

4.8.1 GLAZING: Reflective glazing of any color shall not be employed in any structure. No building facade or roof area shall contain more than thirty percent (30%) glass area as a percentage of the total projected elevation or roof area of the building, above ground.

4.8.2 ROOF DESIGN: In recognition that roof designs are often the most visible element of any structure, each roof shall be designed, constructed and maintained with special attention to its appearance as viewed from all points. The features of the roof of all structures that shall receive special consideration are shape, dimension, surface texture, mass, color, reflectivity and orientation.

Low slope (essentially flat) roofs that are concealed behind parapet walls that are not less than twenty four inches (24") above the roof surface are permitted. Low slope roofs shall be concealed on all four sides except for appropriate drainage scuppers or canals that may penetrate the parapet wall for drainage. All parapet walls shall be constructed in the same plane and shall be finished in the same manner as the exterior walls of the structure, consistent with the architectural style.

Exposed rooflines may be pitched within a range from 3:12 as the lowest acceptable slope to 12:12 as the steepest allowable under this covenant. Roof designs of any pitch that create a roof dominated building design, such as an "A" frame structure, are prohibited.

No shiny or reflective roof or wall finishes shall be applied or erected on any portion of any structure in the development.

Roof materials that are acceptable will be listed and maintained in the ACC guidelines for building materials. In general, acceptable materials are fire treated wood shingles of any species, metal roofing that has been coated or treated heavily to produce a dull non-reflective surface, or metal roofing that is painted in acceptable non-garish colors such as muted browns, maroons, tans, and dark greens.

Asphalt/fiberglass composite shingles may be approved but shall be limited to high quality, heavy profile textured and shadow cut shingles that simulate wood shingles or shakes.



4.8.3 ROOF ACCESSORIES: Vents, gutters, chimneys and all other roof-top vents and equipment shall be painted with a non-reflective coating in neutral earth tones that approximate the same color as the predominate color of the wall on the structure where the vent or equipment is located. The ACC shall maintain a guideline of acceptable trim colors and roof materials manufacturers that are appropriate for the development.

4.9 FIREPLACES AND WOOD BURNING APPLIANCES. In recognition of the potential danger to the value of the Lots and the improvements to be constructed thereon and to the potential adverse air quality effects of wood burning devices, limitations on the number and type of wood burning appliances or fireplaces is placed on each Lot as follows:

Up to three (3) wood burning appliances or fireplaces may be made a part of any structure thereon. The wood burning device or fireplace shall not be approved unless fitted with an appropriate spark arrestor, the design of which shall be approved by the ACC. All other heating devices shall be electric or gas fired and maintained in such a manner that meets codes for appropriate ventilation, chimney placement and hoods on chimneys stacks, and shall not be limited in number.

No camp or open fires of any type shall be allowed on any Lot or portions of the limited or general Common elements of the development except within approved devices that are specifically approved by the ACC and designed to limit or arrest spark emissions. In no case shall fires be allowed at those times that are declared by the National Forest Service or the Executive Board of the Association as "high" or greater fire danger for the local area.

4.10 VEHICLES, DRIVEWAYS AND CULVERTS. Owners shall be required to build a driveway to the Lot from the nearest private or public access. Driveways shall not exceed a fourteen (14) foot of driving surface, exclusive of side bar ditches, except turnouts and passing lanes can be constructed as allowed by the ACC.

Owners are required to install culverts no less than fourteen inches (14") in diameter or one with an equivalent flow and/or cattleguards at the intersection of the



driveway serving the Lot and the access road. Multiple access driveways shall be installed only if the ACC determines that the Lot cannot be adequately served by a single driveway.

Driveway surfacing shall be gravel or base course natural materials. Paving in asphalt, concrete, or other hard surface materials shall be used only on those areas that form an apron to the garage. The maximum area of hard surfaced for the purpose of parking of vehicles shall be limited to **three thousand square feet (3000 S.F.)**.

Trailers, boats, recreational vehicles and similar mobile vehicles must be screened from public view by fences, garages, walls, or appropriate landscape treatments.

4.11 OTHER STRUCTURES. Owners may build a swimming pool or tennis court only with approval of the ACC. Fencing for tennis courts shall be limited to ten (10) feet in height and shall be constructed of dark colored vinyl coated or dark painted wire fencing and poles.

Moveable sheds or tool buildings of no more than two hundred (200) gross square footage footprint may be erected and used within the development. All structures must be approved by ACC as to the location, height, materials, design and finish. No moveable building shall be placed in any area where other structures or activities are prohibited. The building shall be subject to all other conditions of this covenant pertaining to structures, and shall be counted as one of the accessory agricultural structures allowed under the limits of buildings to be placed on any Lot.

4.12 TOWERS, WINDMILLS, ANTENNAE, SOLAR COLLECTORS, MECHANICAL EQUIPMENT, SATELLITE DISHES, PROPANE or CNG TANKS AND PLAY EQUIPMENT. Towers, antennae of any type, mechanical equipment such as evaporative coolers or air conditioners, satellite dishes or solar collectors may be erected or maintained on any structure if approved by the ACC and only if the height is not more than three (3) feet above the highest roof line of the structure. The height of the device added to that of the structure shall be used to determine average height of a structure overall, unless it is set back ten (10) feet or more from the edge of an exterior wall(s) closest to the device. In no instance shall the height of the devices listed above cause



the overall structure to exceed the height limitations set for structures in this covenant.

Such devices shall be finished in a non-reflective manner that matches closely with the predominate color of the primary dwelling or structure wall that is closest to the device.

Wind mills and solar wind generators are prohibited, except those windmills existing on the Property on the date of the recording of this Declaration.

Solar devices and collector panels may be allowed if appropriately incorporated into the design of a roof or walls of a structure if approved by the ACC.

Propane or Compressed Natural Gas (CNG) tanks shall be placed in a location such that they are effectively screened from view from outside of the Lot. The ACC shall review the placement of such storage tanks as structures, and may place additional requirements other than location. Additional requirements may include, but are not limited to, color, finish, wall or fence screening, or landscaping.

Play equipment, whether affixed to the ground or not, shall be considered as a structure to be reviewed under the design guidelines of the ACC and the rules of this covenant only in the event that the equipment covers or encloses an area greater than **two hundred square feet (200 S.F.)**. Play equipment of any size shall not be placed in any area where structures are not allowed and in no instance shall play equipment, be erected that exceeds the height limits placed on structures under this covenant.

4.13 SIGNAGE. No signs except those that indicate the name and address of the residents and or name of the property shall be erected maintained or installed on any Lot or Common Properties. A sign erected under this section shall be limited to **twelve square feet (12 S.F.)** in total surface area, and may have writing on both sides.

No signage or advertisement shall be displayed upon any Lot or placed on or within a structure in such a way that is visible from the public roads or adjoining Lots. An Owner may erect one sign of not more than two by four (2 x 4) that advertises the sale, rent or lease of the Lot or the improvements thereon. No vehicle shall be parked in such a manner that it becomes a sign or supports sign.

The ACC may allow a sign to be erected that identifies the community as a whole.



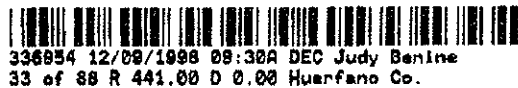
Temporary signs for a special event that may take place in the Ranch development may also be approved by the ACC provided that no temporary sign shall be approved or maintained for more than thirty (30) days of continuous or intermittent use.

Exception. The existing sign that advertises the sale of Lots within the subdivision may continue to be maintained in the current location until such time that seventy five percent (75%) of the Lots are sold and thereafter until such time that the Board of Directors directs the real estate agency to remove the sign.

4.14 LANDSCAPING INTENT. It is the intent of the covenant that the landscaping that is visible from anywhere within the community is to be limited to plant materials that are naturally occurring on the Lots at this time, and that the natural beauty of the community landscape shall be maintained in character and quality to the fullest extent possible. The ACC shall have the authority and duty to direct an Owner to provide additional landscaping, tree screens or other plant material treatments that will enhance the overall public view of a structure, and to remove landscape features that do not meet the overall intent of the covenant.

4.14.1 LANDSCAPING GUIDELINES: The ACC will maintain and provide to all Owners or their agents a list of appropriate plant materials that are acceptable at Piney Ridge Ranch. From time to time the committee shall review and modify the list. The committee may prohibit planting that in its opinion will mar the natural beauty of the community. For example: *In the low grass land areas, a landscape scheme that calls for lining of the property line or driveway with rows of trees would alter the character of the low grass lands.* A non-commercial garden placed on a Lot that is maintained strictly within the limits of the approved well permit assigned to the Lot (up to one (1) acre in size) may be installed for purposes of raising fruits, vegetables and/or flowers for personal use or consumption. No illegal substances may be cultivated, or allowed to remain on any Lot or Common Area of the Piney Ridge Subdivision.

The use of commercial fertilizers and other chemical treatments for gardens and landscapes shall be strictly limited by the ACC to those approved for use within the Ranch.



4.15 FENCES AND WALLS.

4.15.1 GUIDELINES: The goal of limiting the design of fences in the community is to maintain the "open range" character of the development in general and to provide a common identity to the community by limiting the varieties of fences and walls. Fences and walls shall be considered "structures" required to be approved by the ACC. A Lot Owner may enclose portions of a Lot for the purposes of controlling access to vehicles, controlling animals and to assure privacy. All domestic animals shall be provided with a fenced area. All fencing, other than that approved for solid fencing, as part of the Private residence shall be constructed of wood posts with minimum three (3)-strand barbless wire. Corner braces and bracing supplied at intersections, corners and at cattleguards are to be constructed of wood posts or railroad ties. Fencing of all types shall be identified on the site plan and landscape plans and reviewed and approved on a Lot by Lot basis by the ACC.

4.15.2 PROHIBITED FENCES: Continuous perimeter lot line fences are prohibited.

4.15.3 SOLID FENCES: Solid walls and fences may be allowed for enclosures for pets and in areas that are approved for privacy and are attached to the primary residence, or other approved building. Solid fences, walls or hedges are allowed for use in providing privacy, visual interest and protection in the vicinity of the primary residence, the guest quarters or other architecturally allied accessory structure such as a garage. Solid fences shall be limited to materials and finishes that are sympathetic and complementary to the architectural features in the vicinity of the fence. Solid fences shall be limited to enclosing areas within one hundred (100) feet of a building.

4.15.4 HEIGHT OF FENCES, WALLS AND HEDGES: Fences, walls, hedges shall be limited to **six feet (6'0")** average height over a **twenty six (26)-foot** length above the natural undisturbed grade measured vertically from any point along it's length. Walls and fences that are attached to and associated with the design of a gate and gate support structures are allowed to exceed the height limitation for walls and fences for a length of not more than **twenty (20) feet** on either side of the gate structure.



4.15.5 EXISTING FENCES: Fences that exist on any Lot on the date of recording of this Declaration, if conforming or not, may remain on the Lot. No non-conforming fences or structures shall be improved, altered or relocated without approval of the ACC.

4.15.6 FENCE SETBACKS: Fences shall be set back at least **fifty (50)** feet from the property lines along all access roads that border the Lot. A Fence may be built on a common lot line. However, fences may not be erected within **twenty five (25)** feet of an existing fence on a adjoining lot to allow access for maintenance of fence materials and mowing of grasses.

4.15.7 GATES AND SUPPORTING GATE STRUCTURES: The Architectural Control Committee shall review and approve all gates and gate structures proposed for each Lot. Only one (1) entry gate structure is allowed per site, except that if a Lot has a second driveway or access, a simple gate at the second entrance may be approved.

The overall height of a main entry gate structure shall not exceed **seventeen (17) feet**. This height shall not be maintained except for a distance of approximately **four (4) feet** on either side of the gate that is being supported. Gate structures shall be placed not less than **seventy five (75) feet** from the property line.

4.15.8 PRIVATE LANDSCAPE AREAS: Lot Owner may enclose up to one **two thousand square feet (2000 S.F.)** private outdoor space by a solid wall, fence or hedge meeting the height standards of this covenant. The enclosing structure shall be attached or contiguous to the primary residence, garage and or other approved structure. The enclosing structure shall be of materials that match or are complementary to the design of the approved buildings. The landscape treatments within the private landscape enclosure are not subject to review by the ACC other than design of landscape elements that are visible from a public way.

4.15.9 TREES / LANDSCAPING: No lawns consisting of blue grass or other non-native grasses shall be planted or maintained on any Lot in the development except that within the private landscape enclosure, any type of grass may be planted in an area up to **one thousand square feet (1000 S.F.)**. Only a grass seed mix that is approved by the



ACC shall be used in reseeded or landscaping outside of the private landscape areas. Drought resistant plantings and landscape materials that are native to the area are encouraged for landscape treatments.

All areas surrounding structures, roads and other construction elements that have been disturbed by the activities of construction shall be re-seeded within a reasonable time frame and maintained by the Lot Owner until such time that the grass is established.

Dead trees and landscaping shall be removed from a Lot immediately. Replacement of plant materials which have died or are no longer viable as landscaping shall not be required to be re-approved, if the plantings are replaced with the same materials that were removed.

4.15.10 RETAINING WALLS AND PROTECTED SLOPES: Retaining walls are structures. All cut and fill slopes resulting from construction of structures, driveways, or retention ponds shall be reviewed by the ACC. Disturbed slopes of an angle ratio of 1:3 or less shall be re-seeded with approved indigenous plant materials and grasses. Slopes that are greater than 1:3 shall be stabilized with stone riprap and planting or other treatment approved by the ACC. Retaining walls and terraces with either a vertical or sloped face shall not measure over four feet six inches (4'6") high vertically at any point along the length without a horizontal stepback of at least five (5) feet. No retaining wall or terraced face of hills shall exceed forty (40) feet in total length. Terraces created by retaining wall step backs shall be landscaped to soften the visual impact of the wall face. No variance from the height limitations of retaining walls shall be considered on any Lot without detailed drawings prepared by a Colorado Licensed Architect or Engineer illustrating and certifying the structural integrity of the proposed structure.

4.15.11 EXTERIOR LIGHTING: No exterior lighting shall be installed, maintained or altered in wattage on the Lots without prior review and approval of the ACC. No lighting shall be installed that will shine directly on other Lots. A fixture that is not adequately shielded and becomes a nuisance to the other Lot Owners shall be modified or removed by the Lot Owner immediately at the direction of the ACC. Mercury vapor, low pressure sodium and high-pressure sodium fixtures are prohibited. No lights



shall be installed higher than ten (10) feet above the ground directly below the light. Fixtures placed nor more than seven (7) feet above the floor level of a structure may be installed in appropriate numbers if approved by the ACC. Fixtures shall not be installed with a bulb wattage over seventy five (75) watts.

4.15.12 SEPTIC SYSTEMS: It shall be the responsibility of the Owner of each Lot to provide an individual sewage or septic disposal system that is complete and working under the rules of the State of Colorado and the Huerfano County government. The location of all elements of the septic and any other waste water system shall be submitted to the ACC as part of the building design review package. The ACC shall have the power and authority to require that a system be relocated if in the opinion of that committee the location and potential hazards from long term use or failure of the system endanger the health, value or aesthetic beauty of the development or any Lots therein.

4.15.13 WATER SYSTEMS: It shall be the responsibility of the Owner of each Lot to provide domestic water supply by obtaining a legal well permit from the appropriate State of Colorado agencies. The Owner of the Lot shall use a qualified well driller to construct a well and all necessary pumps, equipment and underground domestic water lines for use on the Lot. The use of water saving appliances, plumbing fixtures, low flow faucets and other devices such as drip irrigation is encouraged. The use of water within the subdivision is strictly limited to those applications allowed under the State of Colorado well permit and as further restricted by these covenants. The intent of the Covenant is not to restrict water usage to less than allowed under the well use permit, except in case of extreme drought or other natural disaster that may require that the Board implement restrictions on water use that would apply to all Lot Owners. The location of all elements of the water supply system shall be submitted to the ACC as part of the building design review package.

4.15.14 UTILITIES: Each Owner shall be required to pay all costs of license, fees and construction in connection with separately metered utility services to a Lot or Structure thereon. Any utility pipes, lines or cables installed on a Lot shall be placed underground in a manner that is consistent with the codes governing the type of utility



that is being installed.

4.15.15 MAINTENANCE OF LOTS AND LIMITED COMMON ELEMENTS:

Each Owner of a Lot shall be responsible for maintaining the Owner's Lot and any structures and other improvements erected thereon. If an Owner has commenced construction of any Structure or other improvement, he is obligated to complete the structure or improvement. No exterior of any structure wall or fence shall remain unfinished. During and after construction, it shall be the Owner's responsibility to keep the Lot clean and free from debris, construction refuse, fill dirt, trash, or excess construction materials, or other open storage of any kind. Violation thereof shall authorize the ACC to halt construction, and the cleanup of the Lot shall be accomplished at the Owner's expense and considered a breach of this Declaration until the situation is remedied.

SEE ALSO ACC CONSTRUCTION REGULATIONS FOR REQUIREMENTS DURING CONSTRUCTION

4.16 IMPROVEMENT AND REPAIR OF LIMITED COMMON ELEMENTS. Any Owner, in conjunction with the construction of a primary dwelling or other structure upon the Owner's Lot or at such time as it may be necessary to properly maintain or install utility service and driveways to any Lot, shall have the exclusive right to connect to expand or modify and replace underground utility connections that service the Owner's Lot only. No construction, interruption or disturbance of Limited Common areas shall commence without prior approval by the ACC of the nature and extent and schedule of the proposed work. The Owner shall be responsible for further replacement, reseeding and re-establishing original contours of the land that is disturbed as a result of actions of the Owner, the Owner's contractor or sub-contractors. Failure to execute the work on schedule, or in the manner required by the ACC, and or failure to replace the disturbed areas to match the original conditions shall result in an assessment to the Owner by the Board for costs to complete the work, make changes necessary to accomplish the work as approved, or replace the work completely. The failure to complete the work as approved is a violation of this declaration.



4.17 EXPANSION/ALTERATION OF STRUCTURES. Any expansion modification or alteration of a structure shall not be commenced without prior approval by the ACC. Minor repairs and maintenance including painting of structures with the same colors that were originally approved, shall not require prior approval. Changes to the overall color schemes of structures shall be submitted to the ACC for approval.

4.18 USE OF COMMON ELEMENTS. Subject to other provisions of this Declaration, each Owner, their family and guests shall be entitled to the non-exclusive use and enjoyment in common with other Owners, of the General Common Elements.

4.19 HUNTING OR USE OF FIREARMS. No hunting or use of firearms shall take place within the Ranch development. Activities that involve the discharge of firearms into or out of any portion of the Ranch are strictly prohibited.

4.20 MONUMENTAL SCULPTURE. The proposed placement of permanent or temporary sculpture of any type that when installed on the ground or on a pedestal measures over thirty (30) inches above the undisturbed natural earth at the place where it is proposed to be placed shall be considered a structure and shall be subject to review by the ACC.

**ARTICLE V
ARCHITECTURAL CONTROL COMMITTEE
AND
CONSTRUCTION REQUIREMENTS**

5.1 DESIGN REVIEW. No structure shall be erected, placed or maintained upon a Lot nor shall any structure be modified altered or expanded, nor shall any landscape, driveway or other non-structural improvement be commenced on any Lot, until the plans and specifications that fully show the nature, extent and full scope of the project has been submitted to and approved in writing by the Architectural Control Committee;

5.2 ARCHITECTURAL CONTROL COMMITTEE. The Declarant or any persons appointed by the Declarant shall serve as the ACC until nine (9) Lots in the



Ranch have been sold and the primary Residences have been completed thereon. Thereafter, the ACC shall consist of not less than three (3) nor more than five (5) persons, two (2) of whom, in case of a three member ACC, or four (4) in case of a five (5) person ACC, shall be appointed by the Board of Directors of the Association. The Declarant shall, at all times be a member of the ACC, and not subject to removal. The ACC shall review and approve if appropriate, the proposed plans and specification for any improvement, structure to be constructed, altered expanded or improved within the Ranch. The members of the ACC may be members of the Association.

The ACC shall hold periodic meetings as required to accomplish the task of review of proposed projects in a timely manner. A quorum for the purposes of this any meeting of the ACC shall consist of two (2) members, in the instance of a three person ACC, and three (3) members in the instance of a four (4) or five (5) member ACC. The concurrence of the majority of members present shall be necessary for any decision of the ACC. The ACC may appoint a sub-committee consisting of one (1) or more members of the ACC to review an individual project and make recommendations to the ACC.

In no instance shall an ACC member act on a sub-committee or vote in an ACC meeting on a project that being considered for a Lot that is owned by that member, immediately adjacent to that member, or is a project in which the member has a financial interest, provided however that the Declarant member of the ACC is deemed to have a financial interest at all times and shall not be disqualified for that reason.

The ACC may elect a chairperson and recording secretary and adapt such procedural rules and regulations, including, but not limited to the Design rules and Guidelines, as it may, in it's discretion deem appropriate. All decisions shall be recorded in writing and transmitted to the Owner in written form. All decisions of the ACC are to be considered final, subject to the appeal procures allowed in the Section 5.5. herein.

The ACC is charged with the duty to approve the site location for all structures that are erected, or maintained within the subdivision. The Owner's of Lots shall submit sufficient information as established by the board, to the ACC to identify the proposed location of all improvements on a Lot. This may include drawings, plats, contour maps,



photographs and filed markers and story poles. The ACC shall approve the location of these improvements prior to approving other aspects of the improvements under their duties in this covenant. Approvals for site locations shall become void twenty four (24) months after the original approval date. A Lot Owner may re-apply for the same approved site location at anytime after the original approval has expired; however the ACC and Board are under no obligation to approve the location if it does not meet the most design guidelines and rules.

5.3 DESIGN AND BUILDING REQUIREMENTS. The Ranch is comprised of a maximum of nineteen (19) Lots designed to interweave luxury living with the natural beauty of the property. It is the intent of the Declarant to foster a community that is harmonious with the surrounding topography and vegetation, that maximizes the views from each Lot but refrains from allowing structures to dominate the natural landforms of the development. Accordingly the Board shall have the right to promulgate certain design rules and guidelines in addition to those contained in this declaration in order to ensure that all improvements construction and maintained upon the Ranch continue to preserve and promote the best interests of the Owners of the Lots. All structures, utility improvements and activities on the Lots must conform to the State and local building codes, ordinances and regulations.

5.4 PROCEDURE FOR APPROVAL. An Owner seeking approval from the ACC shall submit sufficient information to full explain the scope and nature of a project to the ACC. The ACC shall be empowered to ask for and receive, in a timely manner all information that is required to reach an informed decision on a proposed project. The minimum submittal that is required to initiate the design review process is the following:

a. Four (4) complete sets of building construction plans showing the entire Lot, the proposed building site, and all structures proposed for the site. In addition all proposed driveways, gates fences, drainage structures, utility lines, tanks, wells and water lines, septic system and waste lines shall be indicated in the drawings. The drawings shall also indicate all proposed landscape treatments, retaining walls and changes to landforms that are proposed to be accomplished as part of the project. All



plans shall be legible, clearly drawn and contains sufficient detail to fully explain the proposed project, and shall include information regarding colors, materials, lighting, types of plant materials to be installed and the height of those materials at maturity.

b. **Four (4)** copies of the Site Plan (which can be combined with the floor plan if drawn at sufficient scale) that clearly indicates the natural undisturbed grade elevation and the finished grades for at least fifty (50) feet beyond the face of any proposed structure. Contours shall be shown at intervals not greater than two feet. All driveways, paths, walls and altered landform areas are to be shown. Dimensions and north orientation of the site shall be shown clearly. Dimensions shall be indicated for distance to property lines, other structures and to pre-existing structures on other Lots if needed to show that they conform to these covenants. The minimum scale of the Site Plan shall be 1"10'.

c. **Four (4)** copies of a detailed erosion protection, grading and landscape plan shall be submitted which addresses all erosion potentials from all permitted structures and driveway runoffs. Either retention ponds, and ditch stabilization materials and details shall be made a part of the Grading Plan. The plan must show the size and locations of retaining walls on cut or fill slopes and indicate conformance with the regulations regarding retaining walls.

d. **Four (4)** sets of floor plans of each habitable level of the structure that indicates the finish floor level elevation relative to natural undisturbed grade and other dimensions internal and overall that indicate clearly the size of the structure. All rooms shall be labeled as to the use intended for that space and shall indicate location of doors, windows skylights; plumbing fixtures and any changes in elevation shall be clearly indicated and accurately shown. The minimum scale for the floor plans shall be 1/8" equals 1'0" however 1/4" is preferred and may be required of more complicated projects at the discretion of the ACC. The ACC may from time to time verify that the approved drawing is being executed in the manner in which it was approved. At any time before, during or after a project is completed, the ACC may verify that it meets the criteria established by the committee that approved the project. An Owner will not be required to



make changes in an approved project if regulations are changed subsequent to receiving written approval of a project, but shall have no vertical right in the regulation unless and until written approval is received.

e. **Four (4) elevations and sections** shall be submitted that further explains the project to the ACC. All major elevations showing the facades, roof lines details, materials, colors and finishes shall be submitted. Samples of roof, wall and other materials may be required to further explain the project. Samples submitted shall be the exact manufacture and finish proposed, and shall be used to verify that the project is building built in the manner approved. Elevations and building sections shall be presented at a minimum 1/4" scale. Additional wall sections and details as may be required for the buildings permits shall consist of major features at a 3/4" scale or greater.

Owners shall be also required to submit to the ACC for review and approval sufficient drawings, maps and photos illustrating the intended landscape treatments for the Lot. At the time of the submittal of a structure or structures for approval the Owner shall also submit a site plan showing existing and proposed grade elevations, footprint of all proposed structures and the elevations of each structure, location of well, septic system and other site improvements.

Within two hundred seventy (270) days after receiving approval from the ACC for the construction of the structures and improvements, the Owner shall submit a detailed landscape plan that identifies the specific plant materials, their size, identification and location and other landscape improvements on a landscape development plan. The Owner shall be committed to complete installation and maintenance of the approved landscape plan within three hundred sixty five (365) days after approval of the landscape plan.

5.4.1 DEPOSIT and FEES. The ACC shall require a deposit in the amount of two thousand dollars (\$2000.00) before the commencement of construction to insure compliance with the rules and covenants in this declaration, and any damage that may be caused to the Property or any Common Interest Property in the development. The deposit shall be refunded without interest upon completion of the construction and



landscaping that in the opinion of the ACC is in full compliance with all approved improvements. A partial return of the deposit maybe made if in the opinion of the ACC amounts deducted from the deposit will be required to complete work correct damage or to pay fines imposed for not completing work in a proper manner. An applicant shall pay or reimburse the ACC an amount equal to the reasonable expenses incurred in the process of considering the Applicant's Plans, including but not limited to duplication, printing and professional services to review the applicants submittals. In no case shall the cost of reviewing an applicant's plans is to exceed two hundred fifty dollars (**\$250.00**), unless the ACC is required to review the project more than once or as provide by Section 5.4.3 hereof.

The ACC shall not make final decisions based on partial or incomplete submittals. The ACC may establish a policy to make preliminary determinations on partial submittals as guide an Owner in a design project; however, the ACC is not obligated to grant a final approval until it has complete and sufficiently detailed drawings that explain the project. The ACC is under no obligation to honor preliminary determinations that were based on submittals that differ from the final application.

5.4.2 REVIEW AND CONSTRUCTION REQUIREMENTS. When a fully completed submittal has been received, the ACC shall have forty-five (45) days to review and take action on the proposed projects. The actions that the ACC can take include (1) approved without comment, (2) approved with conditions, (3) tabled for further information, or (4) denied. All or a portion of the proposed project can be denied or approved at the discretion of the ACC. If the ACC fails to act with the forty-five (45) day time limit, it will be deemed to have approved the projects as submitted. If the ACC denies an Owner's application, it shall specify the reasons therefore and recommend changes. If the committee tables a project, the ACC shall immediately appoint a sub-committee to work with the Owner to develop sufficient information and make suggestions that will enhance the project. By making application an Owner is obligated to work in good faith with the sub-committee or suffer denial of the project. The ACC shall take action on a tabled project at the next regular meeting of the ACC but not later than forty

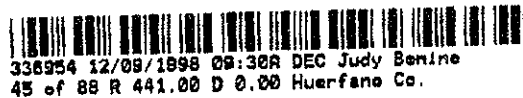


five (45) days of the action to table. If an approved project is not commenced within three hundred sixty five (365) days after the date of the ACC approval, the drawings must be resubmitted as a new project, and the previous approval shall lapse and shall be of no further force or effect.

5.4.3 REVIEW COSTS: In order to accomplish the required review of submittals, the ACC may ask independent design and or engineering professionals to review the submittals for a professional opinion regarding the conformance with these covenants. The Board may assess a review fee to reimburse the Association for reasonable costs of services and expenses associated with the careful review of a submittal.

5.5 APPEAL OF THE ACC DECISION. An Owner aggrieved by a decision of the ACC may appeal in writing to the Board. An appeal of a decision must be made in writing to the Board within twenty one (21) days of the date of the decision the Board shall schedule a hearing on the appeal at its next regularly scheduled meeting. The appealing Owner or his representative may be present at the meeting. The Board shall render its decision to reaffirm, change, table for new additional information, or alter a decision in writing within thirty (30) days of the date of the hearing. No appeal shall be tabled more than once for additional information, unless the information is being withheld purposely. All decisions regarding appeals to the Board of ACC decision shall be explained fully to the aggrieved party and interested parties. The appeal decision of the Board shall be final and not subject to further appeal or reconsideration, unless a clear mistake was made in the interpretation of the information submitted or clear and provable false information was used as the basis to render the decision.

5.6 VARIANCE. The ACC may allow reasonable variances and exemptions from the Design Rules and Guidelines in order to prevent undue hardship or to overcome practical difficulties, provided however that such variance does not have a material detrimental impact on the spirit and intent of this Declaration or on any other Owner. Prior to granting of any variance or exemption, the ACC shall be notify each Owner of the nature of the variance requested and shall hold a hearing not sooner than fifteen (15) days after the issuance of such notice. The hearing shall be open to the members of the



Piney Ridge Ranch community at which time comments of those in attendance and those providing written comments shall be heard. The ACC shall rule on any request for a variance not later than forty-five (45) days after receipt of the application thereof. The decision of the ACC on a variance request shall be final and only subject to appeal pursuant to Paragraph 5.5 above.

5.7 DECLARANT RIGHTS. The Declarant shall not be required to obtain ACC approval for any purpose whatsoever, including the building of a swimming pool or tennis court on any Lot it owns.

5.8 LIMITATION OF LIABILITY. Neither the Association, the ACC or any member thereof shall be held responsible or liable to a Lot Owner for damages that may result of in any way defects in any plans submitted, revised or approved in accordance with the foregoing provisions, or for structural or other defects in any work done according to such plans, nor shall the Declarant, the Association, the ACC, or individual members thereof be held liable by reason of any failure to take action, failure to act or approve or disapprove such requests. Approval by the ACC shall not constitute a warranty or guarantee of the safety or adequacy of the proposed work to be done, nor does approval in anyway endorse that the project is in conformance with any building codes, ordinances or other governmental laws or regulations.

5.9 LICENSED CONTRACTORS. Work on any project within the development shall conform to the laws and ordinances regarding construction, license, permits and required inspections. Owners may make alterations and construct improvements and structures only to the extent allowed under governmental regulation. All structures and improvements shall be constructed by properly licensed persons.

5.10 COMPLETION OF WORK. An Owner shall commence work on projects within one hundred twenty (120) days of the date of the approval letter from the ACC or notice of approval on appeal to the Board. All structures so commenced shall be completed and certified for occupancy within three hundred sixty five (365) days of the date of approval except for interruption by weather that is not conducive to good construction practices. The Owner shall obtain and pay for all permits fees, recording



costs and utility hook up fees required to complete the proposed improvements. Construction may not commence on an auxiliary structure such as guest quarters, barn or studio until the principal residence is complete; however upon clear proof that all structures desired to be built can and will be built simultaneously, the ACC may waive this requirement.

5.11 REGULATIONS REGARDING CONSTRUCTION. All construction, whether by an Owner or by Contractors, are subject to the following regulation which shall be in force during the construction period:

CONSTRUCTION REGULATION

Piney Ridge Ranch Common Interest Community


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1. TEMPORARY STRUCTURES, TRAILERS OR PORTABLE TOILETS FOR THE PURPOSES OF CONSTRUCTION SHALL BE PLACED IN A MANNER SO AS NOT TO BE VISIBLE FROM NEIGHBORING LOTS TO THE GREATEST EXTENT POSSIBLE. ALL TEMPORARY CONSTRUCTION BUILDINGS SHALL BE REMOVED WITHIN FIVE (5) DAYS OF COMPLETING THE PROJECT AND SHALL NOT REMAIN ON SITE MORE THAN THREE HUNDRED SIXTY FIVE (365) DAYS IN ANY EVENT WITHOUT APPROVAL FROM THE ACC.

2. A TEMPORARY FENCE MAY BE ERECTED AROUND THE PERIMETER OF THE CONSTRUCTION SITE.

3. ALL DEBRIS, TRASH AND EXCESS CONSTRUCTION MATERIALS SHALL BE REMOVED FROM THE SITE ON A BI-WEEKLY BASIS.

ALL CONSTRUCTION MATERIALS SHALL BE CONSOLIDATED IN ONE AREA ON THE SITE. NO CONSTRUCTION MATERIALS SHALL BE STORED SO



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THAT THEY BECOME A VISUAL NUISANCE OR ENVIRONMENTAL HAZARD.

4. SANITARY FACILITIES SHALL BE PROVIDED FOR CONSTRUCTION PERSONNEL, WITHIN IN EXISTING BUILDINGS OR IN PORTABLE TOILETS.
5. CONSTRUCTION PERSONNEL SHALL ONLY PARK PERSONAL VEHICLES ON DRIVES AND PARKING AREAS WHERE THE WORK IS TAKING PLACE. CONSTRUCTION WORKERS SHALL NOT PARK VEHICLES ON ANY OF THE MAIN ROADS USED BY OTHER LOT OWNERS. NO ACTIVITIES OF THE CONTRACTOR, OWNER OR THEIR EMPLOYEES SHALL INTERFERE WITH THE DAILY TRAFFIC OF THE NEIGHBORHOOD, WITHOUT PRIOR APPROVAL OF THE ACC AND NOTICE TO OTHER LOT OWNERS TWENTY FOUR (24) HOURS IN ADVANCE OF THE STOPPAGE OR DELAY.
6. VEHICLE REPAIRS AND MAINTENANCE SHALL NOT BE CONDUCTED ON THE LOT IF REASONABLY AVOIDABLE. NON-OPERATIONAL VEHICLES SHALL BE REMOVED WITHIN FIVE (5) DAYS WITHOUT EXCEPTION.
7. THE OWNER AND CONTRACTOR SHALL BE CHARGED TO MAINTAIN ADEQUATE MATERIALS TO PROTECT SLOPES THAT ARE EXPOSED DURING THE CONSTRUCTION ACTIVITIES OF ROAD, STRUCTURES OR OTHER IMPROVEMENTS. AT A MINIMUM HAY BAILS AND ORGANIC MULCH IS TO BE USED TO REDUCE EROSION, DUSTING AND UNCONTROLLED RUNOFF. CONSTRUCTION SITE RUN OFF SHALL BE DIRECTED TO PRE-DETERMINED AND APPROVED AREAS ON SITE TO PREVENT DISCHARGE OR LEAK INTO ANY NATURAL SPRING, CREEK OR OTHER NATURAL WATER COURSE.



ARTICLE VI.
OWNERSHIP USE AND OCCUPANCY RESTRICTIONS

6.1 USE AND OCCUPANCY. The use and occupancy of a Lot or Dwelling shall be limited to residential use.

6.2 NO MINING OR DRILLING. No portion of the Ranch shall be used for the purpose of mining, quarrying, drilling, boring or exploring for oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth.

6.3 OFFENSIVE CONDUCT/NUISANCE. No noxious, offensive or illegal activities, including but not limited to, the repair of automobiles or other motorized vehicles shall be carried on, upon or within the Ranch, except that minor emergency repairs to automobiles or other objects may be performed within the confines of a garage. Nor shall anything be done thereon, including excessive or unreasonable noise which may be or become an annoyance or nuisance to the residents of the Ranch or which shall in any way interfere with the quiet enjoyment of occupants of the Ranch. The use of motorcycles, motorbikes, snowmobiles, dune buggies and All Terrain Vehicles is prohibited on the Property. The Association, in its sole discretion, shall have the right to determine the existence of any unreasonable annoyance or nuisance under these covenants, and should the same be found to exist, to abate and terminate the same at the expense of the perpetrator or the Owner of the Lot upon which such annoyance or nuisance exists.

6.4 HAZARDOUS ACTIVITIES. No activities shall be conducted on or in any Lot and no improvements shall be constructed on any Lot which are or may be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no fires shall be ignited upon any portion of the Ranch except in a contained barbecue structure attended at all times and in use for cooking purposes. A fire may also be



established and maintained within a safe and well designed interior fireplace or wood stove.

6.5 UNSIGHTLINESS. No unsightliness shall be permitted on any portion of the Ranch. In accordance with said restriction: (a) all unsightly structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure; (b) garbage and trash shall be kept in a covered bear proof container at all times and any such container shall be kept within an enclosed structure; (c) service areas and facilities for hanging, drying or airing clothing or fabrics shall be kept within an enclosed structure; (d) pipes for water, gas, sewer, drainage or other purposes, water or other tanks, excluding propane gas tanks, and sewage disposal systems or devices shall be kept and maintained within an enclosed structure or below the surface of the ground; (e) no lumber (except for split and stacked firewood), grass, shrub or scrap, refuse, trash or unused items or any kind shall be kept, stored or allowed to accumulate on any portion of the Ranch; (f) antennas, and other facilities for the transmission or reception of audio or visual signals may be installed and maintained above ground but with due consideration to visibility from adjacent Lots or roads; (g) trailers, campers, boats, bicycles, motor bikes and similar vehicles and objects must be concealed from view in an enclosed structure; and (h) abandoned or inoperable and or non-registered vehicles shall not be stored or parked on any portion of the Lot or the Ranch, except in the case of emergencies, in which case they must be moved out of sight within five (5) days of the emergency.

6.6 RESTRICTIONS OF ANIMALS. Domestic pets are allowed in reasonable numbers as long as they are not kept, bred or boarded for commercial purposes. No animals or breeds of animals that are considered dangerous or found to be dangerous shall be kept within the development. All animals kept on a Lot shall be properly housed, fed and maintained within fenced or walled areas on the Lot of their respective Owner. When animals are not on the Owner's Lot they shall be accompanied by the Owner or a responsible representative of the Owner and shall be fully controlled through the use of a leash or voice command within sixty (60) feet of the Owner or his representative.



Horses or other domestic pets in very limited numbers may be maintained on a Lot within the development with the written permission of the Board.

The Association Board shall have the absolute right to prohibit the housing or maintenance of any animal or pet, whether previously approved or not, which constitute, in the sole judgment and exclusive opinion of the Board, an unreasonable nuisance, hazard, or danger to any Owner, guest or occupant of any Lot, or any users of the Common and Limited Common Areas of the development.

6.7 GROUND MAINTENANCE. Grass, hedges, shrubs, vines and mass planting of any type on each Lot shall be irrigated, mowed, trimmed and cut at regular intervals so as to be maintained in a neat manner. A highly groomed suburban look is not intended or required under this article; however, it is the intent that individual Lots and Common Areas are to be maintained in a manner so that the vegetation does not become unsightly in the opinion of the majority of the Board. Planted trees, shrubs, vines, plants and grass which have died shall be promptly removed and replaced with living foliage of like kind. Lot Owners or occupants of the Lots and the structures thereon shall in no event use any Lot or structure thereon for storage of materials and equipment, or permit the accumulation of garbage, trash or rubbish or any kind thereon or therein, except for normal residential requirements or incident to construction of improvements thereon. All yard maintenance equipment and storage piles (including woodpiles of over one cord volume) shall be kept screened within a fenced service yard or similar facility, so as not to be visible from the neighboring Lots and roads.

No tree, shrubs, or other existing natural vegetation, may be removed from any portion of the Ranch without the prior written approval of the ACC. Vegetation on all Lots must be maintained to minimize erosion and encourage growth of ground cover and all tree and shrub planting must be consistent with the Association's general landscaping plan. All new landscaping must be approved by the ACC.

6.8 FARMING, RANCHING AND AGRICULTURAL ACTIVITIES. Farming, ranching or other agricultural activity is strictly limited to the restricted gardening area and



to the upkeep of pasture lands upon approval from the ACC, provided that such activities do not interfere or conflict with the residential nature of the Property. Hay bales, rolls or other stockpiles resulting from mowing and cutting of pasture shall be removed from the land or placed on a site out of the public view within ten (10) days of cutting.

6.9 OPERATION OF MOTOR VEHICLES. All motor vehicles operated within the ranch upon the roads and driveways are to be licensed vehicles with all necessary lights and safety equipment required for highway operation. No motorized vehicles shall be operated "off road" on any Lot or on other Common areas within the ranch. All vehicles required for operation by licensed operators shall be operated only by those people holding a Colorado License to operate the vehicle. Vehicles that are deemed by the Board of the Association as a nuisance due to noise, pollution or other reason shall not be operated within the ranch for any reason.

6.10 DECKS AND PATIOS. No metal or fiberglass awnings or covers over deck or patio enclosures are permitted.

6.11 ARTIFICIAL VEGETATION. No artificial vegetation is permitted.

6.12 AIR CONDITIONING UNITS. Compressors and fans for central air conditioning systems which are located outside the exterior of a building shall be adequately screened, enclosed or landscaped to prevent unreasonable noise and exposure. Air conditioning units extending from windows or protruding from roofs are not permitted.

6.13 STRUCTURES AT INTERSECTIONS. No fence, wall, hedge or shrub planting or other structure shall be placed or planted on corner Lots or at intersections of driveways which obstruct sight lines at intersections. The ACC has the authority to require any Lot Owner to remove such obstructions.

6.14 PERMANENT BARBECUES. No permanent barbecue facilities or fire pits are permitted in front yards.

6.15 REFUSE COLLECTION AND TRASH CONTAINERS. Until such time that the community makes arrangements for services to collect trash each Owner shall be responsible for removing trash from the Lot in a timely manner so it does not create a



nuisance. Removal shall be accomplished at each Owner's personal expense until such time that the Association arranges and assess the Lot Owners for a collection service.

6.16 VEHICLE PARKING. All motor vehicles shall be parked in garages or driveways. Parking on lawns or on areas not designated for vehicular purposes is prohibited.

6.17 EXCAVATION. No excavation shall be made except in connection with construction approved as provided in this Declaration for purposes of this Section. Excavation shall mean any disturbance of the surface of the land (except to the extent reasonably necessary for approved landscape planting, or for repair of existing underground utilities) which results in a removal of earth, rock, or other substance a depth of more than eighteen inches (18") below the natural surface of the land.

6.18 RENTING OF PROPERTIES. A Lot Owner may rent to third parties, for residential use only, his or her principal residential dwelling, provided there shall be no rentals of a guest house separate and apart from the principal residential dwelling; however a guest house may be occupied by a long-term salaried caretaker separate and apart from the principal residential dwelling. No daily or weekly rental of any of the structures within the Ranch is allowed. Any Lot Owner who enters a lease permitted by these covenants must have as a requirement thereof written acknowledgment by the lessee that he or she is familiar with and has read these covenants, together with a provision in said lease that the lessee's failure to obey these covenants shall render said lease void upon thirty (30) days written notice thereof from the Association.

6.19 WINDMILLS. Windmills and wind Generators are prohibited.

6.20 REPAIR OF STRUCTURES. No building, object or structure on a Lot shall be permitted to fall into disrepair and each such building, object or structure shall at all times be kept and maintained by the Lot Owner in good condition and repair and adequately painted or otherwise finished. In the event any building, object or structure is damaged or destroyed, then, subject to the construction approval by the ACC, such building, object or structure shall be promptly repaired or rebuilt or shall be demolished



and the portion of the Lot upon which such building, object or structure were located shall be cleared and restored to a presentable and safe condition.

6.21 DRAINAGE. No building or other structure shall be constructed on any drainage easement as shown and reserved on any duly recorded subdivision plat or map covering all or any portion of the Ranch, other than property while owned by a county or other political subdivision of the State of Colorado, unless written permission to construct such building is first obtained in writing by the holder of such easement and the ACC. Surface waters may not be discharged onto neighboring Lots. Any discharge of water onto Ranch easements, roadways or Common areas shall not be made in manner that is detrimental to that property or the improvements thereon. Storm water from buildings and pavements on each Lot shall be directed by pipe or swale to the nearest natural waterway on the Lot in a manner that is not detrimental to the neighboring property. Storm water originating from the natural watersheds of adjacent property shall be accommodated and transmitted through the Lot to an existing outlet or continuing natural watershed. Lot Owners shall not interrupt natural waterway flows without written permission of the ACC.

6.22 HEALTH, SAFETY AND WELFARE. In the event any uses, activity or facility are deemed by the Board to be a nuisance, or to adversely affect the health, safety or welfare of Owners, the Board may make rules restricting or regulating said uses, activity and facility in accordance with this Declaration and the Bylaws of the Association.

6.23 INDEMNIFICATION. Each Owner shall be liable to the remaining Owners and/or Association for any damage to the Common Elements which may be sustained by reason of the construction of said Owner's Dwelling or the negligence of said Owner, members of the Owner's family, the Owner's contract purchasers, contractors, lessees, renters, guests or invitees, to the extent that any such damage shall not be covered by insurance. Each Owner does further, by acceptance of the deed, agree for the Owner, and for the members of the Owner's family, the Owner's contract purchasers, contractors, lessees, renters, guests or invitees, to indemnify each and every other Owner, and the Association, and to hold him, her or it harmless from and to defend him, her or it against

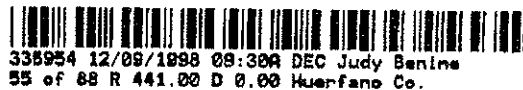


any claim of any person or persons for personal injury or property damages occurring within the Lot of that particular Owner and any Limited Common Elements appurtenant thereto.

**ARTICLE VII.
ASSOCIATION**

7.1 GENERAL PURPOSES. The Association shall be organized no later than the date the first (1st) Lot is conveyed to a purchaser. The Association, through the Board of Directors and from time to time by the Managing Agent, shall perform Association functions including holding and managing property as provided in this Declaration so as to further the interests of Owners of Lots in the Ranch. It shall have all power necessary or desirable to effectuate such purposes, as said powers are more specifically enumerated herein, in the Articles of Incorporation and the provisions of §39-33.3-302(1) of the Act. Said powers shall also include, without limitation, the following:

- a. Adopt and amend Bylaws and rules and regulations;
- b. Adopt and amend budgets for revenues, expenditures, and reserves and collect Assessments for Common Expenses from Unit Owners;
- c. Hire and terminate managing agents and other employees, agents and independent contractors;
- d. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two (2) or more Unit Owners on matters affecting the Ranch;
- e. Make contracts and incur liabilities;
- f. Regulate the use, maintenance, repair, replacement, and modification of Common Elements;
- g. Cause improvements to be made as part of the Common Elements;
- h. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, except that Common Elements may be conveyed



or subjected to a security interest only pursuant to § 38-33.3-312 of the Act;

i. Grant easements, leases, licenses, and concessions through or over the Common Elements;

j. Impose and receive any payments, fees or charges for the use, rental, or operation of the Common Elements, as assessments, other than for Limited Common Elements, described in § 38-33.3-202 (1)(b) and (1)(d) of the Act;

k. Impose charges for late payment of Assessments, recover reasonable attorneys' fees and other legal costs for collection of assessments and other actions to enforce the power of the Association, regardless of whether or not suit was initiated, and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;

l. Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid assessments;

m. Provide for the indemnification of its Officers and Board of Directors and maintain Directors' and Officers' liability insurance;

n. Assign its right to future income, including the right to receive Common Expense Assessments, but only to the extent the Declaration expressly so provides;

o. Exercise any other powers conferred by the Declaration or Bylaws;

p. Exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;

q. Exercise any other powers necessary and proper for the governance and operation of the Association; and

r. Maintenance, repair or replacement of any drainage structure or facilities, public improvements, roads, easements, rights of way, fences or other obligation of the Association.

s. To accept any real or personal property, leasehold or other property interests within the property conveyed to it by the Declarant and any District in Huerfano County.

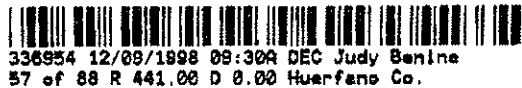


7.2 MEMBERSHIP. Pursuant to the provisions of § 38-33.3-301 of the Act, every record Owner of a Lot shall be entitled and required to be a member of the Association. If title to a Lot is held by more than one person, the membership related to the Lot shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Lot is held. An Owner shall be entitled to one membership for each Lot owned. Each such membership shall be appurtenant to the Lot upon which it is based and shall be transferred automatically by conveyance of that Lot. No person or entity other than an Owner may be a member of the Association, except that, members of the Board of Directors may be non-Owners until turnover of control by Declarant. A membership in the Association may not be transferred except in connection with the transfer of a Lot.

7.3 MEETINGS. Meetings of the Association shall be held at least once each year. Special meetings of the Association may be called by the president, by a majority of the Board of Directors, or by Lot Owners having twenty percent (20%), or any lower percentage of the votes in the Association as may be specified in the Bylaws. No less than ten (10), nor more than sixty (60) days, in advance of any meeting, the secretary or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board.

7.4 QUORUMS. Unless the Bylaws provide otherwise, a quorum is deemed present throughout any meeting of the Association if persons entitled (including any rights of the Declarant) to cast twenty (20%) percent of the votes which may be cast for election of the Board are present, in person or by proxy, at the beginning of the meeting.

7.5 BOARD OF DIRECTORS. A Board of Directors shall manage the affairs of the Association pursuant to § 38-33.3-303, of the Act, which may, by resolution, delegate any portion of its duties and authority to an executive committee, or to a Managing Agent



for the Association. There shall not be less than three (3) nor more than five (5) members of the Board of Directors, the specific number to be set, from time to time, in accordance with the Bylaws. The terms of the members of the Board shall expire annually. The Board of Directors may not act on behalf of the Association to amend the Declaration, to terminate the Ranch, nor to elect members of the Board of Directors or determine the qualifications, powers and duties, or terms of office. The term and right of any Board member to serve shall automatically expire upon sale or conveyance of his or her interest in a Lot. The Board of Directors may fill vacancies in its membership for the unexpired portion of any term. A quorum is deemed to be present at any meeting of the board of Directors if persons entitled to cast fifty percent (50%) of the votes of the board are present in person or by proxy at the beginning of the meeting.

7.6 OWNER TURNOVER DATE. Notwithstanding anything to the contrary provided herein, until the turnover date defined below, the members of the Board of Directors shall be appointed by Declarant, its successors or assigns, unless such right is relinquished earlier. After turnover date, all Board members shall be Owners elected by Owners, which may include Declarant as an Owner. Declarant control of the Board shall terminate no later than either one hundred twenty (120) days after conveyance in the ordinary course of business of seventy-five percent (75%) of the Lots to Lot Owners other than the Declarant. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before the turnover date, but, in that event, the Declarant may require for the duration of the period of Declarant control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective. Not later than sixty (60) days after conveyance to Owners other than Declarant of twenty five percent (25%) of the Lots then created, at least one member and not less than twenty-five percent (25%) of the members of the Board may be elected by members other than Declarant.

Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots that may be created to Lot Owners other than the Declarant, not less than thirty three and

