

BYLAWS OF:

REDTAIL RANCH HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1 - INTRODUCTION

The following are the Bylaws of the Redtail Ranch Homeowners Association, Inc. (the "Association"), operating under the Colorado Revised Nonprofit Corporation Act, as amended (the "CRNCA"), and to the limited extent applicable, the Colorado Common Interest Ownership Act, as amended (the "Act"). Terms used herein shall have the meaning set forth in the protective Covenants recorded against and applicable to the Redtail Ranch subdivision ("Redtail Ranch"), as recorded in the records of the El Paso County Clerk and Recorder at Reception No. 219714432, and in the Act.

ARTICLE 2 - EXECUTIVE BOARD

2.1 Number. The affairs of the Association shall be governed by a Board of Directors, otherwise referred to herein as the Executive Board, who shall be the policy-making body. The initial Executive Board shall consist of one (1) member, whose names and addresses are set forth in the Articles of Incorporation. Only Owners, eligible to vote and otherwise in good standing, may be elected or appointed to fill a vacancy on the Executive Board; provided, however, Declarant shall have the right to appoint members of the Executive Board and to have members remain on the Executive Board as provided in the Covenants and the Act, and such Board members need not be Owners. The number of members of the Executive Board may be increased or decreased by amendment of these Bylaws; provided, however, after the initial Executive Board, the number must be an odd number. In the case where the Board is increased and through removal or resignation, the total number of Executive Board members is less than three (3), the Executive Board will be considered properly constituted until such vacancies are filled.

(a) The Covenants shall govern appointment of members of the Executive Board during the period of Declarant Control.

(b) Upon termination of the period of Declarant Control, the terms of the members of the Executive Board elected by the Owners shall be staggered so that one (1) member shall be elected to serve a one (1) year term, and the remainder shall be elected to serve two (2) year terms. At the expiration of the initial term of office for each respective member of the Executive Board, his or her successor shall be elected to serve a term of two (2) years.

(c) At any time after Owners, other than the Declarant, are entitled to elect a member of the Executive Board, the Association shall call a meeting and shall give not less than ten (10) nor more than fifty (50) days' notice to the Owners for this purpose. This meeting may be called and the notice given by any Owner if the Association fails to do so.



(d) Each Executive Board member shall hold office until the election and qualification of his or her successor. At any meeting at which the Executive Board is to be elected, the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the CRNCA for conducting the elections.

2.2 Qualifications. Each Executive Board member, except as to members of the Board appointed by the Declarant, shall be an Owner and a member of the Association, eligible to vote and otherwise in good standing (or officer, owner, director, manager, member, employee or representative of an Owner if an Owner is a legal entity).

2.3 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Covenants, these Bylaws or the Act. Subject to the limitations contained in the Covenants and the Act (and subject to the reasonably prudent business judgment of each Executive Board member) the Executive Board shall have all the powers and duties necessary for the administration of the affairs of the Association and of the Subdivision, including the following specific powers and duties:

(a) Adopt and amend Bylaws and Rules.

(b) Adopt and amend budgets for revenues, expenditures, and reserves.

(c) Levy and collect Assessments (as that term is further defined by and utilized within the Covenants) from Owners.

(d) Suspend the Voting Rights allocated to a Lot Owner, and the right of such an Owner to cast such vote, or by proxy the vote of another, during any period in which such Owner is in default in the payment of any Assessment, or, after notice and an opportunity to be heard, during any time in which an Owner is in violation of any other provision of the Covenants (as further provided therein).

(e) Hire and discharge a Manager, or operator and to delegate daily operations of the Association to such Manager or operator in accordance with Section 3.1 below.

(f) Hire and discharge employees, independent contractors and agents, in addition to the Manager.

(g) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Covenants in the Association's name, on behalf of the Association or on behalf of two or more Lot Owners in matters affecting the Subdivision.

(h) Make contracts and incur liabilities.

(i) Regulate the use, maintenance, repair, replacement and modification of all real and personal property within the Subdivision owned or controlled by the Association, and otherwise enforce the terms and conditions of the Covenants.

(j) Cause additional improvements to be made to the Common Areas of the Subdivision as owned or controlled by the Association, consistent with the Covenants.

(k) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property (but Common Elements may only be conveyed or subjected to a security interest pursuant to the Covenants and the Act).

(l) Grant easements for any period of time, including permanent easements, grant leases, licenses and concessions, through or over the Common Elements, to the extent consistent with the Covenants.

(m) Impose and receive, on behalf of the Association, a payment, fee or charge: (i) for services provided to Lot Owners, and (ii) for the use, rental or operation of the Common Elements.

(n) Establish from time to time, and thereafter impose, charges for late payment of Assessments or any other sums due and, after notice and an opportunity to be heard, levy a reasonable fine for a violation of the terms and conditions of the Covenants.

(o) Impose a reasonable charge for the preparation and recording of amendments to the Covenants and statements of unpaid Assessments.

(p) Provide for the indemnification of the Association's officers and the Executive Board to the extent provided by law and consistent with the Covenants, provide for the indemnification of committee members to the extent the Executive Board deems just and reasonable, and maintain directors' and officers' liability insurance.

(q) Declare the office of a member of the Executive Board to be vacant in the event such member shall fail to participate in three (3) regular meetings of the Executive Board during any one-year period, without being excused therefrom.

(r) Appoint any committee as required or permitted by the Covenants or these Bylaws, or as may be deemed appropriate by the Executive Board to carry out its purposes and duties, and by resolution, establish committees, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee.

(s) By resolution, set forth policies and procedures which shall be considered incorporated herein by reference as though set forth in full, and which provide for corporate actions and powers which are different than those set forth in the CRNCA but which are permitted by the CRNCA to be "otherwise set forth in the Bylaws". Such resolutions shall be given the same force and effect as if specifically enumerated in these Bylaws, provided otherwise consistent with the Covenants.

(t) Exercise any other powers conferred by the Covenants, the Articles of Incorporation, these Bylaws, the Act, or the CRNCA.

(u) Exercise any other power necessary and proper for the governance and operation of the Association, provided consistent with the Covenants and the limited powers granted to the Association therein.

(v) Exercise any other power that may be exercised in the State of Colorado by a legal entity of the same type as the Association, provided consistent with the Covenants.

2.4 Removal of Executive Board Member. The Lot Owners, by a vote of sixty-seven percent (67%) of all persons present and entitled to vote at any meeting of the Lot Owners may remove any member of the Executive Board, with or without cause other than one appointed by the Declarant; provided, however, (i) the notice must state that removal of one or more Board members will be considered at the meeting, and (ii) the Board members who are subject to removal at such a meeting must be given an opportunity to be heard. For purposes of this meeting a quorum of thirty percent (30%) of the Lot Owners shall be required. Any member of the Executive Board appointed by the Declarant during the period of Declarant Control may only be removed by the Declarant. Vacancies created by removal according to this Section 2.4 shall be filled as follows:

(a) As to vacancies of Executive Board members whom Lot Owners other than the Declarant elected, by a majority of the remaining Executive Board; provided, however, if the entire Executive Board is removed at once, an election shall be held immediately thereafter at the same meeting; and,

(b) As to vacancies of Executive Board members whom the Declarant has the right to appoint, by the Declarant.

Each person so elected or appointed shall serve on the Executive Board for the remainder of the term of the member so replaced.

2.5 Vacancies. Except in the case of removal of an Executive Board member pursuant to Section 2.4 above, vacancies may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy, even though the members of the Executive Board present at that meeting may constitute less than a quorum. These appointments shall be made, as to vacancies of Executive Board members, and each person so elected or appointed shall serve on the Executive Board for the remainder of the term of the member so replaced.

2.6 Regular Meetings. The first regular meeting of the Executive Board following each annual meeting of the Lot Owners shall be held within sixty (60) days after the annual meeting at a time and place to be set by the Executive Board at the meeting at which the Executive Board shall have been elected. No notice shall be necessary to the newly elected Executive Board in order to legally constitute such meeting, provided a majority of the Executive Board members are present. The Executive Board may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

2.7 Special Meetings. Special meetings of the Executive Board may be called by the President or by a majority of its members on at least three (3) business days' notice to each member.

2.8 Quorum – Actions of the Executive Board. A majority of the total number of Executive Board members who are present shall constitute a quorum for all meetings and consents. Unless otherwise determined by a vote of the Executive Board as to a particular issue, a majority vote of those present, constitutes a valid corporate action. For purposes of this Article 2, the term “present” shall include attendance in person, by proxy (to the fullest extent provided by the CRNCA), or in any manner provided in Section 2.12, below.

2.9 Location of Meetings. All meetings of the Executive Board shall be held either (i) within the State of Colorado, unless all members thereof consent in writing to another location, or (ii) in such a manner as to permit discussions and deliberations via telephonic means or communications via “real time” e-mail or similar electronic virtual meeting means.

2.10 Waiver of Notice. Any Executive Board member may waive notice of any meeting in writing. Attendance by an Executive Board member at any meeting of the Executive Board shall constitute a waiver of notice. If all the members of the Executive Board are present at any meeting (participating in a meeting through any means authorized by these Bylaws), no notice shall be required, and any business may be transacted at such meeting.

2.11 Consent to Corporate Action. If a majority of the Executive Board or members of a committee established by the Board, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of members of the Executive Board or of the committee constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as the case may be. The secretary shall file these consents with the minutes of the meetings of the Executive Board.

2.12 Types of Communication in Lieu of Attendance. Any member of the Executive Board may attend a meeting of the Executive Board by: (i) using an electronic or telephonic communication method whereby the member may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Executive Board; or (ii) by participating in “real time” e-mail communication when all Board members are participating in this form of communication. The vote of such member shall be counted and the presence noted as if that member was present in person on that particular matter.

2.13 Compensation. Except as otherwise provided in this Section 2.13 below, no member of the Executive Board shall receive any compensation from the Association for acting as such, however, members of the Executive Board may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Executive Board members. Nothing herein shall prohibit the Association from compensating a member of the Executive Board, or any entity with which an Executive

Board member is affiliated, for services or supplies furnished to the Association in a capacity other than as an Executive Board member pursuant to a contract or agreement with the Association, provided that such Executive Board member's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Executive Board, excluding the interested member of the Executive Board.

2.14 Communication – Fostering Responsible Governance. In furtherance of fostering communications, the Association may provide periodic community forums for the purpose of seeking input from the Lot Owners. Such a meeting shall not constitute a formal meeting of the Executive Board, nor of the Lot Owners, but may be held in conjunction with regular and special meetings of the Board and/or Lot Owners. Additionally, the Association may establish a web site or other method of publication which shall have the following minimum information posted, and available only to its members.

(a) All current versions of the Governing Documents (defined as Covenants, Bylaws, Articles of Incorporation, Policies and Procedures, Rules, and Architectural Control or Design Guidelines);

(b) Duly adopted minutes of the Executive Board and Lot Owner meetings since the Association was formed, or for the past two years, whichever is less;

(c) Annual budgets and financial statements (including any audited or reviewed financial statements) for the past two years;

(d) A list of maintenance obligations of the Association and of the Lot Owner(s);

(e) Contact information for the Manager and members of the Executive Board (e.g. name, street and e-mail addresses, phone numbers); and

(f) Any other information the Board deems useful for the Association's members.

ARTICLE 3 - MANAGER; TRANSITION AND NOMINATING COMMITTEES

3.1 Manager. The Executive Board shall employ a Manager for the Subdivision, if necessary in the discretion of the Executive Board, at a fair market compensation established by the Executive Board, to perform duties and services authorized by the Executive Board.

(a) The Executive Board may delegate to the Manager only the powers granted to the Executive Board by these Bylaws under Section 2.3(c), (f), (g), (h), (i), and (j), and powers necessarily associated therewith;

(b) Licenses, concessions and contracts may be executed by the Manager pursuant to specific resolutions of the Executive Board and to fulfill the

requirements of the budget.

(c) In accordance with Section 307(3)(a) of the Act, the Executive Board shall require: (i) that the Manager shall maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars or such higher amount as the Executive Board may require and; (ii) that the Manager shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Manager, if any, and maintain all reserve accounts of each other association so managed separately from operational accounts of the Association; and (iii) that an annual accounting for Association funds and a financial statement be prepared and presented to the Association by the Manager, a public accountant, or a certified public accountant and that a review or an audit be completed by a certified public accountant at least every three years.

(d) Such Manager may be an individual or an employee of a management company, or may be a professional management company, with such qualifications and expertise that the Board shall determine.

ARTICLE 4 - OWNERS

4.1 **Meetings of the Lot Owners.** The following types of “meetings” (as that term is used in the CRNCA) shall be or may be held, as provided below.

(a) **Annual Meetings of Lot Owners.** There shall be an Annual Meeting of Owners which shall be held on such date and at such time and place as is set forth in the notice. At the Annual Meeting, the Executive Board shall be elected in accordance with the provisions of Article 2 of these Bylaws. The Lot Owners may transact other business as may properly come before them at these meetings.

(b) **Special Meetings.** Requests that a special meeting of the Association be called may be made by the president, by a majority of the members of the Executive Board or by a written instrument signed by Lot Owners comprising ten percent (10%) of the votes in the Association, and shall be delivered to the Secretary. Only the items listed in the notice of the special meeting may properly come before the Lot Owners at special meetings.

(c) **Meeting to Approve Annual Budget.** At the annual meeting of the Association or at a special meeting of the Association called for such purpose, the Lot Owners shall be afforded the opportunity to veto a budget of the projected revenues, expenditures and reserves for the Association's next fiscal year as proposed by the Executive Board. A summary of the proposed budget approved by the Executive Board shall be mailed to the Lot Owners within ninety (90) days after its adoption along with a notice of a meeting of the Association to be held not less than ten (10) nor more than fifty (50) days after mailing of the summary to the Lot Owners (or, in the alternative, together with a ballot and information sufficient to satisfy the provisions of Section 4.10 below). Unless sixty-seven percent (67%) of all Lot Owners veto the proposed budget, the budget is ratified. There are no quorum requirements for this meeting. In the event the proposed budget is vetoed, the budget last proposed and not vetoed by sixty-seven percent (67%)

of the Lot Owners continues until such time as a new budget is presented and not vetoed by sixty-seven percent (67%) of the Lot Owners.

4.2 Place of Meetings. Meetings of the Lot Owners shall be held within the El Paso County, and may be adjourned to a suitable place convenient to the Lot Owners, as may be designated by the Executive Board or the president.

4.3 Notice of Meetings. Except as otherwise set forth in Subsection 4.1(c), the secretary shall cause notice of all meetings of the Lot Owners set forth in Section 4.1 to be hand-delivered, sent via a nationally recognized over-night or express delivery service, or sent prepaid by United States mail directed to the mailing address of each Lot or to the mailing address designated in writing by the Lot Owner, not less than ten (10) nor more than fifty (50) days in advance of a meeting. The date notice is sent shall be the date received by the recipient or three days after placing the notice in the United States mail. No action shall be adopted at a special meeting except as stated in the notice.

4.4 Adjournment of Meeting. At any meeting of Lot Owners, a vote of the majority of voting rights may adjourn the meeting to another time.

4.5 Order of Business. The order of business at all meetings of the Lot Owners shall be as set forth in the written meeting agenda available at the beginning of each meeting.

4.6 Voting. Voting shall be cast pursuant to the rights granted in the Covenants. No fractional votes may be cast.

(a) The vote of a corporation or limited liability company who may be an Lot Owner may be cast by an officer of that corporation or by the manager of the limited liability company in the absence of express notice of the designation of a specific person by such Lot Owner's governing body, members, manager, operating agreement or bylaws. The vote of a limited liability limited partnership or a limited partnership may be cast by the general partner (or, in the absence of a written notification of a particular partner, by any general partner if there is more than one general partner). The vote of a general partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The individual presiding at the meeting may require reasonable evidence that a person voting on behalf of a Lot Owner who is a corporation, limited liability company, limited liability limited partnership, limited partnership, general partnership or any other type of entity recognized by Colorado law is qualified to vote.

(b) The Voting Rights allocated to a Lot owned by the Association may not be cast.

4.7 Proxies. The Voting Rights allocated to a Lot may be cast under a proxy duly executed by a Lot Owner. A Lot Owner may revoke a proxy given under this section only by written notice of revocation delivered to the person presiding over a meeting of the Association, or the attendance at the meeting of the person providing the proxy. A proxy is void if it is not dated or purports to be revocable without notice. A proxy must be

received by the Association's manager or an officer of the Board no later than 11:59 p.m. the day before the meeting date. A proxy terminates eleven months (11 months) after its date, unless it specifies a shorter term. The Executive Board may establish reasonable policies concerning the form and use of proxies.

4.8 Quorum. Except as otherwise provided in these Bylaws, the Lot Owners present at any meeting of Lot Owners, representing twenty percent (20%) of the total Voting Rights in the Association, shall constitute a quorum at that meeting. For purposes of this Article 4, the term "present" shall include attendance in person, by proxy, via telephonic or other electronic means, via "real time" e-mail or, in the case of written ballots, by providing written response on or before the date responses are due as set forth in the written ballot. Only Lot Owners eligible to vote may cast proxies for other Lot Owners and only Lot Owners eligible to vote may be considered "present".

4.9 Majority Vote. The term "Majority Vote" shall mean the vote of a majority of the Lot Owners (*i.e.* the Voting Rights allocated to that Lot) who are present and shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Covenants, these Bylaws or the Act.

4.10 Voting by Mail. The Executive Board may decide that voting of the Lot Owners on any matter required or permitted by the statutes of Colorado, the Covenants, the Articles of Incorporation, or these Bylaws shall be by written ballot. Pursuant to the CRNCA, any action that may be taken at any annual, regular, or special meeting of Lot Owners may be taken without a meeting if the secretary delivers a written ballot to every member entitled to vote on the matter. "Delivery" to the Lot Owner of the ballot, and the Lot Owner's return of the completed ballot shall be made by the same methods available for providing notice to a member set forth in Section 4.3, above.

(a) A written ballot shall: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action.

(b) Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than the election of members of the Executive Board; (iii) specify the time by which a ballot must be received by the Association in order to be counted; and (iv) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

(d) A written ballot, once received by the Association, may not be revoked, unless the Lot Owner casting the written ballot appears in person at a meeting convened to consider any one or more of the matters on the ballot.

ARTICLE 5 - OFFICERS

5.1 Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. Any two offices may be held by the same person, except the offices of president and secretary. The office of vice president may be vacant. All officers must be members of the Executive Board. All members of the Executive Board vote, regardless of the office he or she may hold.

5.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Executive Board. Each officer who is also a member of the Executive Board shall cast one vote.

5.3 Resignation and Removal of Officers. Upon the affirmative vote of a majority of the Executive Board, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose. Any officer may resign at any time by giving written notice to the president or secretary.

5.4 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Lot Owners and of the Executive Board. The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to appoint committees from among the Owners from time to time as the president may decide is appropriate to assist in the conduct of the affairs of the Association. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments, attested by the secretary, to the Covenants and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

5.5 Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Executive Board shall appoint another of its members to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Executive Board or by the president.

5.6 Secretary. The secretary shall keep the minutes of all meetings of the Owners and the Executive Board. The secretary shall have the charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The secretary may cause to be prepared and may attest to execution by the president of amendments to the Covenants and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

5.7 Treasurer. The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Except for reserve funds described below, the treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board decides. Funds may be withdrawn from these reserves for the purposes for which they are deposited, by check or order, authorized by the treasurer, and executed by two members of the Executive Board, one of whom may be the treasurer.

5.8 Execution of Instruments. Except as provided in Sections 5.4, 5.6, 5.7 and 5.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Executive Board.

5.9 Statements of Unpaid Assessments. The treasurer, assistant treasurer, the Manager or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with Section 316 of the Act. The amount of the fee for preparing statements of unpaid Assessments and the time of payment shall be established by resolution of the Executive Board working in cooperation with, and with the advice of, the Manager. Any unpaid fees may be assessed as a Common Expense Assessment against the Unit for which the certificate or statement is furnished.

ARTICLE 6 - ENFORCEMENT

6.1 Abatement and Enjoinment of Violations by Lot Owners. The violation of any provision of the Governing Documents shall give the Executive Board the right, in addition to any other rights set forth in the Governing Documents, after notice and an opportunity to be heard:

(a) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

6.2 Fines for Violations. The Executive Board may adopt resolutions providing for fines or other monetary penalties for the infraction of its Rules or of the Covenants. Fines will be levied after notice thereof and an opportunity to be heard. The Executive Board may levy fines in amounts that it, in its sole and reasonable discretion, shall determine to be reasonable for each such violation, including those violations which

persist after notice and an opportunity for a hearing is given.

ARTICLE 7 - INDEMNIFICATION

7.1 Actions by the Association. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a member of the Executive Board or officer of the Association, who is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) judgments, fines, amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which such individual reasonably believed to be in the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner he or she reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful. Such liability shall be satisfied within thirty (30) days after request therefore if there exists adequate operating funds but, if not, the funds shall be raised by a special assessment of the Lot Owners as quickly as possible, without the need of Lot Owners' approval.

7.2 Actions by or in the Right of the Association. The Association shall indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure judgment in its favor by reason of the fact that such person is or was a member of the Executive Board or officer of the Association or is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner which he or she reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence, recklessness, or willful misconduct in the performance of his or her duty in the Association unless, and to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses if such court deems proper.

7.3 Successful on the Merits. To the extent that a member of the Executive Board or any manager, officer, project manager, employee, fiduciary or agent of the Association has been wholly successful on the merits in defense of any action, suit or proceeding referred to in Sections 7.1 or 7.2 of this Article 7, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or

her in connection therewith.

7.4 Determination Required. Any indemnification under Sections 7.1 or 7.2 of this Article 7 (unless ordered by a court) and as distinguished from Section 7.3 of this Article 7, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the member of the Executive Board or officer is proper in the circumstances because such individual has met the applicable standard of conduct set forth in Sections 7.1 or 7.2 above. Such determination shall be made by the Executive Board by majority vote of a quorum consisting of those members of the Board who were not parties to such action, suit or proceeding or, if a majority of disinterested members of the Executive Board so directs, by independent legal counsel or by members entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by a written opinion. The Executive Board shall provide a copy of its written opinion to the officer or Executive Board member seeking indemnification upon request.

7.5 Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses incurred by a former or current member of the Executive Board or officer who is a party to a proceeding in advance of final disposition of the proceeding if: (i) the member of the Executive Board or officer furnishes to the Association a written affirmation of the Executive Board member's good faith belief that he or she has met the standard of conduct described in Sections 7.1 or 7.2 of this Article 7; (ii) the Executive Board member or officer furnishes to the Association a written understanding, executed personally or on the Executive Board member's or officer's behalf to repay the advance if it is ultimately determined that the Executive Board member or officer did not meet the standard of conduct; and (iii) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article. The undertaking required in this Section 7.5 shall be an unlimited general obligation of the Executive Board but need not be accepted by the Executive Board member or officer or may be accepted without reference to financial ability to make repayment.

7.6 No Limitation of Rights. The indemnification provided by this Article 7 shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the members or disinterested members of the Executive Board, or otherwise, nor by any rights which are granted pursuant to the Act and the CRNCA. Upon a vote of the Executive Board, the Association may also indemnify a member appointed by the Executive Board to serve on a committee (when such committee member is not also a member of the Executive Board) upon such terms and conditions as the Executive Board shall deem just and reasonable.

7.7 Directors and Officers Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Executive Board or an officer of the Association or, in the Board's discretion, a member of a committee against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such individual against such liability under

provisions of this Article 7.

ARTICLE 8 - RECORDS

8.1 **Audits.** The Association shall maintain financial records. The cost of any audit or review shall be a Common Expense unless otherwise provided in the Covenants. An audit or review shall be done no less often than every three years, unless otherwise provided for in the Covenants or as determined by the Executive Board.

8.2 **Examination.** All records maintained by the Association or the Manager shall be available for examination and copying by any Owner or by any of their duly authorized representatives, at the expense of the person examining the records, during normal business hours and after reasonable notice in accordance with the CRNCA and the Act.

8.3 **Records.** The Association shall keep the following records:

(a) An account for each Lot, which shall designate the name and address of each Lot Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Lot, the amount of each Assessment, the dates on which each Assessment comes due, the amounts paid on the account and the balance due;

(b) The current operating budget;

(c) A record of insurance coverage provided for the benefit of Lot Owners and the Association for the immediately preceding three years;

(d) Tax returns for state and federal income taxation for the preceding seven years;

(e) Minutes of proceedings of incorporators, Lot Owners, Executive Board and its committees (including written consents), and waivers of notice;

(f) A copy of the most current version of the Articles of Incorporation, Covenants, these Bylaws, Rules, and resolutions of the Executive Board, along with their exhibits and schedules;

(g) All written communications to Lot Owners (which communications shall only be made available to the Lot Owner with whom the Association has communicated);

(h) A list of the names and business or home addresses of the current members of the Executive Board and officers;

(i) A copy of the Association's most recent corporate report filed with the secretary of state in accordance with the CRNCA; and

(j) Such other records the Executive Board shall determine from time to time are necessary or desirable.

ARTICLE 9 - MISCELLANEOUS

9.1 Notices. All notices to the Association or the Executive Board shall be delivered to the office of the Manager, or, if there is no Manager, to the office of the Association, or to such other address as the Executive Board may designate by written notice to all Lot Owners. Except as otherwise provided, all notices to any Lot Owner shall be sent to the Lot Owner's address as it appears in the records of the Association. All notices shall be deemed to have been given when deposited into the United States mail, first class postage prepaid, except notices of changes of address, which shall be deemed to have been given when received.

9.2 Fiscal Year. Unless later modified by the Executive Board, the Association's fiscal year shall be June 1st through May 31st.

9.3 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

9.4 Office. The principal office of the Association shall be at such place as the Executive Board may from time to time designate.

9.5 Reserves. As a part of the adoption of the regular annual budget the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the expansion, modification or replacement of improvements to the Common Elements based upon the age, remaining life and the quantity and replacement cost of improvements to the Common Elements, as well as for future construction of water well(s) and associated infrastructure necessary for post pumping depletion replacement consistent with the terms and conditions of the Plan for Augmentation decreed in Case No. 18CW3003, Water Division No. 2, governing water use within the Subdivision.

9.6 Audio and Video Recording Prohibited. Records of all meetings shall be by minutes duly approved by the Lot Owners or the Executive Board, as the case may be. Accordingly, both audio and video recording of meetings is prohibited.

9.7 Conflict of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Covenants and these Bylaws, the Covenants shall control; in the case of any conflict between the Articles of Incorporation and the Covenants, the Covenants shall control.

ARTICLE 10 - AMENDMENT OF BYLAWS

10.1 Vote. These Bylaws may be amended only by vote of the Executive Board.

10.2 Rights of Mortgagees. No amendment of these Bylaws of the Association shall be adopted which would: (i) affect or impair the validity or priority of any Mortgage; or (ii) change the provisions of these Bylaws with respect to First Mortgagees; or (iii) effect any provisions for the benefit of Mortgagees as set forth in the Covenants.

The undersigned have hereunto set their hands this 4th day of November, 2019.

EXECUTIVE BOARD:


Michael Ludwig, President

KNOW ALL MEN BY THESE PRESENTS: That the undersigned secretary of Redtail Ranch Homeowners Association, Inc. does hereby certify that the above and foregoing Bylaws were duly adopted by the sole member of the Executive Board of said Association, Michael Ludwig, as the Bylaws of said Association on the 4 day of Nov., 2019 and that they do now constitute the Bylaws of said Association.


By: Gene Weller Secretary

EXHIBIT A

(legal description – Redtail Ranch)

6 PARCELS OF LAND BEING A PORTION OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE WESTERLY LINE OF WALKER PLACE, RECORDED UNDER RECEPTION NUMBER 214018546, EL PASO COUNTY RECORDS, BEING MONUMENTED ON THE NORTH END (CENTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH P.M.) BY A 3-1/2" ALUMINUM CAP STAMPED "PLS 13830" AND ON THE SOUTH END BY A 1/2" I.D. PIPE, IS ASSUMED TO BEAR N00°02'10"W, 1319.18 FEET.

PARCEL A:

LOTS 1 AND 2, WALKER PLACE, COUNTY OF EL PASO, STATE OF COLORADO, AS AMENDED BY SURVEYOR'S AFFIDAVIT OF AMENDMENT RECORDED APRIL 6, 2010 UNDER RECEPTION NO. 210031708, ALSO KNOWN AS THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO.

PARCEL B:

A NON-EXCLUSIVE RIGHT OF WAY FOR PUBLIC DRIVEWAY PURPOSES OVER THE SOUTH 330 FEET OF THE WEST 20 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND OVER THE WEST 20 FEET OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, AS CREATED BY DEED RECORDED SEPTEMBER 6, 2006 UNDER RECEPTION NO. 206131909.

PARCEL C:

A NON-EXCLUSIVE EASEMENT FOR ACCESS, DRAINAGE AND DRIVEWAY GRADING OVER A PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, AS CREATED BY EASEMENT RECORDED JUNE 8, 2009 UNDER RECEPTION NO. 209064392.

PARCEL D:

THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH

PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO.

PARCEL E:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, AND THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, EXCEPT FOR THE EAST 30 FEET THEREOF FOR A PUBLIC ROAD, AND EXCEPT FOR THAT PORTION THEREOF CONVEYED BY SPECIAL WARRANTY DEED RECORDED OCTOBER 3, 2006 UNDER RECEPTION NO. 206145897.

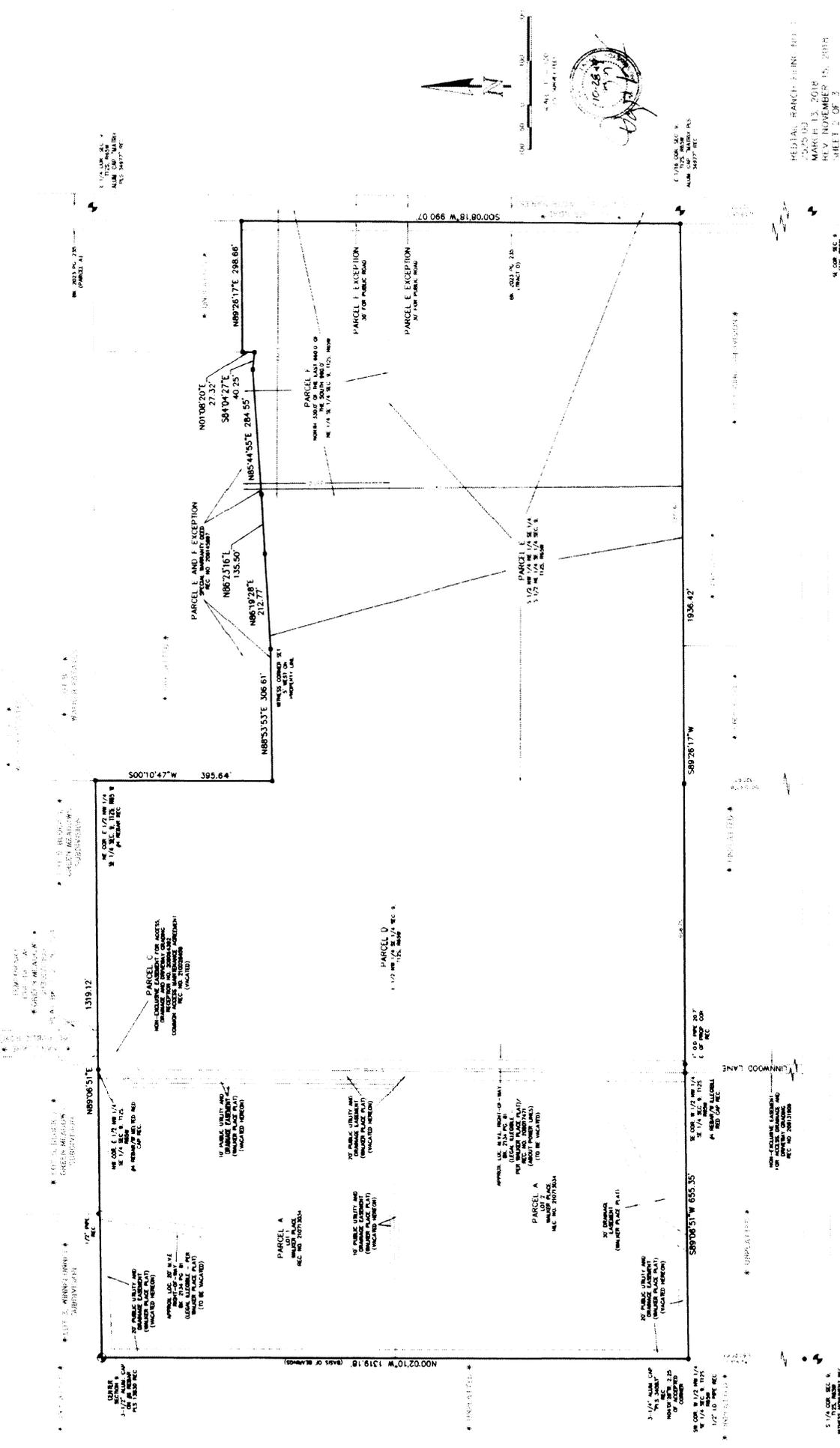
PARCEL F:

THE NORTH 330.0 FEET OF THE EAST 660.0 FEET OF THE SOUTH 990.0 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, EXCEPT FOR THE EAST 30 FEET THEREOF FOR A PUBLIC ROAD, AND EXCEPT FOR THAT PORTION THEREOF CONVEYED BY SPECIAL WARRANTY DEED RECORDED OCTOBER 3, 2006 UNDER RECEPTION NO. 206145897.

ALL TOGETHER FOR A TOTAL OF 67.9 ACRES.

REDTAIL RANCH FILING NO. 1

A REPLAT OF LOTS 1 AND 2, WALKER PLACE, TOGETHER WITH A PORTION OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO



CLASSIC
CONCRETE
PAINTERS & FINISHERS

411 N. Colorado Avenue, Suite 202
Colorado Springs, Colorado 80901

719.576.6799
719.576.6799

REDTAIL RANCH FILING NO. 1
MARCH 13, 2018
REV. NOVEMBER 15, 2018
SHEET 2 OF 2

AS PLATTED/DEEDED

PC006 FILE NO. SF-18-021

SPECIAL WARRANTY DEED

THIS DEED, made this 18 day of November, 2019, between Michael Ludwig, ("Grantor") and Redtail Ranch Homeowner's Association, Inc., whose address is 4255 Arrowhead Drive, Colorado Springs, CO 80908, County of El Paso ("Grantee), State of Colorado:

WITNESS, that the Grantor, for and in consideration of the sum of \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto the Grantee, their heirs, successors and assigns forever, all the right, title, interest, claim and demand, if any, which the Grantor may have in and to the real property, together with improvements, if any, situate, lying and being in the County of El Paso and State of Colorado, described as following water rights:

All of Grantors' rights, title, interests, obligations, and responsibilities in the Augmentation Plan decreed by the Division No. 2 Water Court in Case No. 18CW3003 (as consolidated with Case No. 18CW3002, Water Division No. 1), including for the extraction and use of nontributary groundwater underlying the real property more particularly described in the attached Exhibit A ("Redtail Ranch Subdivision") as attached hereto and incorporated herein by reference, as necessary for compliance with the terms and conditions of said Plan for Augmentation. Specifically, Grantee is granted only the right to the extraction and use for post-pumping augmentation purposes, consistent with the 18CW3003 Decree, a 1,908 acre-foot portion of the nontributary Arapahoe aquifer, and a 1,908 acre foot portion of the nontributary Laramie-Fox Hills aquifer. The water rights conveyed herein are appurtenant to the Exhibit A property, and shall not be separated therefrom, and shall be utilized exclusively for augmentation of water uses on the Exhibit A property. Any and all other rights to the use and extraction of nontributary groundwater underlying the Redtail Ranch Subdivision not expressly granted herein is reserved to Grantor.

TOGETHER, with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the Grantee, their heirs and assigns forever. The Grantor, for himself, his heirs, personal representatives, successors and assigns does hereby convey all interests, if any, in said premises to Grantee, her heirs, personal representatives and assigns, and warrants title to the same under Grantor.

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.


By: Michael Ludwig

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

The foregoing instrument was acknowledged before me this 18 day of November, 2019, by Michael Ludwig.

My commission expires: 01-06-2021

(Seal)

Witness my hand and official seal.

GENE W KELLEY
Notary Public
State of Colorado
Notary ID # 20174000733
My Commission Expires 01-06-2021


Notary Public

SPECIAL WARRANTY DEED

THIS DEED, made this ____ day of _____, 201_, between Michael Ludwig, ("Grantor) and _____, whose address is _____, _____, CO _____, County of El Paso ("Grantee), State of Colorado:

WITNESS, that the Grantor, for and in consideration of the sum of \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto the Grantee, their heirs, successors and assigns forever, all the right, title, interest, claim and demand, if any, which the Grantor may have in and to the real property, together with improvements, if any, situate, lying and being in the County of El Paso and State of Colorado, described as following water rights:

A 1.06 annual acre foot allotment of not-nontributary groundwater in the Dawson aquifer, and a 1.06 annual acre foot allotment of not-nontributary groundwater in the Denver aquifer, based upon a 300-year aquifer life, underlying the real property more particularly described in the attached Exhibit A ("Lot of Redtail Ranch Subdivision") as attached hereto and incorporated herein by reference. Such Dawson aquifer and Denver aquifer groundwater was adjudicated and is subject to the Decree in Case No. 18CW3003, Water Division No. 2 (as consolidated with Case No. 18CW3002, Water Division No. 1), and consistent with the terms and conditions therein, Grantee is entitled to an augmented well in either the Dawson or Denver aquifer, though not both simultaneously. The rights to extract and use groundwater granted herein may be subject to re-quantification by the Division 2 Water Court and/or the State Engineer's Office to reflect actual aquifer conditions, as provided in Case No. 18CW3003, and are further expressly subject to provisions of the 18CW3003 Decree pertaining to the augmentation plan allowing the use of the subject not-nontributary Dawson aquifer groundwater, and rights and obligations associated therewith. The water rights conveyed herein are appurtenant to the Exhibit A property, and shall not be separated therefrom, shall not be separately conveyed, bartered or encumbered, and shall be utilized exclusively as the source of water supply on the Exhibit A property consistent with the plan for augmentation decreed in Case No. 18CW3003.

TOGETHER, with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the Grantee, their heirs and assigns forever. The Grantor, for himself, his heirs, personal representatives, successors and assigns does hereby Convey all interests, if any, in said premises to Grantee, her heirs, personal representatives and assigns, and warrants title to the same under Grantor.

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.

By: Michael Ludwig

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

The foregoing instrument was acknowledged before me this ____ day of _____, 201_, by Michael Ludwig.

My commission expires: _____

(Seal)

Witness my hand and official seal.

Notary Public

EXHIBIT C

DISTRICT COURT, WATER DIVISION 2, CO Court Address: 501 N. Elizabeth Street, Suite 116 Pueblo, CO 81003 Phone Number: (719) 404-8832	DATE FILED: June 26, 2018 1:21 PM CASE NUMBER: 2018CW3003
<hr/> CONCERNING THE APPLICATION FOR WATER RIGHTS OF: MICHAEL S. LUDWIG IN EL PASO COUNTY	<hr/> ▲ COURT USE ONLY ▲ Case No.: 18CW3003 (Div 2) 18CW302 (Div 1) (c/r 07CW49)
FINDINGS OF FACT, CONCLUSIONS OF LAW, RULING OF REFEREE AND DECREE	

THIS MATTER comes before the Water Referee on the Application filed by Michael S. Ludwig, and having reviewed said Application and other pleadings on file, and being fully advised on this matter, the Water Referee makes the following findings and orders:

GENERAL FINDINGS OF FACT

1. The applicant in this case is Michael S. Ludwig, whose address is 4255 Arrowhead Drive, Colorado Springs, CO 80908 ("Applicant"). Applicant is the owner of the land totaling approximately 67.94 acres on which the structures sought to be adjudicated herein are located, and are the owners of the place of use where the water will be put to beneficial use.

2. The Applicant filed this Application with the Water Courts for both Water Divisions 1 and 2 on January 16, 2018. The Application was referred to the Water Referees in both Divisions 1 and 2 on or about January 18, 2018.

3. The time for filing statements of opposition to the Application expired on the last day of March 2018. No statements of opposition were timely filed.

4. A Motion for Consolidation of the cases into Water Division 2 was filed with the Colorado Supreme Court on April 2, 2018. The Panel on Consolidated Multidistrict Litigation certified the Motion for Consolidation to the Chief Justice on April 4, 2018. Chief Justice, Nancy E. Rice, granted the Motion for Consolidation by Order dated May 8, 2018.

5. On January 18, 2018, the Water Court, Division 1 on Motion from

Applicant, ordered that consolidated publication be made by only Division 2.

6. The Clerk of this Court has caused publication of the Application filed in this matter as provided by statute and the publication costs have been paid. On February 15, 2018, proof of publication in the *Daily Transcript* in El Paso County was filed with Water Court Division 2. All notices of the Application have been given in the manner required by law.

7. Pursuant to C.R.S. §37-92-302(2), the Office of the State Engineer has filed Determination of Facts for each aquifer with this Court on June 19, 2018.

8. Pursuant to C.R.S. §37-92-302(4), the office of the Division Engineer for Water Division 2 has filed its Consultation Report dated April 27, 2018 with the Court, and a Response to the Consultation Report was filed by the Applicant on May 4, 2018. Both the Consultation Report and Response have been considered by the Water Referee in the entry of this Ruling.

9. The Water Court has jurisdiction over the subject matter of these proceedings and over all who have standing to appear as parties whether they have appeared or not. The land and water rights involved in this case are not within a designated groundwater basin.

GROUNDWATER RIGHTS

10. In addition to the amended plan for augmentation decreed herein, the Applicant requests quantification of previously-unquantified Denver Basin groundwater supplies under the approximately 28.03 acre "East Parcel" of Applicant's Property as more particularly described on attached **Exhibit A**, and as depicted on the **Exhibit B** map. Applicant seeks to utilize such newly quantified groundwater supplies in conjunction with those supplies underlying the "West Parcel" of Applicant's Property as previously quantified in Case No. 07CW49. Applicant further seeks the adjudication of underground water rights for Redtail Ranch Well Nos. 1 through 12, each to be constructed to either of the not-nontributary Dawson or Denver aquifers, and additional or replacement wells associated therewith for withdrawal of Applicant's full entitlements of supply under the plan for augmentation sought herein. The following findings are made with respect to such underground water rights:

11. The land overlying the groundwater subject to the adjudication in this case as underlying the East Parcel of Applicant's Property, as well as the associated West Parcel as described herein is owned by the Applicant and consists of approximately 67.94 acres (28.03 acres being the East Parcel, and 39.91 acres being the West Parcel). The East Parcel of Applicant's Property located in the NE¼ SE¼ of Section 9, Township 12 South, Range 65 West of the 6th P.M., El Paso County, Colorado, as more particularly described on the attached **Exhibit A**, and depicted on the attached **Exhibit B** map. Applicant intends to subdivide the entirety of Applicant's Property, including the

previously quantified West Parcel, into up to twelve lots of approximately 5 acres each. All groundwater discussed and adjudicated herein shall be withdrawn from the overlying land of Applicant's Property.

12. There are no lienholders on the Applicant's Property and the notice requirements of C.R.S. § 37-92-302 are therefore inapplicable.

13. Redtail Ranch Well Nos. 1 through 12: Redtail Ranch Well Nos. 1 through 12 will be located on the Applicant's Property in the N½ SE¼ of Section 9, Township 12 South, Range 65 West of the 6th P.M. Applicant is awarded the vested right to use Redtail Ranch Well Nos. 1 through 12, along with any necessary additional or replacement wells associated with such structures, for the extraction and use of groundwater from the not-nontributary Dawson aquifer pursuant to the Plan for Augmentation decreed herein. Such wells may be constructed to the nontributary Denver aquifer in the alternative, but no well shall at any time be constructed to more than one aquifer. Upon entry of this decree and submittal by the Applicant of a complete well permit application and filing fee, the State Engineer shall issue permits for Redtail Ranch Wells Nos. 1 through 12 pursuant to C.R.S. §37-90-137(4), consistent with the Plan for Augmentation decreed herein. Of the twelve Retail Ranch Wells decreed herein, upon information and belief, six have been previously constructed and permitted, and will upon entry of this decree be re-permitted (and redrilled if necessary) to comply with the terms and conditions of this plan for augmentation. Such existing structures are (a) Retail Ranch Well No. 1 (DWR Permit No. 68030-F), Redtail Ranch Well No. 3 (DWR Permit No. 74767-F), Redtail Ranch Well No. 5 (DWR Permit No. 74768-F), Redtail Ranch Well No. 7 (DWR Permit No. 1122), Redtail Ranch Well No. 8 (DWR Permit No. 146809), and Redtail Ranch Well No. 9 (DWR Permit No. 103645/135594).

14. Of the statutorily described Denver Basin aquifers, the Dawson, Denver, Arapahoe, and Laramie-Fox Hills aquifers all exist beneath the Applicant's Property. The Dawson and Denver aquifers underlying the Applicant's Property contain not-nontributary water, while the water of the Arapahoe and Laramie-Fox Hills aquifers underlying the Applicant's Property is nontributary. For purposes of clarity as concerns the plan for augmentation, the Court sets forth below the quantities of water underlying the East Parcel, as quantified herein, and the West Parcel, as previously quantified in Case No. 07CW49, as well as the total amount of water now quantified under both parcels in combination, as utilized in the amended plan for augmentation decreed herein. The quantity of water in the Denver Basin aquifers exclusive of artificial recharge underlying the Applicant's Property is as follows:

EAST PARCEL:

AQUIFER	Saturated Thickness (ft)	Specific Yield (%)	Total Water Adjudicated (Acre Feet)	Annual Average Withdrawal – 100 Years (Acre Feet)
Dawson (NNT)	410	.20	2,259 ¹	7.6 ²
Denver 4% (NNT)	360	.17	1,720	5.7 ²
Arapahoe (NT)	255	.17	1,220	12.2
LFH (NT)	190	.15	800	8.0

WEST PARCEL (07CW49):

AQUIFER	Saturated Thickness (ft)	Specific Yield (%)	Total Water Adjudicated (Acre Feet)	Annual Average Withdrawal – 100 Years (Acre Feet)
Dawson (NNT)	410.7	.20	3,277 ³	10.9 ²
Denver 4% (NNT)	359.6	.17	2,492	8.3 ²
Arapahoe (NT)	254.7	.17	1,733	17.3
LFH (NT)	191.4	.15	1,147	11.5

TOTAL COMBINED GROUNDWATER:

AQUIFER	Saturated Thickness (ft)	Specific Yield (%)	Total Water Adjudicated (Acre Feet)	Annual Average Withdrawal – 100 Years (Acre Feet)
Dawson (NNT)	410.7	.20	5,536	18.5 ²
Denver 4% (NNT)	359.6	.17	4,212	14.0 ²
Arapahoe (NT)	254.7	.17	2,953	29.5
LFH (NT)	191.4	.15	1,947	19.5

¹ The total available withdrawals from the Dawson aquifer underlying the East Parcel have been reduced by 41 acre feet to account for prior estimated pumping from Well Permit No. 1122, which will be repermited pursuant to this Decree as augmented Redtail Ranch Well No. 7, from Well Permit No. 146809, which will be repermited pursuant to this Decree as augmented Redtail Ranch Well No. 8, and from Well Permit No. 32323, which will be repermited pursuant to this Decree as augmented Redtail Ranch Well No. 9.

² The Dawson and Denver aquifer annual withdrawal figures represent not the 100-year aquifer life discussed at C.R.S. §37-90-137(4), but rather a 300-year aquifer life consistent with provision of a 300-year water supply in compliance with El Paso County, Colorado LDC as applicable to the subdivision of Applicant's Property.

³ The total available withdrawals from the Dawson aquifer underlying the West Parcel have been reduced by 7.7 acre feet to account for prior estimated pumping from Well Permit Nos. 68030-F, 74767-F, and 74768-F, which are to be repermited pursuant to this Decree as augmented Redtail Well Nos. 1, 3 and 5.

15. Pursuant to C.R.S. §37-90-137(9)(c.5)(I), the augmentation requirements for wells in the Dawson aquifer require the replacement to the affected stream systems of actual stream depletions on an annual basis, to the extent necessary to prevent injurious effect, based upon actual aquifer conditions. For wells constructed instead to the Denver aquifer, Applicant is required to replace only 4% of pumping. Applicant shall not be entitled to construct a well or use water from the not-nontributary Dawson or Denver aquifers except pursuant to an approved augmentation plan in accordance with C.R.S. §37-90-137(9)(c.5), including as decreed herein.

16. Applicant shall be entitled to withdraw all legally available groundwater in the Denver Basin aquifers underlying Applicant's Property. Said amounts can be withdrawn over the 300-year life of the aquifers as set forth in El Paso County, Colorado Land Development Code §8.4.7(C)(1) which requirements also satisfy the 100-year life for the aquifers as set forth in C.R.S. §37-90-137(4), or withdrawn over a longer period of time based upon local governmental regulations or Applicant's water needs. The average annual amounts of ground water available for withdrawal from the underlying Denver Basin aquifers, based upon the 300-year aquifer life is determined and set forth above, based upon the June 9, 2018 Office of the State Engineer Determination of Facts, as concerns the East Parcel, and based on the decree in Case No. 07CW49 as concerns the West Parcel.

17. Applicant shall be entitled to withdraw an amount of groundwater in excess of the average annual amount decreed herein from the Denver Basin aquifers underlying Applicant's Property, so long as the sum of the total withdrawals from wells in the aquifer does not exceed the product of the number of years since the date of issuance of the original well permit or the date of entry of the decree herein, whichever comes first, and the annual volume of water which Applicant is entitled to withdraw from the aquifer underlying Applicant's Property.

18. The Applicant shall have the right to use the ground water for beneficial uses upon the Applicant's Property consisting of domestic, commercial, irrigation, stock water, recreation, wildlife, wetlands, fire protection, piscatorial, and for storage and augmentation associated with such uses. The amount of groundwater decreed for such uses upon the Applicant's Property is reasonable as such uses are to be made for the long term use and enjoyment of the Applicant's Property and are to establish and provide for adequate water reserves. The nontributary groundwater, excepting such water reserved for post pumping depletions in the Plan for Augmentation decreed herein, may be used, reused, and successively used to extinction, both on and off the Applicant's Property subject, however, to the relinquishment of the right to consume two percent of such nontributary water withdrawn. Applicant may use such water by immediate application or by storage and subsequent application to the beneficial uses and purposes stated herein. Provided however, as set forth above, Applicant shall only be entitled to construct a well or use water from the not-nontributary Dawson aquifer pursuant to a decreed augmentation plan entered by the Court, including that plan for

augmentation decreed herein.

19. Withdrawals of groundwater available from the nontributary aquifers beneath the Applicant's Property in the amounts determined in accordance with the provisions of this decree will not result in material injury to any other vested water rights or to any other owners or users of water.

PLAN FOR AUGMENTATION

20. The structures to be augmented are Redtail Ranch Well Nos. 1 through 12 as are or may be constructed to either the not-nontributary Dawson aquifer or not-nontributary Denver aquifer underlying the Applicant's Property, along with any additional or replacement wells associated therewith. This decreed plan for augmentation effectively amends and replaces those plans for augmentation previously decreed in Case Nos. 07CW49 and 11CW37, with all aspects of both prior cases being amended and replaced by the terms and conditions herein. Any previously decreed augmented structures not specifically referenced herein, including Ludwig Pond, are hereby abandoned.

21. Pursuant to C.R.S. §37-90-137(9)(c.5), the augmentation obligation for Redtail Ranch Well Nos. 1 through 12, and any additional or replacement wells constructed to the Dawson aquifer, requires the replacement of actual stream depletions to the extent necessary to prevent any injurious effect. For wells constructed instead to the Denver aquifer, Applicant is required to replace only 4% of pumping. This plan for augmentation is intended to address the maximum of actual depletions resulting from Dawson aquifer wells, so to the extent any of the Redtail Ranch Well Nos. 1 through 12 are instead constructed to the 4% depletive Denver aquifer, injury will likewise be prevented. The water rights to be used for augmentation during pumping are the septic return flows resulting from the in-house use of water from the not-nontributary Redtail Ranch Well Nos. 1 through 12, to be pumped as set forth in this plan for augmentation. The water rights to be used for augmentation after pumping are a reserved portion of Applicant's nontributary water rights in the Arapahoe and Laramie-Fox Hills aquifers. Applicant shall provide for the augmentation of stream depletions caused by pumping the Redtail Ranch Well Nos. 1 through 12 as approved herein. Water use criteria as follows:

A. Use: The Redtail Ranch Well Nos. 1 through 12 may each pump up to 1.06 acre feet of water per year, for a maximum total of 12.72 acre feet being withdrawn from the Dawson (and/or Denver) aquifer annually. Households will utilize up to 0.26 acre feet of water per year per residence, with the additional 0.8 acre feet per year per residence available for irrigation of lawn and garden and the watering of horses or equivalent livestock, use in water features or hot tubs or other beneficial uses. The foregoing figures assume the use of twelve septic systems, with resulting return flows from each of 90% of in house uses, or 2.81 annual acre feet.

B. Depletions: Applicant has determined, as previously decreed in

Case No. 07CW49, that maximum stream depletions over the 300-year pumping period will amount to approximately twenty two percent (21.97%) of pumping. Maximum annual depletions for total residential pumping from all wells is therefore 2.79 acre feet in year 300. Should Applicant's pumping be less than the 1.06 acre feet per lot described herein, or should any of the augmented well be constructed to the 4% depletive Denver aquifer, resulting depletions and required replacements will be correspondingly reduced.

C. Augmentation of Depletions During Pumping Life of Wells: Pursuant to C.R.S. §37-90-137(9)(c.5), an assuming all of the Redtail Ranch Well Nos. 1 through 12 are constructed to the Dawson aquifer, Applicant is required to replace actual stream depletions attributable to pumping of the anticipated twelve residential wells. Applicant has determined that depletions during pumping will be effectively replaced by residential return flows from non-evaporative septic systems as described herein. The annual consumptive use for non-evaporative septic systems is 10% per year per residence. At a household use rate of 0.26 acre feet per residence per year, totaling 3.12 acre feet for all twelve residences, 2.81 acre feet is replaced to the stream system per year, utilizing non-evaporative septic systems, while maximum depletions as described above are 2.79 annual acre feet. Thus, during pumping, stream depletions will be adequately augmented.

D. Augmentation of Post Pumping Depletions: This plan for augmentation shall have a pumping period of a minimum of 300 years. For the replacement of any injurious post-pumping depletions which may be associated with the use of the Redtail Ranch Well Nos. 1 through 12, Applicant will reserve up to 1,908 acre feet of water from the nontributary Arapahoe aquifer and 1,908 acre feet of water from the nontributary Laramie Fox Hills aquifer, or such greater amounts as necessary to replace any injurious post pumping depletions. Applicant also reserves the right to substitute other legally available augmentation sources for such post pumping depletions upon further approval of the Court under its retained jurisdiction. Even though this reservation is made, under the Court's retained jurisdiction, Applicant reserves the right in the future to prove that post pumping depletions will be noninjurious. The reserved nontributary Arapahoe and Laramie-Fox Hills groundwater will be used to replace any injurious post-pumping depletions. Upon entry of a decree in this case, the Applicant will be entitled to apply for and receive new well permits for the Redtail Ranch Wells Nos. 1 through 12, including replacement permits for existing structures, for the uses in accordance with this Decree and otherwise in compliance with C.R.S. §37-90-137.

22. Because depletions occur to both the South Platte and Arkansas River systems under the State's groundwater flow model, the Application in this case was filed in both Water Divisions 1 and 2. The return flows set forth above as augmentation will accrue to only Arkansas River system where most of the depletions will occur and where the Applicant's Property is located. Under this augmentation plan, the total amount of depletions will be replaced to the Arkansas River system as set forth herein, and the Court finds that those replacements are sufficient under this augmentation plan

subject to Paragraphs 41-45 herein.

23. This decree, upon recording, shall constitute a covenant running with Applicant's Property, benefiting and burdening said land, and requiring construction of wells to the nontributary Arapahoe and Laramie-Fox Hills aquifer and pumping of water to replace any injurious post-pumping depletions under this decree, unless other post-pumping replacement supplies are substituted by order of this Court, as provided herein. Subject to the requirements of this decree, in order to determine the amount and timing of post-pumping replacement obligations, if any, under this augmentation plan, Applicant or its successors shall use information commonly used by the Colorado Division of Water Resources for augmentation plans of this type at the time. Pursuant to this covenant, the water from the nontributary Arapahoe and Laramie-Fox Hills aquifer reserved herein may not be severed in ownership from the overlying subject property. This covenant shall be for the benefit of, and enforceable by, third parties owning vested water rights who would be materially injured by the failure to provide for the replacement of post-pumping depletions under the decree, and shall be specifically enforceable by such third parties against the owner of the Applicant's Property.

24. Applicant or its successors shall be required to initiate pumping from the Arapahoe and/or Laramie-Fox Hills aquifer for the replacement of post-pumping depletions when either: (i) 3,816 acre-feet of water available from the Dawson and/or Denver aquifers allowed to be withdrawn under the plan for augmentation decreed herein has been pumped; (ii) the Applicant or its successors in interest have acknowledged in writing that all withdrawals for beneficial use through the Redtail Ranch Well Nos. 1 through 12 have permanently ceased, (iii) a period of 10 consecutive years where either no withdrawals of groundwater has occurred, or (iv) accounting shows that return flows from the use of the water being withdrawn is insufficient to replace depletions caused by the withdrawals that already occurred.

25. Accounting and responsibility for post-pumping depletions in the amount set forth herein shall continue for the shortest of the following periods: (i) the period provided by statute; (ii) the period specified by any subsequent change in statute; (iii) the period required by the Court under its retained jurisdiction; (iv) the period determined by the State Engineer; or (v) the period as established by Colorado Supreme Court final decisions. Should Applicant's obligation hereunder to account for and replace such post-pumping stream depletions be abrogated for any reason, then the Arapahoe and Laramie-Fox Hills aquifer groundwater reserved for such a purpose shall be free from the reservation herein and such groundwater may be used or conveyed by its owner without restriction.

26. The term of this augmentation plan is for a minimum of 300 years, however, the length of the plan for a particular well or wells may be extended beyond such time provided the total plan pumping allocated to such well or wells is not exceeded. Should the actual operation of this augmentation plan depart from the planned diversions described in Paragraph 21 such that annual diversions are increased or the duration of the plan is extended, the Applicant must prepare and

submit a revised model of stream depletions caused by the actual pumping schedule. This analysis must utilize depletion modeling acceptable to the State Engineer, and to this Court, and must represent the water use under the plan for the entire term of the plan to date. The analysis must show that return flows have equaled or exceeded actual stream depletions throughout the pumping period and that reserved nontributary water remains sufficient to replace post-pumping depletions.

27. Consideration has been given to the depletions from Applicant's use and proposed uses of water, in quantity, time and location, together with the amount and timing of augmentation water which will be provided by the Applicant, and the existence, if any, injury to any owner of or person entitled to use water under a vested water right.

28. It is determined that the timing, quantity and location of replacement water under the protective terms in this decree are sufficient to protect the vested rights of other water users and eliminate material injury thereto. The replacement water shall be of a quantity and quality so as to meet the requirements for which the water of senior appropriators has normally been used, and provided of such quality, such replacement water shall be accepted by the senior appropriators for substitution for water derived by the exercise of the Redtail Ranch Well Nos. 1 through 12. As a result of the operation of this plan for augmentation, the depletions from the Redtail Ranch Well Nos. 1 through 12 and any additional or replacement wells associated therewith will not result in material injury to the vested water rights of others.

CONCLUSIONS OF LAW

29. The application for adjudication of Denver Basin groundwater and approval of plan for augmentation was filed with the Water Clerks for Water Divisions 1 and 2, pursuant to C.R.S. §§37-92-302(1)(a) and 37-90-137(9)(c). These cases were properly consolidated before Water Division 2.

30. The Applicant's request for adjudication of these water rights is contemplated and authorized by law, and this Court and the Water Referee have exclusive jurisdiction over these proceedings. C.R.S. §§37-92-302(1)(a), 37-92-203, and 37-92-305.

31. Subject to the terms of this decree, the Applicant is entitled to the sole right to withdraw all the legally available water in the Denver Basin aquifers underlying the Applicant's Property, and the right to use that water to the exclusion of all others subject to the terms of this decree.

32. The Applicant has complied with C.R.S. §37-90-137(4), and the groundwater is legally available for withdrawal by the requested nontributary well(s), and legally available for withdrawal by the requested not-nontributary wells upon the entry of this decree approving an augmentation plan pursuant to C.R.S. §37-90-137(9)(c.5). Applicant is entitled to a decree from this Court confirming its rights to

withdraw groundwater pursuant to C.R.S. §37-90-137(4).

33. The Denver Basin water rights applied for in this case are not conditional water rights, but are vested water rights determined pursuant to C.R.S. §37-90-137(4). No applications for diligence are required. The claims for nontributary and nontributary groundwater meet the requirements of Colorado Law.

34. The determination and quantification of the nontributary and nontributary groundwater rights in the Denver Basin aquifers as set forth herein is contemplated and authorized by law. C.R.S. §§37-90-137, and 37-92-302 through 37-92-305.

35. The Applicant's request for approval of a plan for augmentation is contemplated and authorized by law. If administered in accordance with this decree, this plan for augmentation will permit the uninterrupted diversions from the Redtail Ranch Well Nos. 1 through 12 without adversely affecting any other vested water rights in the Arkansas River and South Platte River or their tributaries and when curtailment would otherwise be required to meet a valid senior call for water. C.R.S. §§37-92-305(3),(5), and (8).

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

36. All of the foregoing Findings of Fact and Conclusions of Law are incorporated herein by reference, and are considered to be a part of this decretal portion as though set forth in full.

37. The Application for Adjudication of Denver Basin Groundwater and for Approval of Amended Plan for Augmentation proposed by the Applicant is approved, subject to the terms of this decree.

38. The Applicant has furnished acceptable proof as to all claims and, therefore, the Application for Adjudication of Groundwater and Approval of Amended Plan for Augmentation, as requested by the Applicant, is granted and approved in accordance with the terms and conditions of this decree. Approval of this Application will not result in any material injury to senior vested water rights.

39. The Applicant shall comply with C.R.S. §37-90-137(9)(b), requiring the relinquishment of the right to consume two percent (2%) of the amount of the nontributary groundwater withdrawn. Ninety-eight percent (98%) of the nontributary groundwater withdrawn may therefore be consumed. No plan for augmentation shall be required to provide for such relinquishment.

40. The State Engineer, the Division Engineer, and/or the Water Commissioner shall not curtail the diversion and use of water covered by the Redtail

Ranch Well Nos. 1 through 12 so long as the return flows from the annual diversions associated with the Redtail Ranch Well Nos. 1 through 12 accrue to the stream system pursuant to the conditions contained herein. To the extent that Applicant or one of its successors or assigns is ever unable to provide the replacement water required, then the Redtail Ranch Well Nos. 1 through 12 shall not be entitled to operate under the protection of this plan, and shall be subject to administration and curtailment in accordance with the laws, rules, and regulation of the State of Colorado. Pursuant to C.R.S. §37-92-305(8), the State Engineer shall curtail all out-of-priority diversions which are not so replaced as to prevent injury to vested water rights. In order for this plan for augmentation to operate, return flows from the septic systems discussed herein shall at all times during pumping be in an amount sufficient to replace the amount of stream depletions.

41. The Court retains jurisdiction over this matter to make adjustments in the allowed average annual amount of withdrawal from the Denver Basin aquifers, either upwards or downwards, to conform to actual local aquifer characteristic, and that the Applicant need not refile, republish, or otherwise amend this application to request such adjustments. The Court further retains jurisdiction should the Applicant later seek to amend this decree by seeking to prove that post-pumping depletions are noninjurious, that the extent of replacement for post-pumping depletions is less than the amount of water reserved herein, and other post-pumping matters addressed in Paragraph 21.D.

A. At such time as adequate data may be available, Applicant or the State Engineer may invoke the Court's retained jurisdiction as provided in this Paragraph 41 for purposes of making a final determination of water rights as to the quantities of water available and allowed average annual withdrawals from any of the Denver Basin aquifers quantified and adjudicated herein. Any person seeking to invoke the Court's retained jurisdiction for such purpose shall file a verified petition with the Court setting forth with particularity the factual basis for such final determination of Denver Basin water rights under this decree, together with the proposed decretal language to affect the petition. Within four months of the filing of such verified petition, the State Engineer's Office shall utilize such information as available to make a final determination of water rights finding, and shall provide such information to the Court, Applicant, and the petitioning party.

B. If no protest is filed with the Court to such findings by the State Engineer's Office within sixty (60) days, this Court shall incorporate by entry of an Amended Decree such "final determination of water rights", and the provisions of this Paragraph 41 concerning adjustments to the Denver Basin ground water rights based upon local aquifer conditions shall no longer be applicable. In the event of a protest being timely filed, or should the State Engineer's Office make no timely determination as provided in Paragraph 41.A., above, the "final determination of water rights" sought in the petition may be made by the Water Court after notice to all parties and following a full and fair hearing, including entry of an Amended Decree, if applicable in the Court's reasonable discretion.

42. Pursuant to C.R.S. §37-92-304(6), the Court shall retain continuing jurisdiction over the plan for augmentation decreed herein for reconsideration of the question of whether the provisions of this decree are necessary and/or sufficient to prevent injury to vested water rights of others, as pertains to the use of Denver Basin groundwater supplies adjudicated herein for augmentation purposes. The court also retains continuing jurisdiction for the purpose of determining compliance with the terms of the augmentation plan.

43. As pertains to the Denver Basin groundwater supplies, the court shall retain continuing jurisdiction for so long as Applicant is required to replace depletions to the Arkansas stream system, to determine whether the replacement of depletions to Arkansas stream system instead of the South Platte stream system is causing material injury to water rights tributary to the South Platte stream system.

44. Any person may invoke the Court's retained jurisdiction at any time that Applicant is causing depletions, including ongoing post-pumping depletions, to the South Platte River system and is replacing such depletions to only the Arkansas River system. Any person seeking to invoke the Court's retained jurisdiction shall file a verified petition with the Court setting forth with particularity the factual basis for the alleged material injury and to request that the Court reconsider material injury to petitioners' vested water rights associated with the above replacement of depletions under this decree, together with the proposed decretal language to effect the petition. The party filing the petition shall have the burden of proof going forward to establish a prima facie case based on the facts alleged in the petition and that Applicant's failure to replace depletions to the South Platte River system is causing material injury to water rights owned by that party invoking the Court's retained jurisdiction, except that the State and Division Engineer may invoke the Court's retained jurisdiction by establishing a prima facie case that material injury is occurring to any vested or conditionally decreed water rights in the South Platte River system due to the location of Applicant's replacement water. If the Court finds that those facts are established, the Applicant shall thereupon have the burden of proof to show (i) that petitioner is not materially injured, or (ii) that any modification sought by the petitioner is not required to avoid material injury to the petitioner, or (iii) that any term or condition proposed by Applicant in response to the petition does avoid material injury to the petitioner. The Division of Water Resources as a petitioner shall be entitled to assert material injury to the vested water rights of others.

45. Except as otherwise specifically provided in Paragraphs 41-44, above, pursuant to the provisions of C.R.S. §37-92-304(6), this plan for augmentation decreed herein shall be subject to the reconsideration of this Court on the question of material injury to vested water rights of others, for a period of three years, except as otherwise provided herein. Any person, within such period, may petition the Court to invoke its retained jurisdiction. Any person seeking to invoke the Court's retained jurisdiction shall file a verified petition with the Court setting forth with particularity the factual basis for

requesting that the Court reconsider material injury to petitioner's vested water rights associated with the operation of this decree, together with proposed decretal language to affect the petition. The party filing the petition shall have the burden of proof of going forward to establish a prima facie case based on the facts alleged in the petition. If the Court finds those facts are established, Applicant shall thereupon have the burden of proof to show: (i) that the petitioner is not materially injured, or (ii) that any modification sought by the petitioner is not required to avoid material injury to the petitioner, or (iii) that any term or condition proposed by Applicant in response to the petition does avoid material injury to the petitioner. The Division of Water Resources as a petitioner shall be entitled to assert material injury to the vested water rights of others. If no such petition is filed within such period and the retained jurisdiction period is not extended by the Court in accordance with the revisions of the statute, this matter shall become final under its own terms.

46. Pursuant to C.R.S. §37-92-502(5)(a), the Applicant shall install and maintain such water measurement devices and recording devices as are deemed essential by the State Engineer or Division Engineers, and the same shall be installed and operated in accordance with instructions from said entities. Applicant is to install and maintain a totalizing flow meter on all Redtail Ranch Wells, or any additional or replacement wells associated therewith. Applicant is also to maintain records and provide reports to the State Engineer or Division Engineers as instructed by said entities, on at least an annual basis.

47. The vested water rights, water right structures, and plan for augmentation decreed herein shall be subject to all applicable administrative rules and regulations, as currently in place or as may in the future be promulgated, of the offices of Colorado State and Division Engineers for administration of such water rights, to the extent such rules and regulations are uniformly applicable to other similarly situated water rights and water users.

48. This Ruling of Referee, when entered as a decree of the Water Court, shall be recorded in the real property records of El Paso County, Colorado. Copies of this ruling shall be mailed as provided by statute.

DATED THIS 26th day of June, 2018.

BY THE REFEREE:

Mardell R. DiDomenico



Mardell DiDomenico, Water Referee
Water Division 2

DECREE

THE COURT FINDS THAT NO PROTEST WAS MADE IN THIS MATTER, THEREFORE THE FOREGOING RULING IS CONFIRMED AND APPROVED, AND IS HEREBY MADE THE JUDGMENT AND DECREE OF THIS COURT.

Dated: July ____, 2018.

BY THE COURT:

Honorable Larry C. Schwartz
Water Judge, Water Division 2
State of Colorado

EXHIBIT A – Applicant’s Property

PARCEL A:

LOTS 1 AND 2, WALKER PLACE, COUNTY OF EL PASO, STATE OF COLORADO, AS AMENDED BY SURVEYOR’S AFFIDAVIT OF AMENDMENT RECORDED APRIL 6, 2010 UNDER RECEPTION NO. 210031708, ALSO KNOWN AS THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO.

PARCEL B:

A NON-EXCLUSIVE RIGHT OF WAY FOR PUBLIC DRIVEWAY PURPOSES OVER THE SOUTH 330 FEET OF THE WEST 20 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND OVER THE WEST 20 FEET OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, AS CREATED BY DEED RECORDED SEPTEMBER 6, 2006 UNDER RECEPTION NO. 206131909.

PARCEL C:

A NON-EXCLUSIVE EASEMENT FOR ACCESS, DRAINAGE AND DRIVEWAY GRADING OVER A PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, AS CREATED BY EASEMENT RECORDED JUNE 8, 2009 UNDER RECEPTION NO. 209064392.

PARCEL D:

THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO.

PARCEL E:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, AND THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, EXCEPT FOR THE EAST 30 FEET THEREOF FOR A PUBLIC ROAD, AND EXCEPT FOR THAT PORTION THEREOF CONVEYED BY SPECIAL WARRANTY DEED RECORDED OCTOBER 3, 2006 UNDER RECEPTION NO. 206145897.

PARCEL F:

THE NORTH 330.0 FEET OF THE EAST 660.0 FEET OF THE SOUTH 990.0 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, EXCEPT FOR THE EAST 30 FEET THEREOF FOR A PUBLIC ROAD, AND EXCEPT FOR THAT PORTION THEREOF CONVEYED BY SPECIAL WARRANTY DEED RECORDED OCTOBER 3, 2006 UNDER RECEPTION NO. 206145897.

Note: Parcels E & F constitute the “East Parcel”, as referenced in the Application.

a/k/a: El Paso County Assessor Schedule Nos. 5209000128, 5209000129, 5209002006, and 5209002008

Ludwig Application

Exhibit B Location/Property Map

Legend

- East Parcel
- Ludwig/Applicant's Property



DISTRICT COURT, WATER DIVISION 2, COLORADO Court Address: 501 North Elizabeth Street, Suite 116 Pueblo, CO 81003 (719) 404-8832		▲ ▲ COURT USE ONLY
CONCERNING THE APPLICATION FOR WATER RIGHTS OF: MICHAEL S. LUDWIG IN EL PASO COUNTY.		
		Case Number: 2018CW3003
NOTICE OF TRANSMITTAL AND CERTIFICATE OF SERVICE		

To: All Parties

Ruling of Referee enclosed. If you wish to protest said Ruling, a pleading in protest must be filed within the time provided by statute. (Forms available at Clerk's Office).

Please check carefully, and if you find any errors or have any questions, call the Water Referee right away. In the absence of any protest, the Water Judge will enter a judgment and decree, or may reverse, or reverse and remand any ruling which he deems contrary to law, or may modify same, after the expiration of the time for protests.

I hereby certify that I served through the approved judicial branch e-filing service provider a true and correct copy of the foregoing and Ruling to:

Name	Party	Attorney
Ludwig, Michael S.	Applicant	Cummins, Christopher Dale #35154
Division 2 Engineer	Division Engineer	Division 2 Water Engineer #905101
State Engineer	State Engineer	Colorado Division Of Water Resources #900040

Witness my hand and the seal of this Court. Date: June 26, 2018.

Mardell R. DiDomenico, Clerk
District Court Water Div. 2
501 N. Elizabeth Street, Suite 116
Pueblo, CO 81003
Telephone: (719) 404-8832

Mardell R. DiDomenico



By: _____
Clerk

Faint, diagonal watermark text: "Mardell R. DiDomenico, Clerk"

**DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
REDTAIL RANCH SUBDIVISION**

Michael Ludwig ("Declarant") is the sole owner of real property which is more particularly described on **Exhibit A**, and depicted on the **Exhibit B** draft Plat, attached hereto and incorporated by this reference generally known as the Redtail Ranch Subdivision and hereinafter referenced as the "Subdivision" or the "Community". The Declarant desires to place limited protective covenants, conditions, restrictions, reservations, liens and charges upon the Subdivision to protect the Subdivision's quality residential living environment, to protect its desirability, attractiveness and value, and to ensure compliance with all applicable judicial decrees concerning water and water rights to be utilized within the Subdivision.

The Declarant hereby declares that all of the Subdivision as hereinafter described, with all appurtenances, facilities and improvements thereon, shall be held, sold, used, improved, occupied, owned, resided upon, hypothecated, encumbered, liened, and conveyed subject to the following easements, reservations, uses, limitations, obligations, restrictions, covenants, provisions and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision, and for assurance of legal water usage, and all of which shall run with the land and be binding on and inure to benefit of all parties having any right, title or interest in the Subdivision or any part thereof, their heirs, successors and assigns.

Certain documents are recorded in the real estate records of the Clerk and Recorder of El Paso County, Colorado at the reception numbers noted below, and referred to in this Declaration of Covenants as pertaining to the Subdivision. These include the Findings of Fact, Conclusions of Law, Ruling of Referee, and Decree concerning underlying groundwater and approval of a Plan for Augmentation as entered by the Water Court, Water Division No. 2 in Case No. 18CW3003 recorded at Reception No. 218082607 ("Augmentation Plan" or "Water Decree"), attached hereto as **Exhibit C**.

1. Definitions. The following terms utilized herein shall have the following definitions for purposes of these Declarations:

A. Act. The Act is the Colorado Common Interest Ownership Act, C.R.S. §§38-33.3-101 to 38-33.3-402, as amended from time to time, which may provide a uniform and comprehensive framework for common interest communities. Notwithstanding anything else herein to the contrary, Redtail Ranch Subdivision is exempt from all provisions of the Act except C.R.S. §§38-33.3-105 to 38-33.3-107 as set forth in Paragraph 2, concerning taxation, applicability of local codes, and eminent domain.

B. Association. Declarant by these Declarations forms the Redtail Ranch Homeowners Association, to be incorporated consistent with the provisions of

Colorado law for non-profit corporations. The Association shall represent the owners of Lots within the Subdivision, and shall have the following powers:

i. To operate the Community in accordance with these Declarations;

ii. To promote the health, safety, welfare and common benefit of the Owners and residents of the Subdivision consistent with the terms and conditions of these Declarations;

iii. To do any and all permitted acts and to have and exercise any and all powers, rights and privileges that are granted to an Association under the laws of the State of Colorado, consistent with these Declarations, and with any Bylaws, Rules or other forming or governing documents of the Subdivision and Association.

C. Common Elements. The "Common Elements" are any and all real estate of the Community which is not part of a "Lot", including but not limited to: an private streets, roads, or trails, any traffic control facilities, any culverts or other drainage facilities (including "detention basin/BMP's as described in the "Private Detention Basin/Stormwater Quality Best Management Practice Maintenance Agreement and Easement" as more particularly described in Paragraph 3.B.i, hereof), centrally located mailboxes or monument signs, the "augmentation well" as described herein, and any and all appurtenant easements to the same, all of which shall be owned by and the property of the Association. All such Common Elements are identified on the Subdivision Plat, recorded in conjunction with these Declarations, again being any area within the Redtail Ranch Community not identified as a "Lot".

D. Common Expenses. The "Common Expenses" are the expenses or financial liabilities for the operation of the Subdivision by the Association. "Common Expense Assessments" are funds required to be paid by each Lot owner in payment of such Owner's pro-rata share of Common Expenses. These expenses may include, but are not limited to:

i. Expenses related to administration, maintenance, construction, improvement, repair or replacement of Common Elements;

ii. Expenses for utilities not separately metered and billed directly to Lot owners, if any;

iii. Expenses declared to be Common Expenses by these Declarations or applicable law;

iv. Expenses agreed upon as Common Expenses by vote of the Lot owners;

v. Reasonable reserves established by the Association, if any, whether held in trust or by the Association for repair, replacement, or addition to the Common Elements or any other real or personal property acquired or held by the Association.

In addition, any costs and expenses imposed upon the Association which benefit fewer than all of the Lots within the Subdivision shall be a "Common Expense" but, except as otherwise stated in these Declarations, shall be assessed exclusively against those Lots benefitted.

E. Director. A Director is a member of the Executive Board of the Association.

F. Improvements. Improvements are any construction, structure, equipment, fixture, or facilities existing, or to be constructed on, the property that is included in the Subdivision, including, but not limited to, residences, buildings, trees, and shrubbery planted by Lot owners, the Declarant, or the Association, utility wires, pipes, poles, light poles, swimming pools, painting of the exterior surfaces of any structure, additions, outdoor sculptures or artwork, sprinkler pipes, garages, barns, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, patios, porches, sheds, fixtures, signs, exterior tanks, tennis courts, solar equipment, exterior air conditioning and water softener fixtures, grading, excavation, filling, or similar disturbance to the land, including, change of grade, change of drainage pattern, change of ground level, or change of stream bed, and any change to previously approved Improvements.

G. Lot. If used in these Declarations, the term "Lot" shall mean one of the twelve lots created through the El Paso County land use planning process for the Redtail Ranch Subdivision. It is Declarant's intent that the Lot numbers used herein, if at all, correspond to the Lot numbers assigned on the Subdivision Plat (the Plat being recorded in conjunction with these Declarations, and a draft attached as **Exhibit B**).

H. Member. As used in these Declarations, the term "Member" shall be a member/Lot owner within the Association.

I. Plat. Plat means that certain document entitled "Plat of Redtail Ranch Subdivision," to be recorded in the Records of the Clerk and Recorder for El Paso County, Colorado.

J. Rules. The Rules are the regulations for the use of Common Elements and for the conduct of persons within the Common Interest Community, as may be adopted by a simple majority of Lot owners from time to time pursuant to these Declarations.

2. Name and Type of Community. The name of the Community is Redtail Ranch. Redtail Ranch is a planned community, but is exempt from the Act as set forth below.

A. Association. The name of the Association is Redtail Ranch Homeowners Association, Inc., a Colorado non-profit corporation.

B. Exemption From the Act. In accordance with C.R.S. §38-33.3-116(2), the property covered by the Subdivision is only subject to C.R.S. §§38-33.3-105, 38-33.3-106 and 38-33.3-107 of the Act as the annual average common expense liability of each Lot, exclusive of any optional user fees and any insurance premiums paid by the Association, shall not exceed four hundred dollars, as adjusted pursuant to C.R.S. §38-33.3-116(3). Except as stated in this Paragraph 2.B., the Act shall not apply to these Declarations, the Association, the Subdivision, or the Redtail Ranch property.

3. Maintenance of Lots/Property.

A. Individual Lots. It shall be the duty and obligation of each Owner of a Lot within the Subdivision, at such Owner's expense, to beautify and keep neat, attractive, and in good order such Owner's residence and the exterior portions of the dwelling thereon, and to maintain, repair, and replace the same.

B. Duties of the Association. The Association shall maintain, repair, replace, keep free from snow and in good order, to the extent that such functions are not expected to be performed by any political subdivision of the State of Colorado, all of the Common Elements, including, but not limited to, any private common roadways as depicted on the Plat. "Maintenance" or "repair" includes, but is not limited to, graveling, paving, draining, removing snow, clearing, or providing any other maintenance or repair-type service however defined, on any private roadway which may be part of the Common Elements. The Association may, from time to time, hire and/or contract with third parties to achieve the objectives of this Paragraph 6.B. If such expense is attributable to a specific Lot owner, such expense may be assessed following notice and hearing, consisting of 30-days advance written notice to said Lot owner, and an opportunity to voice any concerns or complaints to the Executive Board at its next scheduled Association meeting. Notwithstanding the foregoing, the Lot owners, to the extent practicable, shall cooperate and attempt to agree unanimously as to how snow removal from any Common Elements will be accomplished by the Lot owners and/or the Association.

i. In addition to and included within the general duties of the Association as described above, The Association is obligated, consistent with that "Private Detention Basin/Stormwater Quality Best Management Practice Maintenance Agreement and Easement" entered by and between the Association, Declarant, and the Board of County Commissioners of El Paso County, Colorado dated 2/9/15 4:17 PM, 2019, to inspect, clean, maintain, and repair the detention basin/BMP(s). The Association, by signature below accepting and acknowledging these Declarations, has

adopted the "Private Detention Basin/Stormwater Quality Best Management Practice Maintenance Agreement and Easement" as an obligation of the Association, and the assessment mechanisms described in these Declarations shall be utilized as a funding mechanism for such purposes. The "Private Detention Basin/Stormwater Quality Best Management Practice Maintenance Agreement and Easement" is hereby incorporated by reference in these Declarations and both the Association and Declarant acknowledge and agree that said Agreement touches and concerns each and every lot within the Subdivision.

4. Construction - Declarant's Easement. The Declarant reserves the right to perform warranty work, repairs, and construction work on Lots and Common Elements, to store materials in secure areas, and to control, and have the right of access to, work and repairs until completion of Declarant's work within the Subdivision. All work may be performed by the Declarant and his agents and assigns without the consent or approval of the Association. The Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising his rights, whether arising under the Act or reserved in this Declaration. This easement includes the right to convey access, utility, and drainage easements to utility providers, special districts, El Paso County, or the State of Colorado.

5. Signs and Marketing. The Declarant reserves the right to post and maintain signs and displays on any Lot owned by Declarant and in the Common Elements in order to promote sales of Lots. Declarant also reserves the right to conduct general sales activities in a manner that will not unreasonably disturb the rights of Lot owners.

6. Declarant's Property. The Declarant reserves the right to remove and retain all his property and equipment used in the sales, management, construction, and maintenance of the Property, whether or not they have become fixtures.

7. Declarant Control of the Association.

A. Subject to Paragraph 7.B. below, there shall be a period of Declarant control of the Association, during which a Declarant, or any persons designated by the Declarant, may appoint, and remove non-elected officers, of the Association, and Members of the Executive Board, and such persons are not required to be Lot owners. The period of Declarant control shall terminate no later than the earlier of:

i. 60 days after conveyance to Lot owners other than a Declarant of 75 percent of the Lots that may be created in the Common Interest Community (*i.e.* 60 days following the sale of the 9th Lot); or

ii. Two years after the last conveyance of a Lot by the Declarant in the ordinary course of business. Declarant may voluntarily surrender the right to appoint and remove officers of the Association, and Members of the Executive

Board, before termination of the period described above. In that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

B. Not later than 60 days after conveyance to Lot owners other than a Declarant of 25 percent of the Lots (*i.e.* 3 Lots), at least one Member of the Executive Board shall be elected by Lot owners other than the Declarant. Not later than 60 days after conveyance to Lot owners other than a Declarant of 50 percent of the Lots (*i.e.* 6 Lots), not less than 2 of the Members of the Executive Board must be elected by Lot owners other than the Declarant.

C. Not later than the termination of any period of Declarant control, the Lot owners shall elect an Executive Board of at least three Members, all of whom shall be Lot owners. If any Lot is owned by a partnership, limited liability company, corporation, or similar entity, any officer, partner, manager, member, or employee of that Lot owner shall be eligible to serve as a Member of the Executive Board and shall be deemed to be a Lot owner for the purposes of the preceding sentence. The Executive Board shall elect the officers. The Executive Board Members and officers shall take office upon election.

D. Notwithstanding any provision of these Declarations, or the Bylaws to the contrary, following proper notice the Lot owners, by a vote of 67 percent of all Lot owners present and entitled to vote at a meeting of the Lot owners at which a quorum is present, may remove a Member of the Executive Board, with or without cause, other than a Member appointed by the Declarant.

8. Limitations on Special Declarant Rights. Unless terminated earlier by an amendment to these Declarations executed by the Declarant, any Special Declarant Right may be exercised by the Declarant until the earlier of the following: as long as the Declarant (a) is obligated under any warranty or obligation; (b) owns any Unit; (c) owns any Security Interest in any Unit; or (d) four (4) years have elapsed after recording of these Declarations. Earlier termination of certain rights may occur by statute. Nothing herein shall be deemed to affect the exemption from the Act as set forth in pursuant to Paragraph 2 of these Declarations.

9. Liability for the Common Expenses. Except as expressly provided elsewhere in these Declarations, the percentage of liability for Common Expenses allocated to each Lot shall be based prorata to the total number of Lots in the Common Interest Community (*i.e.*, 1/12th per lot) provided, however, that if a Lot owner combines two or more Lots with the intent of utilizing the combined lots for a single residence, such resulting combined Lots shall reduce the overall number of Lots for prorata allocation (*i.e.* the combined Lots are a single lot resulting in a total number of Lots of 11, 1/11th per Lot interests). Nothing contained in this Paragraph 9 shall prohibit certain Common Expenses from being apportioned to particular Lots consistent with the terms

and conditions of these Declarations, when such expenses are not related to all Lots equally.

10. Votes. The Lot owners in the Common Interest Community, including the Declarant as to any Lots owned by the Declarant, shall have one vote in the affairs of the Association per Lot owned provided, however, that if a Lot owner combines two or more Lots with the intent of utilizing the combined Lots for a single residence, such resulting combined Lots shall have only a single vote. If more than one person owns a Lot, those persons must agree on how to cast that Lot's membership vote. Co-owners may not cast fractional votes. A vote by a co-owner for the entire Lot's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner objects at the time the vote is cast, in which case such Lot's membership vote shall not be counted. Combined Lots shall each have one vote (*i.e.*, thereby resulting in fewer total votes).

11. Easements.

A. Existing Easements. All easements or licenses to which the Community is presently subject are shown on the Plat, attached as **Exhibit B**.

B. Granting of Future Easements. The Community may be subject to other easements or licenses granted by the Declarant if provided for by this Declaration.

C. Owner's Easement Across Common Elements. Every Lot owner shall have an unrestricted right and easement for ingress to, and egress from, such owner's Lot over and across any Common Elements, which easement shall be appurtenant to and shall pass with the title to every Lot, subject to the right of the Declarant and/or the Association to dedicate or transfer all or part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer by the Association shall be effective unless an instrument signed by 67 percent of the Lot owners agreeing to such dedication or transfer has been recorded in the records of the Clerk and Recorder for El Paso County, Colorado.

D. Easements Reserved and Restrictions on Drainage Easements. Easements and rights of way are reserved on, over, and under the Common Elements and the Lots as shown on the Plat, for construction, maintenance, repair, replacement, and reconstruction of poles, wires, pipes and conduits for lighting, heating, air conditioning, electricity, gas, telephone, drainage and any other public or quasi-public utility service purposes, for sewer and pipes of various kinds, and for any other necessary maintenance or repair.

E. Easement for Emergency Access. There is hereby created a right of access across all portions of the Subdivision for the passage of emergency vehicles and police, fire, and other emergency service workers.

12. Building/Subdivision Restriction. The Subdivision consists of twelve (12) lots, and by these Covenants, a building restriction is hereby placed on all Lots within the Redtail Ranch subdivision prohibiting the construction of any permanent structures, buildings or above ground improvements on any platted drainage/stormwater easements, public utility easements, building setbacks, or other vested rights of way. An owner of one or more adjacent Lots may vacate interior lot lines through processes prescribed by El Paso County, but no further subdivision of any Lot shall be permitted.

13. Maintenance of Natural Forest/Vegetation Along Lot Lines. The Redtail Ranch Subdivision is located in the Black Forest, a natural environment of Ponderosa pine, Douglas fir and associated montane ecosystems. While the land within the Redtail Ranch Subdivision was impacted by the 2013 Black Forest Fire, stands of mature Ponderosa pine and Douglas fir trees remain throughout the subdivision as of the time of these Declarations, which create natural visual/sight barriers between Lots as well as maintain the natural ecosystem for local flora and fauna. Except for purposes of disease and blight control, public safety, and to the extent necessary to prepare building sites for a primary residence upon a platted Lot, no portion of the remaining natural Ponderosa/Fir tree barrier described in this Paragraph 13. may be removed, timbered, cut down, or otherwise materially altered, absent amendment of these covenants by a majority of lot owners, or by Declarant.

14. Dwelling Area Requirements. No dwelling structure shall be constructed unless the ground floor area, *i.e.* footprint area, of the main structure exclusive of open porches, basements, and garages, is as follows: more than two thousand (2,000) square feet for a one-story dwelling; or, more than eighteen hundred (1,800) square feet on the main level of a dwelling more than one story, whether split level or otherwise. Minimum finished area for a multi-story home shall be at least twenty-five hundred (2,500) square feet. Attached garages are required for any future constructed homes and shall be of size to accommodate not less than two full-sized cars, and for purposes of this paragraph "attached" may include by breezeway. Owners are encouraged to have a full basement whenever possible. Ranch style homes must have a basement equal to at least three-fourths ($\frac{3}{4}$) of the square footage of the main level.

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

16. Underground Utilities. All future newly installed utilities, except for lighting standards and customary service devices for meters, transformers, access, control or use of utilities, shall be installed underground. Small satellite dishes for telecommunications shall be permissible.

17. Wells and Mineral Excavation. No portion of any Lot within the Subdivision shall be used to explore for or to remove any water, soil, hydrocarbons, or other minerals of any kind, with the exception of properly permitted and authorized water wells consistent with the augmentation plan described in the Water Decree.

18. Maintaining of Drainage. There shall be no interference with the established drainage pattern as planned by Declarant for the entire Subdivision, including those drainage structures identified and included on the Plat.

19. Restoration in the Event of Damage or Destruction. In the event of damage or destruction of any Improvement on a Lot, the owner thereof shall cause the damaged or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Association, or the owner shall cause the damaged or destroyed Improvement to be demolished, removed, and the Lot to be suitably landscaped, subject to the approval of the Association, so as to present a pleasing and attractive appearance. All such restoration, or demolition and removal, shall be completed within 1 year of the event causing the damage or destruction.

20. Building Material Standards. At least thirty percent (30%) of the front facade of the dwelling Structure shall consist of stone, brick, or stucco or a combination of these materials. Siding such as aluminum or vinyl is not permitted. Lap siding shall be no more than 6 inches. Aluminum, wood or vinyl clad windows are permitted; however, all aluminum windows shall be anodized and painted or coated with a color to blend with or compliment the color of the dwelling. Gutters, if installed, shall be painted the same color as the adjoining trim color of the dwelling, or otherwise complimentary.

21. Accessory Building and Yard Items. All future constructed "accessory buildings" or structures, or yard items, whether movable or immovable, including without limitation, children's play or swim sets, basketball hoops, equipment or appliances, fountains, yard ornaments, masonry figures, and above-ground swimming pools, shall be permitted only if they are designed and installed to blend in with the overall architecture of the main dwelling structure. Metal and pre-manufactured storage sheds will not be allowed, except to the extent they likewise blend in with the overall architecture of the main dwelling structure. Structures in existence at the time of these Declarations are exempt from this Paragraph 21, and determination of compliance with this Paragraph 21 shall be in the discretion of the Association Board. Owners are encouraged to seek advance approval of any outbuilding or accessory structure from the Association.

22. Fences. All fencing shall be designed to blend with the architectural design of the main dwelling structure, and the overall appearance of the community. Three-rail and split-rail fencing is encouraged. Barbed wire fencing is prohibited and chain link fencing may only be used for dog run enclosures with cumulative area not to exceed eight hundred (800) square feet and height not to exceed six (6) feet.

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

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

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

26. Garage Doors. All garage doors shall be equipped with automatic remote control openers and shall be kept closed except when being used to permit immediate ingress and egress to or from the garage.

27. Solar Collectors. Solar collectors or other solar devices are permitted so long as they are designed and installed to blend in with the overall architecture of other improvements on the Lot. Any roof or wall-mounted collectors or solar devices must be built-in to the roof or wall, be flush with, and of the same or substantially similar pitch as, the adjacent portions of the building, and be architecturally compatible with the building upon which they are affixed. Ground level freestanding solar collectors or solar devices will be permitted as long as they are designed or screened in a manner so as to be visually compatible with the buildings and landscaping on the Lot involved and to not impact views from adjacent of nearby Lots within the Subdivision.

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

29. Weeds. Lot owners are responsible for removing plants infected with noxious insects or plant diseases which are likely to cause a spread of noxious insects

or plant diseases to neighboring properties, and for controlling and removing weeds declared noxious by applicable governmental authorities and in accordance with Colorado and El Paso County weed control rules and regulations, whether or not structures have been constructed thereon.

30. Animals.

A. No animals or livestock of any kind shall be housed, raised or kept on any Lot within the Subdivision, either temporarily or permanently, except as expressly provided in this Paragraph 30, as follows: (i) commonly accepted domesticated birds, fish, dogs, cats, and other small domestic animals permanently confined as household pets; (ii), an aggregate of not more than five (5) domesticated dogs and cats, or similar animals, and up to four (4) horses or other similarly large livestock, may be maintained in or kept on each Lot. No such domesticated animals may be kept or maintained in violation of provisions of the Water Decree, attached as **Exhibit C**, nor in violation of any government regulation, and all such domesticated animals must be thoroughly secured and maintained within the Lot of the owner of such animals, and any and all such "farm animals" shall be kept for the use and enjoyment of the Lot owner, not for commercial purposes; and (iii) fowl, chickens, ducks or similar fowl, not to exceed twelve (12), for personal use and enjoyment of the Lot owner may be kept and maintained in accordance with the El Paso County chicken ordinances and applicable resolutions; no roosters are permitted.

B. No animal of any kind shall be permitted which produces sounds or smells that may be reasonably regarded as offensive, or as a nuisance.

C. No kennels, whether for breeding, rent, or sale shall be allowed within the Subdivision.

D. Incessantly barking and/or off-leash dogs, and loose cats, may harm wildlife and disturb the peace of the Subdivision, and are therefore prohibited. Dogs shall not be permitted to run loose and shall be kept under the control of the Owner at all times. No exterior doghouses or kennels will be permitted unless fully screened from all adjacent streets and houses, and designed to blend with the overall architecture of the primary dwelling structure on the Lot.

E. Horses shall be kept within an enclosure, corral, stable, loafing shed, or barn at all times when not being used for riding or controlled grazing. Open uncontrolled grazing is prohibited; controlled grazing outside of an enclosure, corral, stable or barn shall not exceed 10 hours during any 24-hour period. The purpose of this restriction is to preserve natural grass and minimize erosion. During unusually dry seasons or drought cycles, owners shall further curtail the controlled grazing adequately to preserve the natural grass and minimize erosion. El Paso County regulations which may govern locations and maintenance of stable facilities, if more stringent than these Declarations, shall pertain. Stables, barns, loafing sheds, corrals or other enclosures shall be of finished construction, completely enclosed, and complimentary to the design,

construction, location and color of the primary dwelling structure on the Lot, and no such ancillary facilities may be constructed on any Lot prior to completion of construction of said primary dwelling structure except in cases of multiple contiguous lot ownership wherein a house has been constructed on one of the contiguously owned Lots within the Subdivision. Corrals shall not exceed 5,000 square feet in size. All stables, corrals, or any structure for housing, enclosure or feeding of horses shall be maintained in compliance with all lawful sanitary regulations.

31. Antennas. Attic antennas inside any dwelling (as opposed to roof antennas) are effective, are less vulnerable to damage, and are encouraged. Visible antennas are prohibited. Small satellite dish antennas may be installed where they will be unobtrusive. Only devices 28 inches in largest dimension or smaller shall be permitted unless screened in a manner that precludes unattractive views from public roads and adjoining Lots within the Subdivision.

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

33. Water Decree and Augmentation Plan.

A. Decree/Summary. The Subdivision shall be subject to the obligations and requirements as set forth in the July 18, 2018 Judgment and Decree affirming the June 26, 2018 Findings of Fact and Ruling of Referee granting underground water rights and approving a plan for augmentation, as entered by the District Court for Water Division 2, State of Colorado, in Case No. 18CW3003 (consolidated with Division 1 Case No. 18CW3002), as recorded at Reception No. 218082607 of the El Paso County Clerk and Recorder, which is incorporated by

reference (“Augmentation Plan” or “Water Decree”, **Exhibit C**). The Augmentation Plan concerns the water rights and water supply for the Subdivision and creates obligations upon the Association, and the Lot owners, which run with the land. The water supply for the Subdivision shall be by individual wells to the not-nontributary Dawson (or Denver, but not both) aquifer, under the Augmentation Plan. The Augmentation Plan contemplates that each Lot owner will be responsible for obtaining a permit from the Colorado Division of Water Resources and drilling an individual well for water service to their residence and lot to the shallow Dawson aquifer (or nontributary Denver aquifer), and use of such well as consistent with the terms of the Augmentation Plan, including wastewater treatment through a non-evaporative individual septic disposal system (“ISDS”). Lot owners will be the owners of the Dawson aquifer underlying each of their lots (and the deeper nontributary Denver aquifer, as an alternative water source), while the Association will own the plan for augmentation, be responsible for reporting and administration based on pumping records provided by each Lot Owner, and eventually for replacement of any injurious post-pumping depletions requiring construction of deep wells to the Arapahoe and/or Laramie-Fox Hills aquifers at such time as all Dawson aquifer pumping ceases.

B. Water Rights Ownership.

i. Declarant will transfer and assign to the Association all right, title and interest in the Augmentation Plan and water rights thereunder, except as set forth below. Those water rights assigned include a portion of the ground water in the nontributary Arapahoe aquifer (at least 1,908 acre-feet), and all of the Laramie-Fox Hills aquifer (at least 1,908 acre feet) of the Denver Basin, as adjudicated in the Augmentation Plan, and as reserved for replacement of any injurious post-pumping depletions.

ii. Declarant will transfer and assign to each Lot owner a proportionate prorata-per-acre interest in the not-nontributary Dawson aquifer, as well as the nontributary Denver aquifer and the portion of the nontributary Arapahoe aquifer not transferred and assigned to the Association, as adjudicated in the Water Decree as the physical source of supply for each Lot, and reserve water for each Lot owner. The Dawson aquifer well on each Lot shall be augmented per the Augmentation Plan as administered by the Association. Based on the Declarant’s intent expressed in these Covenants that each Lot owner will be able to withdraw water from either the Dawson or Denver aquifers, in order to comply with El Paso County’s 300-year water supply requirement, Declarant shall convey to each Lot owner at least 318 acre-feet total (1.06 acre-feet/year x 300 years) of Dawson aquifer water, and at least 318 acre-feet total (1.06 acre-feet/year x 300 years) of Denver aquifer water.

iii. The Declarant will further assign to the Association all obligations and responsibilities for compliance with the Augmentation Plan, including monitoring, accounting and reporting obligations. The Association shall assume and perform these obligations and responsibilities. By this assignment to the Association, the Declarant is relieved of any and all responsibilities and obligations for the

administration, enforcement and operation of the Augmentation Plan. Such conveyance shall be subject to the obligations and responsibilities of the Augmentation Plan and said water rights may not be separately assigned, transferred or encumbered by the Association, nor by the Lot owners. The Association shall maintain such obligations and responsibilities in perpetuity, unless relieved of such augmentation responsibilities by decree of the Water Court, or properly entered administrative relief.

iv. Each Lot owner's water rights in the not-nontributary Dawson aquifer underlying their respective Lot shall remain subject to the Augmentation Plan, and shall, transfer automatically upon the transfer of title to each Lot as an appurtenance, including the transfer by the Declarant to the initial owner of a Lot, whether or not separately deeded. The ground water rights in the Dawson aquifer subject to the Augmentation Plan cannot and shall not be severable from each respective Lot, and each Lot owner covenants that it cannot sell or transfer such ground water rights to any party separate from the conveyance of the Lot.

v. All nontributary Denver Basin groundwater in the Denver aquifer, and a prorata-per-acre portion of the groundwater in the nontributary Arapahoe aquifer underlying each Lot and not reserved and assigned to the Association for augmentation of any injurious post-pumping depletions, consistent with the Augmentation Plan, are likewise to be deeded, assigned and transferred to the overlying Lot owner on a prorata-per-acre basis, and may be used in said Lot owner's sole and complete discretion, subject to the terms and conditions of these Declarations and the Augmentation Plan.

vi. The Dawson and Denver aquifer water rights conveyed to each Lot Owner, and the nontributary Arapahoe and Laramie-Fox Hills water rights conveyed to the Association, as described in this Paragraph 33.B., and return flows therefrom, shall not be sold, leased or otherwise used for any purpose inconsistent with the Augmentation Plan decreed in Case No. 18CW3003 and these Covenants, and shall not be separated from the transfer of title to the land, or in the case of the nontributary groundwater from ownership by the Association, and shall not be separately conveyed, bartered or encumbered.

C. Water Administration.

i. Each Lot owner shall limit the pumping of each individual Dawson aquifer well per Lot to a maximum of 1.06 acre feet annually, consistent with the Augmentation Plan. Each Lot owner shall further ensure that the allocations of use of water resulting from such pumping as provided in the Augmentation Plan is maintained, as between in-house, irrigation, stock water and other allowed uses. Each Lot owner shall use non-evaporative septic systems in order to ensure that return flows from such systems are made to the stream system to replace depletions during pumping and shall not be sold, traded or used for any other purpose. The Association, as the owner of all obligations and responsibilities under the Augmentation Plan, shall administer and enforce the Augmentation Plan as applies to each Lot owner's

respective Lot and pumping from individual Dawson aquifer wells. Such administration shall include, without limitation, accountings to the Colorado Division of Water Resources under the Augmentation Plan and taking all necessary and required actions under the Augmentation Plan to protect and preserve the ground water rights for all Lot owners. Each Lot owner, and the Association, have the right to specifically enforce, by injunction if necessary, the Augmentation Plan against any other Lot owner, or the Association, for failing to comply with the Lot owner's and/or Association's respective obligations under the Augmentation Plan, including the enforcement of the terms and conditions of well permits issued pursuant to the Augmentation Plan, and the reasonable legal costs and fees for such enforcement shall be borne by the party against whom such action is necessary. The use of the not-nontributary Dawson ground water rights owned by each Lot owner is restricted and regulated by the terms and conditions of the Augmentation Plan and these Declarations, including, without limitation, that each Lot owner is subject to the maximum annual well pumping of 1.06 acre feet. Failure of a Lot owner and/or the Association to comply with the terms of the Augmentation Plan may result in an order from the Division of Water Resources under the Augmentation Plan to curtail use of ground water rights.

ii. Each Lot owner shall promptly and fully account to the Association for total pumping from the individual well to the not-nontributary Dawson Aquifer on each Lot, including for any irrigation, stockwater or other permitted/allowed uses as may be required under the Augmentation Plan. The frequency of such accounting shall be annually, unless otherwise reasonably requested by the Division or Water Resources, as may be advised by the Association. The Association shall provide the Division of Water Resources with integrated accounting for pumping of all not-nontributary individual Dawson aquifer wells on each Lot on an annual basis, unless otherwise reasonably requested by the Division of Water Resources.

iii. At such time as construction of an Arapahoe and/or Laramie-Fox Hills aquifer well is required for replacement of post-pumping depletions under the Augmentation Plan, the Association shall be responsible for all cost and expense in the construction of said well, as well as all reasonable reporting requirements of the Division of Water Resources associated therewith. The Association shall have authority to impose a reasonable fee or assessment upon all Lot owners in advance of construction so as to ensure sufficient funding is available to meet all post-pumping depletion replacement obligations, consistent with the terms and conditions of these Declarations.

D. Well Permits.

i. Each Unit Owner shall be responsible for obtaining a well permit for the individual well to the not-nontributary Dawson aquifer for provision of water supply to their respective Lot, or in such Lot owner's discretion, to the nontributary Denver aquifer, to the extent quantities deeded to such Lot owner therein are sufficient for such Lot owner's needs. Nontributary Denver aquifer individual wells are not subject to the Augmentation Plan administration provisions as described herein and in the Augmentation Plan decree, but shall be bound by terms and conditions of the permit

therefore and the applicable rules and regulations of the Colorado Division of Water Resources. All such Dawson aquifer wells shall be constructed and operated in compliance with the Augmentation Plan, the well permit obtained from the Colorado Division of Water Resources, and the applicable rules and regulations of the Colorado Division of Water Resources. The costs of the construction, operation, maintenance and repair of such individual well, and delivery of water therefrom to the residence located on such Lot, shall be at each Lot owner's respective expense. Each Lot owner shall comply with any and all requirements of the Division of Water Resources to log their well, and shall install and maintain in good working order an accurate totalizing flow meter on the well in order to provide the diversion information necessary for the accounting and administration of the Augmentation Plan. It is acknowledged that well permits, and individual wells, may be in place on some of the Lots at the time of sale, and by these Declarations no warranty as to the suitability or utility of such permits or structures is made nor shall be implied.

ii. The Association shall be responsible for obtaining any well permits, rights and authorities necessary for the construction of wells to the nontributary Arapahoe and/or Laramie Fox Hills aquifer, though such wells shall be constructed only for purposes of replacing any injurious post-pumping depletions, consistent with the Augmentation Plan, and shall not be constructed unless and until such post-pumping depletions must be replaced. The Association shall comply with any and all requirements of the Division of Water Resources to log such wells, and shall install and maintain in good working order an accurate totalizing flow meter on the well in order to provide all necessary accounting under the Augmentation Plan.

iii. No party guarantees to the Lot owners the physical availability or the adequacy of water quality from any well to be drilled under the Augmentation Plan. The Denver Basin aquifers which are the subject of the Augmentation Plan are considered a nonrenewable water resource and due to anticipated water level declines the useful or economic life of the aquifers' water supply may be less than the 100 years allocated by state statutes or the 300 years of El Paso County water supply requirements, despite current groundwater modelling to the contrary.

E. Compliance. The Lot owners and the Association, respectively, shall perform and comply with all terms, conditions, and obligations of the Augmentation Plan, and shall further comply with the terms and conditions of any well permits issued by the Division of Water Resources pursuant to the Augmentation Plan, as well as all applicable statutory and regulatory authority.

F. Amendments. Notwithstanding language in Paragraph 35 to the contrary, no changes, amendments, alterations, or deletions to this Paragraph 33 of these Declarations may be made which would alter, impair, or in any manner compromise the Augmentation Plan, or the water rights of the Lot owners without the written approval of said parties, prior written approval of the amendments by the EL

Paso County Planning and Community Development Department and the County Attorney's Office, and from the Water Court.

G. El Paso County Requirements. El Paso County may enforce the provisions regarding the Augmentation Plan as set forth in these Declarations, should the Lot owners and/or Association fail to adequately do so.

34. Terms of Covenants and Severability. These Declarations shall run with the land and shall remain in full force and effect until amended or terminated, in whole or part, by the owners of the entirety of the Subdivision (i.e. all Lot owners and the Association), and filed for record with the Clerk and Records of El Paso County. If any of these Declarations be held invalid or become unenforceable, the other Declarations shall not be affected or impaired but shall remain in full force and effect.

35. Amendment of Declarations. Except as expressly mandated by applicable law, except for the provisions in Paragraph 3.B.i (obligations regarding the Detention Basin Agreement) and Paragraph 33 (requirements and obligations of the Water Decree and Augmentation Plan), and except as limited by express provisions herein, these Declarations and the Plat may be amended only by vote or agreement of at least 67 percent of the Unit Owners. For purposes of this Paragraph 35, Declarant shall be deemed an owner of each Lot until such time as such Lot(s) are transferred to a third party.

A. Amendment of Declaration by Declarant. Until such time as Declarant has conveyed any Lots to a third party, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in these Declarations, except for the provisions in Paragraph 3.B.i (obligations regarding the Detention Basin Agreement) and Paragraph 33 (requirements and obligations of the Water Decree and Augmentation Plan), may be amended or terminated by Declarant by the recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Declarant reserves the right to unilaterally amend these Declarations in all circumstances permitted by law and which do not conflict with applicable statutes, rules or decrees. Notwithstanding anything contained within these Declarations, and to the extent permitted by law, if Declarant determines that any amendments to these Declarations shall be necessary in order for existing or future mortgages or other security instruments to be acceptable applicable authorities, then Declarant shall have and hereby specifically reserves the right and power to make, execute and record any such amendments without obtaining approval of Lot owners or mortgagees (or any percentage thereof).

B. Limitation of Challenges. An action to challenge the validity of an amendment adopted by the Association pursuant to this Paragraph 35 may not be brought more than one year after such amendment is recorded.

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

D. Unanimous Consent. Except to the extent expressly permitted or required by other provisions of these Declarations, an amendment may not create or increase the number of Lots, change the boundaries of a Lot, change the vested property interests of a Lot or Lot owner, or the uses to which a Lot is restricted except by unanimous consent of the Lot owners.

E. Execution of Amendments. An amendment to these Declarations required to be recorded, as set forth herein, by the Association, which has been adopted in accordance with these Declarations, must be prepared, executed, recorded, and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

36. Termination. Termination of the Common Interest Community may be accomplished by unanimous consent of the Lot owners; however, the covenants and restrictions herein regarding compliance with the Augmentation Plan shall not terminate unless the requirements of the Augmentation Plan are also terminated by order of the appropriate water court and a change of water supply is approved by El Paso County.

37. Assessment and Collection of Common Expenses.

A. Apportionment of Common Expenses. Except as otherwise expressly provided in this Paragraph 37, all Common Expenses shall be assessed against all Lots in accordance with their percentage interests in the Common Expenses, i.e., initially 1/12th per Lot, subject to the Declarant's/owners' right, if any, to combine Lots, thereby reducing the total number of Lots and reallocating the percentage interests in the Common Expenses. This shall include, but not be limited to, Common Expenses for reasonable maintenance and replacement of the Common Elements, including drainage and mailboxes, notwithstanding the fact that such maintenance and replacement could be viewed as benefiting one particular Lot over another. Without limiting any other authority regarding assessments provided for in these Declarations, assessments may, but shall not be required to, (i) be made monthly for snow plowing, and (ii) be made in advance for any maintenance or repairs to the other Common Elements.

B. Common Expenses Attributable to Fewer than all Lots.

i. Any Common Expense for services approved by the Association and provided by the Association to an individual Lot, or some Lots but fewer than all the Lots, at the request of the particular Lot owner or owners shall be assessed only against the requesting Lot(s).

ii. An assessment to pay a judgment against the Association may be made only against the Lot(s) in the Common Interest Community at the time the judgment was entered in proportion to their Common Expense liabilities.

iii. If a Common Expense is incurred by the action or inaction of a Lot owner, the Association may assess that expense exclusively against that Lot owner's Lot.

iv. Fees, charges, taxes, impositions, late charges, fines, collection costs, and interest charged against a Lot owner pursuant to these Declarations, or any Rules and Bylaws lawfully enacted by the Association, and the Act are enforceable as Common Expense assessments.

C. Lien.

i. The Association is hereby granted, and shall have, a lien on a Lot for a Common Expense assessment levied against the Lot for fines imposed against its Lot owner. Fees, charges, late charges, attorneys' fees, fines, and interest charged pursuant to the Association's authority under these Declarations, any Rules or Bylaws lawfully enacted by the Association, and the Act, are enforceable as assessments under this Paragraph 37. The amount of the lien shall include all those items set forth in this Subparagraph 37.C. from the time such items become due. If a Common Expense assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations.

ii. A lien under this Section is prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of these Declarations; (2) a first Security Interest on the Lot recorded before the date on which the Common Expense assessment sought to be enforced became delinquent; and (3) liens for real estate taxes and other governmental assessments or charges against the Lot. This Subparagraph does not affect the priority of mechanic's or materialmen's liens or the priority of a lien for other assessments made by the Association. By purchasing a Lot, a Lot owner waives all federal and state homestead and other exemptions with respect to the lien for Common Expense assessments.

iii. Recording of these Declarations constitutes record notice and perfection of the lien. Further recording of a claim of lien for a Common Expense assessment under this Section is not required.

iv. A lien for an unpaid Common Expense assessment is extinguished unless proceedings to enforce the lien are instituted within three years after the full amount of the Common Expense assessment becomes due, except that if an owner of a Lot subject to a lien under this Paragraph 37 files a petition for relief under the United States Bankruptcy Code, the time period for instituting proceedings to

enforce the Association's lien shall be tolled until thirty days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

v. This Paragraph 37 does not prohibit an action to recover sums for which Subparagraph i. of this paragraph creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

vi. A judgment or decree in any action brought under this Paragraph 37 shall include costs and reasonable attorneys' fees for the prevailing party, which shall be additional Common Expense assessments.

vii. A judgment or decree in an action brought under this paragraph is enforceable by execution under Colorado law.

viii. The Association's lien must be foreclosed by the same judicial procedure by which a mortgage on real estate is foreclosed under Colorado law

D. Payment of Common Expense Assessments.

i. Certificate of Payment of Common Expense Assessments.

The Association, upon written request, shall furnish a Lot owner with a written statement setting out the amount of unpaid Common Expense assessments against the Lot. The statement must be furnished within 14 calendar days after receipt of the request and is binding on the Association, and each Lot owner. A reasonable fee, established by the Association, may be charged for such statement.

ii. Monthly Payment of Common Expenses. All Common Expenses assessed under these Declarations shall be due and payable monthly unless otherwise determined by the Association. At the option of the Association Common Expenses may be assessed each month after actual expenses are incurred.

iii. Acceleration of Common Expense Assessments. In the event of default in which any Lot owner does not make the payment of any Common Expense assessment levied against his Lot within 10 days of the date due, the Association shall have the right, after Notice and Hearing, to declare all unpaid Common Expense assessments for the pertinent fiscal year immediately due and payable.

iv. Commencement of Common Expense Assessments. Common Expense assessments shall begin on the first day of the month in which conveyance of the first Lot to a third party Lot owner other than the Declarant occurs. Common Expense Assessments shall be levied against and payable by the owners of all Lots, including Lots still owned by Declarant.

v. No Waiver of Liability for Common Expenses. No Lot owner may become exempt from liability for payment of the Common Expense assessments

by waiver of the use or enjoyment of the Common Elements or by abandonment of the Lot against which the Common Expense assessments are made.

vi. Personal Liability of Lot Owners. The Lot owner, at the time a Common Expense assessment or portion of the assessment is due and payable, is personally liable for the Common Expense assessment. Personal liability for the Common Expense assessment shall not pass to a successor in title to the Lot unless the successor agrees to assume the obligation.

vii. Reserve Fund. The Association may in its own discretion maintain a reserve fund to meet foreseen and unforeseen expenditures and may establish assessments for the same.

38. Persons and Lots Subject to Declarations, Rules, Bylaws.

A. Compliance with Documents. All Lot owners, tenants, occupants of dwellings on Lots, and, to the extent they own Lots, mortgagees and the Declarant, shall comply with these Declarations, and any rules or bylaws subsequently enacted by the Association, including any such rules incorporated within the Associations' Articles of Incorporation (collectively the "Documents") and shall be subject to all rights and duties under the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the occupancy of a Lot constitutes agreement that the provisions of the Documents are accepted and ratified by that Lot owner, tenant, mortgagee, or occupant. All provisions recorded in the Documents are covenants running with the land and shall bind any Persons having at any time any interest or estate in any Lot.

B. Adoption of Rules. The Association may adopt Rules regarding the use and occupancy of Lots as they affect the Common Elements and the activities of occupants, subject to appropriate notice and comment opportunities.

C. Enforcement. The Association, as well as any aggrieved Lot owner, is hereby granted a right of action against any Lot owner who fails to comply with the provisions of the Documents or to comply with lawful decisions made by the Association. Each and every Lot owner is also granted a similar right of action against the Association. In any action maintained under this paragraph, the prevailing party shall be awarded its reasonable attorneys' fees and costs.

39. Insurance.

A. Coverage. To the extent reasonably available, the Association may obtain and maintain insurance coverage as set forth in this Paragraph 39. If such insurance is not reasonably available, or the Association determines that any insurance described in this paragraph will not be maintained, the Association shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Lot owners and first lien Security Interest holders at their respective last known addresses. Nothing

herein shall be deemed to require that the Association maintain any insurance and such determination shall be made by the Association in its sole discretion.

B. Property Insurance Coverage.

i. Association property insurance, if any, will cover:

a. The facilities, consisting of (1) all Common Elements; and (2) all personal property owned by the Association, if any.

ii. The community insurance will be for an amount (after application of any deductions) equal to 100 percent of the community facilities' actual cash value at the time the insurance is purchased and at each renewal date. Personal property owned by the Association will be insured for an amount equal to its actual cash value.

iii. The Association is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the community facilities and the actual cash value of the personal property, and the cost of such appraisals shall be a Common Expense.

iv. The maximum deductible for insurance policies shall be as determined by the Association and shall be a Common Expense, unless caused by the act or omission of a Lot owner and assessed in accordance with these Declarations.

v. The insurance shall afford protection against "all risks" of direct physical loss commonly insured.

vi. Insurance policies required by this paragraph should further provide that:

a. The insurer waives the right to subrogation under the policy against a Lot owner or member of the household of a Lot owner.

b. An act or omission by a Lot owner, unless acting within the scope of the Lot owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy.

c. If, at the time of a loss under the policy, there is other insurance in the name of a Lot owner that covers the same risk covered by the policy, the Association's policy provides primary insurance.

d. Losses to be adjusted with the Association.

e. Insurance proceeds to be paid to any insurance trustee designated in the policy for that purpose and otherwise to the Association, but,

in any case, the proceeds are to be held in trust for each Lot owner and the Lot owner's mortgagee.

f. The insurer may not cancel or refuse to renew the policy until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, to each Lot owner, and to each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

C. Liability Insurance. Liability insurance, including medical payments insurance, will be maintained by and in an amount determined by the Association, but in no event shall it be less than \$1,000,000. This insurance shall cover all occurrences commonly insured against for death, bodily injury, and property damage arising out of, or in connection with, the use, ownership, or maintenance of the Common Elements and the activities of the Association. Insurance policies carried pursuant to this Section shall provide that:

i. Each Lot owner is an insured person under the policy with respect to liability arising out of the Lot owner's membership in the Association;

ii. The insurer waives the right to subrogation under the policy against a Lot owner or member of the household of a Lot owner;

iii. An act or omission by a Lot owner, unless acting within the scope of the Lot owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy;

iv. If, at the time of a loss under the policy, there is other insurance in the name of a Lot owner covering the same risk covered by the policy, the policy of the Association provides primary insurance; and

v. The insurer issuing the policy may not cancel or refuse to renew it until 30 days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Lot owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their last known addresses.

D. Unit Owner Policies. An insurance policy issued to the Association does not preclude, nor require, Lot owners from obtaining insurance for their own benefit.

E. Other Insurance. The Association shall carry such other insurance as may be required by any first lien Security Interest holder and may carry other insurance that the Association considers appropriate to protect the Association.

F. Premiums. Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense.

40. Restoration of Common Elements.

A. Duty to Restore. All or any portion of the Common Interest Community for which insurance carried by the Association is in effect, must be repaired or replaced promptly by the Association unless:

- i. The Common Interest Community is terminated; or
- ii. Repair or replacement would be illegal under a state statute or municipal ordinance governing health or safety.

B. Cost. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

C. Plans and Specifications. The damaged property requiring restoration or repair must be repaired and restored in accordance with either the Plat or other plans and specifications that have been approved by the Association, a majority of Lot owners, and 51 percent of first lien Security Interest holders.

D. Insurance Proceeds. The Trustee or, if there is no Trustee, the Association, acting by appointed representative, shall hold any insurance proceeds in trust for the Association, Lot owners, and lien holders as their interests may appear. Subject to the provisions of these Declarations, the proceeds shall be disbursed first for the repair or restoration of the damaged Property. The Association, Lot owners, and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus after the property has been completely repaired or restored or unless the Common Interest Community is terminated.

E. Replacement of Less Than Entire Property.

i. The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community.

ii. Except to the extent that other persons will be distributes, the remainder, if any, of the proceeds must be distributed to each Lot owner or lien holder, as their interests may appear, in proportion to the Common Expense assessment percentages of all the Lots.

F. Certificates By Association. The Trustee, if any, may rely on the following certifications in writing made by the Association:

i. Whether or not damaged or destroyed property is to be repaired or restored; and

ii. The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

G. Certificates by Attorneys or Title Insurance Companies. If payments are to be made to Lot owners or mortgagees, then the Association, and the Trustee, if any, shall obtain and may rely on a title insurance company's or attorney's title certificate or a title insurance policy based on a search of the records from the date of the recording of the original Declarations, stating the names of the Lot owners and the mortgagees.

H. Association as Attorney-in-Fact; Damage and Destruction. All of the Lot owners irrevocably constitute and appoint the Association as their attorney-in-fact, for them and in their names, respectively, to deal with the Common Interest Community upon its destruction, repair, or obsolescence as in these Declarations provided. As attorney-in-fact, the Association, by its president and secretary, acting pursuant to authorization from the Association, shall have full and complete authority, right, and power to receive the proceeds of any insurance in the names of the Lot owners or the Association, and to make, execute, and deliver any contract, deed, or any other instrument with respect to the interest of a Lot owner that is necessary and appropriate to exercise the powers in this declaration granted.

41. Association Powers and Requirements.

A. Association Records and Minutes of Association Meetings. The Association shall permit any Lot owner, or holder, insurer, or guarantor of first mortgages secured by Lots, to inspect the records of the Association and the minutes of Association and committee meetings during normal business hours.

B. Powers and Duties. The Association, subject to the limitations contained in these Declarations and its Articles of Incorporation, shall have the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, which shall include, but not be limited to, the following:

- i. Adopt and amend Bylaws, Rules, and regulations;
- ii. Adopt and amend budgets for revenues, expenditures, and reserves;
- iii. Collect Common Expense assessments from Lot owners;
- iv. Hire and discharge managers;

v. Hire and discharge independent contractors, employees, and agents other than managing agents;

vi. Institute, defend, or intervene in litigation or administrative proceedings or seek injunctive relief for violation of, or otherwise enforce, the Association's Declarations, Bylaws, or Rules in the Association's name, on behalf of the Association, or two or more Lot owners on matters affecting the Common Interest Community;

vii. Make contracts and incur liabilities, including debt necessary for fulfillment of Association duties;

viii. Regulate the use, maintenance, repair, replacement, and modification of the Common Elements, and, to the extent set forth in these Declarations, including but not limited to enforcing parking restrictions within the property, which may be more restrictive than those required by El Paso County and/or any other entity having jurisdiction;

ix. Cause additional Improvements to be made as a part of the Common Elements;

x. Acquire, hold, encumber, and convey, in the Association's name, any right, title, or interest to real property or personal property, but Common Elements may be conveyed or subjected to a Security Interest only as provided herein;

xi. Grant easements for any period of time, including permanent easements, and leases, licenses, and concessions through or over the Common Elements;

xii. Impose and receive a payment, fee, or charge for the use, rental, or operation of the Common Elements and for services provided to Lot owners;

xiii. Impose a reasonable charge for late payment of assessments, and after Notice and Hearing, levy reasonable fines for violations of these Declarations, the Bylaws, Rules, and regulations of the Association;

xiv. Impose a reasonable charge for the preparation and recordation of amendments to these Declarations and for a statement of unpaid assessments;

xv. Provide for the indemnification of the Association's officers and Board, if any, and/or maintain directors' and officers' liability insurance;

xvi. Assign the Association's right to future income, including the right to receive Common Expense assessments to such parties and entities as may be approved by the Associations membership consistent with the provisions herein;

xvii. Exercise any other powers conferred by these Declarations, the Bylaws, or applicable law;

xviii. Exercise any other power that may be exercised in this state by legal entities of the same type as the Association;

xix. Exercise any other power necessary and proper for the governance and operation of the Association; and

xx. By resolution, establish permanent and standing committees to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Lot owners.

C. Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend these Declarations, to terminate the Community, or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

42. Enforcement. In the event that a dispute regarding an alleged violation of these Declarations cannot be resolved through discussion and negotiation of the parties, or subsequently by mediation, enforcement shall be by proceedings at law or in equity against any person(s) violating or attempting to violate any provision of these Declarations, including actions to restrain or enjoin such violation, and to recover damages. Venue shall be proper in the District Court for El Paso County, Colorado. The Lot owners and the Association shall abide by any injunctions so entered, without necessity of bond, in order to simplify judicial proceedings to remedy violations of these Declarations. In addition, if a judicial action is necessary to prohibit or correct a violation of these Declarations, the prevailing party shall be entitled to recovery of all costs of the enforcement proceeding, including reasonable attorney's fees.

43. Captions. The captions contained in these Declarations are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of the Declarations or the intent of any provision thereof.

44. Gender. The use of the masculine gender refers to the feminine gender, and vice versa, and the use of the singular includes the plural, and vice versa, whenever the context of these Declarations so require.

45. Waiver. No provision contained in these Declarations is abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

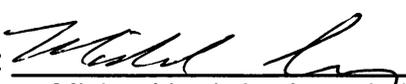
46. Invalidity. The invalidity of any provision of these Declarations does not impair or affect in any manner the validity, enforceability, or effect of the remainder, and if a provision is invalid, all of the other provisions of these Declarations shall continue in full force and effect.

47. Conflict. These Declarations are not intended to comply with the requirements of the Act, other than C.R.S. §§38-33.3-105 to 38-33.3-107, as the Community is exempt from all other provisions of the Act. If there is any conflict between these Declarations and C.R.S. §§38-33.3-105 to 38-33.3-107, or any other applicable statutes, the provisions of such statutes shall control.

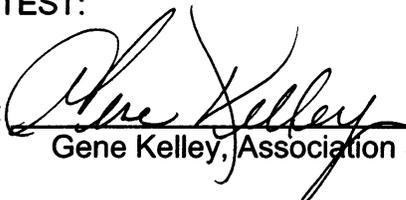
IN WITNESS WHEREOF, the Declarant has caused these Declarations to be executed this 10 day of November, 2019.

By: 
Michael Ludwig, Declarant

ACKNOWLEDGED and ACCEPTED on behalf of the Redtail Ranch Homeowners Association, as created hereby:

By: 
Michael Ludwig, Association President

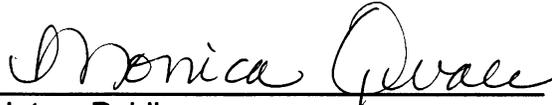
ATTEST:

By: 
Gene Kelley, Association Secretary

STATE OF COLORADO)
) ss
COUNTY OF EL PASO)

Subscribed and sworn to before me this 20 day of November, 2019 by Michael Ludwig as President of the Redtail Ranches Homeowners Association, Inc., and ATTESTED by Gene Kelley as the Secretary of the Redtail Ranches Homeowners Association, Inc.

My commission expires: 7-7-2020
Witness my hand and seal.


Notary Public

MONICA QVALE
Notary Public
State of Colorado
Notary ID # 20104018227
My Commission Expires 07-07-2022