

**RULES AND REGULATIONS
OF THE
ELK TRAIL OWNERS ASSOCIATION, INC.**

June 30, 2009

I. INTRODUCTION

The following Rules and Regulations (the "Rules") were adopted by the Board of Directors of the Elk Trail Owners Association as specifically authorized in Paragraph 9.1 of the Declaration of Covenants, Conditions, and Restrictions for Elk Trail (the "Declaration"). The Rules incorporate the provisions and definitions of the Declaration and supplement and implement their intent and extent. These Rules are designed to help accomplish three purposes: (1) to protect the integrity and condition of the entire Common Interest Community (the "Community") and thereby protect each owner's investment, (2) to provide a safe and pleasant living and working environment for all Owners and Guests and (3) to supplement and clarify the Declaration.

All Owners, Guests, developers, contractors and other visitors must observe and abide by these Rules. The Board of Directors welcomes suggestions from all Owners as to changes or additions to these Rules and Regulations.

II. ADMINISTRATION

1. In General: These Rules will be administered and enforced by the Board of Directors, which may delegate any right or duty it possesses under these Rules to any committee or administrative office as the Board in its discretion may deem appropriate. Access to Lots by the Board, its representatives and contractors for inspection and enforcement of these Rules is granted by Owner as a condition of ownership.
2. Committees, Creation, Authority, Termination: Pursuant to Article V, Section 10 of the Bylaws, the Board may, by resolution, create and authorize any committee as it may deem appropriate to aid the Board in carrying out its rights and duties under these Rules. The Board, when creating any committee, shall establish its purpose(s), rights, duties, powers, officers and duration, which may be indefinite. The Board may, by resolution, amend the purpose(s), rights, duties, powers, officers and duration of any committee or terminate any committee prior to the expiration of the committee's or administrative office's initial term, as extended. Each committee may advise and make recommendations to the Board. The appointment of any committee shall not relieve the Board of any responsibility imposed upon it by law.
3. Limitations on Liability: Except as otherwise provided in these Rules, no person may be held personally liable for any act or omission made or omitted in good faith by them as a member of the Board or as a member of any committee created by the Board. Neither the Board, nor any committee, will be liable for its failure to prevent, detect or cure any violation under these Rules.

III. GENERAL RULES AND REGULATIONS

1. **Owner Responsibility**: Each Owner is responsible to ensure that his/her Guests (as defined in the Declaration), contractors, and builders comply with these Rules. Each Owner is subject to the enforcement provisions provided in Article VI of these Rules and Regulations for any violations committed by his/her Guests, tenants, contractors, or builders.

2. **Upkeep of Lots and Dwelling Units**: Owners shall not permit their lots and dwelling units to fall into disrepair; and shall keep and maintain them in a clean, safe, attractive, and tidy condition pursuant to these Rules and Regulations and Architectural Design Guidelines, except as necessary during any period of construction. Owners may enter into an agreement with the Association to maintain any Open Space on their Lot according to Association Rules and Regulations and Architectural Design Guidelines, or they may agree to have the work done by a contractor through the Association and have the costs assessed against their Lot. Owners who violate their agreements or fail to keep their lots in a clean, safe, and attractive condition shall not be eligible to perform the maintenance on their own private open space, and it shall be performed at Owner expense by the Association through a contractor. Permission for Association and its contractors to access and inspect open space and to supervise and perform maintenance work is hereby granted.

3. **Noxious or Offensive Activities**: No noxious, offensive, dangerous or unsafe activity shall be conducted in or on any Lot, nor shall anything be done, either willfully or negligently, which may be or become a reasonable annoyance or nuisance to the other Owners or Guests. No Owner or Guest shall make or permit disturbing noises nor do or permit anything to be done by others that will interfere with the rights, comforts, or convenience of other Owners or Guests. Except as specifically and individually approved by the Architectural Review Committee, the use of exterior spotlights, searchlights or other light devices, speakers, horns, whistles, bells, or other sound devices on any Lot is prohibited. Disturbing noises, such as habitually barking, howling or yelping dogs that can be heard from the outside, shall be deemed a nuisance. The prohibition against disturbing noises also includes, but is not limited to, musical instruments, radios, televisions, or other noise-producing devices that are played in such a manner as to disturb residents of a neighboring home. Quiet hours within the Community are 10:00 P. M. to 7:00 A. M. During these hours all residents must avoid loud noises, stereos, and televisions that can be heard in neighboring homes. Power tools that can be heard from the outside may not be used between 10:00 P. M. and 7:00 A. M.

Notwithstanding the above, the terms "annoyance" and "nuisance" shall not include any activities of Declarant or a Builder which are reasonably necessary to the development and construction of, and sales activities on, the Lots, or with any ingress and egress to or from a Lot and a public way.

4. **Insurance Risk**: Except as may be approved in writing by the Board of Directors, no activity or condition shall be allowed upon an Owner's Lot or the Common Elements which may result in a material increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Association.

5. Damage to the Common Elements. If, due to the act or neglect of an Owner or Guests, loss or damage shall occur or be caused to any person or property within the Common Elements, such Owner or Guest shall be liable and responsible for the payment of same. The amount of such loss or damage, together with costs of collection and reasonable attorney's fees, if necessary, may be collected by the Board of Directors after Notice and Hearing, from such Owner as a Common Expense Assessment against such Owner. Determination with respect to whether or not a particular activity or occurrence shall constitute a violation shall be made by the Board of Directors and shall be final.

6. Trash Disposal: Littering, dumping, dropping, or abandoning any amount of any type of material within the boundaries of the Community, except in approved trash receptacles, is prohibited. No refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind shall be kept, stored, or allowed to accumulate on any Lot unless placed in a suitable container located indoors or as provided below. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. Trash containers shall be wildlife-proof (especially bear-proof), and, except the day that trash is being collected, shall be stored either inside a garage or within a fully closed enclosure with an area of 40 square feet or less attached to the house, as defined in the Architectural Design Guidelines. Each Owner shall provide for a regular removal of trash and agrees to use the trash company as designated by the Board of Directors, if one is so designated. The Association has the power to provide and pay for regular or periodic trash removal as a Common Expense, if it so decides. The Association shall have the right, through its agents and employees, after Notice and Hearing, to enter upon any Lot and maintain it and remove unsightly objects and materials. The cost of such maintenance and removal shall be chargeable to such Owner, together with any fines levied.

7. Wells and Septic System: No oil or gas wells may be dug, drilled or operated within the Community. Locations for water wells and septic systems must be approved in writing in advance by the Architectural Review Committee, and shall also be subject to County and State approval. Water wells shall be constructed with access provisions for water level measurement, water sampling, and water meter reading by the Association, as further described in the Architectural Design Guidelines. Septic systems shall be constructed with provisions for effluent sampling by the Association, and constructed to meet the Association standards, as further described in the Architectural Design Guidelines. Architectural Review Committee approval in writing is required for all septic system designs before construction can begin. Access for the Association and its contractors is hereby granted for inspection, reading, sampling, and enforcement of standards. Permission for injunctive relief in favor of the Association in its enforcement of these provisions is hereby granted. Association may enter into agreements for community water or sewer service with existing or new districts, and all Owners shall be obligated to comply with Association decisions at their own expense for private services and proportionally for shared services.

8. Outside Storage: Subject to these Rules and Regulations and Architectural Design Guidelines, all equipment, supplies, and other objects shall be stored and enclosed within an approved structure, including all tractors, snow removal equipment and garden or maintenance equipment, except when actually in use. No furniture, fixtures, appliances, or other similar items

may be stored in any manner visible from any other Lot or from the Common Elements. Outdoor furniture may be left outside in the area of use, during periods of regular use only. During house construction, construction equipment may be stored outside within the building envelope for periods of less than thirty (30) days.

9. Vehicle Storage: No more than two vehicles may be parked outside a garage. Said vehicle or vehicles must be operable, in tidy condition, and parked on an approved pad. No abandoned or inoperable vehicle of any kind shall be stored or parked on any Lot unless it is within a garage. An "abandoned or inoperable vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of ninety-six (96) hours or longer, or which does not have an operable propulsion system installed therein. If the Association shall determine that a vehicle is parked, stored or used in violation of this Rule, then a written notice describing said vehicle shall be conspicuously placed upon the vehicle and if the vehicle is not removed within a reasonable time thereafter, as determined by the Association in its discretion from time to time, the Association shall have the right to tow the vehicle at the sole expense of the owner of the vehicle or the Lot.

10. Recreational and Commercial Vehicles: Recreational or business vehicles, including but not limited to, trailers of any kind, campers (including camper shells and motor homes), buses, vans, boats or boat accessories, and trucks larger than three-quarter (3/4) ton (as defined by Colorado Department of Motor Vehicles), self contained and other motorized recreational vehicles, all terrain vehicles, any other vehicle clearly designed or designated by the manufacturer or the owner thereof (through signage or accessories) to be a commercial or recreational vehicle, even though it may be licensed by a state as a passenger vehicle, shall not be parked, placed, stored or maintained anywhere within the Community so they are visible from any other Lot or from the Common Elements or from any street within the Community, except in emergencies or as a temporary expedience for loading or unloading. The Association may tow any vehicle if it is in violation of any City, County or State regulation, the Declaration, or these Rules and Regulations. Notwithstanding the above, RVs owned by Guests of Owners will be allowed to be parked on a paved area of the Lot adjacent to the home within the building envelope for a maximum of 15 days per year. Additionally, these restrictions shall not restrict trucks or other business vehicles that are temporarily necessary for construction or for the maintenance of the Lots or any Improvements located thereon.

11. Automobile Repair: No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of vehicle, trailer or boat, may be performed or conducted on any Lot unless it is done within a garage and in a manner that screens the sight and sound of the activity from the street and from any other Property. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, motor-driven cycle, or other vehicle, together with those activities normally incident and necessary to such washing and polishing.

12. Temporary Structures: Tents, shacks, outbuildings, or other temporary structures shall not be kept upon a Lot, except as approved by the Architectural Review Committee.

13. **Utility and Storage Sheds:** Utility or storage sheds are subject to the provisions of the Declaration related to Improvements and are subject to further provisions of the Architectural Design Guidelines. If allowed, utility and storage sheds shall: (1) be located so as not to extend beyond the Building Envelope; (2) not alter drainage patterns of a Lot; and (3) be constructed of materials, textures and colors that match or are compatible with the Dwelling Unit.

14. **Pets and Animals:** Pets may not be kept for any commercial purposes. Horses, cattle, pigs, sheep, chickens, and other livestock are prohibited. Household pets which are commonly kept as pets, such as dogs, house cats, and birds, may be kept as household pets within the Community so long as they meet state and county requirements and the requirements of these Rules and Regulations. Pets may only be kept in such numbers and in such a manner so as not to create a nuisance or health hazard. Except as approved by the Architectural Review Committee, no structure associated with any animal may be kept in any location that is visible from any other Lot or the Common Elements.

The right to keep household pets is strictly regulated by these Rules and Regulations issued by the Board, shall be subject to fines for violations, and shall be coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Association as a result of such pets, and any such fines, costs and damages shall be subject to all of the Association's rights with respect to the collection and enforcement of assessments.

15. **Animal Control:** No animal shall be permitted to roam free outside the building envelope on its Owner's Lot, nor shall it be tied to a stake or tree or other outside structure. Animals not on a leash must be constrained within the building envelope by an invisible electric fence, which may be supplemented by a decorative fence if approved by the Architectural Review Committee. Chain link fences and runs are prohibited. Pet houses, kennels and/or shelters or other structures or facilities shall be approved in advance by the Architectural Review Committee and are subject to revocable temporary use permit and renewal conditions. Pet facilities shall be kept neat, clean, and odor free and shall not be a nuisance to neighbors.

When outside of its owners building envelope, all animals must be kept on a hand-held leash or similar restraint under direct control of the handler or Owner. Pets shall not trespass on another Owner's Lot. Owners and Guests must immediately use a "pooper scooper" or other method to clean up after their pets when they are off of their personal property. Owners and Guests shall hold the Association harmless from any claim resulting from any action of their pets. Any pet causing or creating a nuisance or unreasonable disturbance or objectionable noise or odor shall subject owners to enforcement proceedings and potential penalties by the Association, and may be permanently removed from the Property upon three days notice following Notice and Hearing from the Board of Directors.

16. **Wildlife:** No person or pet shall interfere with or disturb any wildlife within the Community. Any wildlife considered to be a "varmint" or pest causing natural resource damage or public endangerment shall be reported to the responsible authority. Notwithstanding the above, the Association may undertake animal control measures it deems as necessary or desirable for the benefit or security of the residents.

17. Camping and Picnicking: No camping or picnicking is allowed within the Common Elements except for special activities by specific written permit from the Board.
18. Garage Sales: Except as approved by the Board of Directors, no garage, patio, porch, lawn, yard or similar sale is allowed to be held on a Lot or the Common Elements.
19. Interference with Electronic Devices: No any activity shall be conducted on a Lot or the Common Elements which interferes with any television, radio, home computer or similar electronic device operation within the Community.
20. Swing Sets, Recreational Equipment: Swing sets or other recreational equipment are not allowed on a Lot or in any other area unless the location, color, and materials are first approved by the Architectural Review Committee. All equipment must be kept in good repair and located within the Owner's building envelope, screened as much as possible from other Lots or the Common Elements.
21. Fences: Fences shall be allowed only if approved in advance in writing by the Architectural Review Committee. Fences may be allowed as follows: 1) one approved privacy and security fence or enclosure for trash containers, enclosing an area of 40 square feet or less, attached to a building and finished harmoniously, 2) invisible, electronic animal control fencing within the building envelope and, 3) decorative fencing (eg. split rail fencing, maximum rail height 42 inches), as approved by the ARC. Notwithstanding the above, the Board may elect to build a wildlife-friendly fence along all or part of the subdivision perimeter boundary within the perimeter easement for purposes such as preventing trespass by campers or off road vehicles or other unauthorized people.
22. Tree Removal: Except as approved by the Architectural Review Committee, no person shall remove any tree within the Community with a diameter larger than 2 inches.
23. Signs: No signs, window display or advertising visible from outside a Lot shall be maintained or permitted in any part of a Lot, unless in conformance with these Rules and Regulations or Architectural Design Guidelines issued by the Association and approved by the Architectural Review Committee. Temporary "For Sale" signs no larger than 3 square feet may be displayed while a property is for sale. A house under construction may have one sign not exceeding 3 feet by 4 feet for the purpose of displaying building permits and lot identification. This sign must be removed at the completion of construction. Political signs no larger than 3 square feet by 4 feet, or such lesser size as limited by county ordinance, may be displayed for a period from 45 days before the election to 7 days after the election.
24. Mailboxes: Mail boxes on individual lots are not permitted. The Board may choose to build a mail facility near the entrance to the subdivision, or on Tabor Drive, and assess each lot owner a share of the cost; however, this location is at the discretion of the Association and USPS. In the absence of a community box, an individual box may be placed outside the subdivision, either at the bottom of the hill on Tabor Drive or on County Road 4.

25. Holiday Decorations: A tasteful, temporary decoration or display, if it is clearly incidental to and customarily and commonly associated with any national, local, or religious celebration, is allowed within the community. Such display is exempt from the usual setback regulations, but such display shall be erected no more than 30 days prior to and removed no more than 14 days after the celebration in question. Complaints about such displays shall be reviewed by the ARC, whose decision shall be final.

26. Guest Parking: Guest parking shall be on a paved pad located either within the Owner's building envelope or directly adjoining the building envelope, as approved by the Architectural Review Committee. Overnight guest parking may not be allowed for more than a total of fifteen (15) days per year unless provided for within a garage. No parking is allowed on any street, road, circle, hydrant, cistern or at the egress driveway.

27. Architectural Review: No Improvements shall be constructed, erected, placed, applied or installed upon any Lot unless plans and specifications therefor shall have been first submitted in triplicate to and approved in writing by the Architectural Review Committee. The Association has adopted Architectural Design Guidelines that must be followed before the construction and installation of any Improvements on a Lot, including surface and subsurface improvements and landscaping.

28. Restrictions on Leasing: A Lot may not be leased or rented for a term of less than six (6) months, except in compliance with Rules and Regulations established by the Board of Directors; nor for less than the whole Lot. All leases and rental agreements shall be in writing; include a provision that the lease is subject to the terms of the Declaration, the Bylaws, the Architectural Design Guidelines, and these Rules and Regulations, and that the failure of the tenant to comply with the terms of any of these documents shall constitute a default enforceable by either the Association or Owner, or by both of them. Any Owner who leases their Lot shall obtain advance Board approval, and within three (3) days after the execution of such lease, mail or deliver a copy of same to the Association. The tenant will recognize and attorn to the Association as landlord, solely for the purpose of having the power to enforce a violation of the provisions of the Documents against the tenant, provided the Association gives the landlord notice of its intent to so enforce and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action. Owner shall be responsible for all enforcement costs of the Association, and for all fines and/or levies not paid by Tenant.

29. Business Use Restrictions. The use of each Lot is restricted to that of a single-family residence and accessory uses as permitted herein. A single-family residence is defined as a single housekeeping unit, operating on a nonprofit, noncommercial basis with a common kitchen and dining area.

A. Except for those activities conducted as a part of the marketing and development program of the Declarant, no business, trade, professional or commercial activities ("business activity") of any kind may be conducted in or from any Lot except that an Owner or Guest residing in a Dwelling Unit may conduct such business activity within the Lot so long as:

- (1) No building devoted to business, trade, professional, commercial or public enterprises shall be erected or used on any Lot.

(2) The existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the Lot, and does not increase traffic. No signs shall be displayed related to the business. Vehicles with business identification shall not be parked outside of a garage.

(3) The business activity conforms to all zoning requirements for the property.

(4) The business activity does not increase the insurance obligation or premium of the Association.

(5) The business activity is consistent with the residential character of the Lot and does not constitute a nuisance or hazardous or offensive use, as determined in the sole discretion of the Board of Directors.

(6) No Lot shall be used or rented for short term, transient, hotel, or motel purposes. Rentals for terms of less than six (6) months shall be regulated by the Board of Directors, and shall require temporary use permits from the Association. Longer term rentals that are terminated in less than 6 months may subject Owner to stricter regulation of all rentals by the Board of Directors.

B. The terms "business, trade, professional or commercial" and "business activity" shall be construed to have their generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other consideration, regardless of whether such activity is engaged in full or part time, generates a profit, or requires a license.

C. Uses described as "day care" or "child care" or "care" facilities (licensed or unlicensed) or similar uses are expressly prohibited.

D. Declarant and their respective employees, agents, and contractors, may perform such reasonable activities, and maintain upon portions of the Lots or the Common Elements, such facilities as Declarant deems reasonably necessary or incidental to the development, construction and sale of Lots, and development and construction of Improvements, specifically including, without limiting the generality of the foregoing, maintaining management offices, signs, model units, construction offices, trailers and sales offices, in such numbers, of such sizes, and at such locations as Declarant determines in its reasonable discretion. All facilities, structures and signs to be maintained during Construction must have the advance and continuing approval of the Declarant or Association.

IV. PUBLIC SAFETY AND FIRE PREVENTION RULES AND REGULATIONS

1. Fireplaces: Fireplaces must be cleaned and serviced on a regular basis. All chimneys shall be screened. No coal or other fuel which emits a similar amount of smoke, erupting wood, or charcoal may be used for heating, cooking, or for any other purpose within the Community, unless approved by the Board. Notwithstanding the above, charcoal may be used for outdoor cooking, in receptacles of common size specifically adapted to be used to burn charcoal.

2. Fire Hazards: No Owner will permit any condition on the Owner's Lot or the Common Elements which creates a fire hazard or which is in violation of any permanent or temporary fire prevention regulations of any governmental authority.

3. Propane Gas: No public natural gas supply line is currently available in the Community. All propane tanks and connections to buildings must be placed underground, except for appropriately finished access ports, as required. Any such tanks, or other gas storage devices must first be approved by the Architectural Review Committee and the appropriate governmental agency. Fuel tanks weighing not more than twenty (20) pounds and attached to family outdoor cooking appliances are excepted.

4. Outside Burning: No Owner will permit any outside fires except barbecues, outside fireplaces, and braziers. All outside fires must be kept within facilities approved by the Architectural Review Committee. The Association may issue temporary restrictions on outside fires of any type as conditions may require.

5. Fire Hazard Prevention: Each Owner will remove from the Owner's Parcel all dead branches, brush, and other material which could create a fire hazard, and each Owner will perform such other tasks, as requested by the Board, to remove or eliminate material which constitutes or creates a fire hazard. The Board will remove such material and take similar actions with respect to the Common Elements. No fire is permitted within ten feet of any bush, tree or other flammable materials.

6. Hunting: Hunting and trapping of game animals are prohibited within the Community. State wildlife and other state authorities are exempt from the provision of this section when performing official duties as directed by the state authorities acting pursuant to Colorado law or as authorized by the Board.

7. Discharge of Weapons: No person may create a nuisance, disturbance or unsafe condition by discharge or brandishing of a handgun, rifle, shotgun, or other lethal weapon anywhere within the Community. Government officials authorized to carry firearms while acting within such official duties are exempt from the provisions of this section while in the performance of official duties.

8. Vacations or Absences: Owners are encouraged to purchase and maintain emergency security alarm systems, fire suppression systems and roof fire suppression systems on their home and keep the same in good working order at all times and armed whenever no responsible person is present. The Association and/or the Board of Directors shall not be held liable for any vandalism, burglary, fire, etc. at any time.

V. MAINTENANCE RULES AND REGULATIONS

1. Maintenance of Improvements: Each Owner shall maintain, repair and replace, at their own expense, all portions of their Lot. This shall include control of trash and other accumulated items that may be unsightly to other Owners, and removal of snow from the driveway of the Lot. Each Owner will promptly make all necessary or appropriate repairs and replacements to all

improvements on their Lot. Outside contractor work is prohibited on Sunday and must be performed in accordance with these Rules and with the Architectural Design Guidelines adopted by the Association. The Association shall have the right to enter and perform cleanup and maintenance services neglected by the Owner, and assess the Owner for any costs incurred.

2. Landscaping Deadline: Landscaping must be completed by Owner within 180 days from date of Certificate of Occupancy on property. All landscaping must be approved by the Architectural Review Committee and installed in accordance with the Architectural Design Guidelines adopted by the Association.

3. Maintenance of Landscaping: Each Owner shall maintain the landscaping upon the Owner's Lot in the same or superior condition. Each Owner will diligently maintain, cultivate, husband, protect, and preserve all shrubs and trees upon the Owner's Lot, including installation of any needed erosion control measures which may arise. Unsightly dead trees, etc. on a Lot are to be promptly removed by the Owner. Spraying of trees on an Owner's property is at the Owner's expense.

4. Maintenance of Common Elements: The Association shall manage, operate, insure, maintain, repair and replace all of the Common Elements, and any drainage structure or facility or other public improvements required by local governmental entities, including without limitation, infiltration trenches, fire fighting facilities, snow removal from the fire fighting facilities, provision of water for the fire fighting cistern, and any other maintenance obligations noted on the Plat, so long as such facilities remain under Association use and control.

5. Maintenance of an Unimproved Lot: Each Owner is responsible for trash removal and/or maintenance of his and/or her Lot.

VI. ENFORCEMENT

Enforcement of these Rules and Regulations shall be in accordance with the Notice and Hearing and Enforcement Policy and Procedures adopted by the Board.