

**RESIDENTIAL RULES AND REGULATIONS
OF
SADDLER RIDGE METROPOLITAN DISTRICT**

**EFFECTIVE
MARCH 18, 2020**

Table of Contents

- ARTICLE 1. DEFINITIONS..... 1
- ARTICLE 2. ARCHITECTURAL REVIEW 4
 - Section 2.1 Composition of Architectural Review Committee..... 4
 - Section 2.2. Architectural Review Requirements; Authority of ARC..... 4
 - Section 2.3 Guidelines 5
 - Section 2.4 Procedures..... 5
 - Section 2.5 Vote..... 5
 - Section 2.6 Prosecution of Work After Approval..... 6
 - Section 2.7 Notice of Completion..... 6
 - Section 2.8 Inspection of Work..... 6
 - Section 2.9 Notice of Noncompliance 6
 - Section 2.10 Correction of Noncompliance 7
 - Section 2.11 Cooperation..... 7
 - Section 2.12 No Liability..... 7
 - Section 2.13 Variance 8
 - Section 2.14 Waivers; No Precedent..... 8
 - Section 2.15 Declarant’s Exemption..... 8
 - Section 2.16 Builders Exemption..... 8
- ARTICLE 3. RESTRICTIONS..... 9
 - Section 3.1 Property Subject to Applicable Laws and these Residential Rules and Regulations..... 9
 - Section 3.2 Residential Use; Professional or Home Occupation 9
 - Section 3.3 Restriction on Further Subdivision 9
 - Section 3.4 Residential Leases..... 10
 - Section 3.5 Animals 10
- ARTICLE 4. OTHER USE RESTRICTIONS..... 10
 - Section 4.1 Temporary Structures; Unsightly Conditions 10
 - Section 4.2 Miscellaneous Improvements 11
 - Section 4.3 Vehicular Parking, Storage and Repairs 11
 - Section. 4.4 Nuisances 12
 - Section 4.5 No Hazardous Materials or Chemicals 12
 - Section 4.6 No Annoying Lights..... 12
 - Section 4.7 Restrictions on Trash and Materials..... 13
 - Section 4.8 Trash Removal Services and Recycling..... 13

Section 4.9	Maintenance.....	13
Section 4.10	Landscaping.....	13
Section 4.11	Grade and Drainage.....	14
Section 4.12	Restrictions on Storage Tanks.....	14
Section 4.13	Restrictions on Sewage Disposal Systems.....	14
Section 4.14	Restrictions on Wells.....	14
Section 4.15	Insurance Risks.....	14
Section 4.16	Mining or Drilling.....	14
Section 4.17	Storage of Explosives, Gasoline and Similar Substances.....	15
Section 4.18	Damage or Destruction of Structures on Lots.....	15
Section 4.19	Violation of Governing Documents.....	15
Section 4.20	Easement Areas.....	15
ARTICLE 5.	RULE ENFORCEMENT.....	15
Section 5.1	Committee.....	15
Section 5.2	Purpose and General Authority.....	16
Section 5.3	Fees and Expenses.....	16
Section 5.4	General Inspections; Violation Identified by Another Owner; Notice and Hearing; Remedies.....	16
Section 5.5	No Liability.....	17

ARTICLE 1. DEFINITIONS

The following words and phrases as used in these Residential Rules and Regulations (the “**Residential Rules and Regulations**”) have the meanings set forth below. Other terms in these Residential Rules and Regulations may be defined in specific provisions of these Residential Rules and Regulations and have the meaning assigned by such definition.

1.1 “Accessory Building” means a secondary building or structure on a Lot, the use of which is incidental to the residential use of the single-family residence constructed on the Lot.

1.2 “Accessory Dwelling” means a living unit integrated within a single-family dwelling or located in an Accessory Building, such as a carriage house or barn, located on the same Lot as the single-family residence constructed on the Lot.

1.3 “Affiliate” means any Person that, directly or indirectly, is in control of, is controlled by or is under common control with the Person for whom an affiliate is being determined. For purposes hereof, control of a Person means the power, direct or indirect, to (i) vote 20% or more of the ordinary voting power of such Person, or (ii) direct or cause the direction of the management and policies of such Person whether by contract or otherwise, and either alone or in conjunction with others.

1.4 “Applicable Laws” means the laws, orders, ordinances, regulations, rules and statutes of all federal, state and local, jurisdictions having authority over the Property, including the Town of Severance, Weld County, the Metro District, and any other statutory created governing body including, without limitation, associations.

1.5 “ARC” means the Architectural Review Committee, which shall be appointed by the governing board of the Metro District, as provided in Section 2.1 of these Residential Rules and Regulations. The ARC shall review, consider and approve, or disapprove, requests for architectural approval, as more fully provided in these Residential Rules and Regulations.

1.6 “Benefited Parties” means the Declarant, the Metro District, the ARC and each of their respective parents, subsidiaries, and Affiliates and each of their agents, directors, employees, members, managers, officers, partners, and shareholders, and their respective heirs, successors, and assigns.

1.7 “Builder” means (i) any Person who acquires one or more Lots within the Property for the purpose of constructing a building thereon for subsequent sale, and/or rental, or (ii) any Person who is designated by the Declarant as a “Builder.”

1.8 “Carriage Lot” means any Lot which is one (1) acre or greater in area.

1.9 “Declarant” means Liberty Savings Bank, FSB, an Ohio for profit corporation and Platte Basin Consultants, Inc., a Colorado corporation, and/or any other Person to whom the Declarant assigns one or more of the Declarant rights under these Residential Rules and Regulations (which assignment will only be the extent of the Declarant rights to which such

assignee succeeds), provided, that no assignment of any Declarant rights will be effective unless such assignment is duly executed by the assignor Declarant and recorded in the office of the Clerk and Recorder of Weld County, Colorado.

1.10 “District Property” means any real or personal property, including any infrastructure or other Improvements, owned, leased or being constructed by or on behalf of the Metro District. Notwithstanding anything to the contrary, including the location of the District Property within the Property, the District Property shall not be subject to these Residential Rules and Regulations.

1.11 “Established Drainage Pattern” means the drainage pattern that exists at the time of the overall grading of any Lot which may be reflected on a grading plan or an as-built civil engineer plan for such Lot.

1.12 “Fees” means any type of charge for any services or facilities provided by or through the Metro District.

1.13 “Fines” means any monetary penalty imposed by the Metro District against an Owner due to a Violation of the Governing Documents by such Owner or any Occupant.

1.14 “Governing Documents” means these Residential Rules and Regulations, the Guidelines, and any other documents, rules, regulations or guidelines now or hereafter adopted by or for the Metro District or the ARC, as may be amended and supplemented from time to time.

1.15 “Guidelines” means the guidelines as amended from time to time, and further described in Section 2.3.

1.16 “Improvements” means all improvements, structures, buildings, and any all landscaping features, buildings, outbuildings, geothermal systems, solar systems, swimming pools, hot tubs, satellite dishes, tennis courts, patios, patio covers, awnings, solar collectors, painting or other finish materials on any visible structure, additions, walkways, sprinkler systems, garages, carports, roads, driveways, parking areas, fences, gates, basketball backboards and hoops, swing sets or other play structures, screening walls, retaining walls, stairs, decks, fixtures, painting of any exterior surfaces of any visible structure, additions, walkways, outdoor sculptures or artwork, landscaping, hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior light fixtures, poles, signs, exterior tanks, and exterior air conditioning, cooling, heating and water softening equipment. Improvements includes, without limitation, all initial Improvements constructed on any Lot and all subsequent changes, modifications, alterations or adjustments to any previously approved Improvement, including any change of exterior appearance, color, or texture, other than any changes, modifications, alterations or adjustments to the interior of a Residential Unit. Improvements do not include any District Property.

1.17 “Lot” means any Parcel of real property within the Property that is described on a recorded plat as a lot or is otherwise designated on a recorded plat as a separate Parcel upon which a Residential Unit is or may be constructed, and includes all Improvements that may be made to

such Parcel from time to time including, but not limited to, any Residential Unit that may be constructed on such Parcel.

1.18 "Metro District" means Saddle Ridge Metropolitan District.

1.19 "Notice of Completion" means the notice described in Section 2.7.

1.20 "Notice of Noncompliance" means the notice sent by the ARC described in Section 2.9.

1.21 "Notice of Violation" has the meaning given to that term in Section 5.4.3.

1.22 "Occupant" means any Person, other than the Declarant, Declarant's Affiliates, a Builder, the Enforcement Committee, or the Metro District, from time to time that uses or occupies any portion of a Lot under an ownership right or any lease, sublease, license or concession or other use and occupancy agreement, any guests and invitees of any Owner or Occupant and any other Person that uses any portion of the Property.

1.23 "Owner" means each fee simple title holder of a Lot, including the Declarant, the Declarant's Affiliates and/or, any Builder, but does not include a Person having a security interest in a Lot. If there is more than one fee simple holder of title, "Owner" includes each such Person, jointly and severally.

1.24 "Parcel" means any portion of real property within the Property that is described on a recorded plat that may be sold or conveyed without violation of Applicable Laws, and includes all Improvements that may be made to such parcel from time to time including, but not limited to, any Residential Unit that may be constructed on such parcel.

1.25 "Person" means a natural person, a corporation, a limited liability company, a partnership, a trust, a joint venture, an unincorporated association, or any other entity or any combination thereof and includes each Owner, the Declarant, the Declarant's Affiliates, the Builders, the ARC, and the Metro District.

1.26 "Plans and Specifications" means complete plans and specifications of a proposed Improvement, in the requisite number and format, and containing such information as required by the Guidelines and/or these Residential Rules and Regulations, and any other information and materials as may be required by the ARC. By way of example, the Guidelines and/or these Residential Rules and Regulations may require plans and specifications to show exterior design, height, materials, color, and location of the Improvement, plotted horizontally and vertically, location and size of driveways, location, size, and type of landscaping, fencing, walls, windbreaks and grading plan.

1.27 "Property" means the property within the boundaries of the District, as the same may be modified or adjusted through the inclusion or exclusion of property to or from such property in accordance with Applicable Laws.

1.28 “Residential Unit” means a residential dwelling constructed on a Lot within the Property, specifically including, but not limited to, a detached home, an attached home or a condominium unit or other separate living unit within a multi-family home, but excluding multi-family projects with “For Rent” units.

1.29 “Standard Lot” means any Lot which is less than one (1) acres in area.

1.30 “Violation” means (a) an Improvement that has been installed or constructed without obtaining the ARC’s approval, (b) an Improvement that was not installed or constructed in substantial compliance with the approval that was granted by the ARC, or (c) any other violation of the Governing Documents by an Owner or Occupant.

ARTICLE 2. ARCHITECTURAL REVIEW

Section 2.1 Composition of Architectural Review Committee.

The ARC will consist of three (3) or more Persons appointed by the governing board of the Metro District.

Section 2.2. Architectural Review Requirements; Authority of ARC.

2.2.1 Subject to the provisions of these Residential Rules and Regulations, no Improvement may be constructed, erected, placed, altered, planted, applied, installed or modified, upon any Lot, unless the Improvement is in full compliance with all provisions of the Governing Documents. Prior to constructing, erecting, placing, altering, planting, applying, installing or modifying an Improvement upon any Lot, the Owner of the Lot must submit Plans and Specifications of the proposed Improvement to the ARC for review and consideration, and then receive approval in writing from the ARC, all in accordance with the Guidelines and/or these Residential Rules and Regulations. An Owner may designate in writing a Person other than the Owner to submit Plans and Specifications as a co-applicant with the Owner.

2.2.2 The ARC shall endeavor to exercise its judgment in an attempt to provide for each proposed Improvement to generally harmonize with the existing surroundings, residences, landscaping and structures. The ARC will not review or approve any proposed Improvements regarding whether the same complies with Applicable Laws. Rather, as provided in Section 2.2.3 below, the Owner is required to submit proposed Improvements to the applicable governmental entities for approval and a determination of compliance with Applicable Laws. In its review of the Plans and Specifications, the ARC may require, as a condition to its considering an approval request, that the Owner pay Fees and reimburse the ARC for the expenses incurred in the process of review and approval or disapproval of the Plans and Specifications.

2.2.3 In addition to the foregoing review and approval, and notwithstanding anything to the contrary in these Residential Rules and Regulations, prior to the construction, erection, addition, deletion, change or installation, of any Improvement, the Owner must obtain the approval of all governmental entities with jurisdiction there over, and issuance of all required

permits, licenses and approvals by all such entities. The Owner is solely responsible for compliance with Applicable Laws.

Section 2.3 Guidelines.

If the Guidelines conflict with these Residential Rules and Regulations, these Residential Rules and Regulations control. The Guidelines bind the Property and each Owner. The governing board of the Metro District may promulgate, adopt, enact, modify, amend, repeal, and re-enact, architectural standards, rules, regulations and/or guidelines, regarding architectural matters and matters incidental thereto (collectively the "**Guidelines**"). The Guidelines may include, without limitation: clarification of designs and materials that may be considered in architectural approval and requirements for submissions, procedural requirements, and specification of acceptable Improvements that may be installed without prior review or approval. The Guidelines may permit the Metro District to send demand letters and notices, levy and collect Fees, Fines and interest, and negotiate, settle and/or take any other actions with respect to any violation or alleged violation of any of the Governing Documents. In addition, the Guidelines may provide for blanket approvals, interpretations, or restrictions. By way of example, and not by way of limitation, the Guidelines may state that a certain type of screen door will be acceptable and will not require approval, or may state that only one or more types of fences are acceptable and no other types will be approved. All Improvements proposed to be constructed, erected, placed, altered, planted, applied, installed or modified, upon any Lot by any Owner shall be done and used in accordance with the Guidelines and these Residential Rules and Regulations. The Guidelines (as amended from time to time in accordance with their terms) shall not be recorded against the Property but are hereby incorporated into these Residential Rules and Regulations as if fully set forth herein. Until amended or repealed, those certain Residential Improvement Guidelines and Site Restrictions for Saddler Ridge Metropolitan District, effective as of December 1, 2016, shall be deemed to be the "Guidelines" as defined herein.

Section 2.4 Procedures.

The ARC will review and approve in writing (which may be with conditions and/or requirements), or disapprove, each request for architectural approval within forty-five (45) days after the complete submission to the ARC, along with receipt acknowledgement by the ARC, of the Plans and Specifications and other materials and information which the ARC may require in conjunction therewith in accordance with the design review procedures set forth in the Guidelines or these Residential Rules and Regulations. If the ARC fails to review and approve in writing (which may be with conditions and/or requirements), or disapprove, a request for architectural approval within forty-five (45) days after the complete submission of the Plans and Specifications and other information requested with respect thereto, such request is deemed approved by the ARC.

Section 2.5 Vote.

The affirmative, majority vote of the present members of the ARC is required for approval (which may be with conditions and/or requirements) of each matter.

Section 2.6 Prosecution of Work After Approval.

After approval (which may be with conditions and/or requirements) of any proposed Improvement, the Owner is required to complete and construct the Improvement promptly and diligently, and in complete conformity with all conditions and requirements of the approval and any provision of the Guidelines relating to construction. Except for the Declarant or the Declarant's Affiliates, failure to complete the proposed Improvement within one (1) year after the date of approval of the application (the "**Completion Deadline**"), or to complete the Improvement in complete conformance with the conditions and requirements of the approval, constitutes noncompliance with the provisions of these Residential Rules and Regulations; provided, however, that the ARC may grant extensions of time for completion of any proposed Improvements, either (a) at the time of initial approval of such Improvements, or (b) upon the request of any Owner, provided such request is delivered to the ARC in writing; provided that the Owner is diligently prosecuting completion of the subject Improvements or other good cause exists at the time such request is made.

Section 2.7 Notice of Completion.

Upon the completion of any Improvement, the Owner will submit a written "**Notice of Completion**" to the ARC on forms provided by the ARC. Until the date of receipt of such Notice of Completion, the ARC shall not be deemed to have notice of completion of any Improvement for which approval (which may be with conditions and/or requirements) has been sought and granted as provided in this Article.

Section 2.8 Inspection of Work.

The ARC, or its duly authorized representative, has the right to inspect any Improvement at any time, including prior to or after completion, to determine whether or not the proposed Improvement is being completed or has been completed in compliance with the approval granted pursuant to this Article. However, such right of inspection shall terminate ninety (90) days after the ARC has received a Notice of Completion from the applicant and no action has been initiated by the ARC. The 90-day period to perform inspections after the ARC has received a Notice of Completion does not apply to or limit the right or authority of the Metro District, the Enforcement Committee or the ARC to require compliance with the Improvement review and approval process as set forth in these Residential Rules and Regulations and the Guidelines, or the right or authority of the Metro District or the Enforcement Committee to enforce these Residential Rules and Regulations, and the Guidelines, including but not limited to the requirements pertaining to the maintenance of Improvements.

Section 2.9 Notice of Noncompliance.

If, as a result of inspections or otherwise, or following receipt of a Notice of Completion, the ARC determines that any Improvement has been constructed without obtaining all required approvals (which may be with conditions and/or requirements), or was not constructed in

substantial compliance with the approval that was granted, or has not been completed by the Completion Deadline, subject to any extensions of time granted pursuant to Section 2.6 hereof, then the ARC will notify the applicant in writing of the non-compliance, specifying the particulars of the noncompliance (“**Notice of Noncompliance**”).

Section 2.10 Correction of Noncompliance.

If the ARC determines that a non-compliance exists, the Person responsible for such non-compliance must remedy or remove the same, and return the subject property or structure to a condition acceptable to the ARC, within the period specified in the Notice of Noncompliance. If such Person does not comply with the Notice of Noncompliance by amending the condition within the period specified, the ARC may submit the Notice of Noncompliance to the Metro District for enforcement. The Metro District may at its option, record a notice of non-compliance against the Lot on which the non-compliance exists, may impose Fees, Fines, penalties and interest, may remove the non-complying Improvement, or may otherwise remedy the non-compliance, and the Person responsible for such non-compliance shall reimburse the Metro District, upon demand, for all costs and expenses, as well as anticipated costs and expenses, with respect thereto.

Section 2.11 Cooperation.

The ARC has the right and authority to enter into agreements and otherwise cooperate with any architectural review or similar committees, any metropolitan or other districts, or one or more boards or committees that exercise architectural or design review functions, or any other Person, in order to increase consistency or coordination, reduce costs, or as may otherwise be deemed appropriate or beneficial by the ARC. Cooperation may include, without limitation, collection, payment, and disbursement of Fees, Fines or charges.

Section 2.12 No Liability.

The Benefitted Parties are not liable and shall not be liable to any Person by reason of any action, failure to act, approval (which may be with conditions and/or requirements), disapproval, or failure to approve (which may be with conditions and/or requirements) or disapprove, in regard to any matter whether for damage or in equity. In reviewing or approving any matter, the Benefitted Parties are not be responsible for any issue related to the Improvements, whether structural or otherwise, and whether submitted for review or otherwise. The Benefitted Parties are not responsible for any matter related to safety. The Benefitted Parties are not responsible for the conformance of Improvements with Applicable Laws or compliance with any other standard or regulation, and any approval (which may be with conditions and/or requirements) of any Improvement by the ARC will not be deemed an approval of any such matters, will not be deemed to represent that the Improvement conforms to Applicable Laws or complies with any other standards or regulations, and will not constitute a warranty by the ARC to any applicant of the adequacy of design, workmanship or quality of such work or materials for any applicants’ intended use. No Owner or other Person is a third party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval granted by, the Benefitted Parties. Each Owner (i) waives and releases the Benefitted Parties from all Claims related to approval or disapproval of any Improvements and (ii) waives and releases all Claims against the Benefitted Parties. The foregoing

release and waiver are made by each Owner to the fullest extent permitted by the law and for and on behalf of itself, its assigns, executors, heirs, occupants, personal representatives, representatives, and successors. The ARC members, acting in that capacity, shall not be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The ARC members, acting in that capacity, have no personal liability with respect to any contract or other commitment made or action taken on behalf of the ARC.

Section 2.13 Variance.

The ARC may, but under no circumstances is obligated to, grant reasonable variances or adjustments from any conditions and restrictions imposed by these Residential Rules and Regulations and/or by the Guidelines in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of any such conditions and restrictions. Such variances or adjustments will be granted in the ARC's sole discretion and may only be granted if such variance does not impose a material detriment or injury to the other property or improvements within the Property and does not militate against the general intent and purpose hereof. However, any variance that may be granted under this Section is only a variance from the requirements of the applicable Governing Document for the individual applicant, and is not a variance from the requirements of any applicable governmental or quasi-governmental agency or entity. No granting of a variance or adjustment to any one applicant/Owner shall constitute a variance or adjustment, or the right to a variance or adjustment, to any or all other applicants/Owners.

Section 2.14 Waivers; No Precedent.

The approval or consent of the ARC to any application for approval does not constitute a waiver of any right to withhold or deny approval or consent by such Person, or any Person, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent as to any other matter. Any changes in Plans and Specifications previously approved by the ARC must be reviewed and approved by the ARC in the same manner as the initial Plans and Specifications.

Section 2.15 Declarant's Exemption.

Notwithstanding anything to the contrary, the Declarant, the Declarant's Affiliates, and the Metro District are exempt from any and all other matters that require ARC review and/or approval.

Section 2.16 Builders Exemption.

Notwithstanding anything to the contrary, as long as, and to the extent that, a Builder has received written architectural approval from the Declarant, such Builder shall, as to Declarant-approved Improvements, be exempt from this Article and all provisions of the Governing Documents that require ARC review and/or approval.

ARTICLE 3. RESTRICTIONS

Section 3.1 Property Subject to Applicable Laws and these Residential Rules and Regulations.

Notwithstanding anything in these Residential Rules and Regulations to the contrary, the Property is subject to Applicable Laws and to all documents recorded in records of the clerk and recorder of Weld County, Colorado. All Owners, and Occupants shall comply with all Applicable Laws. Neither the ARC nor the Metro District shall have any obligation to enforce compliance with Applicable Laws.

Section 3.2 Residential Use; Professional or Home Occupation.

Residential Units must be used for residential use only, including uses which are customarily incident thereto, and not for business, commercial or professional purposes. Notwithstanding the foregoing, Owners may conduct business activities within their Residential Unit if permitted by Applicable Laws and if all of the following conditions are satisfied:

3.2.1 The business conducted is clearly secondary to the residential use of the Residential Unit and is conducted entirely within the Residential Unit;

3.2.2 The existence or operation of the business is not detectable from outside of the Residential Unit by sight, sound, smell or otherwise, or by the existence of signs indicating that a business is being conducted (other than as may be permitted by the Guidelines and approved by the ARC);

3.2.3 The business does not result in an undue volume of traffic or parking within the Property;

3.2.4 The business conforms to all Applicable Laws; and

3.2.5 The business complies with all the Governing Documents.

In addition to the business activities permitted within Residential Units set forth above, Residential Units and/or Accessory Buildings located on Carriage Lots may be used for those business activities as permitted by Applicable Laws, subject to any additional review or approval required by the Town of Severance or any other governmental entity having jurisdiction therefor. It is acknowledged that such uses may create additional traffic, parking, noise or smells above and beyond what is permitted above, but in no event shall such uses be permitted to cause a nuisance as set forth in Section 4.4 of these Residential Rules and Regulations.

Section 3.3 Restriction on Further Subdivision.

No Lot may be further subdivided or separated into smaller units or lots by any Owner (other than the Declarant, the Declarant's Affiliates, the Metro District or a Builder), and no portion

consisting of less than all of any such Lot, nor any easement or other interest therein, may be conveyed or transferred by an Owner (other than the Declarant, the Declarant's Affiliates or a Builder), provided that this prohibition does not prohibit deeds of correction, deeds to resolve boundary line disputes, and similar non-material corrective instruments.

Section 3.4 Residential Leases.

The term "**Residential Lease**," as used in this Section 3.4 includes any agreement for the leasing or rental of a Residential Unit, or any portion thereof, and shall specifically include month-to-month rentals and subleases. Subject to the provisions of Section 3.2, nothing shall prohibit an Owner from leasing his Residential Unit, or any portion thereof, as long as all residential leases provide that the terms of the Residential Lease and lessee's occupancy of the leased premises is subject in all respects to the provisions of the Governing Documents and that any failure by the lessee to comply with any of the Governing Documents, in any respect, is a default under the Residential Lease, and provided that Metro District may adopt additional rules and regulations that require a minimum lease term.

Section 3.5 Animals.

No animals, birds, livestock, reptiles or insects of any kind may be raised, bred, kept or boarded in or on a Lot or in any Residential Unit, except as permitted by Applicable Laws and in compliance with the Guidelines or these Residential Rules and Regulations not in conflict with such Applicable Laws. Each animal must be controlled by its owner and is not allowed off the Owner's Lot except when properly controlled and accompanied by its owner or his or her representative, who is responsible for collecting and properly disposing of any animal waste. An Owner's and/or Occupant's right to keep animals is coupled with the responsibility to pay for any damage caused by such animal, as well as any costs incurred as a result of such animals.

ARTICLE 4. OTHER USE RESTRICTIONS

Section 4.1 Temporary Structures; Unsightly Conditions.

No structure of a temporary character, including a house, trailer, tent, shack, mobile home, storage shed, or outbuilding may be placed or erected upon any Lot except (i) by the Declarant, the Declarant's Affiliates or a Builder at any one time or (ii) by an Owner during construction, alteration, repair or remodeling of Improvements. If placed by an Owner, only necessary temporary structures for storage of materials may be erected and maintained. An Owner's construction or alterations, except during initial construction by the Declarant, the Declarant's Affiliates or a Builder, of any Improvements must be prosecuted diligently from the commencement until completion. Further, no Owner, except during initial construction by the Declarant, the Declarant's Affiliates or a Builder, will permit any unsightly conditions or equipment on any Lot to be visible from a street.

Section 4.2 Miscellaneous Improvements.

4.2.1 Except as provided herein, or as permitted by the ARC and in compliance with the Guidelines, no advertising or signs of any character shall be erected, placed, permitted, or maintained on any Lot or Residential Unit other than a name plate of the occupant, a street number, a "For Sale," "Sold," "Open House, or "For Rent," of not more than five (5) square feet, and one security sign of not more than five (5) square feet. Additionally, signs intended to impact the outcome of an election may be displayed on Lots in accordance with the Guidelines. Further, signs advertising garage sales, block parties, or similar community events, may be permitted if the same are in accordance with Applicable Laws, the Governing Documents, or have been submitted to the ARC for review, and have been approved by ARC, in writing, prior to posting of such signs. Notwithstanding the foregoing, signs, advertising, or billboards used by the Declarant or the Declarant's Affiliates in connection with the sale or rental of Lots, or otherwise in connection with development of or construction on the Lots are permissible. Notwithstanding anything to the contrary set forth in this Section but subject to the limitations set forth in the Guidelines, the ARC shall not prohibit an Owner or resident from displaying an American flag or military service flag on a Lot, subject to any rules and regulations and/or Guidelines relative to the same.

4.2.2 No wood piles or other stock piles may be located on any Lot as to be visible from a street or from the ground level of any other Lot.

4.2.3 The governing board of the Metro District may adopt Guidelines consistent with applicable state or federal laws and regulations, regarding the installation of satellite dishes, exterior aerials, antennas of any kind, and any wind-electric generator. Further, any such devices may be erected or installed by the Declarant, the Declarant's Affiliates or by any Builder during its construction of Residential Units.

4.2.4 Other than fences which may be constructed, installed or located by the Declarant, the Declarant's Affiliates or by a Builder, no fences are permitted on the Property except in accordance with the Guidelines and with the prior written approval of the ARC. Each Owner must maintain any fences on its Lot.

4.2.5 One (1) Accessory Building may be constructed on each Standard Lot, with the prior written approval of the ARC. Up to two (2) Accessories Buildings may be constructed on each Carriage Lot, with the prior written approval of the ARC. The Guidelines may set forth requirements for Accessory Buildings, including but not limited to size, height, materials and colors. An Accessory Building constructed on a Carriage Lot may be used as an Accessory Dwelling or may be used for business activities as provided in Section 3.2 of these Residential Rules and Regulations. Accessory Buildings constructed on Standard Lots shall not be used as Accessory Dwellings or for business purposes.

Section 4.3 Vehicular Parking, Storage and Repairs.

Except as may otherwise be provided in the Guidelines and/or these Residential Rules and Regulations, commercial vehicles, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, golf carts and boat

trailers, must be parked within areas designated by the ARC and must be screened from view by such fencing, screening and/or landscaping as may be specified in the Guidelines and/or these Residential Rules and Regulations. This restriction does not prohibit trucks or commercial vehicles which are necessary for construction or for the maintenance of any portion of the Property or any Improvements, or vehicles for temporary loading or delivery services or in the case of an emergency. Stored vehicles and vehicles which are inoperable or do not have current operating licenses, or other vehicles described in the Guidelines and/or these Residential Rules and Regulations, are not permitted on the Property except within enclosed garages. For purposes of this Section, the ARC may consider a vehicle to be “stored” if, for example, it is up on blocks or covered with a tarpaulin and remains on blocks or so covered for seventy-two (72) consecutive hours. The governing board of the Metro District may adopt Guidelines and/or additional rules and regulations, consistent with applicable state or federal laws and regulations, regarding the parking, storage and repairs of vehicles.

No maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of any motor vehicles, trailers or boats may be performed or conducted on the Property unless it is done within a completely enclosed structure which screens the sight and sound of the activity from the street and from other Lots. The foregoing restriction does not prevent washing and polishing of any motor vehicle, trailer or boat.

Section. 4.4 Nuisances.

No Owner or Occupant will permit a nuisance on its Lot. No Owner and Occupant will permit any use, activity or practice which interferes with the peaceful enjoyment or possession and proper use of any Lot or Residential Unit. This Section 4.4 does not apply to any activities of the Declarant, the Declarant’s Affiliates or of a Builder. No Owner or Occupant will permit any noxious or offensive activity upon any Lot or Residential Unit.

Section 4.5 No Hazardous Materials or Chemicals.

No hazardous materials or chemicals may be located, kept or stored in, on or at any Lot except in household products normally kept at homes for use of the residents thereof and in such limited quantities so as not to constitute a hazard or danger to person or property. This Section does not apply to the activities of the Declarant, the Declarant’s Affiliates or a Builder.

Section 4.6 No Annoying Lights.

No Owner or Occupant will permit any light to be emitted from any Lot or Residential Unit which is unreasonably bright or causes unreasonable glare. In addition to the foregoing, no electromagnetic, light, laser, or any physical emission which might interfere with aircraft, navigation, communications or navigational aids are permitted. This Section does not apply to the activities of the Declarant, the Declarant’s Affiliates or a Builder.

Section 4.7 Restrictions on Trash and Materials.

No Owner or Occupant will permit any refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind to be kept, stored, accumulated on its Lot, nor will such items be deposited on a street, unless placed in a suitable, tightly covered container that is suitably located solely for the purpose of garbage pickup, recycling or composting. Further, no Owner or Occupant will permit any trash or materials to accumulate in such a manner as to be visible from any Lot or Residential Unit. Owners and Occupants will keep all equipment for the storage or disposal in a clean and sanitary condition. No Owner or Occupant will permit any garbage or trash cans or receptacles to be maintained in an exposed or unsightly manner.

Section 4.8 Trash Removal Services and Recycling.

The Declarant requires centralized trash removal and recycling services for the Lots. Without limiting its authority, the Metro District may levy and collect fees, charges, and other amounts to be imposed upon the Lots for such trash removal and recycling services; provided, however that such fees, charges and other amounts must be derived from within the boundaries where the trash removal and recycling services are required or performed. The scope, frequency, and all other matters with respect to such trash removal and recycling services, shall be determined by the Metro District. Without limiting the generality of the foregoing, the Metro District may, for example, as a part of establishing rules and regulations related to the enforcement of the covenant to provide centralized trash removal and recycling services, elect to provide for regularly scheduled trash pick-ups and recycling, but may require each Owner to be responsible for scheduling, and paying for, any extraordinary trash pick-ups and/or other recycling and may limit the items eligible for trash pick-up and/or recycling from time to time. In the event that the Metro District does not administer trash removal and/or recycling services for the Property, the Metro District shall enforce this covenant by coordinating the centralized trash removal and recycling services for the Lots, including, without limitation, the levy and collection of fees, charges, and other amounts to be imposed upon the Lots for such trash removal and recycling services; provided, however that such fees, charges and other amounts must be derived from within the Metro District boundaries where the trash removal and recycling services are required or performed.

Section 4.9 Maintenance.

Each Lot (including any adjacent tree lawn) must at all times be kept in a clean and sightly condition.

Section 4.10 Landscaping.

The Owner of each Lot (other than the Declarant or a Builder) shall install landscaping on the Lot in accordance with the Governing Documents and Applicable Laws. For Standard Lots, all portions of the Lot not covered by a building or Improvements shall be landscaped. For Carriage Lots, the Guidelines may establish a minimum percentage of each Carriage Lot which must be improved with landscaping. Any areas of a Carriage Lot which are not improved with

landscaping or other Improvements must have sufficient ground cover to prevent erosion and unsightliness. All landscaping plans must be submitted to the ARC for review and approval (which may be with conditions and/or requirements), and such approval shall be obtained prior to the installation of landscaping, in accordance with Article 2 of these Residential Rules and Regulations.

Section 4.11 Grade and Drainage.

Each Owner shall maintain the Established Drainage Pattern. Any alteration in the Established Drainage Pattern for any Lot will result in the full release of the Benefited Parties as to any and all liabilities or obligations with respect to the Established Drainage Pattern for any Lot. Each Owner agrees to indemnify and hold the Benefited Parties harmless from any and all claims, liabilities, expenses, damages, and attorneys' fees which may be asserted against or incurred by any of the Benefited Parties, and which arise out of or relate to any alteration of the Established Drainage Pattern.

Section 4.12 Restrictions on Storage Tanks.

Except as provided in these Residential Rules and Regulations, no tanks for the storage of gas, fuel, oil, or other materials may be erected, placed, or permitted above or below the surface of any Lot (other than reasonably sized propane tanks intended for use with gas grills) and as specifically allowed in the Guidelines and/or these Residential Rules and Regulations.

Section 4.13 Restrictions on Sewage Disposal Systems.

No cesspool, septic tank or other individual sewage disposal system may be installed on a Lot.

Section 4.14 Restrictions on Wells.

No wells may be installed or maintained unless such system is approved in writing by the ARC, and is constructed, designed, equipped, and located in accordance with all Applicable Laws and the recommendations, requirements, and standards of the ARC and/or the Guidelines.

Section 4.15 Insurance Risks.

No Lot may be used for any use, and nothing may be stored on any Lot, which would constitute an unusual fire hazard, or would result in jeopardizing any insurance maintained on other Lots within or on any other portion of the Property.

Section 4.16 Mining or Drilling.

No Lot may be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel or earth.

Section 4.17 Storage of Explosives, Gasoline and Similar Substances.

Gasoline or other volatile or incendiary materials or devices shall be stored only in a manner that strictly complies with all Applicable Laws.

Section 4.18 Damage or Destruction of Structures on Lots.

Any damage to or destruction of any structure or Improvement located on a Lot shall be promptly repaired and replaced by the Owner of the Lot, in accordance with these Residential Rules and Regulations. "Repaired and replaced," as used in this Section 4.18, means restoring the structure or Improvement to substantially the same condition in which it existed immediately prior to such damage or destruction. Except as otherwise provided in these Residential Rules and Regulations, the cost of such repair or replacement shall be the personal obligation of the Owner of the Lot on which such work was performed.

Section 4.19 Violation of Governing Documents.

If any Owner or Occupants are in Violation of Article 3 or this Article 4, then in addition to any enforcement and remedies available to the Metro District, and in accordance with the procedures in Section 5.4, the Metro District may invoke any one or more of the following remedies: (a) levy Fines upon such Owner for each Violation; (b) cause the Violation to be cured and charge the cost thereof to such Owner; and (c) obtain injunctive relief against the continuance of such Violation. Before invoking any of the foregoing remedies, the Metro District shall give such Owner prior written notice of the Violation, including a specific description of the Violation and require the Owner to take such action as may be necessary to remedy the Violation, including the time period in which the Violation is to be remedied, which time period may not exceed forty-five (45) days.

Section 4.20 Easement Areas.

By taking title to any Lot, each Owner acknowledges that certain portions of the Property are subject to easement rights in favor of governmental, quasi-governmental and other parties, including easements for the benefit of utility providers, and the Metro District, among others, pursuant to a plat or other document creating such easement rights recorded in the records of the clerk and recorder of Weld County, Colorado. No Owner may use any portion of the Property or place any trees, structures, fences or other improvements on any portion of the Property that would violate any use restrictions contained in any easement, plat or other document creating easement rights.

ARTICLE 5. RULE ENFORCEMENT

Section 5.1 Committee.

The Metro District has the right to establish an "Enforcement Committee" and, upon its establishment, the members of the Enforcement Committee will be appointed and removed by the governing board of the Metro District and shall have the same rights as the Metro District under

this Article 5. The Metro District shall be responsible for the ministerial administration and enforcement of the Governing Documents, and has the right to: (a) accept complaints for Violations of the Governing Documents; (b) submit complaints regarding Violations of the Governing Documents; (c) inspect the Property for Violations of the Governing Documents; (d) issue various notices to Owners regarding the Governing Documents; and (e) provide all ministerial administration and enforcement of the Governing Documents.

Section 5.2 Purpose and General Authority.

The Metro District shall review all complaints and notifications provided by the Declarant, the Declarant's Affiliates, an Owner, or the ARC regarding any alleged Violation. The Metro District also has the right to make an investigation on its own regarding potential Violations. The Metro District has the authority to determine whether a Violation has occurred by any Owner, and upon such determination, may issue to an Owner a Notice of Violation identifying the particular circumstances or conditions of the Violation and require the Owner to take such action as may be necessary to correct, remedy or otherwise remove the Violation, including the time period in which the Violation is to be remedied as further set forth in Section 5.4.

Section 5.3 Fees and Expenses.

All expenses of the Enforcement Committee must be paid by the Metro District with revenues derived from that portion of the Property with respect to which the Enforcement Committee's services are required or performed. The Metro District has the right to charge Fees and Fines for costs of enforcement of the Governing Documents and the costs incurred to correct, remedy or otherwise remedy Violations, in amounts which may be established by the Metro District from time to time.

Section 5.4 General Inspections; Violation Identified by Another Owner; Notice and Hearing; Remedies.

5.4.1 *General Inspection.* Any member or authorized agent or consultant of the Enforcement Committee or the ARC, or any authorized officer, director, employee or agent of the Metro District may enter upon any Lot, at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to investigate or inspect any portion of the Property for alleged Violations of the Governing Documents.

5.4.2 *Notice of Alleged Violation; Right to a Hearing.* If (i) an investigation or inspection reveals that any part or portion of a Lot is not in compliance with the Governing Documents, (ii) the ARC has submitted a Notice of Noncompliance with respect to a Lot, or (iii) another Owner has submitted a complaint in accordance with the any rules and regulations or policies of the Metro District in relation to enforcement, the Metro District may send a notice of alleged Violation (a "**Notice of Alleged Violation**") to the Owner of such Lot. Upon receipt of a Notice of Alleged Violation, an Owner shall be entitled to request a hearing with respect thereto in accordance with the any rules and regulations or policies of the Metro District in relation to enforcement.

5.4.3 *Remedies.* If, after receipt of the Notice of Alleged Violation and, to the extent requested in accordance with the any rules and regulations or policies of the Metro District in relation to enforcement, any hearing requested by an Owner, such Owner is found by the Metro District to be in Violation of the Governing Documents and fails to remedy the Violation within the time period specified in the notice of violation (“**Notice of Violation**”) issued pursuant to any rules and regulations or policies of the Metro District in relation to enforcement, the Metro District shall have all remedies available to it at law or in equity, including, without limitation, the following remedies:

5.4.3.1 The Metro District may record a Notice of Violation against the Lot on which the Violation exists.

5.4.3.2 The Metro District has the right to remove, correct or otherwise remedy any Violation in any manner the Metro District deems appropriate.

5.4.3.3 The Metro District may file an action for injunctive relief to cause an existing Violation to be brought into compliance with the Governing Documents and the Metro District shall recover all costs and attorneys’ fees associated with bringing the action.

5.4.3.4 The Metro District may levy Fines for such Violation.

5.4.3.5 The Metro District may collect, and shall have a statutory perpetual lien pursuant to § 32-1-1001(1)(j)(I), C.R.S. against the Lot subject to the Violation to secure, (1) payment for reimbursement by the violating Owner for any remedial work performed by the Metro District to remove, correct or otherwise remedy the Violation, (2) payment for expenses incurred in obtaining injunctive relief, including costs and attorneys’ fees, (3) payment of any Fines levied by the Metro District against such Lot, plus the following amounts, to the extent not inconsistent with Applicable Laws, (4) interest on such amount at a rate equal to eighteen percent (18%), and (5) all costs and expenses of collecting the unpaid amount, including, without limitation, reasonable attorneys’ fees.

5.4.4 *Deemed Nuisances.* Every Violation constitutes a nuisance, and every remedy allowed for such Violation at law, in equity or under the Governing Documents against the violating Owner is available to the Metro District,

Section 5.5 No Liability.

Neither the Metro District, ARC or the Enforcement Committee are liable to any Person by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove, in regard to any matter whether for damages or in equity. In reviewing any alleged Violation, the Metro District and/or the Enforcement Committee are not responsible for any issue related to the alleged Violation. No Owner or other Person is a third party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval granted by the Metro District and/or the Enforcement Committee. Each Owner (i) waives and releases the Benefited Parties from all claims related to the actions of the Metro District and/or the Enforcement Committee and (ii) waives and releases all claims against the Benefited Parties. The foregoing release and waiver are made by

each Owner to the fullest extent permitted by the law and for and on behalf of itself, its assigns, executors, heirs, occupants, personal representatives, representatives, and successors. The Enforcement Committee members, acting in that capacity, shall not be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Enforcement Committee members, acting in that capacity, shall have no personal liability with respect to any contract or other commitment made or action taken on behalf of the Metro District.