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ARTICLES OF INCORPORATION

SANTA FE TRAIL RANCH

PROPERTY OWNERS ASSOCIATION

I, the undersigned natural person of the age of twenty-one years or more, acting as an incorporator of a non-profit corporation under the Colorado Non-profit Corporation Act, adopt the following Articles of Incorporation for such corporation.

**ARTICLE I
ASSOCIATION**

1.1 Association Name. The name of the corporation shall be the SANTA FE TRAIL RANCH PROPERTY OWNERS ASSOCIATION (hereinafter referred to as the "Association").

1.2 Perpetual Existence. The Association shall have perpetual existence.

**ARTICLE II
OBJECTS, PURPOSE, AND POWERS**

2.1 Objects and Purposes. The Association does not contemplate pecuniary gain or profit to the members thereof. The specific objects and purposes for which the Association to which reference is made in that certain Declaration for the SANTA FE TRAIL RANCH PROPERTY OWNERS ASSOCIATION recorded April 30, 1990 in the office of the clerk and recorded of Las Animas County, Colorado and the same may hereafter be amended from time to time (hereinafter referred to as the "Declaration" and to perform all the obligations and duties of the Association as set forth in the Declaration, together with any act or thing reasonably to be implied therefrom or connected in any way therewith. The definitions set forth in the Declaration shall also be applicable to these Articles of Incorporation.

2.2 Powers. In furtherance of its objects and purposes, the Association shall have and may exercise, either as principal or agent and either alone or in connection with other corporations, partnerships, association or individuals, any and all of the powers, rights and privileges now or hereafter permitted, given or granted to non-profit corporations by the laws of the State of Colorado. In addition, the Association may do everything necessary, suitable or proper for the accomplishment of any of its corporate purposes, including all of the power necessary to perform the obligations and duties and to exercise the rights, privileges and powers of the Association under the Declaration. Without in any manner limiting the generality of the foregoing, the Association shall have the following specific powers:

2.2.1 exercise all of the powers and privileges and to perform all of the duties and obligations of the Associations as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration" applicable to the property and recorded in the office of the clerk and recorder of Las Animas County, Colorado, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as set forth at length;

2.2.2 fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or other governmental charges levied or imposed against the property of the Association;

2.2.3 acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

2.2.4 borrow money, and with the assent of 51% of each class members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

2.2.5 dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by (80%) of each class of members, agreeing to such dedication, sale or transfer;

2.2.6 participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any merger, consolidation or annexation shall have the assent of 51% of each class of members;

2.2.7 have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-profit Corporation Law of the State of Colorado by law may now or hereafter have or exercise.

ARTICLE III

REGISTERED OFFICE AND AGENT

3.1 Registered Office. The address of the initial registered office of the Association is 2828 Straus Lane, #200, Colorado Springs, Colorado 80907.

3.2 Registered Agent. The name of the initial registered agent of the registered office of the Association is Charles R. Baldwin.

**ARTICLE IV
MEMBERSHIP**

4.1 Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants or record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

**ARTICLE V
VOTING RIGHTS**

5.1 Voting Rights. The association shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to two (2) votes for each lot owned (as defined in 3.2 (B) of the Declaration) which is neither leased, nor rented, nor otherwise occupied. Leasing, renting, or allowing entry for occupancy shall terminate Declarant's weighted voting advantage in relation to any individual lot so leased, rented or occupied, and will limit the Declarant to the same voting right as a Class A member with respect to such individual lot. At the time that any individual lot owned by Declarant is leased, rented or occupied, the assessments for such individual lot shall become the same as for an individual lot owned by a Class A member. The Class B membership shall cease and be converted to Class A membership on the happening of one of the following events, whichever occurs earlier:

- (a) When 80% of all lots are sold within project and Declarant for a period of two years has not added additional platted units from Exhibit B or,
- (b) three years after the date of the recording of this declaration in the county on the final platted units or,
- (c) on such date as Declarant should voluntarily relinquish his Class B membership for Class A voting privileges.

In the event that the Declarant continues to annex additional property from Exhibit B and pursuant to the provisions of Article 1.6 with respect to stages of development, the Class B membership shall not cease and shall not be converted to Class A unless and until one of the above conditions exist and are met.

**ARTICLE VI
BOARD OF DIRECTORS**

6.1 Directors. The business and affairs of the Association shall be conducted, managed and controlled by a Board of Directors which shall consist of not less than three or more than nine members. The specific number of directors, their terms of office and the manner in which they are elected shall be set forth in the By-Laws of the Association. Directors shall be owners (as defined in Declarant) which, in the case of Declarant or other corporate owners, shall include the officers, directors or employees of Declarant and the officers and directors of other corporate owners.

6.2 Initial Board of Directors. The initial or first Board of Directors of the Association shall consist of the following three members who shall serve until the first annual election of directors or until their resignation or until their successors are elected or appointed and qualify:

Name	Address
_____ Charles R. Baldwin	_____ 2928 Straus Lane, #200 Colorado Springs, CO 80907
_____ Owen G. Baldwin	_____ 2928 Straus Lane, #200 Colorado Springs, CO 80907

Angela Riley-Baldwin

2928 Straus Lane, #200
Colorado Springs, CO 80907

**ARTICLE VII
GENERAL**

7.1 Dissolution. The Association may be dissolved with the assent given in writing and signed by not less than 80% of the entire membership of the Association and signed by the first mortgagee owning first mortgages on not less than two-thirds (2/3) of the mortgaged individual lots. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance of such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

7.2 Incorporator. The name and address of the Incorporator of the Association is CHARLES R BALDWIN, 2928 Straus Lane, #200, Colorado Springs, CO 80907.

7.3 Amendments. Amendments of these Articles of Incorporation shall require the assent of at least 51% of the votes of the entire membership of the Association.

7.4 Document Conflict. In case of conflicts between the provisions of the Declarant and these Articles of Incorporation or the By-Laws of the Association, the Declarant shall control. In case of conflicts in the provisions of these Articles of Incorporation and the By-Laws of the Association, these Articles of Incorporation shall control.

IN WITNESS WHEREOF, the above named incorporator has hereunto set his hand and seal this 27th day of June 1990.

CHARLES R BALDWIN

State of Colorado)
) ss
County of El Paso)

The foregoing instrument was acknowledged before me this ___ day of 1990.

My commission expires
6-22-94

ANGELA RILEY-BALDWIN
Notary Public

2928 Straus Lane
Suite #200
Colorado Springs, CO 80907

**AMENDED AND RESTATED
DECLARATION
OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SANTA FE TRAIL RANCH**

UPDATED BY MEMBER VOTE 6 JUNE 2017

THIS AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR SANTA FE TRAIL RANCH, hereinafter referred to as the "Amended and Restated Declaration" which amends and restates the original Declaration of Protective Covenants, Conditions and Restrictions for Santa Fe Trail Ranch, as filed by Raton-West Baldwin LTD, hereinafter the "Declaration", and which is duly agreed to and adopted this 6th day of June, 2017, by the SANTA FE TRAIL RANCH PROPERTY OWNERS ASSOCIATION, a Colorado non-profit corporation, hereinafter referred to as the "Association".

Witnesseth:

WHEREAS, Declarant, on August 30, 1990, caused to be filed in the office of the Clerk and Recorder for Las Animas County, Colorado, a Declaration of Protective Covenants, Conditions and Restrictions for Santa Fe Trail Ranch, hereinafter the "Declaration", which document is recorded in Book 873 at Page 261, under Reception No. 588333 (Unit 1) and re-recorded September 24, 1990, in Book 875 at Page 823 under Reception No. 589936 (Unit 2), May 3, 1991, in Book 879 at Page 798 under Reception No. 592103 (Unit 3), February 26, 1992, in Book 885 at Page 426 under Reception NO. 595157 (Unit 4), October 27, 1992, in Book 890 at Page 946 under Reception No. 598133, and November 4, 1992 in Book 891 at Page 203 under Reception No. 598260 (Unit 5), October 27, 1992, in Book 890 at Page 967 under Reception No. 598136 (Unit 6), July 8, 1993, in Book 896 at Page 403 under Reception No. 601285 (Unit 7A), July 8, 1993, in Book 896 at Page 425 under Reception No. 601289 (Unit 7B), December 7, 1993, in Book 900 at Page 313 under Reception No. 449 and April 26, 1994, in Book 903 at page 575 under Reception No. 605371 (Unit 8), December 7th, 1993, in Book 900 at Page 315 under Reception No. 603450 and September 21, 1994, in Book 908 at Page 325 under Reception No. 607969 (Unit 9), December 30, 1994, in Book 911 at Page 570 under Reception No. 609522 (Unit 10), December 40, 1994, in Book 911 at Page 570 under Reception No. 609525 and July 5, 1995, in Book 917 at Page 932 under Reception No. 612723.

WHEREAS, Declarant was the Owner of all of that certain real property commonly known as Santa Fe Trail Ranch, hereinafter, the "Ranch";

WHEREAS, Declarant has divided the Ranch into "Units" and "Lots" hereinafter defined, and has sold Lots to third parties, hereinafter referred to in the singular as "Owner" and

collectively as the "Owners". The portions of the Ranch which have been sold to Owners by Declarant or have been platted into Lots and recorded in the Clerk and Recorder's Office for Las Animas County, Colorado, as of the date of the Amended and Restated Declaration are more particularly described on EXHIBIT A attached hereto and hereby made a part hereof, and are hereinafter referred to as the "Properties".

WHEREAS, all of the Properties described in EXHIBIT A were sold and are held, sold and conveyed subject to the easements, restrictions, covenants and conditions set forth in the Declaration for the purpose of protecting the values and desirability of the Properties, and which easements, restrictions, covenants and conditions run with the land and are binding on all parties having any rights, title or interest in the Properties or any part thereof, their heirs, successors, personal representatives and assigns, and do and shall inure to the benefit of each Owner thereof;

WHEREAS, changes in circumstances and cooperative consultation between and among the Owners and the "Association", hereinafter defined, have caused the parties to determine that parts of the Declaration need to be amended and/or restated for the purpose of clarification and other reasons in furtherance of the stated purposes of the Declaration and that it would be mutually advantageous to amend and restate the Declaration in this Amended and Restated Declaration.

WHEREAS the Declaration in ARTICLE VII thereof, provides procedures in amending the Declaration by a stated number of affirmative votes of Owners of the Properties.

NOW, THEREFORE, in consideration of the mutual benefits herein contained and in keeping and performance of those covenants, conditions and restrictions contained in the Declaration and the purposes thereof, as well as assuring compliance with State Statute, the following Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions of Santa Fe Trail Ranch are hereby adopted.

ARTICLE I DEFINITIONS

1.1 Association. "Association" shall mean and refer to the Santa Fe Trail Ranch Property Owners Association, a Colorado non-profit corporation, also known as "Santa Fe Trail Ranch P.O.A.", and the "P.O.A." The Association shall act by and through its elected Board of Directors and its elected or appointed officers.

1.2 Board. "Board" shall mean and refer to the Board of Directors of the Association.

1.3 Owner. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, excluding those having such interest merely as security for the performance of any obligation. When a person who is an Owner conveys or otherwise assigns of record such person's fee simple title interest to a Lot, then retroactive to the date of such conveyance or assignment, such person shall thereafter cease to be an Owner; provided however that the foregoing shall not in any way extinguish or otherwise void any unsatisfied obligation of such person which existed or arose at the time of such conveyance or assignment, specifically including without limiting the generality of the foregoing, any of a fee simple title to any Lot which is a part of the Properties, excluding contract sellers, and excluding unsatisfied obligation to pay Association assessments.

1.4 Common Maintenance Areas. "Common Maintenance Areas" shall mean all of the common area.

1.5 Common Area. "Common Area" shall mean all areas reserved by and for the Association (including improvements thereto) and all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association is described as follows: Rights of way for roads, and public areas as shown on plat maps recorded in the office of the Clerk and Recorder for Las Animas County, Colorado.

1.6 Properties. "Properties" shall mean and refer to that certain real property described on EXHIBIT A.

1.7 Platted Lots. "Platted" shall be defined as areas engineered and surveyed into Lots and whose boundaries have been described and recorded in the Clerk and Recorder Office in Las Animas County, Colorado.

1.8 Clerk and Recorder Office. Shall mean Clerk and Recorders Office, Las Animas County, Trinidad, Colorado, 81082.

1.9 Unit. "Unit" is defined as a group of Lots joined by a common roadway, engineered and surveyed into a platted map and recorded with Clerk and Recorder.

ARTICLE II PROPERTY RIGHTS

2.1 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(2.1.1) The right of the Association to suspend the voting rights and right of use of the recreational facilities by an Owner (1) for any period during which any assessment against his Lot remains unpaid; and (2) for a period determined by the Board for any infraction of the published rules and regulations of the Association;

(2.1.2) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, governmental entity, special district or metropolitan district or utility for such purposes and subject to such conditions as may be agreed to by the Association and its Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer is voted on by the membership and approved by fifty-one percent (51%) of the members voting and is recorded in the office of the Clerk and Recorder for Las Animas County, Colorado;

(2.1.3) The right of the Association to limit the number of guests or invitees of each Owner or occupant which may use the recreational or other facilities contained in the Common Area;

(2.1.4) The right of the Association to adopt, from time to time, any and all reasonable rules and regulations for the use of the Common Area and any facilities located thereon, including, without limitation, rules and regulations relating to vehicular traffic and travel upon, in and under the Common Area.

2.2 Rights of Ingress and Egress. Subject to the above conditions with respect to Owner use and enjoyment, every Owner and such Owner's family Members, guests and licensees shall have an easement of ingress and egress over, across and upon the Common Areas for purposes of getting to and from such Owner's individual Lot and the public way for equestrian, pedestrian and vehicular travel.

2.3 Grazing Restriction. Owners agree to perpetuate the environment of the subject property as that of a working ranch for themselves and their successors in interest. All Owners of the Properties shall have the right to the use and the quiet enjoyment of their Lots as a working mountain ranch subject to the specific rights and obligations hereinafter set forth:

(2.3.1) An Owner shall have the right to fence out livestock with a fence set back from the Lot boundary and 15' utility easement along the roadway right of way. A fence can be situated on a Lot line with an adjoining Lot if an agreement is reached between the two Lot Owners, and a written copy of that agreement is provided the Covenant Committee.

(2.3.2) To preserve the ranching use and atmosphere the P.O.A. shall be granted a perpetual use and right to lease the grazing. All Lots shall be sold subject to this reservation. Funds received from agricultural leases shall be administered by the Board and shall be utilized for Common Area maintenance or improvement.

2.4 Easements. The Association, through the Board, may grant easements across, under and over the Common Area for utilities, water lines or similar or dissimilar purposes which do not unreasonably interfere with the easements for use of the Common Areas granted to the Owners by these covenants. All Owners shall take title subject to an easement hereby reserved to the Association, for purposes of installation and repair of the Common Maintenance Areas. These easements are to be identified on recorded plats in the Clerk and Recorder's Office. The Association also reserves for the sole benefit of all Lot Owners and the Association a non-exclusive easement and right to install underground or overhead electrical lines, telephone lines, television cable, and underground water lines across any Lot or portion of the recorded plat, together with the right of ingress and egress for purposes of installing and maintaining said lines. There is a specific fifteen (15) foot wide easement along all roadway rights of way. Within a reasonable time after completion of any of such utilities, the Association shall cause a map showing the location of the same to be filed with the Clerk and Recorder.

2.5 Maintenance of Utility Service Line. The Association, shall grant the right to each Owner of a Lot, to use, install and repair service lines running from the primary distribution service systems across the Common Area to their Lot for water, electricity, fuel, television and telephone service, and may grant to any public utility supplying such services, pursuant to an order of the Association, which shall be sufficient to establish the grant of the easement and any further grant or formal legal instrument shall be unnecessary. The Owner who is served shall, at his cost, cause the surface of the Common Area to be restored after any installation of a service line to the Lot Owner's Lot and any subsequent surface damage caused by repair, replacement or other causes.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot.

3.2 Members. Members shall be all Owners of record of Lots, and each Owner shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for any such multiple-owned Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Lot. If the Owners of such Lot do not agree as to the manner in which their vote should be cast when called upon to vote, then they shall be treated as having abstained.

3.2.1 Voting. Absentee ballots will be acceptable for all votes and such forms will be made available by the Association. All contested Board Member elections will be by secret ballot. The tallying of votes must always include the participation by at least two non-Board Members from the Member Pool. The Association has the right to reject a vote which it has reasonable, good faith basis, to doubt.

3.3 Owner's Address for Notices. Unless an Owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given by the Association under this Declaration to any Owner or any other written instrument to be given to any Owner may be mailed to such Owner in a postage prepaid envelope and mailed by first class, registered or certified mail to the address of the individual Lot shown upon the Association's records as being owned by such Owner, if more than one Owner owns a particular individual Lot, then any notice or other written instrument may be addressed to all of such Owners and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the Association in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

3.4 Conduct of Meetings. This policy is not intended to take the place of or invalidate provisions contained in the Bylaws or the Colorado Revised Nonprofit Corporation Act, rather it is intended to incorporate provisions of Senate Bill 100 into the Association's procedures for meetings of the Owners and the Board.

(3.4.1) Annual and Special Owner Meetings.

(3.4.1.1) Meetings. A meeting of the Owners shall be called at least once per year and in accordance with the provisions of the Colorado Common Interest Ownership Act ("CCIOA") and the Governing Documents, as applicable.

(3.4.1.2) Calling a Meeting. A meeting of the Owners may be called by the President of the Board, a majority of the Board or those Owners having not less than 20% of the total votes of all Owners.

(3.4.1.3) Notice of Meeting. Notice of the meeting shall be in accordance with the

Bylaws.

(3.4.1.4) Posting of Notice. In addition to providing notice of a meeting of the Owners, the Association shall cause a notice of the Owners' meeting to be posted in a conspicuous place within the property to the extent feasible or practical. The Association may also post the notice electronically on a web site or transmit the notice via e-mail to those Owners who so request.

(3.4.1.5) Order of Business. All meetings of the Owners shall proceed on issues generally set forth in the notice of the meeting unless a majority of the Owners at the meeting vote to amend the order of business. All meetings of the Owners shall be conducted in accordance with Roberts Rules of Parliamentary Authority. At the commencement of each meeting, the secretary shall state how notice of the meeting was given and include such evidence of notice in the minutes of the meeting.

(3.4.1.6) Open Meetings. All meetings of the Owners shall be open to attendance by all Owners or their duly appointed representatives.

(3.4.1.7) Meeting Discussions. Each Owner, or a duly appointed representative of an Owner, may speak at the appropriate time during the deliberations at an Owner meeting based on the reasonable time restrictions imposed by the Board.

(3.4.1.8) Proxy Voting. An Owner may vote by absentee ballot in accordance with the Covenants.

(3.4.1.9) Adjourning a Meeting. Owners present may adjourn the meeting from time to time without notice other than announcement at the meeting, for a total period or periods not to exceed thirty (30) days after the date set for the original meeting. The location of the reconvened meeting shall be announced at the meeting prior to adjournment.

(3.4.2) Board of Directors Meetings.

(3.4.2.1) Meetings. A meeting of the Board shall be called in accordance with the provisions of the Colorado Common Interest Ownership Act ("CCIOA") and the Governing Documents, as applicable.

(3.4.2.2) Meeting Agenda. Meetings of the Board shall proceed on issues as generally set forth in the agenda distributed for each meeting. The agenda will be made reasonably available to Owners and/or their duly appointed representatives at any time prior to the meeting of the Board.

(3.4.2.3) Owner's Right to Attend and Participate in Board Meetings. Unless the Board is in an executive session pursuant to C.R.S. § 38-33.3-308, all meetings of the Board are open to attendance by all Owners or their duly appointed representatives. Unless a majority of the Board votes to allow the Owners to participate in a deliberation

or discussion of the Board, the Owners may not participate in a meeting of the Board.

(3.4.2.4) Owner's Right to Speak at Board Meetings. Notwithstanding the foregoing provision, unless a majority of the Board votes otherwise, the Owners shall be given an opportunity to speak on any issue presented on the agenda for the Board meeting before the Board votes on an issue. Reasonable time restrictions on an Owner's right to speak may be imposed by the Board.

ARTICLE IV COVENANT FOR ASSESSMENTS

4.1 Creation of the Lien and Personal Obligations of Assessments. The Association, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a Deed therefore, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association:

(4.1.1) Annual Assessment for general operations of the Association, and

(4.1.2) Special Assessments for capital improvements and repairs, such assessments to be established and collected as hereinafter provided. The Annual and Special Assessments together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation for delinquent assessments and shall pass to the successors in title. In addition to the foregoing, each Owner shall also have the obligation to pay real property taxes imposed by the Colorado Governmental Taxing Authorities. An Owner's obligation for payment of taxes and insurance may be contractually delegated through the Owner's respective mortgage document.

4.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and for the improvement and maintenance of the common areas including but not by way of limitation:

(4.2.1) repairing, replacing and maintaining the common area;

(4.2.2) installing, maintaining and repairing all roads and utilities upon, across, over and under any part of the Properties;

(4.2.3) furnishing garbage and trash pickup and water and electrical services to the Properties;

(4.2.4) establishing and maintaining adequate reserves for repairs, maintenance, taxes, capital improvements and other purposes;

(4.2.5) carrying out all other powers, rights, and duties of the Association

(4.2.6) generally for any other purposes and uses that the Association shall determine to be necessary to meet the primary purposes of the Association

(4.2.7) Obtaining liability and property damage insurance in a sufficient amount to insure that the P.O.A. is fully covered for all potential claims.

4.3 Annual Assessment. Beginning January 1, of the year following purchase of a Lot, the Owner shall be assessed annual Association fees, as approved by a vote of the Membership, or as adjusted by the Board under the conditions set forth below. As of January 1, 2007, the annual dues on all Lots will be a base amount of \$619.00. This does not include a possible CPI adjustment.

The amount of any increase in the Annual Assessment shall be set by the Board of Directors, but such increase, without Membership approval as set forth below, is limited to the increase in the Consumer Price Index, as defined below, for the period ending the month prior to the date of the meeting at which the Annual Assessment is set (hereinafter, the "Adjustment Date"). Only upon an affirmative vote of fifty one percent (51%) of the Members who are voting in person or by absentee ballot may the Annual Assessment be increased more than the increase in the Consumer Price Index over the previous year.

The base for computing any automatic increase is the Consumer Price Index for all Urban Consumers, U.S. City Average, All Items (1982-1984-100), published by the United States Department of Labor, Bureau of Statistics, (hereinafter the "Index"), which was published for the month of October, 1992 (hereinafter, the "Beginning Index"). If the Index published for the month immediately preceding the month in which the Annual Assessment is set (hereinafter, the "Extension Index") has increased over the Beginning Index, the Annual Assessment for the following year shall be set by multiplying the previous Annual Assessment by a fraction, of which the numerator of which is the Extension Index and the denominator of which is the Beginning Index. In no case shall an Annual Assessment be less than the Previous Assessment. If the Index is changed so the base year differs from that used as of October 1992, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor Statistics. If the Index is discontinued or revised during the term of the Amended and Restated Declaration (or any extension thereof), such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index has not been discontinued or revised. In the event that the figures necessary for the calculation of the increase in Annual Assessments are not available on the Adjustment Date, the Annual Assessment shall be billed, unchanged from the previous year, and when such figures are available, the Annual Assessment shall be recalculated according to the provisions and any adjustment shall be billed in the next regular billing cycle.

4.4 Special Assessment for Repairs. In addition to the Annual Assessments authorized above, the Association may levy, for the purpose of defraying, in whole or in part, the cost of any reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, provided that any such assessment must have the assent of at least fifty one percent (51%) of the Members who are voting in person or by absentee ballot at a meeting duly called for this purpose.

4.5 Special Assessment for Capital Improvements. In addition to Annual Assessments and Repair Assessments authorized above, the Association may collect and administer fees for improvements such as water distribution system, electric power distribution (backbone) systems, and telephone distribution systems. The fees, costs and capital assessments, together with the terms and conditions are to be fully set forth in the Owners (purchasers) contract to purchase. The P.O.A. Board shall collect, administer and contract for these services and shall be authorized to act as the following but not limited to:

(4.5.1) Establish fees for hookups to transmission systems (if any) and set rates if applicable for services provided,

(4.5.2) Withhold services for non-payment of fees,

(4.5.3) Pledge promissory notes of Owners securing payment of capital improvements for bank loans or to utility companies to bond or insure payment on utility or capital improvements, and

(4.5.4) Use Annual Maintenance Fees to pay for Capital Improvements whenever in the sole discretion of the Board, it is necessary.

4.6 Notice and Quorum for Any Vote of the Members Written notice of any meeting called for the purpose of taking any action authorized by the Declaration shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. At any such meeting called, the presence of Members or of absentee ballots representing 10% of all the votes of Membership shall constitute a quorum.

4.7 Uniform Rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform and equitable rate for each Lot. Different rates may apply when an Owner constructs more than one single family detached home on one Lot.

4.8 Date of Commencement of Annual Assessments: Due Dates. The Annual Assessments provided for herein shall commence on each Lot and become due in January of the year following the recording of the deed to an Owner. The Board of Directors shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors and will allow a reasonable amount of time for Members to pay fees before becoming delinquent. As an option, quarterly payments can be arranged.

4.9 Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessment, whether an Annual Assessment under Section 4.3, a Special Assessment for Repairs under Section 4.4, or a Special Assessment for Capital Improvements under Section 4.5, not paid within thirty (30) days after the due date shall be deemed delinquent and shall bear interest from the due date at a rate of eighteen percent (18%) per annum, unless that rate is adjusted by the Board. If an Assessment becomes delinquent, the Association, acting through the Board, in its sole discretion, may take any or all of the following actions:

(4.9.1) Publicly post a list of accounts in arrears.

(4.9.2) Assess a late charge for each delinquency in such amount, as the Board deems appropriate;

(4.9.3) Suspend the voting rights, provision of or access to POA services, and the right of use of the Common Area (except access roads) by the Owner during any period of delinquency;

(4.9.4) Take steps to assign the debt to the County tax rolls.

(4.9.5) Assessments chargeable to any Lot, as set forth in Section 4.1, shall constitute a continuing lien on such Lot, including all improvements thereon. To evidence a lien created under this Article IV, the Board may, but shall not be obligated to, prepare a written Notice of Lien (hereinafter, "Notice") setting forth (i) the address of the Association, (ii) the amount of such unpaid indebtedness, (iii) the amount of accrued interest on the indebtedness, (iv) the name of the Owner of the Lot, and (v) a description of the Lot. The Notice shall be signed by the President or the Vice President of the Association and the Association shall serve the Notice on the Owner by mail as set forth in Section 3.3. Not less than ten (10) calendar days after the date on which such Notice is mailed to the Owner.

(4.9.6) Record a statement of lien against the Owner's Lot in the Las Animas County real property records for the delinquent amount, late payment fees, interest and costs of collection. The Association's failure to record any such statement of lien or any error or omission in the content of such statement of lien shall not defeat such lien of the Association nor affect its priority. If the assessment remains delinquent, the Association may (a) file a lawsuit against the Owner, or (b) institute a foreclosure action against the Owner's Lot to collect all amounts due to the Association, or proceed with both of these actions. The cost of any lawsuit and/or foreclosure action shall include the costs of collection, including attorney fees and litigation and sheriff's sale costs.

4.10 Lien a Personal Obligation to Owner. The amount of any assessment chargeable against any Lot shall be a personal and individual debt of the Owner of the same. No Owner may exempt himself from liability for the Assessment by abandonment of his Lot or by waiver of the use and enjoyment of all or any part of the Common Area. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the costs and expenses of such proceedings, and all reasonable attorneys fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration.

4.11 Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Association's continuing lien for such Assessment, all successors to the fee simple title of a Lot, except as provided in Section 4.12, below shall be jointly and severally liable with the prior Owner thereof for any and all unpaid Assessments, late charges, costs, expenses and attorneys fees against such Lot without prejudice to any such successor's right to recover from any prior Owner any amounts paid by such successor. The liability of a successor shall not be personal and shall terminate upon termination of such successor's fee simple interest in the Lot. In addition, such successor shall be entitled to rely on the Certificate of Status of Assessments by or on behalf of the Association under Section 4.13.

4.12 Subordination of Lien. The lien for Assessments provided for in this Declaration shall be subordinate to the lien of real estate taxes and special governmental assessments. The lien for Assessments shall be superior to and prior to the lien for all sums unpaid on a First Mortgage of record against such Lot, including all unpaid obligatory advances as may be provided by such encumbrance, and any homestead exemption provided now or in the future by the laws of the State of Colorado. No sale or transfer shall release a Lot from the lien of Assessments, except in the case of a sale or transfer of a Lot pursuant to a decree of foreclosure, by a public trustee in foreclosure, or by any proceeding or deed in lieu of foreclosure for the purpose of enforcing a First Mortgage, which shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer. No sale or transfer shall relieve the purchaser or transferee of a Lot from liability for, or the Lot from the lien of, any Assessments made after the sale or transfer as set forth herein.

4.13 Certificate of Status of Assessment. Upon request in writing by any legally interested person and payment of a reasonable charge therefore, the Association shall furnish a Certificate of Status of Assessments setting forth:

(4.13.1) the amount of any unpaid assessment, interest, late charges, costs, expenses and attorney's fees then existing against a particular Lot;

(4.13.2) the amount of the current monthly or annual installment assessments and the date that the next installment is due and payable;

(4.13.3) the date of the payment of any installments of any Special Assessments then existing against the individual Lot;

(4.13.4) any other information deemed proper by the Association Articles and Bylaws, books of account and financial statements together with a Certificate of Status of Assessments upon reasonable request in writing and payment of a reasonable charge therefore. Upon the issuance of such certificate signed by an Officer of the Association, the information contained therein shall be conclusive upon the Association as to the person or persons to whom such a certificate is addressed and who may rely thereon in good faith.

4.14 Mortgagees May Pay Assessments and Cure Defaults. If any Assessment, or monthly installments thereof, for any individual Lot shall not be paid by the Owner thereof within thirty (30) days after the same is due, or if a default by any Owner of any provision of this Declaration shall not be cured within thirty (30) days after written notice thereof is given to such Owner, then the Association may thereafter send a notice thereof to any First Mortgagee thereof and may (but shall not be required to) send a notice thereof to any other Mortgagee thereof. Any Mortgagee may (but shall not be required to) pay any such Assessment, together with any other amount secured by the Association's lien created by this Article IV, and may (but shall not be required to) cure any such default.

ARTICLE V USE RESTRICTIONS

5.1 Permitted Structures. No permanent structure may be built or placed on any Lot that does not comply with the building and zoning laws, regulations and ordinances of Las Animas County, Colorado. Mobile homes are only permitted as temporary residences during the construction period. Any structure that is built off-site and transported to its location on the Ranch will require the approval of the Board prior to its placement. All structures shall be built or transported only after the appropriate Building Permit(s) have been issued by the governmental entity having jurisdiction and issuance of an address by the Address Committee. No structure shall be placed within thirty feet (30') of any Lot boundary line.

5.1.1 Address Assignment. Any new construction will be assigned an address by the Address Committee after receiving application from the Lot Owner. This application is to include a plot plan, showing clearly the location of the proposed structure on the Lot. This address will be in keeping with Association, County and 911 system requirements. The new address can then be submitted to the County Planner along with the County permit application. The address must be posted at the opening of the driveway, in such a manner as to be visible upon approach from any direction, in reflective characters not less than two inches (2") wide and five inches (5") high, between five (5) and six (6) feet above the ground. Mounting on a pressure treated 4X4 post is recommended.

5.1.2 Business use prohibited.

In order to preserve the private nature of the ranch, and the unique character and atmosphere which attracted most owners to purchase property, business usage of ranch property is strictly prohibited, except as specifically permitted in this section and its subparts.

It is the intent of this section to prohibit use of any lot which attracts to the ranch paying clientele or paying visitors of any nature whatsoever, except for (a) property rentals strictly in accord with section 5.1.2.1 below, and (b) home based online businesses which do not solicit or invite clients or visitors to the ranch, and which do not rely in any way on persons visiting the ranch.

5.1.2.1 Property Rentals

Owners may rent their homes, or any other Permitted Structure on their lots, in whole or in part. The term "rent" means to receive compensation or value of any type whatsoever. Any rental shall (a) be in writing signed by all renters and by the owner or owner's agent, and (b) shall be for a minimum term of at least thirty (30) consecutive calendar days. Tenants shall not sublease or sublet any part of their rental. Owners shall not have more than one rental at any time on their lot, and if any part of their lot is rented, owners are prohibited from renting any other part of their lot.

Owners may not rent any part of their lot for the purpose of allowing a non-owner to camp or hunt.

All owners anticipating renting must execute a written rental document or lease with the renter prior to the rental term, containing the complete name, address, and phone number of the renter(s). The written rental document or lease must be signed by both the Owner, Owner's agent, and renter, and a complete and legible copy must be promptly provided to the Association.

The written rental document or lease must include the following statement:

Renter(s) state and acknowledge that:

- (a) they have been given a true copy, and have read and understand the Association's Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions, and
- (b) they understand that any violation of the Association's Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions, rules, regulations, or policies by the renter could result in immediate termination of the rental agreement, fines levied against the Owner, injunction, and other legal remedies.

Owners are responsible for all actions and behaviors of their renters, and any violations of the Association's Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions, rules, regulations, or policies by their renters shall be deemed a violation by the renting owner.

Any violation of 5.1.2 and its subsections may result in the imposition of fines, and the Association, in its sole discretion, may seek any of its legal remedies, including enjoining any violation. The Association may supplement this section 5.2.1 by rules, regulations and policies.

5.2 Conveyance of Lots, Subject to Covenants. All Lots within the Properties, whether or not the instrument of conveyance thereof shall refer to this Declaration, shall be conveyed subject to the covenants, conditions, restrictions, easements, reservations, rights-of-way and other provisions contained in this Declaration and any amendments thereto.

5.3 Use of Common Areas. All Owners, their families, guests, agents, employees and invitees shall use the Common Area subject to rules and regulations governing the same that may from time to time be adopted by the Board. There shall be no obstruction of the Common Area, nor shall anything be stored or constructed on or removed from the Common Area without the express written consent of the Board.

5.4 Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept upon any individual Lot or on the common areas, or any part thereof, which would result in the cancellation of any insurance carried by the Association, or any part thereof, or increase the rate of the insurance carried by the Association, without prior written approval of the Association.

5.5 Rules and Regulations. No Owner shall violate the rules and regulations, as adopted from time to time by the Association, for the use of the common areas.

5.6 Temporary Residences - Construction Period. Temporary residences during the construction period are subject to the county zoning laws, regulations and ordinances, and must be permitted in writing by the Covenant Committee for the period of one year. Permits may be issued or extended by the Covenant Committee at its sole discretion. Any temporary residence cannot be situated within thirty feet (30') of any boundary line, and must be hidden from view if practical. The temporary residence must have self contained or otherwise sanitary services.

5.7 Temporary Residences - All Other Times. Temporary residences, such as motor homes, travel trailers and other recreational vehicles may be placed by an Owner on his Lot for his occasional use provided that such vehicle is not situated within thirty feet

(30') of any Lot boundary line and is hidden from view if practical. This does not intend any restriction against the parking of an unoccupied recreational vehicle on one's permanently occupied property.

5.8 Signs, Advertising. With the exception of those specifically allowed below, no signs, advertising, billboards or similar items calling attention to any Lot or improvements thereon shall be placed on any Lot without the express written consent of the Board, and shall be removed at the conclusion of the project. Permitted signs are as follows:

(5.8.1) "For Sale" or "For Lease" signs not exceeding six (6) square feet.

(5.8.2) "No Trespassing", "Posted", or similar signs that do not exceed two (2) square feet.

(5.8.3) An Owner's "Name/Property Sign".

(5.8.4) Contractor's signs that do not exceed six (6) square feet.

(5.8.5) A temporary political sign placed no earlier than 45 days before, nor more than 7 days after the election. Signs are limited to one per political office or ballot issue and may be no larger than thirty-six (36) inches by forty-eight (48) inches.

5.9 Commercial Vehicles. No commercial vehicle or commercial trucks shall be parked on any road, driveway or parking area within the Properties except while the same is temporarily engaged in transport to or from or loading materials or other items on a Lot. For the purpose of this section, a one (1) ton or smaller vehicle shall not be deemed a commercial vehicle or truck. A commercial vehicle or truck may be parked on a Lot, if the same is kept entirely within a structure (such as a garage) or is otherwise not visible from adjoining Lots or the Common Area.

5.10 Nuisances. No noxious or offensive activity shall be carried on upon any part of the Properties nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to any other Owner.

5.11 Inoperative or "Junked" and Abandoned Vehicles/Equipment. No unused, stripped down, partially wrecked, or inoperative motor vehicle or equipment or part thereof shall be permitted to be parked or stored on any road, driveway, property, or part of the Common Area in such a manner as to be visible at ground level from the Common Area or any Lot owned by a different Owner. In the event that the Board shall determine that a "junked" vehicle or piece of equipment is visible at ground level from the Common Area or a Lot owned by a different Owner, then a written notice describing the "junked" equipment or vehicle will be personally delivered to the Owner thereof or will be placed conspicuously upon the unused vehicle or equipment. If the unused vehicle or equipment is not made invisible at ground level from the Common Area or any Lot owned by a different Owner with thirty (30) days after posting or delivering such notice, the Board shall have the right to remove the unused vehicle or equipment at the sole expense of the Owner thereof.

5.12 Subdivision. To further preserve the ranching use and atmosphere of Santa Fe Trail Ranch, all Lots are presently platted in sizes of 35 acres or greater, and no Lot shall be subdivided creating parcels less than 35 acres in size. In addition, no existing un-platted parcel of less than 35 acres shall be conveyed except in conjunction with, or to the Owner, of, an adjoining Lot. Such parcels shall not be further subdivided. Also, it

will not be allowed to combine adjoining Lots into larger single Lots for the purpose of escaping assessment obligations.

5.13 Building and Grounds Conditions. Each Owner shall maintain the exterior of his or her dwelling unit and all other improvements in good condition and shall cause them to be repaired as the effects of damage or deterioration become apparent. Each Owner shall, to the best of his or her ability, maintain his or her Lot in good repair and appearance at all times.

5.14 Drainage, Culverts. It shall be the responsibility of the Owner of any Lot, at the time such Owner designs and constructs a driveway from the Common Area roads into such Lot, to procure the written design approval of the Road Committee.

5.15 Cisterns. No permanent residence shall be built on the Property that does not include, incorporate or have the sole use of a cistern for the storage of water with a minimum capacity of 1,500 gallons.

5.16 Firearms, Hunting. There shall be no hunting or discharge of firearms, including without limitation, the use of bows or crossbows, on the Common Area. Hunting is permitted on an Owner's Lot and a Lot or Lots owned by another Owner or Owners only if such activity is carried on in a safe and responsible manner so that

(5.16.1) no projectile enters or crosses the Common Area or any adjoining Lot owned by a different Owner,

(5.16.2) the Owner of the Lot or an adult with written permission on his person is present at all times, and

(5.16.3) all such activity is carried on in strict compliance with all applicable laws and regulations of the State of Colorado.

5.17 Fires. All Owners shall, at all times, take reasonable precautions against fire. No "open ground" or "above ground" fire shall be permitted on any Lot or on the Common Area unless the same is acknowledged and official permit obtained from the Sheriff, supervised by the fire department and written permission obtained from the Association.

The foregoing shall not apply to propane grills and outdoor propane fire pits and fireplaces within a structure, but all chimneys shall be equipped with appropriate spark controls. Charcoal grills are not permitted. All burning of any nature shall comply with state and local laws, rules and regulations.

5.18 Animals.

(5.18.1) Domestic Pets

Domestic pets may be kept on any Lot subject to the following regulations:

(5.18.1.1). They may be quartered or maintained, provided they are controlled and not a nuisance or threat to any other Owner and/or wildlife.

(5.18.1.2) The keeping of domestic pets shall be subject to, and in accordance with, all health and sanitation laws, to include rabies inoculation for dogs and cats.

(5.18.1.3) All pets must be under the control of the Owner at all times.

(5.18.1.4) No household shall keep more than four (4) dogs.

(5.18.2) Livestock and Poultry

(5.18.2.1) All corrals, stables or similar structures must be kept in clean and sanitary conditions and all animals must be quartered, maintained and controlled so as not to constitute a nuisance to any other Owner.

(5.18.2.2) The keeping of livestock and poultry shall be subject to and in accordance with all health and sanitation laws.

(5.18.2.3) All livestock and poultry must be under the control of the Owners at all times.

5.19 Exterior Lighting. No mercury vapor or high intensity light shall be placed on the exterior of any structure or any other part of a Lot, unless the same is directed or focused onto the Lot and in a manner that prevents such light from interfering unreasonably with the use and enjoyment of any other Lot in the Property by the Owner thereof.

5.20 Mineral Development. No mineral development is permitted.

5.21 Restriction an Marijuana Distribution and Growing. No owner or occupant of a property within the boundaries of Santa Fe Trail Ranch, may utilize his unit, or any other unit, for the purpose of growing or distributing marijuana, including medical or recreational marijuana, beyond the personal allowances provided to individuals by Amendment 64 to the Colorado Constitution. This Covenant and Restriction may be further clarified by the Santa Fe Trail Ranch Board of Directors through further rules and regulations. Owners will be responsible for any additional costs or damages resulting from a violation of this Covenant, including, but not limited to, water and utility assessments.

ARTICLE VI DAMAGE OR DESTRUCTION

6.1 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Common Areas, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part so damaged or destroyed. "Repair and Reconstruction" as used in this Article VI shall mean to bring the damaged or destroyed part of the Properties to substantially the same condition in which it existed prior to the damage or destruction, with each individual Lot and the common areas having substantially the same vertical and horizontal boundaries as before.

6.2 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the part of the common areas damaged or destroyed. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction and no consent or other action by any Owner shall be necessary in connection therewith. Any repair after substantial losses must be in accordance with original plans and specifications unless 51% of all Owners consent to deviation there from.

6.3 Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may levy, assess and collect in advance from all Owners a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction, if they are made in compliance with Article (4.4) Assessments For Repair.

6.4 Coordination with Owners Repair and Reconstruction. In the event of damage or destruction to improvements upon an Owner's Lots, improvements shall be repaired or replaced within 12 months after the damage or destruction or at the Owner's option, the ruins shall be removed from the subject property and the property restored to its natural pre-improvement conditions.

ARTICLE VII AMENDMENT TO THE DECLARATION

7.1 Amendment. (This provision modified by Court order 03 Jan 2006. Recorded by Las Animas County Clerk and Recorder, Book 1054, Page 1819-1820, 05 Jan 2006). The provisions of this Declaration may be amended or terminated, in whole or in part, at any time and from time to time, by an instrument (which instrument may be executed in identical counterparts, in which event all of such counterparts shall be taken as one and the instrument of amendment) approved by 51% of Members who are voting in person or by absentee ballot at a meeting duly called for this purpose.

Before such a meeting can be called, the proposed amendment must be offered to the Covenant Committee for consideration, and if approved, must then be considered and voted on by the Board of Directors. Only then can it be placed before the members for a vote. This requirement cannot be changed or waived in any manner whatsoever without a 51% approval by the full membership.

Any action terminating this Declaration in full or any action to change the Ownership of the common areas shall require the approval by fifty-one percent (51%) of the members voting .

7.2 Recording of Amendments. All amendments to or termination of this Declaration must be recorded with the County Clerk and Recorder.

ARTICLE VIII GENERAL PROVISIONS

8.1 Enforcement.

(8.1.1)Complaint. Any Owner may file a written complaint with the Association's Covenant Committee or Board of Directors asserting that the Association's governance documents have been violated. The Complaint shall state the specific provision(s) of the documents alleged to have been violated and as many specifics as are available as to time, date, location and persons involved. If the Covenant Committee or Board determines that the complaint is insufficient to provide grounds for holding a hearing, it

shall notify the complainant, who shall have seven (7) day to amend the Complaint to render it sufficient. If the complainant does not render the Complaint sufficient within said period of time, The Complaint shall be dismissed without a hearing.

(8.1.2) Notice of Complaint and Right to Hearing. Upon receipt of a complaint, the Association shall send a notice to the person(s) (the "Respondent") alleged to have violated the documents. The notice shall: (1) advise the Respondent of the details of the Complaint, or include a copy of the Complaint; (2) advise of the action that may be taken; (3) advise of the Respondent's right to be heard, either orally or in writing, by the Board or committee appointed by the Board; (4) advise that in order to be heard, the Respondent must make a written request for a hearing or make a written response to the Complaint within ten (10) days after the receipt of the notice; and (5) advise of the date on which a hearing will be scheduled.

(8.1.3) Decision. If a request for hearing is not made, but a written response is filed, the Board shall render its decision based on the information contained in the Complaint and the written response, considering all of the relevant facts and circumstances. If neither a request for a hearing nor a written response is made, the Board need not conduct a hearing and may impose sanctions provided under these rules. If request for a hearing is made, after all testimony and other evidence have been presented to the Board at a hearing, the Board shall render its decision taking into consideration all of the relevant facts and circumstances.

(8.1.4) Attorney's Fees and Fines. The provisions of this Resolution shall not limit, or be a condition precedent to, the Associations right to enforce the Governing Documents by any means available to the Association, including, but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief or damages. The Association shall be entitled to reimbursement of all attorney's fees and costs incurred by the Association in connection with any enforcement action, including any proceeding under the Governing Documents. Without limiting the Association's remedies under the documents, the Association may assess fines in accordance with these Rules and Regulations.

An Owner in violation of the documents may be fined as follows:

Number of violations in 12 month period	Fine Amount
First Violation	Warning
Second Violation	\$100.00
Third Violation	\$200.00

(8.1.4.1) Continuing violation – daily fine. If (a) the violation is a continuing violation (such as failing to terminate a prohibited activity), and (b) if the violation is still continuing 30 days after the Association either issues an initial warning or assesses a fine, then additional fines can be assessed. The additional fines authorized by this section are: (1) in the event of first violation, a fine of \$25 per day; (b) in the event of a second violation, a

fine of \$50 per day; (c) in the event of a third violation, a fine of \$100 per day. All fines for continuing violations shall accrue until the violation is finally terminated in its entirety.

(8.1.4.2) An Owner who accumulates more than three (3) violations within a twelve (12) month period will be deemed to be a habitual offender. Habitual offenders shall be subject to the maximum fine for continuing violations without providing for additional hearing.

(8.1.4.3) The record Owner shall have the primary obligation to pay fines imposed for their actions and actions of their tenants, family members, guests and invitees. Fines imposed pursuant to these Rules and Regulations shall become an Assessment imposed against the record Owner and enforceable as provided in the documents.

(8.1.4.4) All assessments, penalties, liens, fines, and other charges shall bear interest, if not paid when due, at the rate of 18% per annum until paid in full. The Board may also collect a reasonable late charge of \$25.00 for each delinquent payment.

(8.1.5) Business Judgment Rule. The decision of the Board to pursue enforcement action in any particular case shall be left to the Board's discretion, subject to the duty to exercise its business judgment, and not to be arbitrary or capricious in taking enforcement action.

(8.1.6) No Waiver. Failure by the Board to enforce any covenant, restriction, rule or regulation, or any other provision of any of the Governing Documents shall in no event be deemed a waiver of the right to do so thereafter or preclude the Association from enforcing any other covenant, restriction, rule or regulation or provision of the Governing Documents.

(8.1.7) Owner's Right to Enforcement. Action taken by the Association in accordance with this policy, or a decision to not take action, shall not affect an Owner's right to bring his own enforcement action.

8.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way effect any other provisions which shall remain in full force and effect.

8.3 Invalidation. Failure by the Association to record or file any of the required documentation or to complete any acts within the prescribed time shall not invalidate or cause any provision contain herein to be invalidated.

8.4 Annexation. Additional Common Area may be annexed to the Properties with the consent of 51% of Members.

8.5 Conflicts in Legal Documents. In case of conflicts between the provisions in this Declaration and the Articles of Incorporation of the Association or the By-Laws of the

Association, this Declaration shall control. In case of conflicts in the provisions in the Articles of Incorporation of the Association and the By-Laws of the Association, the Articles of Incorporation shall control.

8.6 Association General Information.

(8.6.1) Board of Directors. There shall be an odd number of Directors consisting of not less than three (3) nor more than nine (9) Members. Additionally, five (5) Officers, a President, two (2) Vice-Presidents, a Secretary, and a Treasurer will be elected by the Board. The Directors serve three (3) year terms and may be reelected. The Officers serve one (1) year terms and may be reelected. The Directors must be elected by a quorum of the total Association Membership eligible to vote, as specified in Sections 4.6 and 4.9. In order to be elected, a candidate must be nominated and either placed on the Annual Ballot, or written in. (For clarification, the intent when written was to require any Director to be elected by the positive votes of a minimum of 10% of the eligible voters).

(8.6.2) Bank Account. The Board has established a bank account, where all Assessment fees shall be deposited in an interest bearing account. Funds are to be used only for designated purposes. Two signatures shall be required on all checks drawn on the account, the President, either Vice-President, or the Treasurer. Reserve funds will be placed in interest bearing accounts whenever practical.

(8.6.3) Policy Regarding Investment of Reserve Funds. The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the property that the Association is responsible for and for such other funding as the Board may determine.

(8.6.3.1) Investment of Reserves. The Board of the Association shall invest funds held in the Reserve Fund account to general revenue that will accrue to the Reserve Funds account balance while minimizing risks and maximizing return rates.

(8.6.3.2) Limitation on Investments. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured, and/or guaranteed by the United States Government.

(8.6.3.3) Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity date of fixed-income instruments within the portfolio utilizing a ladder investment approach.

(8.6.3.4) Independent Professional Investment Assistance. The Board may hire a qualified investment counselor to assist in formulating a specific investment strategy.

(8.6.3.5) Review and Control. The Board shall review the Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.

(8.6.3.6) Reserve Study. In order to determine funding of the Reserve Fund, the Board shall determine, with the assistance and advice of professionals, the life expectancy of those portions of the Property to be maintained by the Association and the

anticipated costs of maintaining, replacing and improving those identified areas.

(8.6.3.7) Good Faith. The Board shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Board reasonably believes to be in the best interest of the Association and in accordance with the Colorado Revised Nonprofit Corporation Act.

(8.6.3.8) The account is subject to audit and each Owner upon request may obtain copies of all checks written, all deposits made and account balance at the office of the Association upon payment of reasonable copy charges.

(8.6.4) Inspection and Copying of Association Records by Lot Owners. The Association shall permanently retain the following records as required by Colorado law: (1) Minutes of all Board and Owner meetings, (2) all actions taken by the Board or Owners by written ballot in lieu of a meeting, (3) all actions taken by a committee on the behalf of the Board acting on behalf of the Association, (4) all waivers of the notice requirements for Owner meetings, Board member meetings or committee meetings and (5) a record of each Owner's name, address and number of votes each Owner is entitled to vote.

Further, the Association shall keep a copy of each of the following records (1) resolutions adopted by the Board, (2) all written communication within the past three (3) years to Owners, (3) a list of the names and business or home addresses of the Association's current directors and officers, (4) the Associations most recent annual report, if any, and (5) all financial audits or reviews conducted during the immediately preceding three years.

An Owner is entitled to inspect and copy, during regular business hours at the Association's principal office, any of the records of the Association described C.R.S. § 38-33.3-317 if the Owner gives the Association written demand at least five business days before the date on which the Owner wishes to inspect and copy such records. The request must describe with reasonable particularity the records sought and the purpose of the request. The inspection and/or copying of the records relevant to the request shall be at the Owner's expense, and may be collected by the Association in advance. Association documents/records shall not be used by Owners for (1) any purpose unrelated to an Owner's interest as an Owner, (2) any commercial purpose, (3) the purpose of distributing or selling such records to any person, (4) the purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the owners in an election to be held by the Association, and (5) any other improper purpose, determined in the sole discretion of the Board.

(8.6.5) Policy Regarding Board of Directors Conflicts of Interest.

(8.6.5.1) Definitions. As used in this section, "conflicting interest transaction" means: a contract, transaction, or other financial relationship between a the Association and a director serving on the Board (a "Director"), or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest. For purposes of this section, a "party related to a director" shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director, officer, or has a financial interest.

(8.6.5.2) No Loans. No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

(8.6.5.3) Not Void. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of Association, solely because the conflicting interest transaction involves a Director or a party related to a Director or an entity in which a Director is a director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Association's Board that authorizes, approves, or ratifies the conflicting interest transaction or solely because the Director's vote is counted for such purpose if:

(8.6.5.3.1) The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board and the Board in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(8.6.5.3.2) The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

(8.6.5.3.3) The conflicting interest transaction is fair as to the Association.

(8.6.6) Adoption and Amendment of Policies, Procedures, and Rules. The Board of Directors may adopt, amend, repeal and enforce the Rules and Regulations and impose fines for violations thereof (after notice and an opportunity to be heard), as it deems desirable with respect to the interpretation and implementation of the

Governing Documents.

(8.6.6.1) Board Determination of Need for Rules. The Board may determine from time to time the need for certain Rules as it deems necessary or desirable with respect to the interpretation and implementation of the Governing Documents, the operation of the Association, the use and enjoyment of Association properties or other properties within the community or for any other purpose.

(8.6.6.2) Notice of Proposed Rule. Once the Board has determined the necessity for the Rule, the Board shall in its discretion cause the Rule to be drafted and shall verify that the Rule is reasonable and to be uniformly applied. The Board shall cause notice of the Rule to be provided to the Owners.

(8.6.6.3) Owner Comment. The proposed adoption of a Rule shall be included in the agenda for the Board meeting prior to adoption by the Board and the Board shall provide an opportunity for members of the Association to comment on the Rule in accordance with Colorado law.

(8.6.6.4) Adoption of the Rule. Following Board discussion of the Rule and Owner comment, the Board may adopt the Rule. Any such Rules shall be effective only upon adoption of the Board and 15 days after the Association has provided the notice of adoption of the policy to the Owners.

(8.6.6.5) Emergency. The Board may waive the notice of the proposed Rule and opportunity for member comment in the event that the Board determines in its sole discretion that providing notice and an opportunity to comment is not practical due to the emergency nature of the Rule.

(8.6.7)Dispute Resolution. Because the prompt, efficient, fair and non-belligerent resolution of any disputes is desirable, any controversy arising out of or relating to the Covenants, Rules and Regulations or Bylaws, or a breach thereof shall be resolved as set forth in this section.

(8.6.7.1) Direct Communication. The parties to the disagreement shall set forth their respective positions in the dispute in correspondence. Each party shall respond within seven days after receipt of a letter from the other until agreement is reached.

(8.6.7.2) Mediation. If the dispute cannot be resolved through direct communication of the parties, either party may request appointment of a neutral and properly credentialed mediator. Both parties shall participate in the mediation in good faith until the dispute is resolved for a period not to exceed thirty days with the consent of all parties. The cost of mediation shall be divided equally among the parties.

(8.6.7.3) Arbitration. If the dispute cannot be resolved through mediation, the dispute shall be settled by arbitration before a single arbitrator in accordance with the Uniform Arbitration Act of 1975, C.R.S. Section 13-22-

201 et. seq., as amended.

The results of the arbitration shall be final and binding, and not subject to appeal. Venue for arbitration shall be Las Animas County, Colorado, unless otherwise mutually agreed. The arbitrator shall award to the prevailing party, if any, as determined by the arbitrator, all of its costs and expenses including any attorney's fees, arbitrator's fees and out-of-pocket expenses of any kind.

(8.6.7.4) Not Applicable to Association. This Dispute Resolution Policy is not applicable to the Association and the Association shall have the right to enforce all Covenants, Rules and Regulations and Bylaws as more particularly described in those documents. The Association shall be exempt from and shall not be required to mediate or arbitrate its claims in any enforcement actions taken by the Association.

**ARTICLE IX
CONFLICTS BETWEEN DECLARATION AND
AMENDED AND RESTATED DECLARATION**

9.1 Conflicts between Declaration and Amended and Restated Declaration. The Amended and Restated Declaration has been duly adopted by the appropriate vote as set forth in the Declaration and is intended to replace in its entirety the original Declaration.

**ARTICLE X
INSURANCE**

10.1 Authority to Purchase. All insurance policies related to the Common Area and the activities of the Association and its Board shall be purchased by the Board or its authorized agent. This shall include property, general liability, Director and Officer professional liability and indemnification, and fidelity policies.

10.2 Notice to Owners. The Board shall promptly furnish to each Owner written notice of adverse changes in, or termination of, insurance coverage obtained on behalf of the Association under this Article.

**EXHIBIT A
MAP OR PLAT RECORDINGS**

UNIT	DATE RECORDED OR RE-RECORDED	BOOK	PAGE	RECEPTION NUMBER
1	April 30, 1990	873	261	588333
2	Sept. 24, 1990	875	823	589936
3	May 3, 1991	879	798	592103

4	Feb 26, 1992	885	426	595157
5	Oct. 27, 1992	890	946	598133
	Nov. 4, 1992	891	203	598260
6	Oct. 27, 1992	890	967	598136
7A	July 8, 1993	896	403	601285
7B	July 8, 1993	896	425	601289
8	Dec. 7, 1993	900	313	603449
	April 26, 1994	903	575	605371
9	Dec. 7, 1993	900	315	603450
	Sept. 21, 1994	908	351	607969
10	Dec. 30, 1994	911	550	609522
11	Dec. 30, 1994	911	570	609525
	July 5, 1995	917	932	612723
12	Oct. 6, 1995	921	932	614644
	Oct. 4, 1996	935	438	620794

THE UNDERSIGNED, as President and Secretary of the Board of Directors of the Santa Fe Trail Ranch Property Owners Association, hereby certify that the above stated Declaration of Covenants were duly amended by the required number of votes of the members and Directors, Oct 3, 2015 and to assure compliance with State Statutes..

Robert L. Scott
President
Santa Fe Trail Ranch
Property Owners Association

Steve Edholm
Secretary
Santa Fe Trail Ranch
Property Owners Association

Recorded Book 1137 Pages 70-93 Amended DCP

BY-LAWS
FOR THE
SANTA FE TRAIL RANCH
PROPERTY OWNERS ASSOCIATION

I, the undersigned natural person of the age of twenty-one years or more, acting as an incorporator of a non-profit corporation under the Colorado Non-profit Corporation Act, adopt the following Articles of Incorporation for such corporation.

ARTICLE I
DEFINITION

1.1 Declaration. "Declaration shall mean and refer to the Declaration for SANTA FE TRAIL RANCH recorded 4/30/90* in the records in the office of the clerk and recorder of the county of Las Animas, Colorado, as the same may hereafter be amended from time to time.

1.2 Incorporated Definitions. The definitions set forth in Article I of the Declaration are hereby incorporated herein in full by this reference.

1.3 Articles of Incorporation. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association, as the same may hereafter be amended from time to time.

ARTICLE II
OFFICES

2.1 Registered Office and Agent. The registered office and agent of the Association in Colorado shall be designated by the Board from time to time.

2.2 Other Offices. The Association may establish and maintain such other offices at such places within the State of Colorado, as the Board may from time to time determine.

ARTICLE III

3.1 Annual Meetings. The first annual meeting of the members shall be held within three years from the date of incorporation of the Association in Las Animas County, Colorado, and each subsequent regular annual meeting of the members shall be held on to be determined each year thereafter, at the hour of to be determined.

3.2 Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the Class A membership.

3.3 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

3.4 Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.5 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

3.6 Action By Owners Without a Meeting. Any action required to be taken at a meeting of the Owners or any action which may be taken at such a meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Owners entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Owners of the Association. A consent shall be sufficient for this Section if it is executed in counterparts, in which event all of such counterparts, when taken together, shall constitute one and the same consent.

ARTICLE IV
OWNERS' MEETINGS

4.1 Number and Term of Office. Subject to Article VI of the Articles of Incorporation, the Board shall consist of at least three directors. Each director (whenever elected) shall hold office until his or her successor shall have been elected and qualified unless he or she shall resign or his or her office shall become vacant by such director's death or removal. Directors shall be members (which in the case of Declarant may include any officer, director or employee of Declarant, elected or appointed to such office, and in the case of other corporate members, may include the officer or director of any such corporate member elected or appointed to such office).

4.2 Election of Directors. The term of the initial or first Board of Directors named in Section 6.2 of the Articles of Incorporation shall be until the first annual Owners' meeting for the election of directors or until their resignation or their successors are elected or approved and qualify. Thereafter, in order to provide for persons upon the Board of Directors with experience, the directors shall have overlapping terms of offices. Subject to Section 3.3 of these By-Laws, at the first annual Owners' meeting the successors to the initial or first Board of Directors shall be elected. The director receiving the highest number of votes at the first annual Owners' meeting shall be elected for a term of three years; the person receiving the second highest number of votes shall be elected for a term of two years and the person receiving the third highest number of votes shall be elected for a term of one year. At each annual Owners' meeting thereafter, successor directors shall be elected to replace only those directors whose term of office have expired and the successor directors shall be elected for terms of three years. Failure to annually elect successor directors of the Association shall not affect the validity of any action taken by a director who shall have been duly elected and qualified and who shall not, at the time of such action, have resigned, died or been removed from his or her position as a director of the Association.

4.3 Removal of Directors. Subject to the provisions of Section 5.2 of the Declaration and Section 3.3 of these By-Laws, at a meeting called expressly for that purpose, the entire Board or any lesser number may be removed, with or without cause, by a vote of the holders of a majority of the votes then entitled to vote at an election of directors.

4.4 Vacancies and Newly Created Directorships. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until his or her successor shall have been elected and qualified. Any directorship to be filled by reason of an increase in the number of directors shall, subject to the provisions of Section 5.2 of the Declaration and Section 3.3 of these By-Laws, be filled by the affirmative vote of a majority of the directors then in office or by an election at an annual meeting or at a special meeting of Owners called for that purpose. A director chosen to fill a position resulting from an increase in the number of directors shall hold such position until the next annual meeting of Owners and until his or her successor shall have been elected and qualified.

4.5 Resignations. A director may resign at any time by mailing or delivering or by transmitting by telegram or cable written notice of his or her resignation to the Board at the Association's principal office or its registered office in the State of Colorado or to the President, the Secretary or any assistant Secretary of the Association. Any such resignation shall take effect at the time specified therein or if no time be specified, then at the time of receipt thereof.

4.6 Duties and General Powers. It shall be the duty of the Board to perform the obligations and responsibilities imposed upon the Association by the Declaration. All provisions of the Declaration are deemed to be incorporated herein by this reference to the same extent and effect as if fully set forth herein and where any question of construction arises as to the interpretation of these By-Laws the provisions of the Declaration itself shall be controlling as to a statement of the intent and substance of these By-Laws. The business of the Association shall be managed by the Board, which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute or by the Declaration or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the Owners. The Board may employ the services of a manager or managing agent, or both, and such independent contractors or other employees as it deems necessary, and may delegate any of the Board's duties; provided, however, when so delegating, the Board shall not be relieved of its responsibilities under the Declaration, Articles of Incorporation or these By-Laws. Administration of common elements and of assessments with respect to same shall be in conformance with Article IV and V of the Declaration.

4.7 Annual Meetings. The annual meeting of the Board for electing officers and transacting other business shall be held as soon as reasonably possible after the annual Owner's meeting. Failure to hold any annual meeting of the Board shall not work a forfeiture or dissolution of the Association.

4.8 Regular Meetings. The Board from time to time may provide by resolution for the holding of regular meetings and fix the time and place of such meetings. Notice of regular meetings of the Board need not be given, provided that notice of any change in the time or place of such meetings shall be sent promptly to each director not present at the meeting at which such change was made.

4.9 Special Meetings. Special meetings of the Board may be called by the President on three days' notice to each director specifying the time and place of the meeting, and shall be called by the President or Secretary in like manner and on like notice on the written request of two or more directors.

4.10 Notice. All notices to a director required by this Article IV shall be addressed to him or her at his or her residence or usual place of business and may be given by mail, telegram, radiogram, cable or by personal delivery. No notice need be given of any adjourned meeting.

4.11 Waiver of Notice. Whenever any notice is required to be given to any director under the provisions of any statute or under the provisions of the Articles of Incorporation or these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice,

whether before, at or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a director at a meeting of the Board shall constitute a waiver of notice of such meeting, except where a director attends such a meeting for the express purpose of objecting to the transactions of any business because the meeting is not lawfully called or convened.

4.12 Quorum. At all meetings of the Board a majority of the whole Board shall constitute a quorum for the transaction of business and, except as may be otherwise specifically provided by statute or by the Articles of Incorporation or by these By-Laws, the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board. In the absence of a quorum, the directors present thereat may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum be present.

4.13 Action By Directors or Committee Without Meeting. Any action required to be taken at a meeting of the directors or any committee thereof or any action which may be taken at such a meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or members of the committee, as the case may be, entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Board or of the committee, as the case may be. A consent shall be sufficient for this Section if it is executed in counterparts, in which event all of such counterparts, when taken together, shall constitute one and the same consent.

4.14 Meetings by Conference Telephoning. Any director or any member of a committee may participate in a meeting of the Board or a committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other, and such participation shall constitute the presence of such person at such meeting.

4.15 Reliance on Accounts and Reports, etc. A director, or a member of any committee designated by the Board, in the performance of his or her duties shall be fully protected in relying in good faith upon the books of account or reports made to the Association by any of its officers, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the Board, or by any such committee, or in relying in good faith upon other records of the Association.

4.16 Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him or her for the Association in any other capacity, unless resolution authorizing such remuneration shall have been unanimously adopted by the Board before the services are undertaken.

ARTICLE V POWERS AND DUTIES OF THE BOARD OF DIRECTORS

5.1 Powers. The Board of Directors shall have the power to:

5.1.1 adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

5.1.2 suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

5.1.3 exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provision of these By-Laws, the Articles of Incorporation, or the Declaration.

5.1.4 declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

5.2 Duties. It shall be the duty of the Board of Directors to:

5.2.1 cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

5.2.2 supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

5.2.3 as more fully provided in the Declaration, to,

5.2.3.1 fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;

5.2.3.2 send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the assessment payment due date,

5.2.3.3 foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

5.2.4 issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

5.2.5 procure and maintain adequate liability and hazard insurance on property owned by the Association;

5.2.6 cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

5.2.7 cause the Common Area to be maintained.

ARTICLE VI COMMITTEES

6.1 Committees. The Board may, by a resolution adopted by a majority of the directors in office, designate and appoint one or more committees (each of which shall consist of two or more directors), which committees, to the extent provided in such resolution, in the Articles of Incorporation or in these By-Laws, shall have and exercise all the authority of the Board; provided, however, that no such committee shall have the authority of the Board in reference to: (a) amending, altering or repealing these By-Laws, (b) electing, appointing or removing any member of any such committee or any officer or director of the Association, (c) amending the Articles of Incorporation, (d) restating the Articles of Incorporation, (e) adopting a plan of merger or adopting a plan of consolidation with another corporation, (f) authorizing the sale, lease, exchange or mortgage of all or substantially all of the property assets of the Association, (g) authorizing the voluntary dissolution of the Association or revoking proceedings therefor, (h) adopting a plan for the distribution of the assets of the Association or (i) amending, altering or repealing any resolution of the Board. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon it or him or her by law.

ARTICLE VII OFFICERS AND AGENTS

7.1 Officers. The officers of the Association shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by the Board. The Board may elect and appoint such other officers, assistant officers and agents as may be deemed necessary. No person may hold more than one office at any one time, except that the office of Secretary and Treasurer may be held by the same person. An officer of the Association need not be resident of the State of Colorado. Except for the President and Vice Presidents, officers of the Association need not be an Owner nor a director of the Association.

7.2 Term of Office. Except as provided in Sections 7.3, 7.4, 7.5 and 7.6 hereof, each officer appointed by the Board shall hold office until his or her successor shall have been appointed and qualified.

7.3 Election of Officers. The Officers of the Association shall be elected annually at the annual meeting of the Board. Failure to annually re-elect officers of the Association shall not affect the validity of any action taken by an officer who shall have been duly elected and qualified and who shall not, at the time of such action, have resigned, died or been removed from his or her position as an officer of the Association.

7.4 Resignation. Any officer or agent of the Association may resign at any time by mailing or delivering or by transmitting by telegram or cable written notice of his or her resignation to the Board at the Associations principal office or its registered office in the State of Colorado or to the President, the Secretary or any Assistant Secretary of the Association. Any such resignation shall take effect at the time specified therein or if no time be specified, then at the time of receipt thereof.

7.5 Removal. Any officer or agent may be removed by the Board, either with or without cause, whenever in its judgment, the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

7.6 Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification or other cause, or if any new office shall be created, such vacancies or newly created offices may be filled by the Board at any regular or special meeting.

7.7 President. The President shall be a director and shall be the principal executive officer of the Association and, subject to the control of the Board, shall direct supervise, coordinate and have general control over the affairs of the Association, and shall have the powers generally attributable the chief executive officer of an Association. The President shall preside at all meetings of the Owners. All checks issued by the Association must be signed by both the President (or Vice President) and the Treasurer.

7.8 Vice Presidents. Vice Presidents may act in place of the President in case of his or her death, absence, inability or failure to act, and

shall perform such other duties and have such other authority as is from time to time delegated by the Board or by the President.

7.9 Secretary. The Secretary shall be the custodian of the records and of the seal of the Association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of the Declaration and these By-Laws and as required by law, and that the books, reports and other documents and records of the Association are properly kept and filed, shall keep minutes of the meetings of the Owners and Board; shall keep at the registered office of the Association a record of the names and addresses of the Owners and, in general shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his or her death, absence, inability or failure to act.

7.10 Treasurer. The Treasurer shall have charge and custody of, and responsible for, all funds and securities of the Association; shall deposit all funds in the name of the Association in such depositories as shall be designated by the Board; shall keep correct and complete books and records of financial transactions and condition of the Association and shall submit such reports thereof as the Board may, from time to time, require and, in general, shall perform all the duties incident to the office of Treasurer, and such other duties as may, from time to time, be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his or her death, absence, inability or failure to act. All checks issued by the Association must be signed by both the President (or a Vice President) and the Treasurer.

7.11 Compensation. Agents, factors and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of an agent, factor or employee shall not of itself create contractual rights to compensation for services performed by such agent, factor or employee.

7.12 Surety Bonds. The Board may require any officer or agent of the Association to execute a bond to the Association in such sum and with such surety or sureties as the Board may determine, conditioned upon the faithful performance of his or her duties to the Association, including responsibility for negligence and for the accounting of any of the Association's property, funds or securities that may come into his or her hands.

7.13 Officers' and Directors' Personal Liability Insurance. To the extent obtainable, appropriate officers' and directors personal liability insurance shall be obtained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors in behalf of the Association.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.1 Exculpation. No director or officer of the Association shall be liable for the acts, defaults or neglects of any other director or officer, or for any loss sustained by the Association, unless the same has resulted from his or her own willful misconduct, willful neglect or negligence.

8.2 Indemnification. The Association shall indemnify every director, officer, agent or employee, and any former director, officer, agent, or employee against loss, costs, and expense, including counsel fees reasonably incurred in connection with any action, suit, or proceeding to which such person may be made a party by reason of being, or having been such director, officer, agent or employee of the Association, except as to matters as to which such person shall be finally adjudged to be liable for gross negligence or fraud. Any such indemnification shall be limited to any may only be paid out of the insurance proceeds provided by an insurer furnishing Officers and Directors Errors and Omissions insurance coverage and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles or public liability, property damage, medical and other similar coverage, it being the intent and purpose of this provision to limit all payments or settlements in indemnification to the actual proceeds of insurance policies.

No officer, director, agent or employee of the Declarant, its successors or assigns, nor of any managing agent who is an independent contractor, or any other independent contractor, shall be protected by these indemnification provisions nor by any insurance policies obtained by the Association in relation thereto, but any such protection is the sole and separate responsibility of the Declarant, its successors and assigns any managing agent who is an independent contractor as one of their expenses of doing business.

In the event of a settlement, the settlement shall be approved by the insurance carrier, and paid for by the insurance carrier out of the insurance proceeds.

8.3 Agency. Contracts or other commitments made by the Board or by officers shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE IX MISCELLANEOUS

9.1 Fiscal Year. The fiscal year of the Association shall commence on January 1 and terminate on the following December 31. The Board shall have the right from time to time to select any other fiscal year it deems proper.

9.2 Seal. The Board may adopt a corporate seal of such design as it may deem appropriate from time to time. Any officer or director of the Association shall have the authority to affix the corporate seal of the Association to any document requiring the same.

9.3 Books and Records. The Association shall keep detailed, accurate and complete books and records of the receipts and expenditures (including receipts and expenditures affecting and Common Elements) and shall keep minutes of the proceedings of the Owners, Board and Committees having any of the authority of the Board, and shall keep at its registered office or principal office in Colorado, a record of the names and addresses of the Owners entitled to vote. All the books and records of the Association shall be available for examination by any Owner or Mortgagee, or by his or her or its agent or attorney at convenient weekday business hours. Any owner shall be entitled to obtain a certificate of status of assessments setting forth the amount of any unpaid assessment or other charges due and owing from such Owner. Upon request and payment of a reasonable fee therefore, all Owners and First Mortgagees, shall have the right to obtain copies of the annual reports and other financial data pertaining to the Association. In addition to the foregoing, the Association shall make available to (a) all Owners, Mortgagees, and the holders, insurers, and guarantors of any First Mortgage on any individual lot, current copies of the Declaration, these By-Laws, any rules governing the Development and other books, records and financial statements of the Association, and (b) all prospective purchasers of individual lots, current copies of the Declaration, these By-Laws, any rules governing the Development and the most recent annual audited financial statement, if such is prepared. As used in the preceding sentence, "available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances. Upon 10 days notice to the Board and payment of a reasonable fee any lot owner shall be furnished a statement of his account showing the amount of any unpaid assessment or any other charges due and owing.

9.4 Waivers of Notice. Whenever any notice is required to be given by law, or under the provisions of the Declaration, Articles of Incorporation or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before, at or after the time stated therein, shall be deemed equivalent of notice.

9.5 Amendments. The Owners shall have the power to make, alter, amend or repeal these By-Laws, in whole or in part, at any time and from time to time at any annual or special meeting of the Owners; provided that notice of the proposed alteration, amendment or repeal, or new By-Law is included in the notice of such meeting.

9.6 Annual Audited Financial Statements. Upon the close of each fiscal year, the Association shall obtain a review of its financial affairs for such year by a certified public accountant authorized to practice in the State of Colorado. Upon request, all Owners and First Mortgagees shall have the right to obtain copies of the annual reviewed financial statements of the Association within 90 days following the end of the fiscal year.

9.7 Document Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these By-laws or between the Declaration and the Articles of Incorporation, the Declaration shall control.

9.8 Use Restrictions. There are specific use restrictions in effect, which are set forth in Article V of the Declaration and are hereby incorporated by this reference thereto.

9.9 Major Recreational Facilities and New Addition to Common Areas. There are no major recreational facilities with respect to the common area.

ARTICLE X ASSESSMENTS

10.1 As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 18 percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided herein by nonuse of the Common Area or abandonment of his lot.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the
SANTA FE TRAIL RANCH Property Owners Association
a Colorado state corporation, and

THAT the foregoing By-Laws constitute the original By-laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 27th day of June 1990.

IN WITNESS THEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 27th day of June 1990.

Secretary Angela Riley-Baldwin