

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR
LONGHORN RANCH SUBDIVISION,
CHAFFEE COUNTY, COLORADO**

This Declaration is made this ~~15th~~ day of ~~September~~, 2017 by Longhorn Ranch LLC, a Colorado limited liability company, of 7013 CR 107, Salida, CO 81201, (herein "the Declarant").

1. CREATION OF COMMON INTEREST COMMUNITY

1.1. General Purposes. Declarant owns the real property interests legally described on the recorded plat of Longhorn Ranch Subdivision and Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"). Declarant desires to create pursuant to the provisions of the Colorado Common Interest Ownership Act (Article 33.3 of Title 38 of Colorado Revised Statutes) as the same may be amended from time to time (the "Act") a "common interest community" (as such term is defined in the Act) on the Property. Declarant further desires to establish a means to ensure the proper use and appropriate development of the Property as a high quality, aesthetically pleasing and harmoniously designed planned community project by means of mutually beneficial covenants, conditions and restrictions imposed on the Property for the benefit of Declarant and all future Owners of any portion of the Property.

1.2. Declaration. To further the purposes expressed in Section 1.1 hereof, Declarant, for itself and its successors and assigns, hereby declares that the Property shall, at all times, be owned, held, used and occupied subject to the provisions of this instrument, to the covenants, conditions and restrictions contained herein and to all amendments and supplements hereto.

1.3. Names of the Common Interest Community and the Association. The name of the common interest community hereby created is Longhorn Ranch Subdivision (the "Subdivision"). The name of the owners' association organized to govern and administer the common interest community hereby created is Longhorn Ranch Homeowners' Association, Inc., a Colorado nonprofit corporation (the "Association").

1.4. Location and Type of Common Interest Community. The common interest community hereby created in Chaffee County, Colorado. The common interest community hereby created is a "Planned Community" (as such term is defined in the Act).

1.5. Planned Community.

(i) The Property is hereby divided into a maximum of 15 Lots.

(ii) Use of Lots. Except as provided below, all Lots 1 shall be limited to one single-family dwelling per Lot.

2. PROPERTY OWNERS ASSOCIATION

2.1. Rights, Duties, Privileges, Powers, and Obligations. Longhorn Ranch Homeowners' Association, Inc., a Colorado nonprofit corporation, shall exercise all of the rights, duties, privileges, powers, and obligations as set forth in this Declaration and the Articles of Incorporation, Bylaws of the Association, and Architectural & Landscaping Guidelines (set forth in Exhibit B) (herein referred to as the "Association Documents").

2.1.1. General Purposes and Powers. The Association through the Executive Board (also referred to as "Board of Directors" or "Board") shall perform functions and hold and manage property as provided in this Declaration so as to further the interests of Owners of Lots in the Subdivision. The Association shall have all the powers necessary or desirable to effectuate such purposes.

2.1.2. Membership and Voting. The Owner of a Lot shall automatically be a member of the Association. Said membership is appurtenant to the Lot of said Owner, and title to the ownership of the membership for that Lot shall automatically pass with fee simple title to the Lot. If the fee simple title to a Lot is held by more than one person, the membership as to such Lot shall be joint, and a single membership for such Lot shall be issued in the names of all Owners, and they shall designate to the Association in writing the name of one natural person 18 years of age or older who shall have the power to vote said membership at any meeting of members. Membership in the Association shall be limited to Owners of Lots in the Subdivision, and each Lot shall be entitled to the voting rights allocated to that Lot in the Bylaws.

2.1.3. Executive Board. The affairs of the Association shall be managed by an Executive Board which may by resolution delegate any portion of its authority to an Executive Committee or to a Managing Agent for the Association. The Executive Board shall have the authority to adopt Rules and Regulations of the Association. There shall be no fewer than three Members of the Executive Board, the specific number to be set forth from time to time in the Bylaws, all of whom shall be Owners of a Lot, except Members appointed by the Declarant.

2.1.4. Bylaws and Articles. The purposes and powers of the Association and the rights and obligations with respect to Owners set forth in this Declaration may and shall be amplified by provisions of the Association Documents.

2.2. Declarant Control of the Association. Declarant shall be entitled to appoint and remove the members of the Association's Executive Board and officers of the Association to the fullest extent permitted under the Act. The specific restrictions and procedures governing the exercise of Declarant's right to appoint and remove Directors and officers are set out in the Articles and Bylaws of the Association. Declarant may voluntarily relinquish such power evidenced by a notice executed by Declarant and recorded with the Clerk and Recorder but, in such event, Declarant may at its option require that specified actions of the Association or the Executive Board as described in the recorded notice, during the period Declarant would otherwise be

entitled to appoint and remove directors and officers, be approved by Declarant before they become effective.

2.3. Purpose of Association. The purpose of the Association is to use its authority, as given in the Association Documents.

- 2.3.1. To enforce the protective covenants.
- 2.3.2. To assess Lot Owners annual assessments.
- 2.3.3. To provide upkeep and maintenance to all common ownership lands in the Property and to maintain other facilities on the Property.
- 2.3.4. To represent all Lot Owners in matters of mutual interest.

2.4. Assessments. The purposes of the assessments shall include, but not be limited to:

- 2.4.1. Repairs and maintenance of common areas within the Property, except for damage caused by the negligence, misuse or tortuous act of an Owner or the Owner's agents or guests.
- 2.4.2. Expenses of management of the Association and its activities;
- 2.4.3. Taxes and special assessments upon the Association's real and personal common property.
- 2.4.4. Premiums for all insurance which the Association is required or permitted to maintain;
- 2.4.5. Common services to Lot Owners as approved by the Board;
- 2.4.6. Wages for Association employees and payments to Association contractors;
- 2.4.7. Legal and accounting fees for the Association;
- 2.4.8. Any deficit remaining from a previous Assessment year;
- 2.4.9. The creation of reasonable contingency reserves for future maintenance expenses and administrative expenses;
- 2.4.10. Such other expenses that benefit Lot Owners in common.

2.5. Common Areas.

2.5.1. General Common Areas. General Common Areas, including the "Trail", are as shown on the Plat of Longhorn Ranch Subdivision (herein the "Plat"). Use of General Common Areas shall be governed by this Declaration and any rules and regulations adopted by the Board.

2.5.2. Dedication of General Common Areas. All General Common Areas within Longhorn Ranch Subdivision are intended for the common use and enjoyment by the Owners within Longhorn Ranch Subdivision. The General Common Areas are hereby dedicated to the above and foregoing uses for the Owners, their families, tenants, employees, guests, and invitees under the terms and conditions contained in the Association Documents. For clarity, the Trail is also available for the general public to use. No horses may use the Trail.

2.5.3. Management of General Common Areas. The Association shall be responsible for the management and control of the General Common Areas and all improvements thereon, and shall keep them in a good, clean, attractive and pleasant condition and shall landscape, maintain, and repair the same consistent with the purposes and uses of the General Common Areas as set forth in the Association Documents.

2.5.4. Roads and Trails. In accordance with the Plat, the roads within the subdivision have been dedicated for public use. Any road shown on the Plat which is stubbed out to property which adjoins the subdivision may be subject to use to serve said adjoining property.

3. ARCHITECTURAL CONTROL COMMITTEE

3.1. Architectural Control Committee Membership. The Board of Directors shall appoint the Architectural Control Committee ("ACC") to administer the architectural approvals required pursuant to the Declaration. It shall consist always of either three (3) or five (5) members. Absent a specific appointment by the Board, the members of the Board shall be the members of the ACC. The Board may reduce the number of members of the ACC to three and increase it to five as often as it wishes. Members of the ACC may be removed at any time without cause by the Board of Directors. From among the members of the ACC, the Board may appoint a Chairman of the ACC who shall coordinate the operation of the ACC.

3.2. Purpose and General Authority. The ACC will review, study and either approve or reject proposed Improvements on the Property, all in compliance with this Declaration and as further set forth in the Architectural & Landscaping Guidelines and such rules and regulations as the ACC may establish from time to time to govern its proceedings. The ACC may disapprove any plans submitted to it which are not sufficient for it to exercise the judgment required of it by this Declaration. No Improvement will be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor will any construction, repair or reconstruction be commenced until plans for the Improvements have been approved by the ACC; provided, however, that Improvements that are completely within a Building may be undertaken without such approval, except as set forth in the Architectural & Landscaping Guidelines. All Improvements will be constructed only in accordance with approved plans.

3.3. Committee Discretion. The ACC will exercise its best judgment to see that all Improvements conform and harmonize with any existing structures as to external design, garage placement, quality and type of construction, seals, materials, color, location on the Building Site, height, grade and finished ground elevation, and the schemes and aesthetic considerations of Longhorn Ranch Subdivision. The ACC, in its sole discretion, may excuse compliance with such requirements as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements. Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural & Landscaping Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

3.4. Organization and Operation of Committee.

3.4.1. Term. The term of office of each member of the ACC, will be two (2) years, and continuing until his successor shall have been appointed. Should an ACC member die, retire, or become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed by the Board.

3.4.2. Operations. The ACC chairman will take charge of and conduct all meetings and will provide for reasonable notice to each member of the ACC prior to any meeting. The notice will set forth the time and place of the meeting, and notice may be waived by any member.

3.4.3. Voting. The affirmative vote of a majority of the members of the ACC will govern its actions and be the act of the ACC.

3.4.4. Expert Consultation. The ACC may avail itself of technical and professional advice and consultants as it deems appropriate, and the ACC may delegate its plan review responsibilities, except final review and approval, to one or more of its members or to consultants retained by the ACC. Upon that delegation, the approval or disapproval of plans and specifications by such member or consultant will be equivalent to approval or disapproval by the entire ACC.

3.5. Expenses. Except as provided in this section below, all expenses of the ACC will be paid by Longhorn Ranch Homeowners' Association, Inc. and will constitute a Common Expense.

3.6. Other Requirements. Compliance with Longhorn Ranch Homeowners' Association, Inc. architectural review process is not a substitute for compliance with the Chaffee County building, zoning, and subdivision regulations, and any other applicable state, federal, or local code or regulation. Each Owner is responsible for obtaining all approvals, licenses, and permits as may be required prior to commencing construction. Further, the establishment of the Architectural Control Committee and procedures for architectural review will not be construed as changing any rights or restrictions upon Owners to maintain and repair their Lots and Improvements as otherwise required under Longhorn Ranch Homeowners' Association Documents.

3.7. Limitation of Liability. The ACC will use reasonable judgment in accepting or disapproving all plans and specifications submitted to it. Neither the ACC, the Association, the Board, nor any individual ACC member will be liable to any person for any official act of the ACC in connection with submitted plans and specifications. Approval by the ACC does not necessarily assure approval by the appropriate governmental board or commission for Chaffee County. Notwithstanding that the ACC has approved plans and specifications, neither the ACC nor any of its members will be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim, or expense which may arise by reason of such approval or denial of the construction of the Improvements. Neither the Board, the Architectural Control Committee, nor any agent thereof, nor Declarant, nor any of its members, managers, employees, agents, or consultants will be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of Longhorn Ranch Homeowners' Association Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the ACC will be defended and

indemnified by Longhorn Ranch Homeowners' Association, Inc. in any such suit or proceeding which may arise by reason of the ACC's decision.

3.8. Enforcement.

3.8.1. Inspection. Any member or authorized consultant of the Architectural Control Committee, or any authorized officer, Director, employee or agent of Longhorn Ranch Homeowners' Association, Inc. may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect Improvements constructed or under construction on the Lot to determine whether the Improvements have been or are being built in compliance with Longhorn Ranch Homeowners' Association Documents and the plans and specifications approved by the Architectural Control Committee.

3.8.2. Completion of Construction. Before any Improvements on a Lot may be occupied, the Owner of the Lot will be required to obtain a temporary certificate of compliance issued by the Architectural Control Committee indicating substantial completion of the Improvements in accordance with the plans and specifications approved by the ACC, and imposing such conditions for issuance of a final certificate of compliance issued by the Architectural Control Committee as the ACC may determine appropriate in its reasonable discretion. Without limiting the generality of the preceding sentence, the ACC may require that the Owner deposit with the ACC such sums as may be necessary to complete the construction and landscaping on the Lot by a specified date. If the construction and landscaping is not completed as scheduled, the ACC may apply the deposit to cover the cost of completing the work and enforce such other remedies as are available to Longhorn Ranch Homeowners' Association, Inc. for the failure of the Owner to comply with these Covenants, including without limitation the remedies set forth in Section 3.8.3.

3.8.3. Certificate of Compliance. Upon completion of construction, the ACC will issue an acknowledged certificate of compliance setting forth generally whether, to the best of the ACC's knowledge, the Improvements on a particular Lot are in compliance with the terms and conditions of the Architectural & Landscaping Guidelines.

(i) **Fines for Violations.** The Board may adopt a schedule of fines for failure to abide by the ACC rules and the Architectural & Landscaping Guidelines, including fines for failure to obtain any required approval from the ACC.

(ii) **Removal of Nonconforming Improvements.** Longhorn Ranch Homeowners' Association, Inc., upon request of the ACC and after reasonable notice to the offender and, if different, to the Owner, may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, and remove any Improvement constructed, reconstructed, refinished, altered, or maintained in violation of these Covenants. The Owner of the Improvement will immediately reimburse Longhorn Ranch Homeowners' Association, Inc. for all expenses incurred in connection with such removal.

3.9. Continuity of Construction. All Improvements commenced on the Lot will be prosecuted diligently to completion and will be completed within twelve (12) months after commencement, unless an exception is granted in writing by the ACC. If an Improvement is commenced and construction is then abandoned for more than ninety (90) days, or if construction is not

completed within the required twelve (12) month period, then after notice and opportunity for hearing, Longhorn Ranch Homeowners' Association, Inc. may impose a fine to be established by the Board to be charged against the Owner of the Lot until construction is resumed, or the Improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the Board of Directors that such abandonment is for circumstances beyond the Owner's control.

4. PROPERTY USE RESTRICTIONS

4.1. General Restriction. The Property will be used only for the purposes set forth in this Declaration, as permitted by the applicable ordinances of Chaffee County and the laws of the State of Colorado and the United States, and as set forth in Longhorn Ranch Homeowners' Association Documents or other specific recorded covenants affecting all or any part of the Property.

4.2. Residential Use of Lots.

4.2.1. Commercial Activity. No Business, commercial, industrial, trade, professional or other non-residential activity or use of any nature, type, kind or description shall be operated upon or from Residential Property or within any Improvements constructed or located thereon, except as set forth herein. No business may be conducted on any Lot, except an Owner or occupant residing on a Lot may conduct business activities within the residence so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the residence; (ii) the business activity conforms to all zoning requirements for the Subdivision; (iii) the business activity does not involve door-to-door solicitation of residents of the Subdivision; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in the Subdivision which is noticeably greater than that which is typical of residences in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Subdivision and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety or other residents of the Subdivision, as may be determined in the sole discretion of the Board. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation; work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit, or (iii) a license is required. Notwithstanding anything to the contrary set forth in this Article 4.2.1 or elsewhere in this Declaration, Developer and its affiliates may use any portion of the Subject Property (other than lots owned by others) for sales and marketing activities related to the sale of Lots, including without limitation, the operation of a sales and administrative center, and model homes.

4.2.2. Leasing and Rental of Lots. The following conditions and requirements are imposed with respect to any use or occupancy by Tenants:

- (a) Any use or occupancy by Tenants shall comply with rules and regulations adopted by the Board.
- (b) The lease period must be for thirty (30) days or more.

(c)) There must be a written lease or rental agreement between the Lot Owner and the Tenant (herein "Lease Agreement")

(d) Regardless of whether the Lease Agreement imposes upon the Tenant the obligation to pay Regular and other assessments or to pay any other monetary obligations due the Association under this Declaration, the Lot Owner shall remain personally liable with respect to all such assessments and monetary obligations, as well as for any damages caused to the Association by the Tenant's breach of any provisions of this Declaration or the Association's Bylaws and Rules.

(e) The Lease Agreement must require that the Tenant and all persons required to sign the Lease Agreement will comply with all provisions of this Declaration and the Association's Bylaws and Rules.

(f) Limit on Time Sharing and House Exchange. No Owner of any Lot shall offer or sell any interest in such Lot under a "timesharing" or "interval ownership" plan, or any similar plan, nor shall a Lot be dedicated to an exchange program that provides for recurring occupancies by different persons for durations of less than one year, unless any such arrangement is approved by the Board or otherwise complies with rules and regulations adopted by the Board.

4.3 Residences, Garages, and Outbuildings.

4.3.1. Except as provided in section 1 above, there shall be no more than one (1) single-family residence constructed on each lot. Single-family residences constructed on any Lot shall be required to contain a minimum ground floor square footage of 1800 square feet of living area exclusive of decks, porches, and garages. Other conditions, restrictions, and limitations regarding minimum square footage may be set forth in the Architectural & Landscaping Guidelines.

4.3.2. All residences and outbuildings shall be site built of new construction and no buildings or other structures shall be moved from other locations to any Lot. No trailers or mobile homes and no manufactured or modular homes shall be permitted. Plans, exterior design and color scheme of all structures shall be submitted to the ACC for approval, and should be compatible and harmonious with surrounding homes within the Subdivision and conform to Chaffee County requirements.

4.3.3. Unless otherwise approved by the AAC, all structures must meet the Architectural & Landscaping Guidelines.

4.3.4. All single-family residences shall have a minimum of a two-car garage, which may be attached or detached. A detached garage is considered an outbuilding for purposes of section 4.3.5.

4.3.5. Unless otherwise agreed to by the ACC, only one (1) outbuilding shall be allowed per Lot. Outbuildings shall not exceed the square footage of the total square footage of the single-family resident dwelling. The outbuilding may include garage spaces and garage spaces shall count towards the total allowable square footage of the outbuilding as set forth above. The outbuilding may also consist of an Accessory Dwelling Unit. Construction of the single family resident dwelling must be completed before or at the same time as completion of the outbuilding.

4.3.6. All structures are to be built by an general contractor in accordance with ACC and Chaffee County approved plans.

4.3.7. No residence shall be occupied prior to completion, and there shall be no temporary living quarters constructed on any Lot. No mobile home, basement, tent, shack, garage, barn or other outbuilding erected on any Lot shall at any time be used as a residence, temporarily or permanently.

4.4. No Partition or Subdivision. No action shall be brought for partition or subdivision of a Lot between or among the Owners thereof. Each Owner hereby expressly waives any and all such rights of partition or subdivision he may have by virtue of his Ownership of a Lot. This section 4.4 shall not, however, be interpreted to prevent adjustments to Lot lines agreed to by the Owners of the Lots affected, or the combining of adjoining lots into a single lot, subject to Declarant, Association and Chaffee County approval. Any Lot created by combining two or more lots will pay assessments according to the number of Lots combined.

4.5. Maintenance Guidelines.

4.5.1. Construction materials required for the improvement of a home or Lot should be neatly stored in as unobtrusive a location on the Lot as possible when not in use.

4.5.2. The exterior of a home and landscaping must be maintained in an attractive manner. No significant blistering or peeling of exterior painted surfaces is permitted. Trees and shrubs planted by lot owners will be the responsibility of the lot owners to water and maintain.

4.5.3. Any exterior building components (i.e., siding, gutters and downspouts, roof shingles, windows and doors) which are missing, broken or otherwise in a state of disrepair must be repaired as quickly as possible.

4.6. Vehicles.

4.6.1. No campers, mobile homes, buses, ATVs, snowmobiles, boats, motorcycles, trailers, or similar recreational vehicles or equipment, and no tractors, horse trailers, commercial equipment, or similar vehicles shall be kept or maintained so as to be visible on any Lot or on any street within the Subdivision unless specifically permitted in writing by the ACC.

4.6.2. Notwithstanding the foregoing, an Owner may park a motor vehicle on a Lot, road, parking space, or guest parking area in the Subdivision if the vehicle is required to be available at designated periods at the Owner's residence as a condition of the Owner's employment and all of the following criteria are met:

- (i) The vehicle has a gross vehicle weight rating of ten thousand pounds or less;
- (ii) The Owner is a bona fide member of a volunteer fire department or is employed by an emergency service provider, as defined in section 29-11-101(1.6), C.R.S.;
- (iii) The vehicle bears an official emblem or other visible designation of the emergency service provider; and
- (iv) Parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other unit owners to use streets and driveways within the common interest community.

4.6.3. Vehicle Limitations. The maximum number of vehicles which may be parked by residents on each Lot (except for temporary parking by guests) is limited to the number of garage spaces, plus three (3). All resident vehicles shall only be parked in the garage and the additional resident vehicles, if any must be parked in the driveway. Resident vehicles may not be parked on the public streets of the Subdivision. No vehicles of any type shall be permanently or semi-permanently parked on or adjacent to any Lot or anywhere within the Subdivision, except within the owner's garage, for purposes of repair, reconstruction or storage. No junk cars, inoperable vehicles of any type, or vehicles with expired vehicle registration will be permitted on or adjacent to any Lot. Any vehicle violating these restrictions may be towed by the Declarant or the Association without prior notice.

4.7. Firearms. There shall be no discharging of firearms in the Subdivision.

4.8. Animals. Compliance with Chaffee County regulations with regard to animals is required. No pigs, horses, or livestock of any kind shall be raised, kept or bred on or within any of the Lots. Each Lot Owner or other occupant may keep (a) ten (10) or less chickens (no roosters are allowed), and (b) five (5) or less dogs, cats, or other outdoor pets, however, there may be no more than two (2) outdoor dogs, and (c) other indoor pets, all of which are to be restrained within the Lot, provided that such animals are not kept, raised or bred for commercial purposes. No dog shall be allowed outside the Lot, or any fenced portion thereof, unless on a leash and accompanied by a responsible person. Each Lot Owner or resident must promptly remedy or remove any pet which causes undue noise or disturbance so as to constitute a nuisance to other Lot Owners.

4.9. Garbage, Trash and Receptacles. No garbage, clippings from trees, shrubs or lawns, trash, ashes or other refuse may be thrown, dumped, or allowed to accumulate on any Lot or within the Subdivision. There shall be no burning of refuse on the Property. All garbage and trash shall be placed in closed receptacles for mandatory trash pick up by private refuse collectors. Such receptacles shall be screened or so placed so as not to be visible from any street except during scheduled days of refuse collection. During construction of a residence or other improvement, each Lot Owner and his contractors shall be required to maintain his Lot in a clean condition, providing trash and rubbish receptacles for construction debris and other refuse and to provide for the disposal of the contents thereof, as well as the disposal of all other construction debris. No construction debris shall be permitted to remain upon any Lot.

4.10. Composting. All compost will be self-contained. Composting containers are to be located as inconspicuously as possible on the property. Residents are to ensure that odors caused by their composting activities do not affect adjacent residents.

4.11. Dumping. Dumping grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances in any drainage ditch, stream, pond or lake or elsewhere within the Subdivision is prohibited, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff.

4.12. Firewood. Any and all firewood located on property within Longhorn Ranch shall be neatly stacked as inconspicuously as possible, with individual stacks not to exceed 4 feet in height. Firewood should be located inside property boundaries and in the rear yard.

4.13. Signs. Except for signs which Declarant is entitled to maintain related to sales, and except for a "for sale" sign maintained by an Owner or real estate brokerage firm, no signs of any kind or nature, including hand-drawn or hand-painted signs, shall be placed on any portion of the Subdivision without the prior written approval of the Association of the size and design of any proposed sign. Notwithstanding the foregoing, Owners may display political campaign signs during campaign season in accordance with the Act, local ordinances and regulations, or as may be determined by the Board.

4.14. Antennae. Ham radio equipment, high frequency radio equipment and such electronic equipment or devices that interfere with cable TV, telephone or other communication systems are prohibited. No exterior antennas, towers, aerials, satellite dishes with a diameter greater than thirty inches (30"), or other apparatus for the reception or transmission of television, radio, satellite or other signals of any kind shall be placed, allowed or maintained upon the Lots. Satellite dishes thirty inches (30") in diameter or less shall be attached to the residence where they are least visible from the street.

4.15. Underground Utilities. Except temporarily during the construction of improvements, all utility lines, pipes and conduits, including but not limited to electrical, natural gas, telephone, cable TV and other communication systems shall be underground except for access ports and above ground transformers. No above ground storage tanks of any nature or type shall be allowed.

4.16. Illegal and/or Nuisance Activities. No illegal, noxious, or offensive activity shall be carried on within the Subdivision or on any Lot. No odor shall be emitted from any Lot which is noxious or offensive to others. No continuous sound shall be emitted on or from any Lot which is unreasonably loud or annoying. Nothing shall be done or placed on any Lot which may be or become a nuisance or cause unreasonable embarrassment, disturbance or annoyance to any Lot Owners in the enjoyment of their dwellings. All of the Board of Directors must agree that an activity violates this section before this section is enforced by the Board.

4.17. Weed Management and Re-Vegetation. The Association and Owners are responsible for management of the designated noxious weed species in Chaffee County and priority weeds from the Colorado State list. The Association and Owners will manage target species by Integrated Weed Management using cultural, mechanical, biological, and chemical control methods. These methods will vary as to the species to be controlled. Weed management will comply with the Colorado Weed Act and the Chaffee County Weed Management Plan. Adequate re-vegetation or other improvement to the landscaping will be the primary goal after any disturbance of the soil within the Subdivision. Re-vegetation or other landscape improvement must be established to at least eighty percent (80%) of the adjacent land areas.

5. OWNERS' OBLIGATIONS FOR MAINTENANCE

Owner's Responsibility for Lot. Except as provided in Longhorn Ranch Homeowners' Association Documents or by written agreement with Longhorn Ranch Homeowners' Association, Inc., all maintenance of a Lot and the Improvements located on it will be the sole responsibility of the Owner of the Lot. Each Owner will maintain his Lot in accordance with the community wide standard of Longhorn Ranch Subdivision. Longhorn Ranch Homeowners' Association, Inc. will, at the discretion of the Board, assume the maintenance responsibilities of such Owner if, in the opinion of the Board, the level and quality of maintenance being provided by such Owner does not satisfy such standard. Before assuming the maintenance responsibilities, the Board will notify the Owner in writing of its intention to do so, and if the Owner has not commenced and diligently pursued remedial action within thirty (30) days after the mailing of such written notice, then Longhorn Ranch Homeowners' Association, Inc. may proceed with remedial action in its discretion. The expenses of the maintenance by the Board will be reimbursed within the thirty (30) day period that follows the Board's action.

6. ASSESSMENTS

6.1. Personal Obligation for Assessments. Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot, by accepting a deed for a Lot, are deemed to covenant to pay to Longhorn Ranch Homeowners' Association, Inc. (i) the Annual Assessments imposed by the Board of Directors as necessary to fund the maintenance of the Common Areas (as shown on the Plat of Longhorn Ranch Subdivision) and to generally carry out the functions of Longhorn Ranch Homeowners' Association, Inc.; (ii) Special Assessments for capital improvements and other purposes as stated in this Declaration; and (iii) Default Assessments which may be assessed against a Lot pursuant to Longhorn Ranch Homeowners' Association Documents for the Owner's failure to perform an obligation under Longhorn Ranch Homeowners' Association Documents or because Longhorn Ranch Homeowners' Association, Inc. has incurred an expense on behalf of the Owner under Longhorn Ranch Homeowners' Association Documents.

6.2. Annual Assessments.

6.2.1. Calculation of Annual Assessments. The Board of Directors shall prepare a budget prior to the beginning of each fiscal year of the Association, and not less than sixty (60) days prior to the commencement of each fiscal year, the Board shall adopt a budget and shall determine, levy, and assess the Association's Assessments for the following year in accordance with the Colorado Common Interest Ownership Act as now existing or as the same may be amended, modified, or changed. Annual Assessments for Common Expenses will be based upon the estimated net cash flow requirements of Longhorn Ranch Homeowners' Association, Inc. to cover items including, without limitation, the cost of routine maintenance, repair and operation of the Common Areas; expenses of management; and premiums for insurance coverage as deemed desirable or necessary by Longhorn Ranch Homeowners' Association, Inc.; landscaping, care of grounds and common lighting within the Common Areas; routine renovations within Longhorn Ranch Subdivision Common Areas; wages of agents and employees; common water and utility charges for the Common Areas; legal and accounting fees; management fees; expenses and liabilities incurred by Longhorn Ranch Homeowners' Association, Inc. under or by reason of this Declaration; payment of any deficit remaining from a previous Assessment period;

and the supplementing of the reserve fund, which shall maintain a minimum balance of \$1,000 for general, routine maintenance, repairs and replacement of improvements within the Common Areas on a periodic basis.

6.2.2. Apportionment of Annual Assessments. Each Owner will be responsible for that Owner's share of the Common Expenses, which will be divided equally among the Lots included in the Subdivision under this Declaration from time to time. Accordingly, at any given time, an Owner's share of Common Expenses will be determined as a fraction, the numerator of which is the number of Lots owned by the Owner, and the denominator of which is the number of Lots then platted and incorporated in the Subdivision.

6.2.3. Collection. Annual Assessments will be collected as the Board may determine from time to time, but until the Board directs otherwise, they will be payable annually within thirty (30) days of mailing of assessment notice.

6.3. Special Assessments.

6.3.1. Initial Assessment. Within thirty (30) days of an Owner's purchase of a Lot, the Owner shall pay one time initial assessment of three-hundred dollars (\$300)("Initial Assessment"). The Initial Assessment is in addition to Annual Assessments.

6.3.2. Declarant's Initial Assessment. The Declarant shall pay an initial assessment of one-thousand dollars (\$1000) to the Association no later than thirty (30) days after the sale of the first Lot. For clarification, the Declarant is not obligated to pay Annual, Special or any other Assessments.

6.3.2. Determination by Board. The Board of Directors may levy in any fiscal year one or more Special Assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, or after adopting and submitting a revised budget to Longhorn Ranch Homeowners' Association, Inc. as may be required by the Act, to make up any shortfall in the current year's budget.

6.3.3. Notice. Notice of the amount and due dates for such Special Assessments must be sent to each Owner at least thirty (30) days prior to the due date.

7. ENFORCEMENT OF ASSESSMENTS

7.1. Nonpayment of Assessments. Any Assessment, whether Regular, Special, or Default Assessment, which is not paid within thirty (30) days of the due date shall be deemed delinquent. In the event that any Assessment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

7.1.1. Assess a late charge, to be determined by the Board, on the amount due and owing per each delinquency.

7.1.2. Assess an interest rate charge from the date of delinquency at a rate determined by the Board of Directors.

7.1.3. Suspend the voting rights of the Owner during any period of delinquency.

7.1.4. Bring an action against any Owner personally obligated to pay the delinquent Assessment.

7.1.5. File a Statement of Lien with respect to the Lot and foreclose such lien in the manner hereafter set forth. The Association may file a Statement of Lien by recording with the Clerk and Recorder of Chaffee County, Colorado, a written statement with respect to the Lot, setting forth the name of the Owner, the legal description of the Lot, the name of the Association and the amount of the delinquent Assessments then owing, which Statement of Lien shall be signed and acknowledged by the President, Vice President, or Secretary of the Association and which shall be sent by certified mail, postage prepaid, to the Owner of the Lot at the latest address the Association may have in its records as to the Owner. Thirty days following the mailing of such notice, the Association may proceed to foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Colorado. Such Statement of Lien shall secure all Assessments accruing or assessed subsequent to the date of recording of such Statement of Lien until the same have been satisfied and released, together with the Association's attorneys' fees and cost incurred in the preparation and recording of such Statement of Lien and any release thereof. In any action for the payment or foreclosure of such Assessment, the Association shall be entitled to recover as part of the action, the interest, costs, and reasonable attorneys' fees with respect to the action.

7.2. Successors' Liability for Assessment. In addition to the personal obligation of each Owner of a Lot to pay all Assessments and the Association's lien on a Lot for such Assessments, all successors to the ownership of a Lot shall be jointly and severally liable with the prior Owner for any and all unpaid Assessments, interest, costs, expenses, and attorneys' fees against such Lot.

7.3. Liens for Unpaid Assessments.

7.3.1. The Association has a lien on a Lot for an Assessment levied against the Lot or fines imposed against its Lot Owner from the time the Assessment or fine becomes due. Fees, charges, late charges, fines, and interest charged pursuant to the Act and the Documents are enforceable as assessments under this Section. If an 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. Recording of the Declaration constitutes record notice and perfection of the lien. Further recording of a claim of lien for an Assessment is not required.

7.3.2. As provided in the Act, a lien under this Section is prior to all other liens and encumbrances on a Lot except: (i) liens and encumbrances recorded before the recordation of the Declaration; (ii) a first Security Interest on the Lot recorded before the date on which the Assessment sought to be enforced became delinquent; and (iii) liens for real estate taxes and other governmental assessments or charges against the Lot. A lien under this Section is also prior to all Security Interests described in subdivision (ii) of this subsection to the extent that the Assessments are based on the periodic budget adopted by the Association pursuant to Section 6.2.1 and would have become due in the absence of acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association's lien of an action or a nonjudicial foreclosure either to enforce or extinguish the Association's lien. This subsection 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. A lien under this Section is not subject to the exemptions provided by Colorado homestead laws, which are specifically waived by a Lot Owner as evidenced by acceptance of a deed to a Lot.

8. INSURANCE AND ASSUMPTION OF RISK

8.1. Authority to Purchase. All insurance policies relating to Longhorn Ranch Homeowners' Association, Inc., will be purchased by the Board of Directors or its duly authorized agent. The Board of Directors and Declarant will not be liable for failure to obtain any coverage required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable costs. Notwithstanding the foregoing, if the insurance described in Sections 8.3 and 8.4 below is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy having been obtained, Longhorn Ranch Homeowners' Association, Inc. promptly will cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners and any other parties in interest.

8.2. General Insurance Provisions. All such insurance coverage obtained by the Board of Directors will be governed by the following provisions:

8.2.1. The deductible, if any, on any insurance policy purchased by the Board of Directors may be treated as a Common Expense payable from Annual Assessments or Special Assessments (allocable to all of the Lots or to only some of the Lots, if the claims for damages arise from the negligence of particular Owners, or if the repairs benefit only particular Owners), or as an item to be paid from working capital reserves established by the Board of Directors.

8.2.2. Any loss covered by the physical damage insurance policy described in Section 8.3 must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners, and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the common interest community is terminated.

8.3. Physical Damage Insurance on Common Area. Longhorn Ranch Homeowners' Association, Inc. will obtain insurance for all insurable Common Improvements, if any, in an amount equal to the full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundation, excavation, depreciation on personal property, and other items normally excluded from coverage), which will include all building service equipment and the like, common personal property and supplies, and any common fixtures or equipment. In addition, such policy will afford protection against at least the following:

8.3.1. Loss or damage by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement covering sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage.

8.3.2. Such other risks as will customarily be covered with respect to projects similar in construction, location, and use to Longhorn Ranch Subdivision.

8.4. Provisions Common to Physical Damage Insurance, Liability Insurance, and Fidelity Insurance. Any insurance coverage obtained by Longhorn Ranch Homeowners' Association, Inc. under the provisions of this Article above will be subject to the following provisions and limitations:

8.4.1. The named insured under any such policies will include Declarant, until all of the Lots in Longhorn Ranch Subdivision have been conveyed, and Longhorn Ranch Homeowners' Association, Inc., as attorney-in-fact for the Owners, or the authorized representative of Longhorn Ranch Homeowners' Association, Inc. (including any trustee with whom Longhorn Ranch Homeowners' Association, Inc. may enter into any insurance trust agreement, or any successor trustee, each of which is sometimes referred to in this Declaration as the Insurance Trustee), who will have exclusive authority to negotiate losses under such policies.

8.4.2. Each Owner will be an insured person with respect to liability arising out of the Owner's interest in the Common Areas or membership in Longhorn Ranch Homeowners' Association, Inc.

8.4.3. In no event will the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their Mortgagees.

8.4.4. The policies will provide that coverage will not be prejudiced by (i) any act or neglect of any Owner (including an Owner's family, tenants, servants, agents, invitees and guests) when such act or neglect is not within the control of Longhorn Ranch Homeowners' Association, Inc., or (ii) any act or neglect or failure of Longhorn Ranch Homeowners' Association, Inc. to comply with any warranty or condition with regard to any portion of the Property over which Longhorn Ranch Homeowners' Association, Inc. has no control.

8.4.5. The policies will contain the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and provide that coverage may not be cancelled in the middle or at the end of any policy year or other period of coverage or substantially modified or reduced (including cancellation for nonpayment of premiums) without at least thirty (30) days' prior written notice mailed to the Association and to each Owner, Mortgagee to whom a certificate or memorandum of insurance has been issued, at their respective last known address.

8.4.6. The policies will contain a waiver by the insurer of any right to claim by way of subrogation against Declarant, the Board of Directors, Longhorn Ranch Homeowners' Association, Inc., the Manager, and any Owner and their respective agents, employees, or tenants, and in the case of Owners, members of their households.

8.4.7. The policies described in Sections 8.3 and 8.4 above will provide that any "no other insurance" clause will expressly exclude individual Owners' policies from its operation so that the physical damage policy or policies purchased by the Board will be deemed primary coverage, and any individual Owners' policies will be deemed excess coverage.

8.5. Personal Liability Insurance of Officers and Directors. To the extent obtainable at reasonable cost, appropriate officers' and directors' personal liability insurance will be obtained by Longhorn Ranch Homeowners' Association, Inc. to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of Longhorn Ranch Homeowners' Association, Inc.

8.6. Workmen's Compensation Insurance. Longhorn Ranch Homeowners' Association, Inc. will obtain workmen's compensation or similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.

8.7. Other Insurance. Longhorn Ranch Homeowners' Association, Inc. may obtain insurance against such other risks, of a similar or dissimilar nature, as it deems appropriate with respect to Longhorn Ranch Homeowners' Association, Inc.'s responsibilities and duties.

8.8. Insurance Obtained by Owners. Each Owner will have the right to obtain insurance for such Owner's benefit, at such Owner's expense, covering the Owner's Lot and Improvements, personal property and personal liability. However, no insurance coverage obtained by an Owner will operate to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by Longhorn Ranch Homeowners' Association, Inc. or cause the diminution or termination of that coverage. Any such insurance obtained by an Owner will include a waiver of the particular insurance company's right of subrogation against Longhorn Ranch Homeowners' Association, Inc. and other Owners, if reasonably available.

8.9. Security and Safety. Each owner and occupant of a Lot, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the community. The Association may, but shall not be obligated to, maintain or support certain activities within the Subdivision designed to enhance the level of safety or security which each person provides for himself and his property. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of safety or security within the Subdivision, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Property, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and shall be responsible for informing its tenants and all occupants of its Lot that the Association, its board and committees, and Declarant are not insurers or guarantors of security or safety and that each person within the Subdivision assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

8.10. Liability Insurance. Longhorn Ranch Homeowners' Association, Inc. will obtain a comprehensive policy of commercial general liability insurance (including libel, slander, false arrest, and invasion of privacy coverage) and property damage insurance with such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, Longhorn Ranch Homeowners' Association, Inc. and the respective employees, agents, and all persons acting as agents against any liability to the public or the Owners (and their guests, invitees, tenants, agents, and employees) arising in connection with the ownership, operation, maintenance, or use of the Common Areas within Longhorn Ranch Subdivision and any other areas under the control of Longhorn Ranch Homeowners' Association, Inc. Declarant will be included in the coverage as an additional insured. The Owners will be included as

additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Areas. Such comprehensive policy of commercial general liability insurance may include the following as determined by the Board of Directors:

8.10.1. Coverage for contractual liability, liability for non-owned and hired automobiles, and, if applicable, host liquor liability, employer's liability, and such other risks as will customarily be covered with respect to developments similar to Longhorn Ranch Subdivision in construction, location, and use.

8.10.2. A cross liability endorsement under which the rights of a named insured under the policy will not be prejudiced with respect to an action against another insured.

8.10.3. A "severability of interest" endorsement which will preclude the insurer from denying liability coverage to an Owner because of the negligent act of Longhorn Ranch Homeowners' Association, Inc. or another Owner.

The Board of Directors will review the coverage limits at least once every two years, but, generally the Board will carry such amounts of insurance usually required by private institutional mortgage lenders on projects similar to Longhorn Ranch Subdivision, and in no event will such coverage be less than \$1,000,000.00 for all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits will also be obtained in an amount not less than \$2,000,000.00.

8.11. Limitation of Liability. Neither Longhorn Ranch Homeowners' Association, Inc. nor any officer or member of the Board or Committee member will be liable to any party for any action or failure to act with respect to any matter arising by, through or under Longhorn Ranch Homeowners' Association Documents if the action or failure to act was made in good faith. Longhorn Ranch Homeowners' Association, Inc. will indemnify all of the officers and Board members with respect to any act taken in their official capacity to the extent provided in this Declaration and by law and in the Articles of Incorporation and Bylaws.

9. SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED DEVELOPMENT RIGHTS, EASEMENTS AND SETBACKS

9.1. Reservation of Withdrawal Rights. Declarant reserves the right for itself and any Successor Declarant at any time and from time to time to withdraw from the provisions of this Declaration individual Lots and/or Common Areas, provided however that none of the real estate may be withdrawn after any Lot has been conveyed by Declarant to a purchaser.

9.2. Other Reserved Rights. Declarant reserves the right for itself and any Successor Declarant at any time and from time to time to: (i) complete improvements indicated on the Plats and Maps, (ii) maintain and relocate sales offices, management offices, signs advertising the Subdivision, of any size, within one or more Lots and within the General Common Elements so long as Declarant or Successor Declarant continues to be an Owner of a Lot, and (iii) to appoint or remove any officer of the association or any Executive Board member during the period of Declarant control.

9.3. Termination of Rights Reserved. Except as otherwise expressly reserved in this Declaration, all rights reserved by and to the Declarant terminate upon the sale of all Lots which are within

the Subdivision up to the maximum number of Lots; provided, however, such reserved rights may be: (i) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose; (ii) extended as allowed by law; or (iii) terminated in whole or in part by a written instrument executed by the Declarant in such manner as provided in the Act.

9.4 Utility Easements. Limited to underground utilities only, there is hereby created a general easement upon, across, in, and under the Property and the Lots for ingress and egress and for installation, replacement, replat, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electrical, television and a master communications system, specifically limited solely to those utilities easements shown on the Plat. By virtue of this easement, it will be expressly permissible and proper for the companies providing electrical, television, telephone and other communication services to install and maintain necessary equipment on the property and to affix and maintain electrical, television, communications, and telephone wires, circuits, and conduits under the Property. Any utility company using this general easement will use its best efforts to install and maintain the utilities provided for without disturbing the uses of the Owners, Longhorn Ranch Homeowners' Association, Inc. and Declarant; will prosecute its installation and maintenance activities as promptly and expeditiously as reasonably possible; and will restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement request a specific easement by separate recordable document, either Declarant or Longhorn Ranch Homeowners' Association, Inc. will have, and are hereby given, the right and authority to grant such easement upon, across, or under any part or all of the Property without conflicting with the terms of this Declaration. This general easement will in no way affect, avoid, extinguish, or modify any other recorded easement on the Property.

9.5. Maintenance Easement. An easement is hereby reserved to Declarant for itself and its successors and assigns and granted to Longhorn Ranch Homeowners' Association, Inc., and any member of the Board of Directors, and their respective officers, agents, employees and assigns, upon, across, over, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs to perform the duties and functions which Longhorn Ranch Homeowners' Association, Inc. is obligated or permitted to perform pursuant to Longhorn Ranch Documents, including the right to enter upon any Lot for the purpose of performing maintenance to the landscaping or the exterior of Improvements to such Lot, as required by Longhorn Ranch Documents.

9.6. Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

9.7. Assignment. Subject to the requirement and limitation of the Colorado Common Interest Ownership Act, Declarant may assign all of any part of the Special Declarant Rights or any of Declarant's other rights and reservations hereunder to any successor who takes title to all or part of the Property in a bulk purchase for the purpose of development and sale. Such successor will be identified, the particular rights being assigned will be specified, and, to the extent required,

concomitant obligations will be expressly assumed by such successor, all in a written instrument duly recorded in the records of the Clerk and Recorder of Chaffee County, Colorado.

10. ENFORCEMENT

10.1. Violation Deemed a Nuisance. Every violation of this Declaration for Longhorn Ranch Subdivision, the Articles and Bylaws of the Association, Architectural & Landscaping Guidelines or any Rules and Regulations adopted by the Association shall be deemed to be a nuisance and is subject to all the remedies provided for the abatement thereof.

10.2. Failure to Comply. The failure to comply with this Declaration, the Architectural & Landscaping Guidelines, or any Rules and Regulations adopted by the Board of Directors or the Architectural Control Committee shall be grounds for an action to recover damages, or for injunctive relief or for specific performance, or any of them under the following terms and conditions:

10.2.1. Written notice of any violation or failure to comply with this Declaration, the Architectural & Landscaping Guidelines, or any Rules and Regulations adopted by the Board of Directors or the Architectural Control Committee shall first be given to any Owner or person as to such violation or failure to comply.

10.2.2. Such Owner or person shall be given ten (10) days from the date of such notice to correct such violation or failure to comply.

10.2.3. In the event that any Owner or person believes that he or she is not in violation or failure to comply, he or she may request an opportunity for a hearing by the Board of Directors prior to the Association taking further action or commencing any legal proceeding against such Owner or person.

10.2.4. Any action by the Association as against any such Owner or person shall be by resolution of the Board of Directors following notice as above provided and granting to such Owner or person an opportunity to be heard before the Board of Directors.

10.3. Who May Enforce. Any action to enforce any violation of any provision of this Declaration may be brought as follows:

10.3.1. By the Association in name of the Association and on behalf of the Owners.

10.3.2. By the Owner of any Lot.

10.4. No Waiver. The failure of the Board, the Association, or any Owner to enforce or obtain compliance as to any violation, shall not be deemed a waiver of the right to do so for any subsequent violation or the right to enforce any part of such documents.

10.5. Attorneys' Fees. If any legal action is commenced or maintained in court, whether in law or in equity, as to the interpretation, enforcement, construction, or the determination of the rights and duties of the parties to this Declaration for Longhorn Ranch Subdivision or any provision of the Association Documents provided herein, the prevailing party in any such action shall be entitled to reasonable attorneys' fees together with all reasonable costs and expenses incurred in such action.

11. DURATION OF THESE COVENANTS AND AMENDMENT

11.1. Amendment. Subject to amendment at any time as set forth herein, the covenants, conditions, restrictions and liens of the Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Prior to the transfer of the first Lot to any third party not related to or associated with Declarant, Declarant may amend this Declaration and the Plat at the Declarant's sole discretion. In addition, Declarant hereby reserves and is granted the right and power to record minor and technical amendments to this Declaration and the Plat at any time for the purpose of correcting spelling, grammar, dates, typographical errors, or as may otherwise be deemed necessary by the Declarant to clarify the meaning of any provisions, without the consent of any of the Owners or first mortgagees. After the transfer of the first Lot as provided herein, this Declaration may be amended, at any time, by an instrument signed by the Owners of sixty-seven percent (67%) of all Lots. If an Owner consents to any amendment to this Declaration, it will be conclusively presumed that such Owner has the authority to so consent and that there is no contrary provision in any mortgage or contract between Owner and a third party that will affect the validity of such consent.

11.2. Declarant's Approval. Notwithstanding the provisions of Section 11.1, no termination, extension, modification or amendment of this Declaration will be effective in any event during the Period of Declarant Control unless the written approval of Declarant is first obtained.

11.3. Notice of Amendment. No amendment or revocation of this Declaration will be effective unless a written notice of the proposed amendment is sent to every Owner reasonably in advance of any action taken or purported to be taken and such Owner has been given the opportunity to vote or give its consent thereto.

11.4. Effective on Recording. Any modification, amendment or revocation will be immediately effective upon recording in Chaffee County, Colorado, a copy of such amendment, modification, or revocation executed and acknowledged by the necessary number of Owners (and by Declarant, as required).

12. MISCELLANEOUS PROVISIONS

12.1. Severability. Any provision of this Declaration found to be prohibited by law or unenforceable will be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

12.2. Conflicts Between Documents. In case of conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration will control. In case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation will control.

DECLARANT:

Longhorn Ranch LLC, a Colorado corporation:

By:


Its Member ERIC SCHMALZ

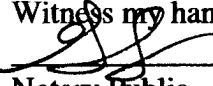
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437343 9/20/2017 8:30 AM DECL Lori A Mitchell
22 of 25 RS130 DS0 NS0 SS3 MS0 ES0 Chaffee County Clerk

STATE OF COLORADO)
) ss.
COUNTY OF CHAFFEE)

The foregoing instrument was acknowledged before me this 19th day of September 2017 by
Eric Schmalz as Member, a Colorado limited liability company, on behalf of said LLC.

Witness my hand and official seal.



Notary Public

My commission expires: 12/19/19.

GWENDOLYN C. ALLEN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20114077783 COMMISSION EXPIRES DEC. 19, 2019

437343

437343 9/20/2017 8:30 AM DECL Lori A Mitchell
23 of 25 R\$130 D\$0 N\$0 S\$3 M\$0 E\$0 Chaffee County Clerk

**EXHIBIT A
TO
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND EASEMENTS FOR
LONGHORN RANCH SUBDIVISION**

Longhorn Ranch Subdivision

**North ½ Section 36 & South ½ Section 25, Township 50 North, Range 8 East
according to the recorded plat thereof, Chaffee County, Colorado**

EXHIBIT B

**ARCHITECTURAL & LANDSCAPING GUIDELINES FOR
LONGHORN RANCH SUBDIVISION,
CHAFFEE COUNTY, COLORADO**

Except as otherwise agreed by the ACC:

1. **Exterior Finish.** All single-family residences shall have exterior walls of masonry, stone, stucco, approved wood siding, brick, rock, or a combination thereof as approved by the Architectural Committee. Use of more than one exterior finish material is encouraged (example: stucco with wood, metal or faux stone accents). All external finishes should be earth toned and a natural material for the purpose of blending in with the surrounding environment.
2. **Roofs.** All roofs shall be tile, slate, or composition shingles approved by the Architectural Committee. Flat parapets are acceptable.
3. **Height limit.** The maximum height of any structure shall be limited to 35 feet as measured from the highest natural ground level within the envelope of the proposed building to the highest point of the structure.
4. **Outbuildings/Garages.** All outbuildings/garages must be of similar construction, design, and color schemes as the single-family residence.
5. **Building Envelope Area.** All Lots shall be subject to the twenty-five foot (25') setbacks on all sides ("Building Area). Except for driveways, any buildings and structures shall be limited to said Building Area.
6. **Driveways.** All driveways on any Lot shall be constructed to Chaffee County road standards.
7. **Fencing.** In order to preserve the existing natural quality and aesthetics of the Property, fences, including dog runs and construction fences, may be constructed within the Building Area, as set forth in section 5 above, and further provided that:
 - (a) such fence shall not exceed forty-two (42) inches in height;
 - (b) such fence shall not be made of barbed wire, snow cable, cement, concrete or concrete block, steel T-post, wire or chain link;
 - (c) privacy and/or pet fences may be constructed on the sides and rear of the single-family residence, provided that such fence shall not be more than six feet in height nor more than 20 feet away from the sides or rear of the single-family residence;
 - (d) Interior fences, screens, or walls associated or connected with a building or structure shall be of such design, material, and height as may be approved by the ACC; and
 - (e) Lot owners may not fence in or otherwise restrict access to any irrigation ditches.

Special consideration will be given to perimeter lot fencing that is architecturally aesthetically compatible with the area and complies with the Colorado Parks and Wildlife guidance on fencing.

8. Enclosures or Screens. All unsightly structures, facilities, equipment, and other items, shall be enclosed with a solid, covered structure or screened from view. Any utility meter or other utility facility, service area, storage pile, container, or area for hanging clothes or other household fabrics will be enclosed or appropriately screened from view by planting or fencing approved by the ACC and will be adequate to conceal the same from adjoining lots, street, and access drives. No lumber, metals, bulk materials, or scrap will be kept, stored or allowed to accumulate on any lot.

9. Landscaping. A landscaping plan for each single-family residence shall be submitted to the ACC concurrently with building plans for such single-family residence. Such initial landscaping plan shall be completed in accordance with the ACC, as approved, within twelve (12) months after a single-family residence receives it's certificate of occupancy. Should this not occur, a monthly fee, as determined by the ACC, will be assessed against the Lot until such time as the required landscape work is completed. Such fines shall accrue after submission to Owner of written notification by certified mail, return receipt requested or by hand delivery with receipt.

Each Lot shall have, at a minimum, five live trees. No living tree or trees, whether now or hereafter grown upon any part of the Property, shall be cut down without the prior written approval of the ACC, provided, however, that this restriction shall not apply unless such tree is more than two inches (2") in caliper as measured one foot (1') above grade.

10. Exterior Lighting.

- (a) The goal of this guideline is to maintain the natural effect of normal night and minimize the impact of unnatural lighting and its effects on astronomical observations and enjoyment of the natural environment.
- (b) Timers or photocells may be used to shut off lights when they are not needed.
- (c) Any security lighting on residences or garages must be timed so that the security light stays on no longer than five minutes after a motion sensor turns on the light.
- (d) All exterior lights shall be fully shielded from above, and directed downward only, to reduce excessive glare and light trespass to adjoining property.