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**THIRD AMENDED DECLARATION OF PROTECTIVE COVENANTS
FOR
EAGLE SPRINGS RANCH FILING NO. 1
AND
SECOND AMENDED DECLARATION OF PROTECTIVE COVENANTS
FOR
EAGLE SPRINGS RANCH FILING NO. 2
CUSTER COUNTY, COLORADO**

WHEREAS, Eagle Springs Ranch Property Owners Association, LLC (hereinafter "Association"), a duly formed and registered limited liability company in Colorado, and pursuant to the Colorado Limited Liability Company Act is the successor to Eagle Springs Ranch, LLC, the original Declarant, due to property conveyance thresholds set out in various governing documents for the property having been met, does have the authority to promulgate and amend protective covenants for that certain real property in the County of Custer, State of Colorado, more particularly described as follows:

Eagle Springs Ranch Filing No. 1 according to the plat thereof recorded on November 13, 2002 at Reception Number 193337 of the records of Custer County, Colorado and Eagle Springs Ranch Filing No. 2 according to the plat thereof recorded on the 26th day of June, 2006 at Reception Number 204915 of the records of Custer County, Colorado (the "Property");

WHEREAS, Association desires to manage and maintain a limited expense, planned community pursuant to the Colorado Common Interest Ownership Act (CCIOA) as set forth in Colorado Revised Statutes section 38-33-101, *et seq.* (the "Act") on the property, the name of which is Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2; and

WHEREAS, Association hereby declares that the property shall be managed and maintained subject to the following conditions, covenants, restrictions and easements which shall run with the land and be binding on all parties, their heirs, successors and assigns claiming any right, title or interest in all or any part of the property; and

WHEREAS, Association, a homeowners/property owners association per CCIOA and duly registered with the Department of Regulatory Affairs, State of Colorado hereby submits the property to the provisions of sections 38-33.3-105, 38-33.3-106 and 38-33.3-107, C.R.S., and the Association does not reserve any development right.

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I. Association

1. **Membership:** All lot owners are, by virtue of their ownership of property in the subdivision, members of the Eagle Springs Ranch Property Owners Association, LLC ("Association"). Membership shall be appurtenant to and may not be separated from ownership of a lot. The Association shall have one (1) class of membership, consisting of owners of individual lots within Eagle Springs Ranch. Each member shall be entitled to vote on Association matters, as long as that member is in good standing ("good standing" is defined as a lot owner that is current on payment of dues or assessments and is not in violation of these covenants). Each owner is subject to all the rights and duties assigned to owners under Association documents.
2. **Transfer of Membership:** An owner shall not transfer, pledge or alienate his/her membership in the Association in any way, except upon the sale or encumbrance of his/her lot and then only to the purchaser or mortgagee of his/her lot. The Association shall not create a right of first refusal on any lot and owners may transfer ownership of their lot free from any such right.
3. **Voting:** There shall be one vote per lot. If any member owns more than one lot, he/she is entitled to one vote for each lot owned. Except as set forth in Section III, Paragraph 23("Amendments"), votes regarding Association business must be cast in person by members in good standing at a duly called meeting of the Association, by a written proxy presented at said meeting, or by electronic participation, when available. If only one of several owners of a lot is present at a meeting of the Association, the owner present is entitled to cast the vote allocated to the lot. If more than one of the owners are present, the vote allocated to the lot may be cast only in accordance with the agreement of a majority of the owners. There is a majority agreement if any one of the owners casts the vote allocated to the lot without protest being made promptly by another owner of the lot to the person presiding over the meeting. The owners shall vote upon such matters as come before them and, at the annual meeting, shall vote on the appropriate 'group' of Executive Board Directors for the Association.
4. **Management:** There shall be a slate of Directors, known as the Executive Board, to be elected by members at the annual meeting of the Association, that shall solely be responsible for the management and business operations of the Association as set forth in the Association Operating Agreement, as well as the enforcement of the covenants, restrictions, easements and requirements of this Third Amended Declaration and Amended Declaration. There shall be seven (7) board members (Directors) in three

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'groups': 'A' which has two Directors-at-Large; 'B' which has two members - the Treasurer and the Vice President; and 'C' which has three members- the President, the Secretary and a Director-at-Large. Members of each group are elected for three year terms, on a rotating schedule by group. The Executive Board will meet on a schedule of its choosing, but must hold an in-person annual meeting and keep the books of the Association and pay obligations in a responsible and reasonable manner of its choosing and in keeping with the Association's Operating Agreement and these Covenants. If a member of the Executive Board dies, becomes disabled or retires during his term, his/her replacement shall be selected to fill the remainder of his/her term by the remaining members of the Executive Board. Notwithstanding any provisions of this Declaration or the Operating Agreement to the contrary, the unit owners, by vote of a minimum of sixty-seven percent (67%) of all persons present and entitled to vote at any meeting of the unit owners at which a quorum is present, may remove any Member of the Association's Executive Board with or without cause.

5. **Design Committee:** In order to serve the best interests of all Eagle Springs Ranch property owners and to ensure the standards and covenants contained in this document are adhered to, there shall be a Design Committee consisting of 3 members appointed by the duly elected Executive Board of the Association. Each member of the Design Committee shall serve a three (3) year term. The members of the Design Committee shall serve until death, disability or resignation or the expiration of their term. If a member of the Design Committee dies, becomes disabled or retires during his/her term, his/her replacement shall be selected to fill the remainder of his/her term by the duly elected Executive Board of the Association.
6. **Books and Records:** The Association shall make available for inspection, upon request, during normal business hours or under reasonable circumstances, to owners and to mortgagees current copies of the Association documents and the books, records and financial statements of the Association. The Association may charge a reasonable fee for copying such materials. The Association shall keep financial records sufficient to comply with the provisions of C.R.S. 38-33.3-317.
7. **Independent Contractor:** The Association may employ or contract for the services of an independent contractor to whom the Executive Board may delegate certain powers, functions or duties of the Association. The independent contractor shall not have the authority to make expenditures except upon prior approval and direction by the Executive Board of the Association.

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8. **Rights of Action:** The Association, on behalf of itself and any aggrieved owner, shall be granted a right of action against any and all owners for failure to comply with the provisions of the Association documents or the covenants or with decisions of the Executive Board made pursuant to authority granted to the Association. The owners shall have a right of action against the Association for failure to comply with the provision of the Association documents or with decision of the managers made pursuant to authority granted to the Association in the Association documents. In any action covered by this section, The Association or any owner shall have the right but not the obligation to enforce the Association documents and/or covenants by any proceeding at law or in equity. The prevailing party in any such action shall be entitled to reimbursement from the non-prevailing party or parties, for all reasonable costs and expenses, including attorney's fees in connection with such actions as provided in C.R.S. 38-33.3-123. Failure by the Association or by any owner to enforce compliance with any provision of the Association documents shall not be deemed a waiver of the right to enforce any provision thereafter.

II. Design Control

1. **Scope:** The Design Committee shall be charged with reviewing and approving all improvements within the subdivision. Improvements shall include (but are not limited to) any buildings, outbuildings, sheds, barns, stairs, decks, and any structure that significantly alters the aesthetics of the subdivision. Improvements shall also include (but are not limited to) any roads, driveways, fencing, ponds, livestock watering tanks, and landscaping features that may have impact on the aesthetics of the subdivision or the common interests of the Association's members. In exercising its authority, the Design Committee shall be governed by these Covenants and the Standards specified in Section II, Paragraph 4, and shall ensure all applicants submitting proposed improvements are made aware of these Covenants and Standards and that the applicant adhere to the Covenants and Standards as set forth in these documents. In passing upon any application submitted to it, the Design Committee shall apply all standards and procedures set forth in the rules and regulations adopted by the Association and shall not act arbitrarily or capriciously. The design committee has the authority to require as much information as may be needed to appropriately discharge its duties including (but not limited to) requests for detail drawings, surveys, engineering reports, soil reports, natural resource impact reports, or permits/approvals from other city, county or governmental entities.

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2. **Quorum:** A majority of the Design Committee members in office at the time shall constitute a quorum for the transaction of normal business.

3. **Proposal Submission:** Before submitting a lot improvement proposal, the Property Owner should review this document to ensure that their proposal meets the terms and processes defined herein. All proposals for lot improvements shall be submitted to the Design Committee via email. The Design Committee's official email address is: design@eaglespringsranch.org. Proposals shall consist of two components: a) detailed set of plans, including exterior dimensions and proposed aesthetic treatments (submitted in PDF format), and b) a completed Site Development Worksheet (submitted in Microsoft Excel format). Proposals or plans shall be deemed submitted when both components are received by the Design Committee through their official email address. The Design Committee shall confirm receipt of submitted proposals via email.

4. **Design Standards:** In addition to meeting all the requirements established in the Association's Covenants (see Section III), property owners making application for improvements shall ensure their plans conform to the following Design Standards:
 - a. Exteriors -- All exteriors such as wood, concrete and metal on all structures must be stained, painted or otherwise covered or protected with another material. All colors shall be compatible with the natural surroundings. Design and construction must conform to the overall aesthetic of Eagle Springs Ranch.
 - b. Roof -- Roof material and color shall be compatible with the architecture, color and exterior wall material of the structure or improvement. Preference will be given to non-flammable roof materials. Roof design shall be compatible with the style of proposed building and conform to the overall aesthetic of Eagle Springs Ranch.
 - c. Solar and Wind power generating devices -- Passive or active solar and/or windmill turbine devices, such as roof mounted solar collectors, skylights and other energy conservation features, shall be architecturally and aesthetically integrated into the building they serve or shall be obscured from view of adjacent lots and streets with material compatible with the structure and in a color compatible with the natural surroundings. Such systems shall be of residential grade and the use of which shall be aesthetically consistent with the stated design standards and covenants listed in this document; commercial and utility grade systems shall not be permitted. No wind-powered generator shall exceed the maximum structure height allowable by the Custer County (CO) Zoning Resolution; as of the date of this document, that restriction is 30 feet from finished grade of the building perimeter.

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- d. Chimneys (including outdoor fireplaces) shall be equipped with a spark arresting screen.
 - e. Each owner shall maintain the exterior of the structure or dwelling, and accessory buildings and all other improvements, including landscaping and driveways, in good condition and shall cause them to be repaired as the effects of damage, deterioration or erosion become apparent.
 - f. Any dwelling or structure which may be destroyed in whole or in part by fire, windstorm or for any other cause or act of God must be rebuilt or all debris must be removed and the lot restored to a slightly condition, such rebuilding or restoration to be completed with reasonable promptness and in any event within 18 months from and after the date of destruction.
 - g. Drainage and grading shall be maintained at all times so as to conduct irrigation and surface waters away from any improvements and to protect the adjacent lots.
 - h. No unlicensed or inoperable vehicle shall be allowed on any lot except for ATV's, snowmobiles, motorbikes or similar vehicles which do not normally require a license.
 - i. No maintenance, servicing, repair, dismantling or repainting of any type of vehicle, boat, machine or device may be carried on except within a completely enclosed structure or materially obscured from view.
 - j. One sign designating the property owner's name and/or address is permitted per lot. Address signs should be constructed with materials compatible with the natural surroundings and be of reasonable dimensions so they are not obtrusive. One professional sign of not more than six (6) square feet advertising the property for sale or rent is permitted per lot. Signs are also regulated by the Custer County Zoning Code.
 - k. Exterior lighting installed on any lot shall either be indirect or of such controlled focus and intensity so as not to disturb residents of neighboring properties and to comply with the Custer County "Dark Sky" initiative. Excessively bright lights may be subject to nuisance restrictions listed in Section III, Paragraph 7.
5. **Response:** It shall be the duty of the Design Committee to consider and act upon proposals or plans submitted to it for approval pursuant to the terms of this Declaration. The Design Committee's shall respond via email within a period of thirty (30) days after complete submission of plans and specifications. The Design Committee's response may be that the request is approved, not approved as submitted, or the Design Committee may issue a request for more information. The Property Owner shall respond within thirty (30) days of all requests for additional information. Once the Design Committee has received all requested information, the Committee shall either approve or deny the

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request via email within sixty (60) days. No building or improvement of any kind is approved nor can commence unless approval is received via email by the Design Committee.

6. **Liability:** Approvals, comments, and directions from the Design Committee in no way represents approval by any civil entity. Property owners are solely responsible for adhering to all civil laws, codes, and regulations. Neither the Design Committee nor any member therein shall be liable to any owner or to any other person for any damage, loss or prejudice suffered or claimed on account of:
 - a. The approval or non-approval of any plans, drawings and specification, whether or not defective;
 - b. The construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications;
 - c. The development or manner of development of any kind of land within the Subdivision.

7. **Variances:** The Design Committee shall have the authority to grant variances from the terms and conditions contained within the Declaration in the event the Design Committee finds that substantially all of the following conditions exist:
 - a. Any such variance will not be contrary to the interests of the owners and residents of Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2.
 - b. Owing to exceptional and extraordinary circumstances, literal enforcement of the Declaration will result in unnecessary hardship.
 - c. The variance will not substantially or permanently injure the use of other property within Eagle Springs Ranch Filing No.1 and Eagle Springs Ranch Filing No. 2.
 - d. The variance will not alter the essential character of Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2.
 - e. The variance will not weaken the general purposes of this Declaration.
 - f. The variance will be in harmony with the spirit and purposes of this Declaration.
 - g. The circumstances leading the applicant to seek a variance are unique to the lot or its owner and are not applicable generally to lots in Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2 or their owners.
 - h. The variance is required in order to comply with applicable governmental rules and to bring construction of these improvements into compliance with governmental rules.

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- i. Variances granted that may have significant impact on adjacent properties or the Association at large will be communicated appropriately by the Design Committee and/or Executive Board.
8. **Enforcement and Appeals:** The Enforcement and Appeals processes are defined in Section III, Paragraphs 27 and 28.

III. Use Restrictions, Covenants, Easements

1. **Building Use and Type:** All lots designated shall be restricted to single-family residential homes. All newly constructed buildings must comply with the current Custer County Zoning Resolution or subsequent changes to such zoning requirements which, among other requirements, imposes height restrictions. As shown on the recorded plat, there is a no build area for elevations above 9800 feet in elevation. Not more than one dwelling shall be erected or placed on any lot except that if permitted by county zoning and land use restrictions one guest house may be erected in addition to the main dwelling. If a guest house is built in advance of the main dwelling, construction on the main dwelling must begin no later than twenty-four (24) months after material completion of the guest house. Restoration of existing historic homestead cabins is encouraged; such structures do not fall under the main dwelling or guest house restrictions but must be approved by the Design Committee as specified by the process herein. Private stables, sheds, animal shelters or other structures shall be permitted provided such conform to county zoning regulations. All structures and improvements must be approved by the Design Committee via email prior to construction.
2. **Dwelling Size:** No primary dwelling shall be erected on any lot unless such dwelling has a minimum ground floor area of fifteen hundred (1500) square feet. Any guest house, if permitted, the ground floor area shall have a minimum of eight hundred (800) square feet and a maximum of fifteen hundred (1500) square feet. A guest house is defined as a structure separate from the main house structure that includes living space, kitchen and rest room facilities. A guest house shall not be used as a permanent residence except by the lot owner in the twenty-four (24) month period between material completion of the guest house and the completion of the main dwelling (see Section III, Paragraph 1). All measurements shall not include garages, carports, decks, open porches, patios or courtyard areas. All measurements will be calculated based upon exterior dimensions. No minimum dimensions shall apply for stables, sheds or other animal shelters approved by the Design Committee.

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3. **Temporary Residences, Trailers, Tents, Boats, Equipment, Camping:** No basement, shed, tent or structure of a temporary nature may be used as temporary or permanent living quarters. This Covenant does not preclude vacation camping in tents, trailers or campers for a period not to exceed forty-five (45) continuous days or one hundred twenty (120) total days per year. Any person using a lot for vacation camping must make adequate provisions for sanitation such as providing for a porta-potty or using a full self-contained camper. Owners may store boats, travel trailers, recreational vehicles, utility trailers, ATVs/UTVs, and personal equipment on their property in a manner that is materially blocked from other properties and public roads. These restrictions do not apply to boats, travel trailers, recreational vehicles utility trailers, and ATVs/UTVs that may be parked to allow for temporary access by owners.

4. **Building Location:** No structure shall be erected nearer than one hundred (100) feet to any lot line. In case of single ownership of more than one contiguous lot, this restriction shall apply to each lot, unless lot line has been vacated. Eaves, steps, decks, and open porches shall be considered part of the building. All building and improvement plans shall be submitted to the Design Committee for approval prior to construction being commenced (See Section II). All plans for construction (including grading) must also be submitted to and approved by the Custer County Planning and Zoning Department and Design Committee before construction or grading is commenced.

5. **Time of Construction:** Once construction is started on a home or guest house it must be completed within twenty-four (24) months. Other buildings, improvements, and structure timelines will be set by the Design Committee depending upon the complexity of the project. The Design Committee shall have the ability to extend the completion deadline based upon extenuating and unforeseen circumstances. Owner and the Design Committee shall follow the same process as the original submission. Construction will have been deemed to commence when it has been approved by the Design Committee, permitted by the city/county, and any construction/foundation/delivery of building materials have begun. Completion shall mean that the project as submitted and approved by the Design Committee is materially complete to its plans, its utilities are connected and active (if appropriate to the plan), and relevant state and county agencies have signed off on official permits. Any significant changes to approved plans that occur during construction must be submitted and approved by the Design Committee prior to changes being made.

6. **Easements:** Easements for installation and maintenance of utilities, roadways, trails and other such purposes critical to development of the property as reserved and shown by

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notes on the recorded plats of Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2 will be kept open and readily accessible for use, service and maintenance. Such easements are for the benefit of the owners of lots within both Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2, their guests and invitees, and not for the general public. Except as expressly limited in this section, trails and easement use is limited to hiking and horseback riding only; no vehicular traffic (autos, trucks, ATVs, motorcycles, etc.) is allowed on Association trails or easements, except as necessary for maintenance or utility work. UTV/ATV use not to exceed 5 mph is allowed exclusively on Eagle Trail to accommodate people with mobility issues.

7. **Nuisances:** Nothing shall be done, erected, or permitted on any lot, which may be or may become an annoyance or nuisance to the neighborhood. These may include but are not limited to: noxious or offensive activities, excessive odors or sounds, or the unreasonable, unwarranted or unlawful use of a lot in a manner that substantially interferes with the enjoyment or use of another individual's property. The use of chainsaws, trail bikes, four wheelers, ATV's, motorbikes, motorcycles, snowmobiles or other similar off-road type vehicles shall be used only between the hours of 7a.m. and 9p.m. and not used in a manner that becomes an annoyance or nuisance to others. For purposes of this covenant "excessive noise" shall be defined as ninety (90) decibels measured at the property line. Licensed, street-legal automobiles and motorcycles are generally exempt from the nuisance restriction; however, members who operate unusually loud licensed, street legal vehicles must run said vehicles in such a way that it minimizes noise levels while within the ranch property. Members are encouraged to discuss potential nuisances (including but not limited to construction) between the parties. The Executive Board may serve as arbiter of potential nuisances as needed.
8. **Garbage and Refuse Disposal:** No part of the property above or below ground shall be used or maintained as a dumping ground for rubbish, trash, garbage, debris or other waste. At all times the property shall be maintained in a neat and sanitary condition.
9. **Open Fires:** It is the responsibility of the property owner to be aware of and comply with any and all county and state fire bans and restrictions in effect at all times. Reasonable preventions shall be taken against fire hazards and no outdoor burning of any kind including (but not limited to) garbage, slash and other foliage shall be permitted on the premises without a valid fire permit issued by the Custer County Sheriff's Office. Campfires, closed fires in outdoor fireplaces and cooking grills are permitted except as limited by POA, city, county, and/or state fire bans and restrictions due to local conditions. Campfires must be kept within an in ground fire pit, at least one foot in depth and ringed with rock. Combustible material must be cleared within a 25 foot radius of the fire pit, and an adequate water supply and fire extinguishers must be

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within easy reach while the fire is burning. Campfires must not be left unattended until the fire and all embers are completely extinguished.

10. **Water and Sewage:** All water wells and sewage disposal systems placed upon any lot shall comply with the requirements of Custer County and the State of Colorado Health Department. No septic tank or leach field system or engineered system shall be nearer than one hundred (100) feet to any lot line. No sewage, waste water, trash, garbage or debris shall be emptied, discharged, or permitted to drain into any body of water in or adjacent to the subdivision. All toilet facilities must be part of the residence or permitted auxiliary buildings and shall be of a modern flush type and connected with a proper septic system or other system approved by the State of Colorado and/or Custer County. All water wells shall be in compliance with the requirements of the Colorado State Water Engineers' Office and be permitted by the State of Colorado.
11. **Mining Operations:** No oil, gas, coal, sand, gravel or other mineral development, drilling, refining, quarrying, mining, crushing, manufacturing or processing operations of any kind shall be permitted upon or in any portion of the property; nor shall oil or gas wells, tanks, tunnels, mineral excavations or shafts be permitted. The foregoing shall not be construed to prevent the drilling of water wells to serve the premises for domestic purposes or domestic propane tanks. The right to drill a water well is governed by regulations adopted by the Colorado State Engineer's Office.
12. **Hunting, Trapping and Use of Firearms:** No hunting or trapping of any kind shall be permitted on any of the areas covered by these covenants. As Eagle Springs Ranch is private property association, these rules take precedence over state hunting rules. Residents may not cause or allow other persons or pets to cause the pushing, herding, or driving of wildlife on or from Eagle Springs Ranch. Property owners who find dead or injured wildlife are encouraged to report each case to the local game warden. Further, no use of or discharge of firearms shall be permitted within any of the land area herein covered. Firearms as used herein shall be construed to mean, (but not limited to) rifles, pistols, shotguns, and cannons and also fireworks, explosives or similar devices. The only exception to these rules is to allow residents to carry permitted and licensed firearms according to Colorado State Law and to discharge such weapons only in cases of self-defense, in the defense of another person(s), or in the defensive of livestock or pets, or for the process of putting down personal livestock.

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13. **Hiking:** A hiking easement is reserved in Eagle Springs Ranch Filing No. 2 as shown on the recorded plat. Hiking is at the risk of the hiker(s). The property owners' association will retain liability insurance to protect the association.
14. **Commercial Activity:** No store, office or other place of business of any kind shall be erected or permitted on any lot and no commercial activity shall be permitted except a "cottage industry" as permitted by Custer County regulations and home-based businesses such as "consulting services" which do not require the public or employees to be on site, or delivery and other commercial vehicles to be regularly on the property.
15. **Mobile, Modular or Manufactured Homes:** No mobile homes or completely pre-manufactured homes shall be permitted within Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2. For purposes of this covenant, log homes or pre-cut homes, which are approved by the Design Committee and are to be assembled on site are not prohibited. All homes must be of new construction and placed on a permanent foundation. The Design Committee shall review requests for homes to be built with modular sections, prefabricated panels, or with new technology not contemplated by these covenants on a case-by-case basis to ensure that the approval of such construction complies with the aesthetic integrity of the covenants, desires of the Eagle Springs Ranch owners, and would not negatively impact the value of other properties.
16. **Re-Subdivision:** There shall be no re-subdividing of any lots, with the exception of Lot #7 of Eagle Springs Ranch Filing No. 1. This lot may be subdivided one (1) time into two (2) lots containing not less than 35 acres each if allowed by the ordinances and regulations of Custer County at the time of any re-subdivision. If sub-divided, each subsequent lot will be considered separate and distinct, and subject to all the rights and duties assigned to owners under Association documents. Any proposed subdivision of lots shall be communicated to the Executive Board ninety (90) days prior to filing with the county.
17. **Utilities:** All utilities shall be underground. Propane tanks may be allowed by the Design Committee to be above ground so long as fencing or other suitable screening prevents view from roads or other properties.
18. **Pets:** Pet owner(s) are solely responsible for the actions of their animals as well as the animals of guests. All animals, and pets shall be penned, chained or fenced at owner's expense. Domestic animals or fowl generally recognized as household or yard pets may be maintained on any lot. Dogs shall be licensed and vaccinated as required by city

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and/or county. Dogs are not required to be leashed but must remain in the direct and immediate control of their owner(s) at all times.

19. **Animals and Livestock:** Animals and livestock are the exclusive responsibility of the property owner. Animals and livestock will be permitted within Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2. Animals and livestock shall include domesticated horses, cows, alpacas, and llamas. Property owners with exotic animals can request a variance from the Executive Board via email. The Executive Board will consider each request based upon the best interest of the association and potential impact to Eagle Springs Ranch, including any environmental and safety concerns. However, swine, sheep and goats are not permitted, except for 4-H animal and livestock projects limited to six (6) per year during the months of March thru July. Adequate fencing to maintain all animals and livestock shall be provided by property owner. Maintenance includes, but is not limited to keeping all animals and livestock areas free of odor and unsightly debris and manure piles. This covenant may be enforced by the Design Committee.
20. **Vegetation:** Lot owners are encouraged to maintain natural plant growth on their property. Tree clearing is discouraged, except for building sites, roads, fire zones around homes, and thinning to promote healthy growth and mitigate fire risks. Cutting firewood for personal use is allowed, only on owner's property. Diseased trees or noxious weeds, if any, will be the property owner's obligation to dispose of in a timely manner per Custer County regulations.
21. **Fences or Enclosures:** All new fencing shall be of wildlife compatible type as approved by the Colorado Division of Wildlife. Existing fencing, if replaced shall be of this type approved by the Colorado Division of Wildlife. Colorado is a 'fence out' state; however, in Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2 if a property owner chooses to have animals/livestock, it is the responsibility of the animal owner to fence in all animals/livestock with fencing approved by the Colorado Division of Wildlife regulations. All new fences or changes to fencing must be approved by the Design Committee. The Design Committee shall use the recommendations of the Colorado Division of Wildlife and the Colorado Parks & Wildlife Departments along with the best interest of the property owners of Association.
22. **County, State and Federal:** To the extent that applicable county or other governmental regulations, rules, codes, ordinances or laws are more restrictive in their allowable land utilization than these covenants, they shall supersede these covenants and govern at all

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times. To the extent that applicable county or other governmental regulations, rules, codes, ordinances or law conflict with these covenants, these covenants shall be deemed amended to comply therewith.

23. **Covenants to Run with the Land:** These covenants and restrictions shall run with the land; all successive and future owners and occupants shall have the same right to invoke and enforce the covenants, conditions, restrictions and reservations applicable to this conveyance as the original parties hereto.
24. **Amendments:** These covenants may be amended with an affirmative vote by a minimum of sixty-seven percent (67%) of the votes by members in good standing. Each lot shall be entitled to one vote. The owners of at least twenty percent (20%) of the lots may call for a vote on any proposed amendment. A notice including a copy of the proposed amendment shall be sent to each lot owner by certified mail. The notice shall provide that the vote shall be held at a time and place in Custer County, Colorado not less than ten (10) nor more than fifty (50) days after the mailing of said notice. Voting may be by email, U.S. mail, in person, by written proxy, or by electronic participation, when available. No amendment shall be effective unless in writing and recorded in the Custer County records.
25. **Dues:** The average annual liability of each lot with respect to common expenses of the subdivision ("Assessments") exclusive of optional users fees and any insurance premiums paid by the Association, shall not exceed the amount specified from time to time in Section 38-33.3-116(3) of the Colorado Common Interest Ownership Act. Average annual per lot dues/assessments are to be established by the Executive Board of the Association, for the following calendar year, by July of each year and discussed with Members at the Annual Meeting. Pursuant to C.R.S. 38-33.3-117, the annual average common expense liability of each lot, (exclusive of optional user fees and any insurance premiums paid by the Association), may not exceed \$400.00 adjusted for changes in the Consumer Price Index as set forth in C.R.S. 38-33.3-116(3): as of the date herein, the allowable amount is estimated to be approximately \$650 per lot per year. Each lot owner (excluding original Declarant) is liable for assessments made against the owner's lot, which shall be of an equal amount per lot. Assessments shall be payable on December 31 for the following year. In addition to annual dues, the Executive Board may levy special assessments to cover costs not associated with the regular operation of the Association including, but not limited to, emergency repairs, legal fees, and capital improvements. Special assessments to cover the cost of issues where time is of the essence can be levied if agreed by at least five (5) of the seven (7) Executive Board

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Directors. Special assessments for all other capital improvements must be approved by sixty-seven percent (67%) of the Association's members in good standing. Voting on special assessments shall follow the process used when considering amendments to these covenants, defined in Section III, Paragraph 24. Once levied, special assessments will be shared equally on a per lot basis, and subject to Enforcement as defined in Section III, Paragraph 27.

26. **Maintenance:** Association dues shall be used to pay for the maintenance of subdivision roads within Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2 including snow plowing and the maintenance of the easements shown on the recorded Plat, all of which are for the benefit of the owners of lots within both Eagle Springs Ranch Filing No. 1 and Eagle Springs Ranch Filing No. 2, their guests and invitees, and not for the general public.
27. **Enforcement:** The Association, the Design Committee, or any one or more lot owners shall be entitled to maintain legal or equitable proceedings to enjoin, abate or obtain other appropriate relief in respect to any and all breaches of the protective covenants set forth herein against any person(s) or associations violating or attempting to violate any covenant, either to restrain violation or to recover damages. As an alternative to litigation, the Design Committee or the Association may at its election submit any dispute to arbitration to be conducted pursuant to the Colorado Uniform Arbitration Act, C.R.S. 13-22-201, et. seq. The failure to enforce any right, reservations, restriction or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter, as to the same breach, or as to any breach occurring prior to or subsequent thereto and shall not bar or effect its enforcement. Invalidation by any court of any restriction herein contained shall not in any way affect any of the other restrictions, but they shall remain in full force and effect. In the event of any legal proceedings undertaken to enforce the provision of these covenants, the prevailing party shall be entitled to recover their costs, including their reasonable attorney's fees. In the event that injunctive relief is ordered, the prevailing party shall also be entitled to recover the costs associated with bringing any violation into compliance with the terms of these covenants.

Each lot owner grants to the Association a lien upon the lot of the owner to secure the faithful performance by the owner of each of the terms and conditions contained herein. If any owner shall fail to comply with this Declaration, the following enforcement process will be followed:

- a. The Association member shall be contacted via email with notification that they may be in violation of the Association's covenants and/or Design Control

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processes and standards. This gives the member and the Association the opportunity to informally get to resolution. If the issues are associated with a lot improvement project, the owner should halt construction until all issues are resolved.

- b. If the member has not addressed issues identified through the informal process within thirty (30) days of notification, the Executive Board or Design Committee will send the member a written notice of violation via registered US Mail. At this point, the property owner is no longer considered a member in good standing, and the property owner's voting rights will be suspended until the violation is remedied.
- c. If, after sixty (60) days of receipt of the notice of violation, the member has not either 1) taken steps to completely remedy the violation or 2) submitted a detailed plan that outlines steps that will be taken to remedy the violation according to a schedule approved by the Executive Board or Design Committee, the Executive Board shall have the right to:
 - i. Levy monthly fines against the member until the violation is remedied. The initial monthly fine is \$100. If the violation is not remedied within ninety (90) days after the initial fine is levied, the fine increases to \$250 per month. If the violation is not remedied within ninety (90) days after the secondary fine is levied, the fine increases to \$500 per month.
 - ii. Cause the necessary work to be done and to have a lien upon the land of the non-complying owner for the reasonable cost of such work. If within sixty (60) days, the non-complying owner does not pay to the Association the sum secured by any such lien, then the Association may foreclose the lien in compliance with the mortgage foreclosure laws of the State of Colorado for the aggregate of the reasonable cost of such work and all costs incurred by the Association in foreclosing the lien, including a reasonable attorney's fee.
 - iii. Proceed with a civil suit in the appropriate court of law to enforce the provisions contained herein through an injunctive action or otherwise. In the event the Association is successful in its arbitration proceedings or civil suit, the owner shall be liable for all costs incurred by the Association, including reasonable attorney's fees.

The Association may also exercise any right or privilege expressly granted to the Association including, but not limited to, the right to a lien for unpaid assessments and to institute suit therefore as provided in C.R.S. 38-33.3-316.

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If any unit owner fails to timely pay assessments or any money or sums due to the Association, the Association may require reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure without the necessity of commencing a legal proceeding as provided in C.R.S. 38-33.3-123(1)(b).

For any failure to comply with any provision of the declaration, bylaws, articles, or rules and regulations, other than the payment of assessments or any money or sums due to the Association, the Association, any unit owner, or any class of unit owners adversely affected by the failure to comply may seek reimbursement for its costs and reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding as provided in C.R.S. 38-33.3-123(1)(b).

28. Appeals: All property owners in good standing have the right to appeal decisions by the Design Committee or Executive Board.

- a. **Design Committee Appeal Process:** In the event that the Design Committee returns a proposal as "not approved as submitted," or in the event that the Design Committee utilizes its defined authority to enforce the standards and covenants as defined in this document, the first step in the appeal process shall be for the member to communicate his/her intent to appeal to the Design Committee via email. In its dialog with the member submitting the appeal, the Design Committee will attempt to resolve issues, where possible, and in accordance with the processes, standards and covenants as defined in this document. If the Design Committee and the member exhaust all available remedies, the member may appeal the Design Committee's decision to the Executive Board. Written notice of the property owner's desire to appeal along with any/all supporting documents shall be submitted to the Secretary of the Association's Executive Board. The Executive Board will address all appeals received at least 30 days prior to each quarterly Executive Board meeting. The Executive Board may, at its discretion, overturn the Design Committee's decision, uphold the Design Committee's decision, amend the Design Committee's Decision, request further information or study, or reach out to the property owner to arbitrate a compromise amenable to the property owner and Association.
- b. **Executive Board Appeal Process:** Written notice of the property owner's desire to appeal shall be submitted to the Executive Board in writing at least 90 days prior to the next published meeting of the Association and will be included on

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the Association agenda. Any action at an Association meeting shall be conducted in a manner consistent with the Association Covenants.

29. **Savings Clause:** In the event that any of the provisions contained herein of these covenants shall be deemed invalid, the remainder thereof shall remain in full force and effect.

30. **Effective Date:** This Third Amended Declaration of Protective Covenants for Eagle Springs Ranch Filing No. 1 and Amended Declaration of Protective Covenants for Eagle Springs Ranch Filing No. 2 shall become effective and enforceable thirty (30) days after filing with the Clerk of Custer County, CO.

Signed and delivered this 12TH day of July, 2019.

EAGLE SPRINGS RANCH PROPERTY OWNERS ASSOCIATION, LLC

[Signature]
By: RICHARD R ABEL
Its: PRESIDENT, EXECUTIVE BOARD

STATE OF Colorado

COUNTY OF Custer

Subscribed and sworn before me this 12th day of July, 2019

By Richard R. Abel of Eagle Springs Ranch Property Owners

Association, LLC. Witness my hand and official seal. My Commission expires: 02/16/2021

PATRICIA REIS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174007437
MY COMMISSION EXPIRES FEBRUARY 16, 2021

[Signature]
Notary Public