

**Declaration of Protective Covenants
For
Cielo Grande Subdivision**

Donald Egan (“Developer”), owner and developer of that certain real property situated in the County of Las Animas, State of Colorado, legally described on Exhibit A attached hereto, which now will be known as the Cielo Grande Subdivision (hereinafter, “the Cielo Grande Subdivision” or “the Property”), in order to protect the living environment and preserve the values of parcels located within the Property, does hereby declare that the Property shall be held, leased, sold and conveyed, subject to the covenants, restrictions and provisions hereinafter set forth, and that each covenant, restriction and provision shall inure to the benefit of and run with the land and shall apply to and bind the successors and assigns of the present owners. The Property is specifically made subject to the following described covenants.

Article 1 – INTENT

It is the intent of these covenants to protect and enhance the value, desirability and attractiveness of the Property, and to prevent the construction of improper or unsuitable improvements. Restrictions are kept to a minimum while keeping in constant focus the right of property owners to enjoy their property in attractive surroundings free of nuisances, undue noise, and danger. Further, it is intended that the natural environment be disturbed as little as possible.

Article 2 – PROPERTY OWNERS ASSOCIATION

The Cielo Grande Subdivision Property Owners Association (hereinafter “the Property Owners Association” or “the Association”) will be operated according to the by-laws of the Association.

- (a) **Members:** Every owner of any portion of the Property automatically shall become a member of the Cielo Grande Subdivision Property Owners Association upon purchase of a parcel in the Cielo Grande Subdivision.
- (b) **Purpose:** The purpose of the Association is to use its authority, as given in the by-laws:
 - 1. To enforce these protective covenants.
 - 2. To assess property owners yearly dues. Should any property owner fail to pay assessments when due, the Property Owners Association may file a lien against the owner for collection purposes.
 - 3. To provide upkeep and improvements to all non-county roads in the Cielo Grande Subdivision.
 - 4. To represent all property owners in matters of mutual interest.

Article 3 – DWELLINGS

All dwellings and any other improvements erected or placed on any parcel must be properly permitted by the appropriate Las Animas County building enforcement department and erected to specifications that are no less than Las Animas County or State of Colorado building codes. Manufactured Homes are allowed but must be approved by the Cielo Grande Subdivision Property Owners Association board. No Single-Wide Trailers or Mobile Homes are allowed except as temporary dwellings only while a valid building permit is in effect and during construction of a permanent dwelling. No more than two dwellings are allowed per parcel.

Article 4 – SETBACKS

No structure may be erected within 50 feet of the right-of-way line of any road within the Cielo Grande Subdivision or within 25 feet of any side or rear line of any parcel unless approved by the Property Owners Association board.

Article 5 – TRASH AND RUBBISH

Rubbish, garbage or other waste shall be kept and disposed of in a sanitary manner, and all containers shall be kept in a clean, sanitary condition so as not to endanger wildlife. Refuse, junk, and dumping trash on parcels are prohibited. Non-operational or non-licensed vehicles shall not be kept on parcels unless kept or stored in a fully enclosed building.

Article 6 – UTILITY EASEMENTS

A 10 foot easement running parallel to and on either side of interior property lines and a 20 foot easement on the interior side of all exterior property lines are hereby set aside for the purpose of installing electric lines or utilities to parcels within the Cielo Grande Subdivision.

Article 7 – ROAD EASEMENTS

A 60 foot wide easement for Access Roads, being 30 feet from the center line of road, is reserved for ingress and egress and utilities to each parcel. No gates or obstructions will be placed upon or block any Access Roads unless that Access Road terminates on the Parcel Owner's property. All Access Roads and other common areas shall be maintained by the Cielo Grande Subdivision Property Owners Association. By taking title to any portion of the Property, each owner of any such portion of the Property agrees and acknowledges that (1) the Access Roads were constructed as private roads and drives; (2) the Access Roads were constructed not by Developer but by an owner of the Property prior to Developer, to standards determined by that prior owner; (3) the standards to which the Access Roads were constructed (type and thickness of surface and base, curve radii, etc.) may not be the same as the standards established by Las Animas County, Colorado, for either private access roads or public rights-of-way, and may be either

higher or lower than those County standards; (4) the Property Owners Association has all responsibility for maintenance of the Access Roads; (5) the use of the Access Roads is at the user=s own risk; (6) each owner of any portion of the Property hereby releases, relinquishes and waives any and all claims that such owner may have, now or hereafter, against Developer relating to or arising from the design or construction of the Access Roads, and indemnifies Developer from and against any such claims by any guest or invitee of such owner; and (7) the provisions of this paragraph shall be binding upon all successors and assigns of such owner in the ownership of any portion of the Property.

Article 8 – COMMON EXPENSES

- (a) All parcels within the Cielo Grande Subdivision shall be subject to an annual assessment in an amount to be determined by the Cielo Grande Subdivision Property Owners Association. Each separate ownership parcel shall be assessed the same amount, regardless of its size or the extent or value of improvements located thereon.
- (b) The Cielo Grande Subdivision will contain no more than twenty (20) units and is not subject to any development rights, as those terms are defined in the Colorado Common Interest Ownership Act (“the Act”). Accordingly, under C.R.S. 38-33.3-116(2), the Cielo Grande Subdivision is subject only to sections 38-33.3-105, 38-33.3-106, and 38-33.3-107 of the Act.

Article 9 – ANIMALS

Animals and livestock will be allowed on Cielo Grande Subdivision for personal use of parcel owners. Any animals raised for commercial activity must be approved by the Cielo Grande Subdivision Property Owners Association board. Commercial feed lots and swine shall be prohibited. Each parcel owner who maintains animals or livestock is responsible for erecting and maintaining fence lines so that animals or livestock are restricted to the boundaries of their parcel.

Article 10 – NUISANCES

No owner shall cause or allow the origination of excessive sounds or odors from his parcel. No owner shall cause or allow any other nuisances of any kind whatsoever to exist on his parcel. In case of a dispute, at the request of an owner, the Cielo Grande Subdivision Property Owners Association board shall make the final determination of what constitutes a nuisance.

Article 11 – TEMPORARY RESIDENCES

No structure of temporary character, recreational vehicle, camper unit, trailer, basement, tent or accessory building shall be used on any parcel as a residence. Recreational vehicles, camper units and tents may be used for vacation camping for periods not to exceed a cumulative total of 180 days in any calendar year.

Article 12 – LAND USE

Commercial wood harvesting and mining (including the removal of soil, gravel or rock) are prohibited on the Property. Further subdivision to less than 35 acres, of a 35 acre or larger parcel subject to these covenants, is prohibited. No commercial or business enterprise shall be permitted upon any parcel unless approved by the Cielo Grande Subdivision Property Owners Association Board. In-home occupations that do not create undue traffic, road deterioration or other hardships to property owners will be allowed.

Article 13 – TERMS OF COVENANTS

These covenants and restrictions run with the land and shall remain in full force and effect for ten (10) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years, unless an instrument signed by not less than a majority of the land owners of the parcels (in terms of the number of parcels) has been recorded, changing said covenants in whole or in part.

Article 14 – SEVERABILITY

Invalidation of any of these covenants or any part thereof by judgment of court order shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

Article 15 – FEES AND ENFORCEMENT

All parcels within the Cielo Grande Subdivision shall be subject to assessment for Property Owners Association fees in an amount to be determined by the Association. Initial fees will commence upon conveyance at date of closing. Whenever the obligation to pay fees arises after the start of the assessment year, the first year's fees will be prorated to the commencement date for the parcel involved. Fees shall be payable in advance starting July 15th of each year. Each property owner shall be responsible for payment of all fees and any costs (including attorney fees) incurred to enforce any violation of these covenants affecting his or her parcel. Failure to pay fees shall be deemed a violation of these covenants. Unpaid fees and costs shall cause a lien to be recorded against the property and such lien may be foreclosed through a judicial foreclosure of the property.

Developer does not pay any dues or assessments on lots it owns or on properties it may regain through foreclosure but, Developer may make, at its sole discretion, contributions to the association from time to time until such time as control of the Association is transferred to owners other than the Developer.