.2. Annual and Regular Meetings. The first annual meeting of the Members shall be held within one year of the date of incorporation, and each subsequent annual meeting of the Members shall be held during the same month of each year thereafter at a place, date and time, within the State of Colorado, as the Board of Directors may determine. "Regular meetings" shall refer to meetings, if any, which are set by the Board on a regular basis (for example, monthly or quarterly meetings of Members) and which are not annual or special meetings.

3.3. Special Meetings.

(a) The Association shall hold a special meeting of its Members:

(i) On call of its Board of Directors or the person or persons authorized by the Bylaws or resolution of the Board of Directors to call such a meeting; or

(ii) If the Association receives one or more written demands for the meeting, stating the purpose or purposes for which it is to be held, signed and dated by Members holding at least ten percent of all votes entitled pursuant to the Bylaws to be cast on any issues proposed to be considered at the meeting.

(b) If not otherwise fixed under C.R.S. 7-127-103 or 7-127-106, the record date for determining the Members entitled to demand a special meeting pursuant to paragraph (a)(ii) above is the date of the earliest of any of the demands pursuant to which the meeting is called, or the date that is sixty days before the date the first such demand is received by the Association, whichever is later.

(c) If a notice for a special meeting demanded pursuant to paragraph (a)(ii) above is not given pursuant to C.R.S. 7-127-104 within thirty days after the date the written demand or demands are delivered to a corporate officer, regardless of the requirements of paragraph (d) below, a person signing the demand or demands may set the time and place of the meeting and give notice pursuant to C.R.S. 7-127-104.

(d) Special meetings of the Members may be held in or out of this state at the place stated in or fixed in accordance with the Bylaws, or, if not so stated or fixed, at a place stated or fixed in accordance with a resolution of the Board of Directors. If no place is so stated or fixed, special meetings shall be held at the Association's principal office.

(e) Only business within the purpose or purposes described in the notice of the meeting required by C.R.S. 7-127-104(3) may be conducted as a special meeting of the Members.

3.4. Notice of Meetings.

(a) The Association shall give to each Member who is entitled to vote at the meeting notice consistent with its Bylaws of meetings of Members in a fair and reasonable manner.

(b) Any notice that conforms to the requirements of paragraph (c) below is fair and reasonable, but other means of giving notice may also be fair and reasonable when all the circumstances are considered.

(c) Notice is fair and reasonable if:

(i) The Association notifies by mail, hand delivery, electronically, or otherwise as allowed by the Nonprofit Act its Members of the place, date, and time of each annual, regular, and special meeting of Members no fewer than ten (10) days, nor more than fifty (50) days before

the meeting date, or if notice is mailed by other than first class or registered mail, no fewer than thirty (30) days, nor more than fifty (50) days before the meeting date, and if notice is given by newspaper as provided in C.R.S. 7-121-402(2), the notice must be published five separate times with the first such publication no more than sixty days, and the last such publication no fewer than ten days, before the meeting date.

(ii) Notice of an annual or regular meeting includes a description of any matter or matters that must be approved by the Members or for which the Members' approval is sought under C.R.S. 7-128-501, 7-129-110, 7-130-103, 7-130-201, 7-131-102, and 7-134-102. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board.

(d) Unless otherwise provided by articles 121 to 137 of the Nonprofit Act or the Bylaws, notice of a special meeting shall include a description of the purpose or purposes for which the meeting is called.

(e) Members may waive notice as provided by C.R.S. 7-127-105.

(f) If an annual, regular, or special meeting of Members is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under C.R.S. 7-127-106, however, notice of the adjourned meeting must be given under this section to the Members of record as of the new record date.

(g) When giving notice of an annual, regular, or special meeting of Members, the Association shall give notice of a matter a Member intends to raise at the meeting if:

(i) Requested in writing to do so by a person entitled to call a special meeting; and

(ii) The request is received by the secretary or president of the Association at least ten days before the Association gives notice of the meeting.

(h) The Board may fix the record date for determining the Members entitled to notice or to vote at any Members' meeting or to exercise any rights in respect to any lawful action pursuant to C.R.S. 7-127-106 or otherwise. Such record date may not be more than seventy (70) days before the meeting or action requiring a determination of members occurs. Unless otherwise directed by the Board, the Association shall not be required to prepare the list of names described in C.R.S. 7-127-201.

3.5. Action Taken Without Meeting. Notwithstanding any provision to the contrary, any action required or permitted to be taken at any meeting of Members may be taken without a meeting, prior notice or vote, if Members entitled to vote thereon unanimously agree and consent to such action in writing; such action shall be taken in accordance with C.R.S. 7-127-107 of the Nonprofit Act. Action may also be taken by means of C.R.S. 7-127-109.

### 3.6. Quorum.

(a) The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the votes in the Association shall constitute a quorum for any action except

as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

(b) Once a Member is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, the Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or shall be set for that adjourned meeting.

### 3.7. Proxies.

(a) If only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner is entitled to cast all the votes allocated to that Lot. If more than one of the multiple Owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners, unless the Declaration expressly provides otherwise. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

(b) Votes allocated to a Lot may be cast pursuant to a proxy duly executed by a Lot Owner. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. A Lot Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

(c) A Member may appoint a proxy by transmitting or authorizing the transmission of a facsimile, teletype, or other electronic transmission providing a written statement of the appointment to the proxy, to a proxy solicitor, proxy support service organization, or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association; except that the transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

(d) An appointment of a proxy is revocable by the Member.

(e) Appointment of a proxy is revoked by the person appointing the proxy:

(i) Attending any meeting and voting in person; or

(ii) Signing and delivering to the secretary or other officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form.

3.8. Majority of Members. As used in these Bylaws, the term "majority of Members" shall mean Owners of Lots to which at least fifty-one percent (51%) of the votes in the Association are attached, present at a meeting containing a quorum. Unless otherwise provided herein, an affirmative vote of a majority of the Members present, in person or by proxy, shall be required to transact the business of the meeting and shall be valid and binding upon all Members.

3.9. Order of Business. The order of business at all meetings of the Members shall be as determined by the Board.

ARTICLE IV  
BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

4.1. Number. The property, business and affairs of the Association shall be managed by a Board of Directors who shall be members of the Association. The initial Board of Directors shall be composed of three (3) directors, who shall be appointed by the Declarant and need not be members of the Association. Notwithstanding any contrary provision of these Bylaws or the Association's Declaration or Articles of Incorporation, the Declarant may, until the Reserved Rights Period expires as provided by the Declaration, appoint or remove any officer of the Association or any Member of the Board of Directors of the Association. Following the termination of the Reserved Rights Period, the Owners shall elect the Board as provided in the Declaration, the Articles of Incorporation and the Bylaws. At each annual meeting after the Reserved Rights Period, the number of directors and their terms of office may be increased or decreased by an affirmative vote of a majority of Members at any annual meeting, but such changes shall not be effective until the next annual meeting and the number of Directors shall not be less than three nor more than five.

4.2. Term of Office.

(a) At the first annual meeting after the relinquishment of control by Declarant, the Members shall elect at least one-third (1/3) of the directors for one-year terms, one-third (1/3) of the directors for two-year terms, and one-third (1/3) of the directors for three-year terms, and at each annual meeting thereafter, the Members shall elect the same number of directors as there are directors whose terms are then expiring, for terms of three years. The term of any director filling a vacancy expires at the end of the unexpired term that such director is filling. Vacancies shall be filled as provided by 7-128-110 of the Nonprofit Act.

(b) Despite the expiration of a director's term, a director continues to serve until the director's successor is elected, appointed, or designated and qualifies, or until there is a decrease in the number of directors.

4.3. Resignation. Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by such officer. In the event of death or resignation of a director, his successor shall be selected by a majority of the remaining directors and shall serve for the unexpired term of his predecessor.

4.4. Removal.

(a) Except for directors appointed by the Declarant, who may be removed only by the Declarant, Directors elected by voting Members or directors may be removed as follows:

(i) The voting Members may remove one or more directors elected by them with or without cause.

(ii) Subject to C.R.S. 7-127-208(3), a director may be removed only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors.

(iii) A director elected by voting Members may be removed by the voting Members only at a meeting called for the purpose of removing that director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the director.

(iv) An entire Board of Directors may be removed under paragraphs (i) to (iii) above. In the event that an entire Board is removed at a meeting, their successors shall be nominated and elected by the Members at that meeting to fill such vacancies.

(v) A director elected by the Board of Directors may be removed with or without cause by the vote of a majority of the directors then in office or such greater number as is set forth in the bylaws; except that a director elected by the Board of Directors to fill the vacancy of a director elected by the voting Members may be removed without cause by the voting Members, but not the Board of Directors.

(b) A director appointed by either Declaration may be removed without cause by the Declarant appointing the director. The Declarant removing the director shall do so by giving written notice of the removal to the director and to the Association. A removal is effective when the notice is received by both the director to be removed and the Association unless the notice specifies a future effective date.

(c) If, at the beginning of a director's term on the Board, any rules adopted by the Board pursuant to the Bylaws provide that a director may be deemed to have resigned for failing to attend a specified number of board meetings, or for failing to meet other specified obligations of directors, and if such failure to attend or meet obligations is confirmed by an affirmative vote of the Board of Directors, then such failure to attend or meet obligations shall be effective as a resignation at the time of such vote of the board.

4.5. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.6. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors and complies with C.R.S. 7-128-202. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

5.1. Nomination. After the expiration of the Reserved Rights Period, nomination for election to the Board of Directors may be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The Nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine but not less than the number of vacancies that are to be filled.

5.2. Election. After the relinquishment of control by the Declarant, election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Directors shall thereafter be elected at the Association's annual meeting. In an election of multiple directors, that number of candidates equaling the number of directors to be elected, having the highest number of votes

cast in favor of their election, are elected to the Board of Directors. When only one director is being voted upon, the affirmative vote of a majority of the Members constituting a quorum at the meeting at which the election occurs shall be required for election to the Board of Directors.

## ARTICLE VI MEETINGS OF DIRECTORS

6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held with such frequency and at such times and places as shall be determined by a majority of the directors. Notice of regular meetings of the Board of Directors shall be given to each director personally or by mail, telephone, facsimile, or e-mail, at least seven (7) days prior to the day named for such meeting.

6.2. Organizational Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Members shall be held within ten (10) days thereafter at such place as shall be fixed by the directors at the meeting at which such directors were elected and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

6.3. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association, or by any two or more directors, upon three days notice to each director, given personally or by mail, telephone, facsimile, or e-mail, which notice shall state the time, the place and the purpose of the meeting.

6.4. Notice of Meetings.

(a) Unless otherwise provided in articles 121 to 137 of the Act or in these Bylaws, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Any meeting may be held as allowed by C.R.S. 7-128-201.

(b) Unless the bylaws provide for a longer or shorter period, special meetings of the Board of Directors shall be preceded by at least two days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting unless otherwise required by articles 121 to 137 of the Act or these Bylaws.

6.5 Waiver of Notice.

(a) A director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. Except as provided by paragraph (b) below, the waiver shall be in writing and signed by the director entitled to the notice. Such waiver shall be delivered to the Association for filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(b) A director's attendance at or participation in a meeting waives any required notice to that director of the meeting unless:

(i) At the beginning of the meeting or promptly upon the director's later arrival, the director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting; or

(ii) If special notice was required of a particular purpose pursuant to C.R.S. 7-128-203(2), the director objects to transacting business with respect to the purpose for which such

special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

6.6. Quorum.

(a) At all meetings of the Board of Directors, the attendance of a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board, there is less than a quorum present, those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

(b) For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a director may be deemed to be present at a meeting and to vote if the director has granted a signed written proxy to another director who is present at the meeting, authorizing the other director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this paragraph and as permitted by C.R.S. 7-128-205(4), Directors may not vote or otherwise act by proxy.

(c) A director who is present at a meeting of the Board of Directors when corporate action is taken is deemed to have assented to all action taken at the meeting unless:

(i) The director objects at the beginning of the meeting, or promptly upon the director's arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting;

(ii) The director contemporaneously requests that the director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

(iii) The director causes written notice of the director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the Association promptly after adjournment of the meeting. The right of dissent or abstention pursuant to this paragraph as to a specific action is not available to a director who votes in favor of the action taken.

ARTICLE VII  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1. Powers. The Board of Directors shall have power to:

(a) exercise all powers granted by the Nonprofit Act or other law or statutes allowed to board of corporations;

(b) adopt and publish rules and regulations and to establish penalties for the infraction thereof. Fines may be imposed in such amounts as are determined by the Board. A rule or regulation shall not be in conflict with the Declaration or these Bylaws. A copy of such rules and regulations may be delivered by hand to each Lot or mailed to each Member upon the adoption thereof or may be recorded in the real property records of El Paso County;

(c) suspend any Member's right to vote and the right to receive Association services and privileges and to use of any recreational facilities during any period in which such Member shall be in default under the Declaration, including, without limitation, the non-payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for each infraction of published rules and regulations;

(d) exercise for the Association all powers, duties and authority vested in or delegated to the Board or the Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, and as are necessary for the administration of the affairs of the Association and for the operation and maintenance of the Subdivision;

(e) incur such costs and expenses as may be necessary to perform the Association's duties under the Declaration and to keep in good order, condition and repair all of the Common Area and facilities and all items of common personal property;

(f) declare the office of a director of the Board of Directors to be vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(g) make such distributions as authorized by the Nonprofit Act and the Declaration;

(h) appoint plans of merger or dissolution as permitted by the Nonprofit Act;

(i) except as provided in the Declaration and Articles, authorize sale of property under C.R.S., 7-132-101 and 102;

(j) employ a property manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties; and

(k) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fifth (1/5) of the Members who are entitled to vote;

(l) provide such supervision of all officers, agents and employees of this Association as the Board deems reasonably necessary and appropriate;

(m) as more fully provided in the Declaration to:

(i) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; such annual assessment will be collected on an annual basis unless the Board determines otherwise;

(ii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(iii) impose late charges, undertake collection, and/or foreclose the lien against any property for which assessments are not paid within a time set by the Board after due date or to bring an action at law against the owner personally obligated to pay the same, or both.

(iv) issue, or to cause an appropriate officer to issue a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates;

(n) procure and maintain adequate liability and hazard insurance on the property owned by the Association, insure and keep insured all of the insurable common property or facilities and procure and maintain all other insurance required by the Declaration or deemed advisable by the Board of Directors;

(o) cause all officers or employees having fiscal responsibilities to furnish adequate fidelity insurance or bonds as required by the Declaration. The premiums on such insurance or bonds shall be a common expense as may be deemed appropriate by the Board;

(p) fulfill all obligations of the Board under the Declaration and to make repairs, additions, alterations and improvements in the manner consistent with the Declaration;

(q) establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable and to keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Lot Owners, and to cause an annual accounting for association funds and a financial statement to be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant. All persons or Managing Agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other persons or Managing Agent and shall maintain all reserve accounts of each association so managed separate from operational accounts of such Association;

(r) meet as often as the Board deems reasonable and appropriate; and

(s) perform any duties required of the Association under the Augmentation Plan, the Water Decree, the Detention Agreement, and any drainage easement or other obligation described in the Declaration.

7.2 Duties. It shall be the duty of the Board of Directors to exercise reasonable business judgment in the performance of its duties, subject to the provisions and protections of the Declaration and Colorado law and statute.

7.3 No Waiver of Rights. The omission or failure of the Association or any Member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the Bylaws or rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors, the Association or any Member shall have the right to enforce the same thereafter.

## ARTICLE VIII OFFICERS AND THEIR DUTIES

8.1 Enumeration of Offices. The officers of the Association shall be a President and a Vice-President, both of whom shall at all times be Members of the Board of Directors, and a Secretary and a Treasurer, and such other officers as the Board of Directors shall, from time to time, elect. The office of Treasurer and Secretary may be held by the same person. The offices of Secretary and Treasurer and officers other than the President and Vice President need not be held by Members of the Board of Directors. The powers and duties of the officers shall be subject to the provisions and limitations of the Declaration, Articles of Incorporation, these Bylaws, and law and statute. An officer shall be a natural person who is eighteen years of age or older.

8.2. Election of Officers. The initial officers shall serve until the Declarant relinquishes control of the Association; thereafter, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. The officers shall continue in office until their successors are elected.

8.3. Term. Each officer of the Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

8.5. Resignation and Removal.

(a) Any officer may be removed from office with or without cause by the Board.

(b) An officer may resign at any time by giving written notice of resignation to the Association. A resignation of an officer is effective when the notice is received by the Association unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does not take office until the effective date, or the Board of Directors may remove the officer at any time before the effective date and may fill the resulting vacancy.

8.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7. Duties. The duties of the officers are as follows:

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign on behalf of the Association all leases, mortgages, deed and other written instruments. Further, he shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including, but not limited to, the power to appoint committees from among the owners from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the Members of the Association at any regular or special meetings.

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of any meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Except to the extent performed by any managing agent, the Treasurer shall receive and deposit in appropriate governmentally insured accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual

accounting to be made as set forth in Section 7.1(q) above; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members. In the event a managing agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the managing agent not less often than once each calendar quarter.

(e) The President and the Secretary may prepare, execute, certify and record amendments to the Declaration on behalf of the Association following their adoption as provided therein. After the Declarant relinquishes control of the Association, any checks or promissory notes of the Association shall be signed by at least two of the four officers.

#### ARTICLE IX NON LIABILITY OF OFFICERS AND DIRECTORS

9.1 Contracts. Contracts or other commitments made by the Board of Directors or officers shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

9.2 Indemnification of Officers and Directors. Each Officer and Director of the Corporation, now or hereinafter serving in any such capacity, shall be indemnified by the Corporation against any and all claims and liabilities to which he or she has or shall become subject by reason of serving or having served in any such capacity, or by reason of any action alleged to have been taken, omitted, or neglected by him or her in any such capacity, to the fullest extent allowable by law and statute, including without limitation, the Colorado Revised Nonprofit Corporation Act. The right of indemnification herein provided shall not be exclusive of any rights to which any Director or Officer of the Corporation may otherwise be entitled by law or statute, provided however, this indemnification shall not reduce or impair any insurance coverage. No Director or Officer shall be personally liable to the Corporation or its Members except as otherwise provided by the Nonprofit Act. Directors and officers shall be indemnified by the Association to the fullest extent allowed by the Declaration, Articles of Incorporation and these Bylaws and by law and statutes, including without limitation, C.R.S. 7-129-101 through 107.

9.3 Non-liability. The directors, officers, employees and Members of the Association are not, as such, personally liable for the acts, debts, or obligations of the Association.

9.4 Standards. Except as may be allowed by the Declaration and the Nonprofit Act, directors and officers shall comply with the standards set forth in C.R.S. 7-128-401 and 7-128-501 and shall be indemnified as provided therein.

#### ARTICLE X COMMITTEES

The Board of Directors may appoint and remove such committees, except as appointed by the Declarant, as deemed appropriate in carrying out its purpose, including, without limitation, an architectural control committee or other committees pursuant to C.R.S. 7-128-206 of the Nonprofit Act or to appoint itself as any committee under the Declaration or the Nonprofit Act, and to adopt rules, if any, for procedures and appeals from committees to the Board.

ARTICLE XI  
BOOKS AND RECORDS

The Association shall make available to Owners and lenders, and to holders, insurers or guarantors of any First Mortgagees, current copies of the Declaration, Bylaws, other rules concerning the Subdivision, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. In addition, the Association shall comply with the Nonprofit Act including without limitation C.R.S. 7-136-101 through 106.

ARTICLE XII  
ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay the Association both annual and special assessments which are both a personal obligation of the Member and a continuing lien upon the Lot against which the assessment is made. All annual and special assessments shall be due on the date set by the Board of Directors, and if they are not received by the Association on or before that date, they shall be delinquent. Postmarks of envelopes shall not be honored for purposes of receipt. Any assessments received after the due date shall be subject to a late charge as set forth in the Association's Rules. All payments shall be credited in the following order: late charges, interest, legal fees and expenses of collection, fines, and assessments from the oldest to the most recent.

ARTICLE XIII  
CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words:  
SILVERADO RANCH HOME OWNERS ASSOCIATION.

ARTICLE XIV  
CCIOA EXEMPTION

Notwithstanding any contrary provision, the annual average common expense assessment of each Lot, exclusive of any optional user's fees and any insurance premiums paid by the Association, shall never exceed \$400.00 per year, or such higher limit as may be allowed now or hereafter by C.R.S. 38-33.3-116 for homeowner associations which are not subject to the Colorado Common Interest Ownership Act. It is hereby provided that this Declaration, the Subdivision and the Association will not be subject to said statute as provided in C.R.S. 38-33.3-116 except for Sections 38-33.3-105, 38-33.3-106, 38-33.3-107.

ARTICLE XV  
AMENDMENTS

A. These Bylaws may be amended by the Declaration during the Reserved Rights Period and thereafter by the Members at a regular or special meeting, with a quorum present, by a vote of at least sixty-seven percent (67%) of the Members voting (one vote per Lot) who are present in person or by proxy, provided however, notwithstanding the foregoing, the Declarant reserves the right, but without the vote of the Owners, to make amendments to the Association's Articles of Incorporation or these Bylaws, or both, as may be necessary or desirable to implement the Declarant's rights under the Declaration or to correct typographical errors or make clarifications in these Bylaws or as may be approved in writing by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration or Veterans Administration so as to induce any of such organizations to make, purchase, sell, issue, or guarantee First Mortgages in the Subdivision; each Owner, by accepting a deed, mortgage or other instrument

affecting a Lot appoints Declarant as his attorney-in-fact for purposes of executing in said Owner's name and recording any such amendments to these Bylaws, the Articles of Incorporation and the Declaration, and each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of and a consent to the reservation of the power to the Declarant to make, execute and record any such amendments.

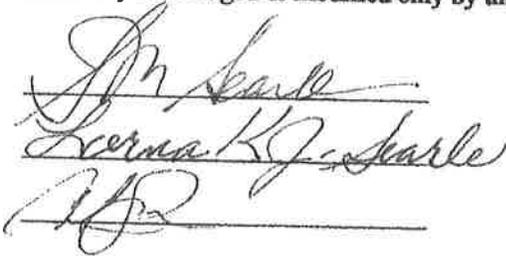
B. Notwithstanding any provision hereof, the Water Augmentation Plan and the Detention Agreement may not be amended except as provided in the Declaration.

**ARTICLE XVI**  
**MISCELLANEOUS**

16.1 Fiscal Year. Unless the Board otherwise determines, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

16.2 Conflict of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

16.3 Rules. Rules and regulations may be adopted by the Board of Directors, but the following rules may be changed or modified only by the Board of Directors.



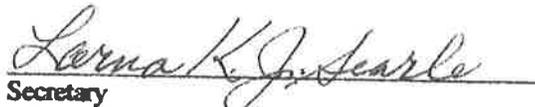
**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of SILVERADO RANCH HOME OWNERS ASSOCIATION, a Colorado non-profit corporation, and,

That the foregoing Bylaws constitute the original Bylaws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the 9th day of June, 2008.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 9th day of June, 2008.

  
Secretary

**DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR SILVERADO RANCH**  
**Revised on Oct. 30, 2018 and Replacing all previously filed Declarations**

KNOW ALL MEN BY THESE PRESENTS:

THIS DECLARATION, made and entered into as of the date shown below by Silverado Ranch Inc., a Colorado corporation, owner of Silverado Ranch Subdivision, hereinafter called "Declarant," for itself, its successors and assigns.

WITNESSETH

WHEREAS, the Declarant is the owner of real property located within a portion of the North 1/2 of Section 16 Township 15 South, Range 63 West of the Principal Meridian, County of El Paso, State of Colorado, more particularly described on the Final Plat of Silverado Ranch, hereinafter called the "Property," and,

WHEREAS, the Declarant desires to submit the Property to the covenants, terms and provisions hereof.

NOW, THEREFORE, the Declarant hereby declares that all of the Property, as hereinafter described, with all appurtenances, facilities and improvements thereon, shall be held, sold, used, improved, encumbered, liened and conveyed subject to the following easements, reservations, uses, limitations and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and all of which shall run with the land and be binding on and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns.

1. DEFINITIONS The terms used herein shall have the following meanings, except as otherwise provided herein.

- A. "Association" shall mean and refer to the Silverado Ranch Home Owners Association, Inc., a Colorado non-profit corporation, which has been organized under the laws of the State of Colorado, its successors and assigns.
- B. "Committee" shall mean the Architectural Control Committee of three or more persons appointed by the Declarant or the Association to review and approve the plans for all improvements constructed on the property.
- C. "Board" shall mean the Board of Directors of the Association.
- D. "Home" shall mean the residential dwelling improvement constructed and located upon a Lot.
- E. "Lot" shall mean and refer to any of the lots shown on any recorded plat of the Property, together with all appurtenances thereto and improvements now or hereafter thereon erected and shall be interchangeable with the term "Lots." The boundaries of the Lots shall be



shown on any recorded plat of the Property, which shall be incorporated herein by this reference.

- F. "Declaration" means this Declaration as contained herein and as it may be amended from time to time as herein provided.
  - G. "Declarant" shall mean and refer to Silverado Ranch, Inc., its agents, employees, contractors, successors and assigns to whom Declarant expressly transfers all or any part of its rights as Declarant hereunder.
  - H. "Owner" means any person, corporation, partnership, association, contractor, sellers or other legal entity or any combination thereof, including Declarant, who owns the record fee simple interest in one or more lots. The term "Owner" shall include any grantee, transferee, heir, successor, personal representative, executor, administrator, devisee and assignee of any owner but shall not refer to any mortgagee as herein defined.
  - I. "Mortgage" means any person or entity, or any successor or assign thereof, which hold or owns a Mortgage. "First Mortgage" shall mean a Mortgage upon a Lot having priority of record over all other recorded encumbrances and liens thereon, except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).
  - J. "Subdivision" means all of the Property, together with Improvements and rights, and improvements located on the Property and all rights, easements and appurtenances belonging thereto, and shall include any real property subsequently annexed to or added in any manner to the Subdivision.
2. INTENT The intent of these covenants is to establish a general plan of development for the benefit of the entire Subdivision and to preserve the Subdivision as a unique, high quality residential area of lasting value, and the covenants have been designed to that end. Property owners in the Subdivision should be people who value quality, who will respect, uphold and observe the letter, spirit and intent of these covenants, and who will insist upon their strict enforcement.
3. BUILDING TYPE AND USE All lots shall be known and described as residential lots and shall be used only for custom built residential homes or country estates. No structure shall be erected, altered, converted, placed or permitted to remain on any lot other than one single-family dwelling not to exceed thirty (30) ft. in height, together with attached garage and any related structure approved by the Committee; all building and improvements shall be used solely for single family residential purposes and shall not be used for commercial purposes, except for allowable home occupations. No use shall be permitted which is in violation of zoning or other laws or regulations. No structure may be erected prior to construction of the main dwelling. The Subdivision is intended only for custom built homes of harmonious design to complement the natural terrain and other homes constructed in the subdivision. No mobile homes, modular homes or domes shall be approved. Only manufactured and stick built homes conforming to the International Building Code will be permitted. An exception shall be made for existing ranch buildings at the time of recording these Covenants.
4. DWELLING SIZE The minimum size of the dwellings is not the only criterion used in approval or disapproval of plans. Plans which meet the minimum size requirement may be disapproved based on other criteria. The size of a dwelling should reflect the Declarant's intent regarding the quality of the Subdivision. The Committee may grant a reasonable request for variance to the size

criteria or give credit for special construction amenities when, in its sole discretion, such variances and credits enhance the quality and compatibility of the structure and the Subdivision development.

The finished, enclosed living area of the main dwelling structure, exclusive of garages and porches, shall not be less than eighteen hundred (1,800) square feet for a one-level dwelling nor less than twenty-five hundred (2,500) square feet for a multiple level dwelling, but the ground floor finished enclosed living area for a dwelling of more than one level shall not be less than fifteen hundred (1,500) square feet. Attached garages are required for all houses and shall be of at least nine hundred (900) square feet. All garage doors shall be equipped with automatic remote control openers and shall be kept closed except for immediate ingress or egress. No carport or other open, unenclosed structure intended as storage for parking for vehicles shall be constructed or used on any lot. Homeowners and contractors are encouraged to have garages which have side entrances whenever possible. The Committee, in its sole discretion, shall determine if the design of the garage is compatible with the design of the home and whether it is consistent with the intent of these covenants and of the neighborhood. Automobiles and small boats shall not habitually be parked overnight outside of garages.

5. BUILDING LOCATION House plans shall be submitted to the Committee, accompanied by a separate plot plan showing the planned location of all improvements contemplated upon the Lot. The Committee may in its sole discretion alter the site location or deny construction if in its opinion the proposed site location would unduly interfere with adjoining lots as to view, proximity and construction, the natural plant and tree growth on the lot, the terrain, or cause other potential interference with existing or proposed construction on adjoining lots. There shall be a maximum of two accessory buildings allowed on the Lot. The combined square footage of the buildings shall not exceed sixty percent (60%) of the finished livable square feet of the primary residence, provided however that the maximum allowable square footage of the accessory buildings shall not exceed two thousand four hundred (2,400) square feet. Buildings should be located in such a way as to minimize damage to existing foliage and natural growth. Lots shall be maintained in the natural state as nearly as possible, except that a reasonably sized lawn and garden may be planted around the house. Remediation of grassland disturbed by construction activity shall be performed with native or other grass. The accessory buildings shall be located behind the principal dwelling if possible. The well and septic system will be located and approved by the applicable regulatory agencies including the El Paso County Health Department prior to the location of the home. The Committee, in its sole discretion, may deny the application of a homeowner or contractor if the well, septic system and house do not all conform to applicable regulations.
  
6. SETBACKS No building shall be erected, placed or altered on any lot nearer than ninety (90) feet from any Lot line fronting a road, nor nearer than thirty-five (35) feet from any other Lot line. Upon those Lots where the setback on the plat is greater than the above setback requirements the distances set forth on the plat shall control. Exceptions to the setback requirements are sometimes logical and may be made by the Committee in cases where extenuating circumstances exist except that the Committee shall have no authority to grant exceptions that would result in a setback that is less than that indicated in the plat. In other cases any such exception must be requested in writing and granted by the Committee in writing. For the purposes of this covenant, eaves, steps and open porches shall be considered as parts of the building. Setbacks shall also comply with all notes on the recorded plat and zoning requirements. Declarant or the Committee may designate additional setbacks and/or designate no-build areas on Lots to protect views of the mountains for adjacent Lots with views, in the sole discretion of the Committee, however the Committee shall have no obligation to so designate.

7. TEMPORARY RESIDENCES No structure of temporary character, trailer, recreation vehicle, basement, tent or accessory building shall be used on any Lot as a residence, temporarily or permanently. However, during construction or relating to other special circumstances the Committee may permit a "5<sup>th</sup> wheel" or similar type of accommodation to be placed on a Lot for up to 200 days, with appearance, location on the property and potential nuisance to neighbors being taken into account.
  
8. ASSOCIATION The association shall operate as a Colorado non-profit corporation pursuant to its Articles of Incorporation and Bylaws, which may include, without limitation, provisions for the indemnification of officers and directors. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. If additional Lots are added to the Association, membership shall automatically be expanded thereby. Members shall have the right to cast votes on all matters to be voted on by the members, as provided in the Association's Articles of Incorporation and Bylaws. Each member shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for each Lot shall be exercised as the owners may determine, but in no event shall more than one vote be cast with respect to any Lot nor may votes be split. The Association is responsible for administering the Colorado Ground Water Commission's Determination No. 325-BD ("Determination") as described in Paragraph 11, which has authority over water related matters in the Subdivision.
  
9. ASSESSMENTS Each Owner, for each Lot owned within the Property, by acceptance of a deed therefore or interest therein, whether or not it shall be so expresses in such deed, shall be deemed to covenant and agree to pay to the Association, in the manner, amounts and times prescribed herein, all assessments, charges, fees, fines and other sums which are described in this Declaration (hereafter collectively called the "Assessments") and which shall be both a personal obligation of the Owner and a lien against his Lot as provided herein. Each owner shall be jointly and severally liable to the Association for the payment of all Assessments. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title or interest unless expressly assumed by them. No Owner may waive or otherwise escape personal liability for the payment of the Assessments by non-use of any common properties or services, by abandonment or leasing of his Lot, or by asserting any claims against the Association, the Declarant or any other person or entity.
  - A. Purpose of Assessments The Assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the Owners and for the improvement and maintenance of the Subdivision, as more specifically provided herein.
  
  - B. Annual Assessments The Annual assessments may specifically include, but shall not be limited to, expenses of management of the Association and its activities, taxes and special Assessments upon the Association's real and personal property, if any, premiums for all insurance which the Association is required by statute or First Mortgages to maintain, or all insurance authorized by the Board in its sole discretion, and all other expenses connected with such insurance; the creation of adequate reserve funds for maintenance, repairs and replacement of those elements of common property or maintenance that must be done on a periodic basis and are payable in regular installments, rather than by Assessments; and any other costs, expenses and fees which may be incurred or may reasonably be expected to be incurred by the Board, in its sole discretion, for the benefit of the Owners under or by reason of this Declaration including, without limitation, expenses relating to the Determination, any detention basins and any common properties.

- C. Limit on Annual Assessments Until January 1, 2019 the maximum annual Assessments on each Lot shall be two hundred dollars (\$200.00) at which time it shall be increased to three hundred dollars (\$300.00). After January 1, 2020 it may be increased by the Association's Board of Directors at a rate not to exceed ten percent (10%) per year thereafter, provided however, that the annual Assessment, exclusive of any optional user's fees and any insurance premiums paid by the Association, shall not exceed four hundred dollars (\$400.00) per year. The limitation on Assessments may be exceeded in whole or in part if in the sole discretion of the Board of Directors of the Association additional funds are required for implementation of the augmentation plan which additional amounts, if required, may be used for monitoring and annual reports as required by the Division Engineer, State of Colorado and a fund for future construction and operation of a well or wells pursuant to the Water Rights Decree and for obligations under any future Private Detention Basin Maintenance Agreement, if required. Any such Assessment shall be established by the Association and shall be collected and shall have the same force and effect as a personal lien and a lien against property as is set forth within this Declaration. All procedures and effects shall be the same as set forth in this Declaration relating to Assessments.
- D. Procedure for Annual Assessments The Assessments shall be payable in an annual amount and shall commence when the first Lot is conveyed to a Purchaser from Declarant. Neither Declarant nor Silverado Ranch, Inc. shall pay the assessment on lots owned until control has been relinquished, after which any remaining lots owned by Declarant or Silverado Ranch, Inc. shall be subject to the annual assessments in the same manner as all other owners.
- E. Collection of Assessments Any Assessment that is not paid when due shall be delinquent, and the Association may impose a late charge for each month any Assessment is delinquent, and may also collect the attorney fees, costs and expenses of any collection. Additionally, the Association may bring an action at law against any Owner personally obligated to pay any Assessment and, in the event of any lawsuit, the delinquent Owner shall pay all attorney fees, court costs and any expenses of such lawsuit.

Additionally, any such unpaid Assessment, together with all expenses of collection and attorney fees, shall be a continuing lien upon the Lot against which such Assessment was made. The Association may enforce such lien by filing with the Clerk and Recorder of El Paso County a statement of lien with respect to said Lot, setting forth such information as the Association may deem appropriate. Said lien shall run with the land and shall additionally secure all Assessments and expenses which become due after its filing. Said lien may be foreclosed by the Association in the manner provided for foreclosures of mortgages under the laws and statutes of the State of Colorado. All rights and remedies of the Association are cumulative, and foreclosure of the lien shall not prevent a lawsuit against the Owner personally liable therefor whether taken before, after or during such foreclosure. Said lien may be released by recording an appropriate document executed by an officer or agent of the Association. Such lien is in addition to any statutory lien allowed to the Association by law. Said lien shall be superior and prior to any homestead rights or similar exemption now or hereafter provided under state or federal law to any Owner, whose acceptance of a deed to a lot shall constitute a waiver of any homestead or other rights.

F. Subordination of the Lien to Mortgages The lien for any Assessment provided for herein shall be subordinate to the lien of a First Mortgage recorded before the delinquent Assessment was due. Sale or transfer of any Lot shall not affect the lien for said Assessment except that sale or transfer of any Lot pursuant to foreclosure of any such First Mortgage, or any proceeding in lieu thereof, including deed in lieu of foreclosure, shall extinguish the lien of Assessment which became due prior to any acquisition of title to such Lot by the First Mortgagee pursuant to any such sale or transfer, or foreclosure, of any proceeding in lieu thereof including, without limitation, any deed in lieu of foreclosure. No such sale, transfer, foreclosure, or any above described proceeding in lieu thereof, shall relieve any Lot from liability for any Assessment becoming due after such acquisition of title, nor from the lien thereof, nor the personal liability of the Owner of such Lot for Assessments due during the period of his Ownership.

10. TIME OF CONSTRUCTION AND BUILDER'S COMPLIANCE FEE No construction shall be permitted upon any Lot until Declarant has been paid in full for said Lot unless the Committee has been provided with a waiver or conditional waiver of this requirement, signed by the Declarant. Once construction shall have been initiated on any structure, including walls, fences, residences, ancillary buildings or any other structure, construction of that particular structure, including landscaping, shall be completed within ten (10) months of the time construction was initiated. The Committee may extend the time for completion under unusual circumstances, and any such time extension shall be in writing. In no event, other than inclement weather, shall final grading and clean up (debris, stumps, limbs, leftover building items, etc.) be delayed more than thirty (30) days after completion of a home. A builder's compliance fee, in an amount set by the Committee, shall be paid to the Committee at time of approval of house plans and shall be refunded upon satisfactory completion of the dwelling structure and compliance with the clean-up and final grading provisions of this paragraph.

If any structure is abandoned, Declarant or the Committee shall have the authority to remove or complete all or portions of such structures so as to prevent its being unsightly and a detriment to the area or to becoming an attractive nuisance. Notice of Intent to remove or complete will be mailed to the Owner at his last known address and shall be posted on the Lot ten (10) days prior to such action and, in the event that such removal becomes necessary, the Owner of the Lot shall be liable for all costs of such work, which costs shall constitute a lien which shall be recorded against said Property and shall be due and payable immediately and bear interest at the rate of eighteen percent (18%) per annum until paid.

11. WATER RIGHTS

A. Water Determination. All Lots in the Subdivision shall be subject to the obligations and requirements as set forth in the Colorado Ground Water Commission Findings and Order for Denver Basin Determination No. 325-BD ("Determination") dated December 11, 2002. Determination No. 325-BD is incorporated by reference. The Ground Water Determination concerns the water rights and water supply for the Subdivision and creates obligations upon the Owners, the Lots and the Association that run with the land. The water supply for the Subdivision shall be by individual wells under the Ground Water Determination.

B. Water Rights Ownership.

1. Declarant, its successors and assigns, at the time of lot sales, shall convey by Warranty Deed to individual Lot Owners sufficient water rights in the Laramie-

Fox Hills aquifer underlying each lot to satisfy the requirement of 0.4 acre-feet annually and at least 120.0 acre-feet total over 300 years, from which the annual 4% replacement required by Determination of Water Right No. 325-BD must be met. Individual Lot owners will be responsible for making the required annual four percent (4%) replacement of the amount withdrawn annually, per the Determination. Declarant, its successors and assigns, and each Lot owner and Association member is advised that this water shall be used exclusively for domestic, irrigation, commercial and replacement purposes as provided for in Determination of Water Right No. 325-BD, with no provision or allowance for watering horses or other livestock. All groundwater rights identified in Determination No. 325-BD, not needed for a 300 year water supply for the Lots under the Determination that have been transferred to individual owners shall be reserved and retained by Declarant.

2. The Declarant will assign to the Association the obligations and responsibilities for compliance with the Determination with respect to Lots that have been conveyed to individual owners and the Association shall assume and perform these obligations and responsibilities. Such conveyance shall be subject to the obligations and responsibilities of the Determination and said water rights within the Determination may not be separately assigned, transferred or encumbered.
3. The ground water rights under the Determination cannot and shall not be severable from their respective Lot, and each Owner covenants that it cannot sell or transfer such ground water rights to any party separate from the conveyance of the Lot.

C. Administration.

1. The Association shall administer and enforce the Determination for the Lots within these Covenants. Such administration shall include accountings to the Colorado Division of Water Resources under the Determination and taking all required actions under the Determination to protect and preserve the ground water rights for Lot Owners. The Association shall have the right to specifically enforce, by injunction if necessary, the Determination against any Lot Owner failing to comply with the Owner's obligations under the Determination, including the enforcement of the terms and conditions of well permits. A Lot Owner shall have the right to enforce and require specific performance of the Determination upon the failure of the Association to do so. The use of the ground water rights by each Owner is regulated by terms and conditions of the Determination, including, without limitation, that each Lot Owner is subject to maximum annual well pumping limitations under the Determination of 0.4 acre foot. Failure of the Association or Owners to comply with the terms of the Determination may result in an order from the Division of Water Resources under the Determination to curtail use of ground water rights. Individual Lot owners will be responsible for making the required annual four percent (4%) replacement of the amount withdrawn annually, per the Determination.
2. Declarant's successors and assigns shall be advised of their responsibility for any metering and data collecting that may be required regarding water withdrawals from wells pursuant to the Determination. Each Lot Owner shall promptly and fully provide to the Association any and all information necessary for the Association to comply with its obligation to administer and enforce the Determination. The frequency of such accounting shall be at the Association's discretion, whether monthly, quarterly or annually. The Association shall have the power to impose fines upon any Owner who fails to provide well diversion records or otherwise fails to comply with the Determination or these Covenants, in such reasonable amounts as determined by the Association to compensate it for its time and expenses and to discourage noncompliance by Owners.

- D. Future Expansion. These Covenants shall initially encompass 64 Lots, however Declarant and its assigns reserve the right to include additional adjoining property within the Covenants and the Association ("Additional Property"). A Lot Owner's proportional interest in the Determination may therefore vary from time to time depending upon the total Lots within the Covenants and the Association based upon any future inclusion and subdivision of Adjoining Property. The Association's rights and obligations in the Determination relate only to Lots included within the Covenants and Association and do not include the entirety of the Determination unless and until the entirety of units covered by the Determination upon the Additional Property are brought within the Covenants and the Association.
- E. Well Permits.
1. Each Owner shall be responsible for obtaining a well permit for the water supply to their respective Lot and for the physical delivery of water to their Lot. All wells shall be constructed and operated in compliance with the Determination, 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 well and delivery of water to the Lot shall be at the Owner's expense. Owners shall comply with any requirements 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 Determination.
  2. No party guarantees to the Owners the physical availability of water or the adequacy of water quality from any well to be drilled under the Determination. The Denver Basin aquifers which are the subject of the Determination are considered a nonrenewable water resource and due to anticipated water level declines, and the useful or economic life of the aquifers' water supply may be less than the 100 years allocated by State statutes or the 300 years of the El Paso County water supply requirements.
- F. Compliance. The Association and the Lot Owners shall perform and comply with the terms, conditions, and obligations of the Determination, and the Owners shall further comply with the terms and conditions of the well permits issued to them under the Determination.
- G. Rules and Regulations. The Association may adopt and enforce reasonable rules and regulations for the administration and enforcement of the Determination. Those rules and regulations may include, without limitation, fines for an Owner's noncompliance with the Determination or this Declaration, provision for pro rata rationing of water usage between Lot Owners in the event of water shortage or other emergency, and the recovery of the costs and expenses of the Association, including reasonable attorney fees, in the enforcement of the Determination against an Owner.

12. ASSOCIATION RULES The Association's Rules may include design guidelines which may clarify, expand and/or implement provisions of this Declaration, including without limitation additional architectural standards and procedures, use restrictions, and provisions related to the Augmentation Plan and possible future Detention Agreement. Each Owner shall comply with the Rules, which the Association shall enforce primarily through communication but through fines or other remedies if necessary.

13. ARCHITECTURAL CONTROL AND DESIGN The purpose of this covenant is to assure, through intelligent architectural control of building design, placement, materials, colors and construction, that the Subdivision shall become and remain an attractive residential community, and to uphold and enhance property values.

A. Architectural Control Committee This Committee is composed of Declarant, its heirs, successors or assigns, represented by three (3) persons who shall be appointed by Declarant; however, at its option and choice of time Declarant may relinquish control of the Committee to the Association at any time. After the Association controls the Committee, the Association's Board of Directors shall appoint the three (3) members.

Members of the Committee shall serve two year terms, provided, however any member appointed by the Declarant may be removed by the Declarant and any member of the Committee appointed by the Association may be removed by a vote of two-thirds (2/3) of the Board. In the event of the death or resignation of any member of the Committee, the remaining members thereof shall have full authority to act until a successor has been selected and appointed. In the event a successor is not selected and seated within thirty (30) days of the vacancy occurring, the remaining members of the Committee shall have the authority to appoint a person to serve the unexpired term of the Committee member who is departing the Committee.

B. Non-Liability Neither the Declarant, the Committee, the Association, nor any person acting therefore, shall be liable in damages or otherwise to any person submitting requests for approval to any Owner by reason of any action, failure to act, approval, disapproval or failure to approve or disapprove with regard to such requests, or with regard to any other actions taken by the Committee or the Association under authorization of the provisions hereof.

C. Records retained by Committee The Committee shall maintain records of election of its members. It shall retain a complete file of applications, home plans and location sketches until all structures applied for thereunder have been completed and for five (5) years thereafter. If requests for additions are made, both the original plans and plans for said additions will be kept until said additions are completed, and for a period of five (5) years thereafter.

D. Compensation No compensation other than reimbursement of expenses shall be received by members of the Committee for services performed pursuant to this covenant.

E. Procedures for Obtaining Approval of Plans The application and plans shall be submitted with a review fee of \$200 to the Committee.

1. If the Owner believes that his plans may encounter serious objections, he should submit preliminary drawings and/or a sketch and request a preliminary review prior to incurring the expense of having detailed architectural working plans drawn. Such preliminary review shall not constitute final action.
2. The Owner shall make written application on a form provided by and obtained from the Committee that shall be submitted with the following attachments.
  - a. One (1) copy of a site plan, drawn to scale, showing the exact location on the Lot of all proposed improvements (house, well, septic, leach field and other buildings even if only contemplated for the future). Exact proposed setbacks from Lot lines must be delineated. Access routes (driveways) to proposed structures and any clearing, plantings, outside lighting plans, or fencing must be included. Topographic maps showing terrain lines may be required.
  - b. One (1) complete set of construction plans for building(s) detailing the floor plan, elevations, site locations, and exterior building materials. If feasible in conformity with the design of the home garages should open to the side or rear of the house away from the street.
  - c. Color samples and, if deemed necessary by the Committee, samples of siding, roofing and other material.
  - d. A landscape plan shall be submitted in accordance with this Declaration and the wildfire mitigation plan.
  - e. The Committee shall examine and consider plans, make field trips to the site; the Owner may be required to provide a survey and shall stake out the proposed location of buildings prior to submission of final plans. The Committee shall approve or disapprove all submissions in writing and shall return a copy of the submission form with its determination and comments, as appropriate. The set of plans, site plan and material/color samples shall be kept in the files of the Committee. The Committee may require the Owner to make other submissions, to include material samples, prior to considering any application.

The Committee should seek to approve or disapprove submissions within thirty (30) days of written receipt, but, if disapproved, the Committee may take an additional thirty (30) days to consider any resubmitted plans. Normally, submissions will be acted upon in less time but Owners should plan sufficiently in advance to give the Committee time to thoroughly examine plans, make on-site inspections and make well-considered decisions. In the event that the Committee fails to approve or disapprove within sixty (60) days after receipt of any written submission or, in any event, if no suit has been filed to enjoin the construction prior to its completion, approval shall not be required, and the related covenants requiring Committee approval shall be deemed to have been fully complied with, provided that all other covenants herein have been properly observed and followed. The foregoing notwithstanding, no plans shall be approved nor shall the above sixty (60) day automatic approval pertain, unless the Owner is current on his Assessments to the Association.

- f. A two-thirds (2/3) vote of the Committee shall determine approval or disapproval. The Committee members will coordinate and work in concert

with each other and report the Committee decisions as that of the Committee and not individually.

14. AUTHORITY OF COMMITTEE The Committee is empowered to approve or disapprove in writing all plans for construction, site locations, clearing, plantings, fencing, additions to existing structures, remodeling that alters the exterior, replacement of roofs, changing of house colors and any other changes in the natural environment of Lots or appearance of Homes in the Subdivision. Disapproval of submissions by the Committee may be based upon any grounds, including purely aesthetic grounds. If such submissions are disapproved, the Committee shall give written reason for said disapproval to applicant. The Committee may make other reasonable requirements of the applicant including, but not limited to, submission of additional plans, specifications, and material samples, and may require such changes as it deems necessary to conform to the overall intent as herein expressed.

The Committee shall have the right to alter site locations as shown on the submitted site plan, or deny construction if, in the opinion of the Committee, the proposed site locations will unduly interfere with adjoining Lots as to view, intrusions or sound or light, sanitation, proximity or type of construction, actual or proposed, or unduly damage the natural growth and terrain.

The Committee may prohibit the construction of fences, houses or other improvements to any Lot and is empowered to order their removal if written application was not made by the Owner, or if approval was not granted in accordance with these covenants, or if actual construction is different from the approved plans.

The Committee, upon written request, shall have the authority to grant in writing, variances from the provisions of this Declaration as they apply to construction and setbacks, in cases of irregularly shaped Lots, unusual terrain, highly desirable building sites near Lot lines, or other conditions wherein the strict enforcement of these covenants would result in unusual hardship. The Committee shall be the sole and exclusive judge of whether or not such hardship exists. It is the intent of these Declarations that the Committee shall exercise broad discretionary powers hereunder and its decisions shall be final and conclusive. The Committee shall resolve all questions and interpretations and these covenants shall be interpreted in accordance with their general purpose and intent as herein expressed. The Committee shall have no authority to grant a variance in a setback that is shown on the plat and is a condition of approval by the governing body in which case only the governmental body then having jurisdiction may grant such change through a re-platting process.

PROSPECTIVE OWNERS ARE ENCOURAGED TO REQUEST A PRELIMINARY REVIEW BY THE COMMITTEE OF ANY BUILDING PLAN OR LOCATION WHICH THEY BELIEVE MAY REQUIRE AN INTERPRETATION OF COVENANTS OR A VARIANCE.

15. ARCHITECTURAL DESIGN AND REQUIREMENTS  
In addition to the other requirements hereof, the following pertain:

- A. Construction No building, accessory building, structure, walls, gates, hedges, fences, mailboxes, driveways, windbreaks, swimming pools, flagpoles, greenhouses, play areas, hot tubs, satellite dishes, windmills, pump houses, water tanks, gas tanks, exterior lighting or other improvements shall be commenced, erected, converted, placed, added to, maintained or altered on any Lot until the construction plans and specifications, to include design, height, material and color samples to be used, and a site plan showing the exact

location of the structure(s) have been approved by the Committee in writing as to quality of workmanship and materials, harmony of external design with existing structure(s), location with respect to other structures planned, and as to topography and finished grade elevation. This requirement applies both to new construction and to subsequent changes, additions, repainting and major repairs or renovations. No construction of any such improvement shall be commenced until the Committee approvals required by these covenants are obtained.

- B. Masonry The incorporation of masonry (i.e. brick, stone, cultured stone, etc.) on the front of the house is encouraged.
- C. Color Structural color schemes shall be compatible with the natural environment of the Subdivision. Subdued, unobtrusive colors will normally be required, and color samples must be submitted with plans.
- D. Facing/Siding Exposed concrete on buildings shall be stuccoed, or covered with brick or stone or other material meeting the approval of the Committee. If brick or stone is used as facing, other than decoratively, it must be used on all sides of a building as seen from any road. Natural wood siding must be treated and periodically maintained with some type of preservative or stain, and color samples shall be submitted with plans. The exterior siding of accessory buildings shall substantially match the exterior siding of the primary residence.
- E. Chimneys Spark arrestors shall be required on all chimneys, and open fires in the Subdivision are prohibited.
- F. Roofing Roof material and color shall be consistent with architecture, color and exterior wall material of any structure. Tile, slate, copper, steel or heavy asphalt composition, real or similar, will normally be required; however, the Committee may allow variations from this requirement in those cases where such variation would be harmonious with the surrounding area and where such roofing materials would not be practical for a particular design or structure. Cedar shake shingles are discouraged and new and modern materials with shake appearance are encouraged. Cedar shake materials may be allowed if fully fireproofed. No asphalt or asbestos shingles will be permitted, except as approved by the Committee to be compatible with a shake or tile appearance. Heavy asphalt composition is encouraged. All materials that are approved should create a shadow line or silhouette effect. The overhang of the roof on ranch-style homes should normally be at least twenty-four (24) inches. The roofing material used on any accessory building shall match that used on the primary dwelling.
- G. Energy Features Energy efficiency is encouraged through well-sealed and insulated construction and the use of passive solar design techniques. Roof-mounted solar collectors, skylights and other unusual energy conservation features should be custom designed and must be approved by the Committee. Roof-mounted solar collectors shall be low profile design and match the slope of the roof to which they are attached. Solar collectors shall be located or screened so that reflections do not unreasonably defeat the intent of these covenants to maintain a natural environment. Tall wind-powered electrical generators are prohibited.
- H. Extreme Designs Homes of extreme design may or may not be approved depending upon location and appearance, it being the intent of these covenants to establish an area of quiet, unobtrusive dignity and quality consistent with the other Homes in the Subdivision.
- I. Materials All materials used in the construction, alteration or remodeling of any building shall be new and of good quality and design. ~~Used materials of good quality may be used, provided they are first approved in writing by the Committee~~
- J. Driveways Driveways are to be at least 12 ft. in width; paved with asphalt of 3 inch minimum thickness or graveled using at least 3 inches (before compaction) of Class 6 rock or crushed asphalt, or paved with concrete of appropriate thickness. Any portions where

heavy vehicles, such as garbage trucks, will be supported should also be thickened and (if paved) reinforced. In addition to obtaining approval from the Committee, Owner must obtain a written driveway permit from the El Paso County Department of Transportation prior to connection of any driveway to a public road. Plans submitted to the Committee must include location and specifications and approval must be obtained from the Committee prior to commencement of construction.

- K. Culverts Metal flared end extensions with additional stone, rock, brick or other masonry treatment are required on all driveway culverts, or concrete or masonry headwalls to prevent bent and exposed ends of culvert pipes. Driveway culverts shall be 18-inch diameter or larger and a minimum of 12 ft. in length, not including end extensions or masonry headwalls.
- L. Mailboxes Mailboxes and mailbox support structures shall be of a quality to enhance the Home, must comply with applicable regulations of El Paso County, and must be approved by the Committee. Normally support structures for mailboxes will be of masonry construction (for example, stone, brick, concrete, masonry, cultured stone, etc.) but a combination of masonry and wood compatible with the colors and materials used on the Home will be considered. The box itself, if made of metal, shall be painted to cover raw or galvanized metal that is deemed unattractive. The masonry materials used in the support structure shall be the same or similar to the masonry portion of the Home in texture and color. The street address numbers on the mailbox structure shall be made of brass, other metal, or ceramic. Wooden numbers will not be approved. Plastic or metal newspaper boxes are not permitted; therefore, mailbox designs should incorporate a separate receptacle for newspapers. Maintenance of the mailbox and post system in good, attractive, painted (if appropriate) condition shall be the responsibility of the individual Owners. The type and location of mailboxes within the subdivision are subject to the review and approval of the El Paso County Department of Transportation and shall be in accordance with the U.S. Postal Service's Policies and Regulations. Entrance monuments located within the public right of way must have prior approval of the El Paso County Department of Transportation.
- M. Fences Fences must be approved in writing by the Committee as to location and materials prior to the construction thereof. They shall be no higher than six feet (6') and shall not extend beyond the front corner of the house. Fencing may not exceed fifty feet (50') from the side of the dwelling and no more than one hundred feet (100') to the rear, and must not enter the setback area. Consideration shall be given to the type of fence in relation to the architectural design of the dwelling, and the overall appearance of the community. Barbed wire fencing is prohibited, and perimeter fences and chain link normally will not be approved. Buried "invisible fencing" is encouraged
- N. Antennas Attic antennas inside the house (as opposed to roof antennas) are effective, are less vulnerable to damage and are encouraged. Conventional television antennas, communications antennas and satellite dish antennas may be installed where they will be unobtrusive. Size and location must be approved in writing by the Committee prior to installation. If a larger satellite dish is required, screening with small trees is effective and minimizes unattractive views from public roads and adjoining lots.
- O. Lighting Outdoor lighting will be permitted to the extent it does not create a visual nuisance to neighboring property Owners. Reasonable landscape lighting may be approved by the Committee. Lighting entry pylon and/or driveway lights will be of a type that can be turned on and off manually or by sensor or timer, and placed so as to avoid annoying nearby lot owners.
- P. Landscaping New plantings and growth will be controlled so as not to unreasonably obstruct views from adjoining lots. The Committee is authorized, but not obligated, to enforce removal, thinning or topping of view obstructions and, in its sole discretion, to

determine the validity of any complaints. If voluntary compliance with requests is ineffective, the Committee may remedy any view obstruction by entry and removal of the offending item, as well as exercising any rights and remedies hereunder. Yard or house ornaments, fountains or similar objects shall be allowed only with prior written approval of the Committee.

16. PENALTY FOR VIOLATIONS Written application for approval of plans shall be made by the Owner of the Lot (not the builder) and the Owner shall be held responsible for any violations of this Declaration which are committed by the builder or other persons engaged by the Owner. If any excavation, cutting of trees, or construction is commenced by Owner or Owner's representatives prior to receipt of written approval by the Committee, then the Owner agrees to pay an immediate fine of one thousand dollars (\$1,000.00) to the Enforcement Trust Fund described in Paragraph 32, which shall be used to enforce this Declaration as necessary. Purchasers of Lots in the Subdivision agree to make such payment and understand that a lien shall be filed against their Lot if they do not make the required payment, as provided in Paragraph 32. Further, if legal action is necessary to enforce this Declaration, Owners agree to pay all expenses including but not limited to legal fees incurred by the Committee or the Association in collection of said fine. Payment of said fine does not preclude further action by the Committee to disapprove plans in areas in which clearing or construction has begun.
17. WEED CONTROL Owners are responsible for controlling and removing weeds declared noxious by governmental authorities and in accordance with El Paso County weed control rules and regulations. The Association may remove any infested trees and/or noxious weeds as provided in these covenants and the Owner of the Lot shall pay the cost of the removal and/or weed control. Failure to pay such costs may result in a lien being placed against the property as provided for in these covenants.
18. EASEMENTS Easements for installation, operation and maintenance of utilities, roadways, water lines, drainage facilities and such other purposes as may be designated by Declarant and/or governmental authorities are reserved on, over and under land within the Subdivision as designated on the plat. The recorded plat shall control so far as boundaries and easements are concerned, especially on certain perimeter lots where the setback is greater than in other areas throughout the Subdivision. The normal easement shall be a strip of land fifteen feet (15') wide along all front Lot lines, ten feet (10') along all side and rear Lot lines and twenty feet (20') along all the Subdivision exterior boundaries, except where a greater easement is shown pursuant to the recorded plat. If an Owner buys contiguous Lots, easements and setbacks shall apply unless the Owner formally vacates the common Lot lines through the appropriate governmental agency. Lot Owners are responsible for providing access to utility companies and government agencies which have reason to use said easements, and, if damage is done to fences, shrubbery or plantings in said easements, Lot owners have no recourse against such agencies, the Declarant, the Association or the Committee. No buildings or similar structure may be placed within the easements unless the easement is first vacated by the agencies involved, and approved by the Committee. It is recommended that such easements be kept open and unfenced.
19. OBSTRUCTIONS TO VISION AT INTERSECTIONS No fence, wall, hedge, tree, shrub planting or other structure that unduly obstructs lines-of-sight shall be placed or permitted to remain on any intersection of streets. The Committee shall be the sole and exclusive judge of whether said obstruction exists or may exist or whether a possible safety hazard may exist.
20. RE-DIVISION Further subdivision of Lots in the Subdivision is not permitted. However, the intent of this covenant is not to preclude minor Lot line adjustments to resolve building hardships,

provided that such variations meet all legal requirements and are approved by the Declarant and the Committee in writing. If a Lot line has been vacated, the affected property may not be again re-divided into separate Lots without the prior written approval of the Declarant, in addition to meeting all of the requirements of any government entities and the prior approval of the Committee. Notwithstanding this paragraph, the Declarant may re-divide and/or replat the Subdivision.

21. **NUISANCE** Nothing shall be done or permitted on any Lot that may be or become an annoyance or nuisance to the neighborhood. No excessively loud or otherwise offensive activities or commercial business or trade shall be carried on upon any Lot. All exterior lighting on any Lot shall either be indirect or of such controlled focus and intensity as to not unduly disturb residents of adjacent nearby property.

No trail bikes, minibikes, motorcycles, all-terrain vehicles, snowmobiles, or other noise causing vehicles shall be operated within the Subdivision other than on two-lane public roads. No activity shall be permitted which will generate a noise level sufficient to interfere with the reasonable quiet enjoyment of the persons on any adjoining or nearby Lots.

No hunting of any kind, or the discharge of firearms shall be permitted in the Subdivision. An exception shall exist, for the purpose of controlling rodents, pigeons and predators, with respect to any lots or parcels under the management of Declarant or HOA.

The growing, processing, manufacture, storage or sale of marijuana or any illegal narcotic, substance or product on any Lot or within the Subdivision is expressly prohibited.

22. **HORSES** Well behaved horses, being ridden or competently controlled, do not usually constitute a nuisance or hazard. However, an exception can occur even with gentle horses when in proximity to persons, vehicles or private property. Provision for hiking and riding trails within the Subdivision is intended to permit pleasure riding in a safe environment. Discretion and cooperation of Owners and guests is essential to maintaining a friendly country lifestyle for Silverado Ranch families and their guests.

23. **REFUSE AND RUBBISH** Rubbish, garbage and other waste shall be kept and disposed of in a sanitary manner. Containers or other equipment for the storage or disposal of garbage, trash, rubbish or other refuse shall be kept in a clean, sanitary condition. All garbage or trash containers shall be kept at all times in a closed garage or placed in walled-in areas designed to blend in with the house so that they shall not be visible from other Lots or from public streets. Bottled gas tanks, if any, must be underground, or concealed behind walled-in areas designed to blend in with the house, and must be approved by the Committee and may be subject to the approval of the Fire Department. No trash, litter, junk, equipment, boxes or other such items shall be permitted to remain exposed upon any Lot and visible from public streets or from other Lots within the subdivision.

24. **SIGNS** All signs displayed must be first approved in writing by Declarant or the Committee. This covenant does not preclude the display of customary 18"x 24" builder or real estate signs. Declarant or the Committee reserves the right to make exceptions to size requirements, or to require modifications or removal of any signs deemed not in keeping with the appearance of the Subdivision, however, neither Declarant nor the Committee shall require real estate signs to be smaller than provided herein. Declarant may install monuments on Lots at either side of the street at each entry point into the Subdivision, and may also erect gateways, fences, posts, walls, signs and other structures both to permanently identify the Subdivision and to market it. In addition, Declarant reserves the right to place signs on any Lot in the subdivision for marketing, safety or

traffic guidance, and Owners of the Lots in the Subdivision agree thereto. Easements are hereby created for all signs, gateways, fences, posts, walls and structures installed by Declarant and for their maintenance. The Association shall maintain all entrance signs, boundary fences, monuments and structures, pay utility bills and other related expenses.

25. DRILLING No oil drilling operations, oil refining, quarry or mining operations of any kind shall be permitted on any Lot, nor shall gas or oil wells, tanks, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designated for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. These restrictions are not intended to prevent horizontal extraction of oil or gas through equipment located more than 2,000 ft. from the Subdivision.
26. CLOTHES DRYING AREA Exterior clotheslines are prohibited unless installed in a location where visibility from public roads and common areas is blocked by vegetation or a structure.
27. VEHICLE PARKING No vehicles, motor homes, travel trailers, horse trailers, campers, boats, storage containers, farm implements or similar equipment shall be stored longer than two (2) weeks within the Subdivision except in a closed garage. The intent of this paragraph is to prevent clutter and enhance natural appearance. No junk or abandoned vehicles, as defined by applicable governmental regulation or by the Committee, in its sole discretion, shall be allowed. Vehicles shall not be habitually parked outside overnight. Parking of cars, trucks, trailers, tractors and associated maintenance and ranch equipment shall be permitted on Tract D and on Lot 10.
28. UTILITIES All utility lines, including service lines of whatsoever kind or nature, shall be underground on all Lots within the Subdivision, excepting that existing poles and lines shall not be required to be removed and placed underground by Declarant. It shall be the responsibility of each Owner to extend underground service lines to his house from any existing line or lines.
29. WASTE WATER Sewer service for the Subdivision will be provided by means of individual septic systems, tanks, and leach fields, to be constructed and maintained by each Owner, utilizing a non-evaporative septic system for disposal of household waste water. It is a requirement of the Colorado Ground Water Commission that four percent (4%) of the water withdrawn annually must be returned to the uppermost aquifer in the vicinity of the well. This is to be achieved through return to the sandy soils of the subject property. No system of the evapotranspiration type shall be permitted unless required by a governmental agency of proper jurisdiction and approved by appropriate El Paso County agencies. Location of septic systems and leach fields shall require the prior approval by the Committee pursuant to Paragraph 13 of this Declaration.
30. ANIMALS No animals, poultry or livestock of any kind shall be permanently housed, raised or kept on any Lot, except that commonly accepted domestic household pets may be kept, provided that they are not kept or maintained for any commercial purposes and provided further that they are kept in full compliance with any applicable rules and regulations of the Association. In the event of a dispute as to what constitutes a commonly accepted domestic household pet the Committee, in its sole discretion, shall determine if a pet is a commonly accepted domestic household pet.

No wolf hybrid, Pit Bull, Doberman or Rottweiler dogs will be permitted in the Subdivision.

Fences for pets will be at least four feet (4') high and constructed of solid wood or masonry. Colors will be compatible with the main dwelling. Proper maintenance is required. Such fences must be pre-approved in writing by the Committee, which will be highly sensitive to the ambiance of the neighborhood to include appearance from the streets and adjacent Lots. Under no circumstances will dogs or cats be allowed to run loose in the neighborhood. The use of electric or electronic pet containment (invisible fences) in lieu of conventional fencing is strongly recommended.

31. RIGHTS OF DECLARANT Notwithstanding any contrary provision of this Declaration, the Declarant, its successors or assigns, expressly reserves the following rights and privileges, which may or may not be exercised in the Declarant's sole discretion:

Declarant may amend or change the plat to add additional property to the subdivision, change lot lines or subdivide lots into more lots, and/or grant utility or other easements.

- i. The Declarant, or any builder authorized by Declarant, may construct and maintain sales offices, management offices, advertising signs, model homes, construction yards and construction materials within the Subdivision.
- ii. Declarant may grant easements for utilities or public purposes throughout the Property and make improvements or changes necessitated by such easements.
- iii. The Declarant may, until relinquishing control, appoint or remove any officer or member of the Board of Directors of the Association. Following the relinquishment of control by Declarant, the Owners shall elect the Board as provided in this Declaration, the Articles of Incorporation and the Bylaws.
- iv. The Declarant may, without vote of the Owners or Mortgagees, make such amendments to this declaration, the Articles of Incorporation and/or Bylaws as may be authorized and approved in writing by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, or the Department of Veterans Affairs so as to induce such organizations to make, purchase, sell, insure or guarantee First Mortgages within the Property, provided however, no such amendment will change the intent of these covenants to establish and maintain the Subdivision as a single family residential area of high quality, except that no amendments to Paragraph 11 (Water Augmentation Plan requirements) may be made except by Order of the appropriate Water Court. Each Owner, and Mortgagee, by accepting a deed or mortgage, appoints Declarant as his or its attorney in fact to execute any such amendment.
- v. The Declarant may enter into agreements with the purchaser of any Lot or Lots (without the consent of the purchasers of other Lots or adjoining or adjacent property) to deviate from these conditions, restrictions, limitations and agreements herein set forth, and any such deviation which shall be manifested by agreement in writing shall not constitute a waiver of any such condition, restriction, limitation or agreement as to the remaining Lots in the Subdivision, and the same shall remain fully enforceable on all other Lots located in the Subdivision by Declarant, its successors or assigns, and the Association or other Owners, except as against the Lot where such deviation is permitted.
- vi. Until December 31, 2030, the Declarant reserves the right to expand the Subdivision, without approval of the Owners or Mortgagees, to include additional real property and improvements but the total number of Lots as expanded shall not exceed sixty-four (64) Lots. Such expansion may be accomplished by recording a supplement or supplements to this Declaration with the Clerk and Recorder of El Paso County, Colorado containing a legal description of the real property thereby annexed and any additional provisions deemed appropriate by Declarant, which may annex the property in phases, but shall not be liable or obligated to annex any property. Upon annexation, the additional property and the owners thereof shall be bound by this Declaration, the Association's Articles of

Incorporation, Bylaws and Rules, and any additional provisions in the annexation supplement. By accepting a deed to any Lot or a Mortgage, each Owner and Mortgagee grants Declarant a right to expand the Subdivision and will not oppose or hinder Declarant's right to expand and annex additional real property and improvements or to develop adjoining properties and improvements.

32. TERMS OF DECLARATION These covenants and restrictions are to run with the land and shall remain in full force and effect for twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless revoked as provided herein. Until control is relinquished this Declaration may be revoked or amended at any time by Declarant, its successors and assigns, in its sole discretion. Thereafter this Declaration may be revoked or amended at any time by an instrument signed by two-thirds (2/3) of the Owners of the Lots based upon one vote per Lot. This provision shall not control relative to any rights reserved by the Declarant until such time as the Declarant no longer has control of the Subdivision at which time this provision shall control all amendments or revocation of the Declaration. All amendments shall be certified by the Association's president and secretary as complying with this Paragraph, and the certified amendment shall be recorded in the real property records of El Paso County. Notwithstanding the foregoing, the provisions of Paragraph 11 (Water Rights) shall neither terminate, be revoked, nor be amended except by Order of the applicable Water Court.
33. ENFORCEMENT Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violations or to recover damages or both. Covenants are for the use, convenience and protection of all Owners and the Association. The Declarant, the Committee, any Owner or the Association may act to enforce the covenants. None of the foregoing, however, is obligated to do so. The Declarant and the Committee, together or separately, or through authorized agents or employees, further reserve the right, whenever there shall have been an apparent violation of one or more of the provisions of these covenants and after ten (10) days notice to the Owner, to enter upon the Lot where such violation exists and summarily abate or remove same at the expense of the Owner, and such entry and abatement or removal shall not be deemed a trespass. Owners in the Subdivision expressly agree to abide by injunctions without necessity of bond, in order to simplify judicial proceedings to remedy covenants violations. In addition, if a judicial action is necessary to prohibit a covenant violation and a violation is established, the violator(s) shall pay and agree to pay all costs of the enforcement proceeding, including without limitation reasonable attorney's fees. The failure to enforce any right, reservation, restriction, or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement. The invalidation by any court of any restriction herein contained shall not in any way effect any of the other restrictions, but they shall remain in full force and effect.
- i. Enforcement Fund The sum of one hundred fifty dollars (\$150.00) shall be paid at closing by the purchaser of each Lot. Said funds shall be kept in a designated fund by Declarant to be used for enforcement of this Declaration. Any fines levied pursuant to this Declaration or as otherwise may be collected from time to time shall also be placed into said fund, which shall be used by Declarant, its successors and assigns, for paying legal and other expenses involved in enforcing this Declaration. In addition, said fund or portions thereof may be transferred into the Association treasury for the purposes set forth herein, and may be used at the discretion of the Association for paying subdivision expenses which shall no longer be the responsibility of the Declarant, such as maintenance of entrance ways and signs, special mailings and other expenses; provided, however, the

fund shall not be depleted to the extent that insufficient funds are available to enforce the covenants. Likewise, the Association may transfer funds into the Enforcement Fund if needed to enforce these covenants. The Committee or the Association desiring to use said fund for enforcement of these covenants shall make written request of the Declarant who shall have sole authority to approve or deny any such request. The fund shall be kept by Declarant in an interest-bearing account which may be closed and funds distributed to the Association after all Lots have been built upon, or earlier, at the sole discretion of Declarant.

- ii. Liens Nonpayment of fees incurred by Declarant or the Committee or the Association in enforcing correction of a violation of these covenants or in abatement or removal as covered herein shall result in a recorded lien being placed upon the Lot or Lot interest owned by the violator(s), including improvements thereon; said lien shall bear interest at the rate of eighteen percent (18%) per annum from the date filed. Declarant or the Committee or the Association is empowered to file such lien if, within thirty (30) days after written notice is provided to the Owner at Owner's last known address of the amount due and Owner has not made payment *in full*. Such lien shall run with the land except as provided in Paragraph 9 hereof. Continued failure to pay such liens may result in foreclosure on the entire Lot in order to enforce payment as provided in Paragraph 9 hereof.
- iii. Rules The Association's Board of Directors may adopt, amend, repeal and enforce such rules and regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration and matters related thereto, the operation of the Association, the use and enjoyment of the Subdivision, including, without limitation, rules to enforce the Determination, design guidelines, and related matters. Any such Rules and Regulations shall be reasonable and uniformly applied as determined by the Board in its sole discretion. Rules and Regulations shall be effective upon the adoption by resolution of the Board of Directors. Each Owner and other persons shall comply with such Rules and Regulations and shall see that family members, contractors, guests and invitees of such Owner comply with the Rules and Regulations. Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration. The Board of Directors shall have power and discretion to interpret this Declaration, provided however, Owners shall be notified as provided by the Bylaws that the Board of Directors will consider adoption of the Rules so that Owners will have an opportunity to be heard or furnish input regarding the adoption. After adoption, a copy of such Rules should be provided to all Owners. The Board may also adopt and publish a system to impose monetary penalties or take judicial action against any Owner to enforce compliance with such Rules or other obligations, including injunctive relief or to obtain damages for noncompliance, all to the extent permitted by law.
- iv. If any doubt or questions should arise concerning the true intent or meaning of any provision of this Declaration, the Declarant, during Reserved Rights Period, of twenty (20) years, or less at the discretion of Declarant, and thereafter the Board, shall determine the proper construction of the provisions in question and shall set forth in a written instrument duly acknowledged and filed with the Clerk and Recorder of El Paso County, the meaning, effect and application of the provision. That determination will thereafter be binding on all parties, except the Declarant unless it consents thereto in writing.

34. NOTICES AND MORTGAGE APPROVAL

- i. Any notice required to be given to any Owner or other person under the provision of these protective covenants shall be deemed to have been properly given when mailed, postpaid, to the last known address of the record Owner of the Lot in which the member has an interest.

- ii. Whenever this Declaration permits or requires that a First Mortgagee receive notice, such requirement of notice shall be waived if the First Mortgagee has failed to register its name and proper address with the Association for the purpose of such notices as provided herein. The Association shall maintain as part of its books and records a list of the First Mortgagees who have registered for this purpose.
  - iii. Whenever this Declaration requires the approval of First Mortgagees, only those who have registered as provided herein need be included in the request for approval and in any determination of whether the applicable percentage of First Mortgagees have approved any intended action. A First Mortgagee which is registered shall be entitled to one (1) vote for each Lot subject to a First Mortgage owned or held by such First Mortgagee. To obtain the approval of any First Mortgagee, the Association shall send a dated, written notice and a copy of the intended action by certified mail to each First Mortgagee at its most recent address. A Mortgagee that does not deliver to the Association a negative response within thirty (30) days shall be deemed to have approved the intended action.
35. DECLARANT MAY ASSIGN. The Declarant, its successors or assigns, may assign any and all of its rights, powers, obligations and privileges under this instrument to any other corporation, association, committee or person.
36. DISCLAIMER AND DISCLOSURES.

36.1 SAFETY. DECLARANT, THE BUILDERS, THE ASSOCIATION, THE BOARD OF DIRECTORS, AND THEIR OFFICERS, DIRECTORS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE SUBDIVISION. BY ACCEPTING A DEED TO PROPERTY WITHIN THE SUBDIVISION, EACH OWNER ACKNOWLEDGES THAT DECLARANT, THE BUILDERS, THE ASSOCIATION, THE BOARD OF DIRECTORS, AND THEIR OFFICERS, DIRECTORS, MEMBERS, MANAGERS, PARTNERS, AGENTS AND EMPLOYEES, ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION, BYLAWS OR RULES AND REGULATIONS OF THE ASSOCIATION, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE SUBDIVISION.

36.2 RELEASES, DISCLAIMERS AND INDEMNITIES. THIS SECTION IMPOSES AN ABSOLUTE BAR TO AND WAIVER OF THE RIGHT OF ANY OWNER AND/OR THE ASSOCIATION TO PROCEED AGAINST DECLARANT, ITS SUCCESSORS AND ASSIGNS, FOR ANY DEFECT OR DEFICIENCY WHATEVER IN THE DESIGN OR CONSTRUCTION OF ANY RESIDENCE OR THE LOT OR COMMON PROPERTY, IF APPLICABLE.

- i. THE PROVISIONS OF THIS SECTION SHALL APPLY TO ANY "PROTECTED PARTY" WHICH IS DEFINED AS ANY PERSON OR PARTY, INCLUDING WITHOUT LIMITATION, THE DECLARANT, ITS AGENTS, EMPLOYEES, SHAREHOLDERS, CONTRACTORS, BROKERS, SUCCESSORS, ASSIGNS OR ANY PERSON OR PARTY RELATED TO THEM OR ANY PRIOR OWNER OF THE SUBDIVISION, AGAINST WHOM IS ASSERTED ANY CLAIM, DEMAND, LIABILITY, OBLIGATION OR MATTER WHATSOEVER REGARDING THE CONSTRUCTION, PHYSICAL CONDITION, VALUE, ASSESSMENTS, RESERVES, ASSOCIATION, AND ANY OTHER MATTERS RELATED THERETO IN CONNECTION WITH THE SUBDIVISION.

- ii. OWNERS ACKNOWLEDGE AND UNDERSTAND THAT CERTAIN PHYSICAL AND/OR ENVIRONMENTAL CONDITIONS, INCLUDING BUT NOT LIMITED TO, MOLD, LEAD, ASBESTOS, RADON GAS, OR ANY OTHER HAZARDOUS OR TOXIC SUBSTANCES, MAY AFFECT THIS SUBDIVISION AND THAT ANY PROTECTED PARTY DOES NOT WARRANT AND DISCLAIMS ANY LIABILITY FOR ANY EXISTING OR FUTURE SOIL, ECOLOGICAL OR ENVIRONMENTAL CONDITIONS AFFECTING THE SUBDIVISION. OWNERS ACKNOWLEDGE THAT NO ENVIRONMENTAL REPORTS WERE GIVEN TO THEM BUT THAT THEY HAD BEEN ADVISED AND GIVEN A FULL OPPORTUNITY TO INSPECT THE SUBDIVISION AND OBTAIN ANY PROFESSIONAL INSPECTION IF THEY SO DESIRED. BY ACCEPTANCE OF A DEED TO A LOT, EACH OWNER ACCEPTS THE PHYSICAL AND/OR ENVIRONMENTAL CONDITION OF THE SUBDIVISION AND ACKNOWLEDGES A FULL, ADEQUATE OPPORTUNITY TO CONDUCT ANY INSPECTIONS THEREOF AND RELEASES AND INDEMNIFIES THE PROTECTED PARTIES FROM ANY FAILURE TO UNDERTAKE SUCH INSPECTIONS. IN ADDITION, OWNERS UNDERSTAND THAT THE SOIL IN THE COLORADO AREA CONTAINS CLAY AND OTHER SUBSTANCES WHICH MAY CAUSE IT TO SWELL WHEN WET AND SO CAN CAUSE EARTH MOVEMENT AROUND A BUILDING'S FOUNDATION. OWNERS, FOR THEMSELVES, THEIR HEIRS, SUCCESSORS, ASSIGNS AND THE ASSOCIATION, WAIVE AND RELEASE THE PROTECTED PARTIES FROM ALL CLAIMS, LIABILITIES, LAWSUITS AND OTHER MATTERS ARISING FROM OR RELATED TO ANY PHYSICAL AND/OR ENVIRONMENTAL CONDITION OF THE SUBDIVISION.
- iii. THE OWNERS OR ASSOCIATION SHALL MAINTAIN THE LANDSCAPING, DRAINAGE, AND SPRINKLER SYSTEMS UPON THE SUBDIVISION IN SUCH A FASHION THAT THE SOIL SURROUNDING THE FOUNDATIONS OF THE BUILDINGS AND OTHER IMPROVEMENTS SHALL NOT BECOME SO IMPREGNATED WITH WATER THAT THEY CAUSE EXPANSION OF OR SHIFTING OF THE SOILS SUPPORTING THE IMPROVEMENTS OR OTHER DAMAGE TO THE IMPROVEMENTS AND DO NOT IMPEDE THE PROPER FUNCTIONING OF THE DRAINAGE, LANDSCAPING, OR SPRINKLER SYSTEMS AS ORIGINALLY INSTALLED. SUCH MAINTENANCE SHALL INCLUDE, WHERE NECESSARY THE REMOVAL OR REPLACEMENT OF IMPROPERLY FUNCTIONING LANDSCAPING, DRAINAGE, OR SPRINKLER SYSTEM ELEMENTS AND SHALL ALSO INCLUDE REGRADING AND RESURFACING WHERE NECESSARY TO PROVIDE FOR ADEQUATE DRAINAGE AND TO PREVENT ANY PONDING; NO CHANGES IN LANDSCAPING SHALL BE MADE IN SUCH A WAY AS TO ENDANGER THE STRUCTURAL INTEGRITY OR THE STABILITY OF ANY OF THE BUILDINGS, RESIDENCES, THE LOT, COMMON PROPERTY, IF APPLICABLE, OR THE OTHER IMPROVEMENTS WITHIN THE SUBDIVISION. EACH OWNER SHALL REPAIR, MAINTAIN, AND REPLACE ALL DOWNSPOUTS SO THAT THEY COMPLETELY DRAIN AWAY FROM THE FOUNDATION OF THE RESIDENCE AND IMPROVEMENTS. AN OWNER SHALL NOT SHORTEN THE DOWNSPOUTS, COVER THEM WITH LANDSCAPING OR ALLOW THEM TO CLOG WITH SOIL OR DEBRIS. THE OWNERS AND/OR ASSOCIATION SHALL INDEMNIFY ANY PROTECTED PARTY FROM ANY LIABILITY, CLAIMS AND EXPENSES, INCLUDING WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, RESULTING FROM ANY BREACH OF THIS SECTION.

- iv. THE U.S. ENVIRONMENTAL PROTECTION AGENCY ("EPA") STATES THAT EXPOSURE TO ELEVATED LEVELS OF RADON GAS CAN BE INJURIOUS. ANY TEST TO MEASURE THE LEVEL OF RADON GAS CAN ONLY SHOW THE LEVEL AT A PARTICULAR TIME UNDER THE CIRCUMSTANCES OCCURRING AT THE TIME OF TESTING. NO PROTECTED PARTY IS QUALIFIED TO MEASURE RADON GAS OR TO EVALUATE ALL ASPECTS OF THIS COMPLEX AREA OF CONCERN. PRIOR OR SUBSEQUENT TO CLOSING OF THE OWNER'S PURCHASE OF THE RESIDENCE, THE OWNER MAY WISH TO TEST FOR THE PRESENCE OF RADON GAS AND TO PURCHASE OR INSTALL DEVICES THAT MAY BE RECOMMENDED BY A QUALIFIED INSPECTOR. ALL PROTECTED PARTIES EXPRESSLY DISCLAIM AND THE OWNER AND THE ASSOCIATION AGREE TO WAIVE AND RELEASE ANY AND ALL PROTECTED PARTIES FROM ANY CLAIMS OF LIABILITY OR RESPONSIBILITY WITH RESPECT TO RADON GAS AND RELATED MATTERS AND TO HOLD HARMLESS ANY PROTECTED PARTY FROM ANY CLAIMS OR LIABILITY WITH RESPECT TO RADON GAS.
- v. EACH OWNER FURTHER COVENANTS AND AGREES THAT NO REPRESENTATION, PROMISE OR WARRANTY, HAS BEEN MADE BY ANY OF THE PROTECTED PARTIES REGARDING THE DEVELOPMENT OF ADJACENT PROPERTIES, THE INVESTMENT POTENTIAL OF THE RESIDENCE, ANY ECONOMIC BENEFITS TO THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, TO BE DERIVED FROM THE MANAGERIAL OR OTHER EFFORTS OF THE RELEASED PARTIES, OR ANY OTHER THIRD PARTY DESIGNATED OR ARRANGED BY ANY PROTECTED PARTY, RELATED TO THE OWNERSHIP OR RENTAL OF THE RESIDENCE, OR REGARDING THE CONTINUED EXISTENCE OF ANY VIEW FROM THE RESIDENCE. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, UNDERSTAND THAT THE PROTECTED PARTIES ARE UNDER NO OBLIGATION WITH RESPECT TO FUTURE PLANS, ZONING OR DEVELOPMENT OF ADDITIONAL PROPERTIES IN THE AREA. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, UNDERSTAND THAT THE SQUARE FOOTAGES, SIZES AND TYPE OF RESIDENCES HAVE BEEN SET FORTH AT THE SOLE DISCRETION OF THE DECLARANT, AND THAT THE SALES PRICES MAY DECREASE OR INCREASE AT THE SOLE DISCRETION OF THE DECLARANT.
- vi. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS COVENANT AND AGREE THAT THE PROTECTED PARTIES MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY NATURE REGARDING THE SUBDIVISION (ALL OF WHICH ARE HEREBY DISCLAIMED BY THE PROTECTED PARTIES), INCLUDING WITHOUT LIMITATION ANY AS TO THE FITNESS, WORKMANLIKE CONSTRUCTION, SAFETY, MERCHANTABILITY, DESIGN, CONDITION, QUALITY, OR HABITABILITY OF THE SUBDIVISION, OR THE COMMON PROPERTY, IF APPLICABLE, OR IMPROVEMENTS RELATED THERETO OR ANY ELECTRICAL, PLUMBING, HEATING, GAS, WATER, SEWER, STRUCTURAL COMPONENTS, OR OTHER MECHANICAL OR UTILITY SYSTEMS OR COMPONENTS OR APPLIANCES OR FIXTURES RELATED THERETO. THE OWNERS AND THE ASSOCIATION ACCEPT THE FOREGOING DISCLAIMER OF WARRANTIES AND WAIVE, RELEASE AND INDEMNIFY THE PROTECTED PARTY FROM ALL CLAIMS RELATED THERETO, AND ANY EXPENSES AND ATTORNEYS FEES INCURRED BY ANY PROTECTED PARTY, TOGETHER WITH ANY CLAIMS FOR BODILY INJURY, PROPERTY DAMAGE

AND INCIDENTAL OR CONSEQUENTIAL DAMAGES MADE BY ANY PERSON OR PARTY.

vii. NO PROTECTED PARTY SHALL BE LIABLE FOR CLAIMS FOR CONSEQUENTIAL AND/OR PUNITIVE DAMAGES OR FOR CLAIMS RELATING TO THE RESIDENCE, THE LOT, OR TO THE COMMON PROPERTY, IF APPLICABLE, OR ANY IMPROVEMENTS ARISING OR RELATING TO ANY DEFECT IN WORKMANSHIP OR IN ANY MATERIAL USED IN CONSTRUCTION, AND THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, AND THE ASSOCIATION, EXPRESSLY WAIVE AND RELEASE ALL RIGHTS TO SUE FOR A DEFECT IN CONSTRUCTION OF THE RESIDENCE OR THE LOT OR COMMON PROPERTY, IF APPLICABLE, OR IMPROVEMENTS OR BOTH AND SHALL RELY SOLELY ON THE OWNER'S OWN INSPECTION AND EXAMINATION OF THE SUBDIVISION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY PROTECTED PARTY. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS COVENANT AND AGREE THAT THIS DECLARATION WAIVES AND/OR LIMITS RIGHTS AND REMEDIES AND THAT THE SALES PRICES OF THE LOT ARE BASED IN PART UPON THE RELEASES, WAIVERS AND INDEMNITY CONTAINED IN THIS SECTION AND THE OTHER PROVISIONS OF THE DECLARATION.

viii. THE RELEASES, DISCLAIMERS AND PROVISIONS OF THIS SECTION 35.2 MAY BE MODIFIED OR CHANGED ONLY BY TO THE EXTENT THAT THE DECLARANT EXECUTES AND DELIVERS A WRITTEN AMENDMENT, MODIFICATION OR CHANGE TO ANY OWNER, AND NO OTHER AMENDMENT, MODIFICATION, OR CHANGE OF THIS SECTION AND/OR THE DECLARANT'S RIGHTS UNDER THIS DECLARATION SHALL BE VALID OR ENFORCED WITHOUT THE DECLARANT'S PRIOR WRITTEN CONSENT, AND THE PROVISIONS HEREOF SHALL CONSTITUTE A CONTINUING SETTLEMENT OF ALL CLAIMS AS DESCRIBED HEREIN.

37. ADDITIONAL RIGHTS OF DECLARANT.

Notwithstanding any contrary provision of the Association Documents, and in addition and supplement to all other rights reserved by the Declarant under this Declaration, the Declarant, its successors or assigns, expressly reserves the following development rights, privileges and other special Declarant rights for the Reserved Rights Period, which may or may not be exercised in the sole discretion of the Declarant, its successors or assigns:

- A. The right to complete or make Improvements indicated on the plat, any zoning, development or other governmental document, and to complete the Subdivision and all related improvements;
- B. The right to transfer, convey, assign, modify, delete, or create improvements and structures within the Subdivision;
- C. The right to add, withdraw, subdivide, combine and/or convert Lots within the Subdivision, including without limitation, the modification of rights and interests of the Lots after such addition, withdrawal, subdivision, combination and/or conversion, and the right to record an amendment to this Declaration and plat and any other document to reflect the exercise of such rights and the necessary adjustments;

- D. The right to subdivide and/or combine Lots, to relocate boundaries between Lots, to create or change any easements related thereto, and to execute and record any document or writing as the Declarant deems appropriate to implement such rights;
- E. The right to maintain sales offices, management offices and models on Lots or otherwise within the Subdivision;
- F. The right to install, assign and/or maintain signs in the Subdivision and to advertise the Subdivision;
- G. The right to grant, use and permit others to use easements through the Subdivision and the Lots as may be reasonably necessary for the purpose of making improvements within the Subdivision or performing other rights under the Declaration.
- H. The right to establish, from time to time, by dedication or otherwise, utility and other easements for purposes, including but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, lines, transformers, and other Improvements, and to create other easements, matters of record, reservations, exceptions and exclusions in connection with the Subdivision.
- I. The right to enter into, establish, execute, amend, and otherwise deal with contracts, assignments, and agreements for the use, lease, repair, maintenance or regulation of the Lots, drainage, and detention basins, and any easements within the Subdivision.
- J. The right to appoint or remove an officer of the Association or any Director of the Association and/or to appoint and remove any member of the Committee created pursuant to this Declaration.
- K. The right to amend the Declaration, the Articles of Incorporation, the Bylaws, and/or the Rules in connection with the exercise of any development rights or other rights, and/or to require that any amendment of said documents be approved in writing by Declarant prior to adoption.
- L. The right to amend any plat, map, development plan, or governmental document for the Subdivision in connection with the exercise of any development rights or other rights, to change Lot lines or subdivide any portion of the Subdivision into Lots and common property, and to amend or change any zoning or governmental requirement for the Subdivision.
- M. The right to transfer, assign or delegate any right reserved or granted by this Declaration, law or statute to any person or party to the fullest extent permitted under this Declaration, law or statute.
- N. The right to enter into agreements with the purchaser of any Lot or Lots (without the consent of the purchasers of other Lots or adjoining or adjacent property) to deviate from those conditions, restrictions, limitations and agreements herein set forth, and any such deviation, which shall be manifested by agreement in writing, shall not constitute a waiver of any such condition, restriction, limitation, or agreement as to the remaining Lots in the Subdivision, and the same shall remain fully enforceable on all other Lots located in the Subdivision by Declarant, its successors or assigns, and the Association or other Owners, except as against the Lot where such deviation is permitted.

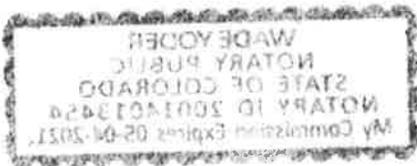
- O. Any and all other rights of Declarant as set forth in this Declaration or by law or statute; in the event of any conflict, the broadest right reserved by Declarant shall prevail. Any and all rights of Declarant shall be fully assignable and transferable as allowed by law and statute. The consent of Owners or First Mortgagees shall not be required for the exercise or transfer of any reserved rights, and the Declarant, its successors or assigns may proceed without limitation at its sole option. The Declarant, its successors or assigns may exercise any rights under this Declaration on all or any portion of the Subdivision, in whatever order determined. The Declarant, its successors or assigns shall not be obligated to exercise any such rights or to expand the Subdivision, except as it determines in its sole discretion.

38. EXEMPTION FROM CCIOA.

This Subdivision is a limited expense planned community and so is exempt from the provisions of the Act. Declarant hereby claims that this Declaration and the Subdivision are exempt from the provisions of CCIOA, pursuant to the provisions of C.R.S., 38-33.3-116 which exempt planned communities from the provisions of CCIOA if the annual average common expense liability of each Lot restricted to residential purposes, exclusive of optional user fees and any insurance premiums paid by the Association, shall not exceed Four Hundred Dollars (\$400), as adjusted pursuant to 38-33.3-116(3). Declarant has incorporated that limitation on annual average common expenses in Section 9 hereof of this Declaration. If the amount of the permissible average annual common expense liability is amended in CCIOA to exceed \$400, then Section 9 hereof shall be automatically amended accordingly to such higher amount. Notwithstanding this exemption, this Declaration and the Subdivision are subject to the provisions of the CCIOA, but are not subject to any other provisions of the CCIOA.

39. ROAD MAINTENANCE.

Until such time as the County assumes maintenance responsibility for the private roads within the Subdivision, the Declarant shall bear the responsibility and expense for them. However, as soon as there are five (5) Association members residing in the Subdivision, the Association will assume and continue to bear that responsibility until the County takes over road maintenance. In the event that the Association is unable to perform those duties, Declarant shall bear the responsibility. Declarant shall maintain a voting majority on the Association Board of Directors at least until such time as the County assumes maintenance responsibility for the roads within the subdivision.



IN WITNESS WHEREOF, the Declarant affixes its signature below.

SILVERADO RANCH, INC.  
A Colorado corporation

ATTEST:

By: [Signature]  
Stanley M. Searle  
President

By: [Signature]  
Gary R. Lake  
Secretary

State of Colorado  
County of El Paso

The foregoing instrument was acknowledged before me this 6 day of November, 2018 by Stanley M. Searle, as President of Silverado Ranch, Inc.

Witness my hand and official seal

[Signature]  
Notary Public

My commission Expires: 9/25/21

STEPHANIE J JOHNSTON  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID# 20134060985  
MY COMMISSION EXPIRES 09/25/2021

State of Colorado  
County of El Paso

The foregoing instrument was acknowledged before me this 1 day of November, 2018 by Gary R. Lake, as Secretary of Silverado Ranch, Inc.

Witness my hand and official seal

[Signature]  
Notary Public

My commission Expires: 5-4-2021

WADE YODER  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20014013454  
My Commission Expires 05-04-2021.



**COLORADO GROUND WATER COMMISSION  
FINDINGS AND ORDER**

IN THE MATTER OF AN APPLICATION FOR DETERMINATION OF WATER RIGHT TO ALLOW THE APPROPRIATION OF GROUND WATER IN THE UPPER BLACK SQUIRREL CREEK DESIGNATED GROUND WATER BASIN.

APPLICANT: SPACE CENTER, LLP

AQUIFER: LARAMIE-FOX HILLS

DETERMINATION NO.: 325-BD

VERSION # 1  
DATE 9/11/08

In compliance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, Space Center, LLP (hereinafter "applicant") submitted an application for determination of water right to allow the appropriation of ground water from the Laramie-Fox Hills Aquifer.

**FINDINGS**

1. The application was received complete by the Ground Water Commission on June 25, 2002.
2. The applicant proposes to appropriate ground water from the Laramie-Fox Hills Aquifer (hereinafter "aquifer") underlying 320 acres, generally described as the N1/2 of Section 16, Township 15 South, Range 63 West of the 6th Principal Meridian. This land area is located within El Paso County. According to a signed statement dated January 30, 2002, the applicant owns the 320 acres of land, as further described in said affidavit which is attached hereto as Exhibit A, and claims control of the ground water in the aquifer underlying this property.
3. The proposed annual appropriation is the maximum allowable amount. Any wells permitted to divert ground water from the aquifer would have a maximum pumping rate of 100 g.p.m.
4. The land area overlying the ground water claimed by the applicant is located within the boundaries of the Upper Black Squirrel Creek Designated Ground Water Basin and within the Upper Black Squirrel Creek Ground Water Management District. The Ground Water Commission has jurisdiction.
5. The applicant proposes to apply the appropriated ground water to the following beneficial uses: domestic, livestock, irrigation, commercial and replacement supply. A central system may deliver the water within the described property for the above uses.
6. The quantity of water in the aquifer underlying the 320 acres of land claimed by the applicant is 7680 acre-feet. This determination was based on the following as specified in the Designated Basin Rules:
  - a. The average specific yield of the saturated permeable material of the aquifer underlying the land under consideration that could yield a sufficient quantity of water that may be extracted and applied to beneficial use is 15 percent.





- b. The average thickness of the saturated permeable material of the aquifer underlying the land under consideration that could yield a sufficient quantity of water that may be extracted and applied to beneficial use is 160 feet.
7. At this time, there is no substantial artificial recharge which would affect the aquifer within a one hundred year period.
  8. Pursuant to Section 37-90-107(7), C.R.S., and in accordance with the Designated Basin Rules, the Colorado Ground Water Commission shall allocate ground water from the aquifer based on ownership of the overlying land and an aquifer life of one hundred years. Therefore, the maximum annual appropriation which could be allowed pursuant to the data in the paragraphs above for the 320 acres claimed by the applicant is 76.8 acre-feet.
  9. The ability of wells permitted to withdraw the authorized amount of water from this non-renewable aquifer may be less than the one hundred years upon which the amount of water in the aquifer is allocated, due to anticipated water level declines.
  10. Based on analysis of data in the records of the State Engineer's office, in accordance with the Designated Basin Rules, it has been determined that withdrawal of ground water from the aquifer underlying the land claimed by the applicant will, within one hundred years, deplete the alluvial aquifer or flow of a natural stream at an annual rate greater than one-tenth of one percent of the annual rate of withdrawal and, therefore, the ground water is considered to be not-nontributary ground water. Also, the location of the land claimed by the applicant is further than one mile from the aquifer contact with the alluvium. The Designated Basin Rules require that at least four percent (4%) of the amount of water withdrawn annually must be returned to the uppermost aquifer in the vicinity of the permitted point or points of withdrawal.
  11. A review of the records of the Ground Water Commission has disclosed that none of the water in the aquifer underlying the land claimed by the applicant has been previously appropriated or permitted for withdrawal.
  12. In accordance with Section 37-90-107(7), C.R.S., upon Commission approval of a determination of water right, well permits for wells to withdraw the authorized amount of water from the aquifer shall be available upon application, subject to the conditions of this determination and subject to approval by the Commission.
  13. On September 18, 2002, a letter was sent to the Upper Black Squirrel Creek Ground Water Management District requesting recommendations concerning this application. No written recommendations from the district were received.
  14. The Commission Staff has evaluated the application relying on the claims to control of the ground water in the aquifer made by the applicant.
  15. In accordance with Sections 37-90-107(7) and 37-90-112, C.R.S., the application was published in the Gazette newspaper on September 28 and October 3, 2002.
  16. No objections to the determination of water right and proposed appropriation of ground water were received within the time limit set by statute.



17. In order to prevent injury to the existing water rights of others within the Upper Black Squirrel Creek Designated Ground Water Basin it is necessary to impose conditions on the determination of water right and proposed appropriation of ground water. Under conditions as stated in the following Order, no unreasonable impairment of existing water rights will occur from approval of this determination of water right and the issuance of well permits to construct wells to withdraw the authorized amount of water from the aquifer.

#### ORDER

In accordance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, the Colorado Ground Water Commission orders that the application for determination of water right to allow the appropriation of ground water from the Laramie-Fox Hills Aquifer underlying 320 acres of land, generally described as the N1/2 of Section 16, Township 15 South, Range 63 West of the 6th Principal Meridian, is approved subject to the following conditions:

18. The allowed average annual amount of water to be withdrawn from the aquifer shall not exceed 76.8 acre-feet. The allowed maximum annual amount of withdrawal may exceed the allowed average annual amount of withdrawal as long as the total volume of water withdrawn does not exceed the product of the number of years since the date of approval of this determination times the allowed average annual amount of withdrawal.
19. To conform to actual aquifer characteristics, the Commission may adjust the allowed average annual appropriation based on analysis of geophysical logs or other site-specific data if such analysis indicates that the initial estimate of the volume of water in storage was incorrect.
20. At least four percent (4%) of the amount of water withdrawn annually must be returned to the uppermost aquifer in the vicinity of the permitted point or points of withdrawal.
21. The use of ground water from this appropriation shall be limited to the following uses: domestic, livestock, irrigation, commercial and replacement supply. A central system may deliver the water within the described property for the above uses. The place of use shall be limited to the above described 320 acre land area.
22. The applicant, or subsequent persons controlling this water right, shall record in the public records of the county - in which the claimed lands are located - notice of transfer of any portion of this water right to another within sixty days after the transfer, so that a title examination of the above described 320 acre land area, or any part thereof, shall reveal the changes affecting this water right. Such notice shall consist of a signed and dated warranty deed which indicates the determination number, the aquifer, a description of the above described land area, the amount transferred, name of the recipient and the date of transfer.
23. Subject to the above conditions, well permits for wells to withdraw the authorized annual amount of water from the aquifer shall be available upon application subject to approval by the Commission and the following conditions:
  - a. The wells shall be located on the above-described 320 acre land area.



b. The wells must be constructed to withdraw water from only the Laramie-Fox Hills Aquifer. Upon application for a well permit to construct such a well, the estimated top and base of the aquifer at the proposed well location will be determined by the Commission and indicated on the approved well permit. Plain non-perforated casing must be installed, grouted and sealed to prevent diversion of ground water from other aquifers and the movement of ground water between aquifers.

c. The entire depth of each well must be geophysically logged prior to installing the casing as set forth in Rule 9 of the Statewide Nontributary Ground Water Rules, 2 CCR 402-7.

d. Each well shall be constructed within 200 feet of the location specified on the individual permit application and approved well permit, but must be more than 600 feet from any existing large-capacity well completed in the same aquifer.

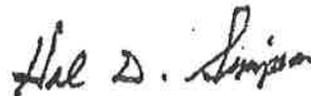
e. The wells may withdraw the allowed average annual amount of water from the aquifer together in any combination. The total combined annual withdrawal of the wells shall not exceed the allowed average annual amount described in this Order.

f. The maximum pumping rate of each well shall not exceed 100 g.p.m.

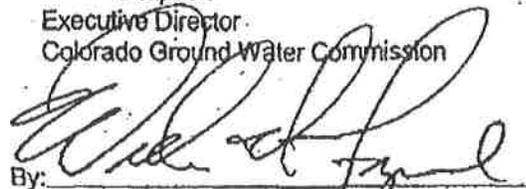
g. A totalizing flow meter shall be installed on each well and maintained in good working order by the well owner. Annual diversion records shall be collected and maintained by the well owner and submitted to the Commission or the Upper Black Squirrel Creek Ground Water Management District upon their request.

h. The well owner shall mark the well in a conspicuous place with the permit number and the name of the aquifer. He shall take necessary means and precautions to preserve these markings.

Dated this 11<sup>th</sup> day of DECEMBER, 2002.



Hal D. Simpson  
Executive Director  
Colorado Ground Water Commission



By: William H. Fronczak, P.E.  
Chief - Designated Basins Branch

Prepared by: EBT  
FIND-05-02



EXHIBIT A

GWS-1 (Rev, Sept 1996)

STATE OF COLORADO  
OFFICE OF THE STATE ENGINEER  
DIVISION OF WATER RESOURCES

RECEIVED  
JUN 25 2002  
RECEIVED  
DIVISION OF WATER RESOURCES  
STATE ENGINEER  
COLO. 2002  
STATE ENGINEER  
COLO.

NONTRIBUTARY GROUND WATER LANDOWNERSHIP STATEMENT

I (we) Space Center, L L P  
(Name)

claim and say that I (we) am (are) the owner(s) of the following described property consisting of 320 acres in the County of El Paso, State of Colorado:

North One-half Section 16, Township 15 South, Range 63 West  
\_\_\_\_\_  
\_\_\_\_\_

and, that the ground water sought to be withdrawn from the Laramie Fox Hills aquifer underlying the above-described land has not been conveyed or reserved to another, nor has consent been given to it's withdrawal by another.

Further, I (we) claim and say that I (we) have read the statements made herein; know the contents hereof; and that the same are true to my (our) own knowledge.

JA Barnes AGENT 1/30/02  
(Signature) (Date)

\_\_\_\_\_  
(Signature) (Date)

INSTRUCTIONS:

Please type or print neatly in black ink. This form may be reproduced by photocopy or word processing means. See additional instructions on back.

