

**RULES AND REGULATIONS
OF
ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION, INC.**

Adopted: September 30, 2015

These Rules and Regulations may be amended, modified, and supplemented from time to time by the Board.

Authority for the adoption and amendment of these Rules and Regulations is granted by the Act and by the Colorado nonprofit corporation law and the Declaration of Covenants.

Capitalized terms used herein if not otherwise defined shall have the same definition as found in the Declaration of Protective Covenants for Alpine Lakes Ranch, Inc., as amended (the "Declaration"), or in the Articles of Incorporation or Bylaws of the Association (collectively, the "Governing Documents").

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ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION, INC.

Rule #1 - Architectural Requirements

1. No structure, permanent or temporary, shall be built, erected or placed on Alpine Lakes Ranch unless such structure is given prior approval from the Alpine Lakes Ranch Property Owners Association Board of Officers/Directors (ALRPOA BoD).
 1. Small structures, less than 100 square feet, intended to house domestic animals such as dogs or chickens, or to protect firewood,

etc., are exempt from this requirement but must still meet set back requirements.

2. Seasonal buildings such as temporary greenhouses need only be approved once provided the same size and type of structure is used year after year.

2. Mobile and modular homes shall not be permitted on any parcel within ALR.

3. The first structure must be a dwelling/residence consisting of not less than one thousand (1,000) square feet of living space. Living space does NOT include decks, porches, garages, unfinished basements or any other unfinished space.

4. Setbacks: No structure may be erected within one hundred (100) feet of the right-of-way (center) line of any road within ALR, nor within fifty (50) feet of any side or rear property line of any parcel.

5. Easements: Utility easements include ten (10) feet on each side of all side and common rear lot lines; twenty (20) feet on the interior side of all exterior lot lines; and fences must be at least thirty (30) feet from the center line of an ALRPOA road. Utility companies may breach fences built within utility easements, when necessary to access water, electric and/or telephone lines. Reconstruction or repair costs will be the responsibility of the property owner.

6. What must be submitted to ALRPOA BoD for approval of a residence?
 - o Completed promissory note (if necessary, for electric utility extension)
 - o At least one elevation
 - o Blueprint (NOT a full set of plans) to establish square footage
 - o A site plot plan indicating distance from residence to nearest property line and from residence to center line of nearest adjacent ALRPOA road. In the event a distance is disputed, ALRPOA Architectural Chair may request that ALRPOA BoD require the property owner to have the property line in question surveyed.

- Building permit.
 - A copy of the survey (ILC) if required by the county. Upon completion, a copy of the Certificate of Occupancy (CO) must be submitted to ALRPOA BoD.
7. For approval of an out-building (i.e., barns, detached garages, workshops, sheds, etc.), submit:
- Building permit if required by Archuleta County (NOTE: Recent changes in County building permit procedures impose additional requirements for out-buildings.)
 - One elevation (may be hand drawn)
 - Site plot plan (re: setbacks)
 - A copy of the survey (ILC) if required by the county.
8. The “cutting” or trenching of ALRPOA roads to access utilities (water, electric, telephone) is no longer permitted unless approval is given by ALRPOA BoD. Utilities must be accessed by boring under the road unless information provided to ALRPOA BoD indicates this is not feasible.
9. Culverts must be of sufficient size, 15” minimum, to ensure drainage through bar ditches is not obstructed causing damage to ALRPOA roads.
10. Lagoons are no longer permitted in Archuleta County! If property does not “perk”, an engineered septic system must be utilized.
11. Archuleta County has a limit of two (2) dwellings per thirty five (35) acre tract.
12. *“Alpine Lakes Ranch property owners participating in the Grazing Lease Program and/or whose property maintains agricultural tax status should be aware that fencing out any portion of their property may impact their annual property taxes. Please contact the Archuleta Count Assessors Office (970-264-8310) prior to fencing out any portion of your property.”*

Any questions pertaining to these guidelines should be directed to the ALRPOA Architectural Committee.

Architectural Committee

Revised March 21, 2006

13. Variance

A property owner who has already built a residence of at least 1,000 square feet and who owns two or more contiguous parcels on ALR, may build another structure (garage, barn, etc.) on the other parcels, if approved by the BoD, within the allowances of the ALR covenances. The setback requirements will apply to the new structure and the property owner will follow the same guidelines for obtaining a building permit.

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Rule #2 - Water Company Communications To Property Owners

Communications to the POA membership from WATCO shall be limited to business communications regarding the water system, billings, meetings and other related existing water system issues.

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Rule #3 - Water Company Request For POA Funding

Per the lease agreement between WATCO and the POA:

- a) WATCO has financial responsibility for new equipment that replaces existing equipment,
- b) POA has financial responsibility for new equipment that does not replace existing equipment, new equipment that is required by state mandate, and expansion of the water system.

WATCO may spend up to \$500 for new equipment that is the POA's financial responsibility without seeking prior approval. WATCO must notify the POA of the expenditure as soon as possible.

WATCO may incur expenses that are the POA's financial responsibility without seeking prior approval in the case of an emergency (failure of the system or health or safety issue), or if a higher cost would be incurred due to delay. Every attempt must be made by WATCO to contact the POA BoD prior to incurring the expense.

In any event, the expenditure eventually must be approved by a majority vote of the POA BoD either at a regularly scheduled BoD meeting, or in accordance with the "Voting Actions Performed Outside a BoD Meeting" Policy process prior to payment.

WATCO requests for POA funds must be in a written request and shall include:

- a) At least two (2) competitive bids/estimates. In the event or circumstance in which two (2) bids/estimates are not possible, a written statement must be submitted by WATCO to the POA BoD stating the reasons why.
- b) Written bids/estimates from each potential contractor which shall include a description of the work to be performed, specifications, assumptions, and, if applicable, any possibilities for higher costs
- c) Where new equipment is required, WATCO shall include a description of the equipment, why it is necessary, where it is to be used, and at least two (2) competitive bids/estimates/quotes.

And shall result in WATCO agreeing that:

- d) WATCO shall keep the POA BoD up to date on work progress as it happens,
 - e) WATCO shall inform the POA BoD whenever additional cost is expected to be incurred,
 - f) WATCO shall provide notification to the POA BoD of regular and special meetings at which POA funded work is to be discussed.
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ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION, INC.

Rule #4 - Subdividing a Parcel

The Alpine Lakes Ranch Declaration, ARTICLE XII. LANDUSE, states "Further subdivision of less than thirty-five acres is prohibited. Any subdivided parcel will be covered by these Covenants and become an automatic member of the Alpine Lakes Ranch Property Owner's Association". Therefore, the only parcels that can be subdivided to create additional 35 acres or larger parcels are those that are 70 acres or more in size. These are the requirements that must be met to receive approval from the ALRPOA to subdivide your parcel:

- 1) Must have Archoleta County approval to subdivide
- 2) Original parcel must be 70 acres or more
- 3) The resulting subdivision shall not create any parcel less than 35 acres
- 4) The resulting parcels shall abide by and conform to any existing easements, as well as any other legal agreements entered into by the parcel owner and ALRPOA
- 5) Each of the resulting parcels must have a driveway access directly from either an ALR road or a county road. No flag parcels shall be allowed (A flag parcel is one that requires a driveway easement through another parcel)
- 6) Each of the resulting parcels must have direct access to ALR utilities. In other words, no easements through another parcel to gain access to utilities shall be allowed
- 7) Unless there are special circumstances which the parcel owner requests the ALRPOA to consider, the minimum frontage to an ALR or county road of any and all resulting parcels shall be 60 feet to allow for:
 - a) Placement of the driveway at least 25 feet from either side boundary,
 - b) A minimum 10 foot wide driveway,

- 8) Each of the resulting parcels must have acceptable building sites that conform to the ALR Declaration setback requirements
- 9) Unless there are special circumstances which the parcel owner requests the ALRPOA to consider, the resulting subdivision shall not affect existing utility connections
- 10) New Water Taps will be allowed only after ALRPOA is satisfied that the additional tap(s) can be served by existing water production capabilities
- 11) All resulting Water Taps must be paid for at the going POA Water Tap Fee prior to approval.

Alpine Lakes Ranch Ditch & Reservoir Company (ALRD&RC) requirements:

Should the original parcel have irrigation water shares, these requirements must be met:

- 1) The total number of shares allocated to the resulting subdivided parcel(s) shall equal the number of shares allocated to the original parcel
- 2) No new ditches shall be created that could become the responsibility of the ALRD&RC
- 3) Each irrigated parcel shall have access to an ALRD&RC primary ditch to obtain water from its own gate. Multiple parcels shall not share a gate
- 4) Any and all secondary ditches created to move water from the ALRD&RC primary ditch to a subdivided parcel must have easements legally resolved as part of the subdivision process. The labor and costs for these efforts shall not be the responsibility of the ALRD&RC. Agreement from ALRD&RC shall depend on an ALRD&RC analysis to determine if the resulting share, gate, and/or ditch reconfiguration will affect irrigation flow or scheduling

Rule #5 - Grazing Lease Program

The Association, through the Board (or, at the Board's direction, the Grazing/Fencing Committee appointed by the Board) administers and executes grazing leases which effect all Lots whose Owners (i) are eligible to participate, and (ii) who choose to participate in this program ("Grazing Program"). Any Owner who fails to pay the Annual Assessments (or installments thereof if permitted by the Board), fees and other charges as and when due to the Association, is not eligible to participate in the Grazing Program for that year. Each Owner who signs a grazing lease with the Association is signing an agreement to allow the designated rancher (lessee) to graze cattle on his or her Lot at any time throughout the grazing season and to allow said lessee to enter such Lot at any time throughout the grazing season to manage/move cattle as well as repair/rebuild fencing. Owners who do not allow cattle on their Lots to graze or who do not allow said lessee to enter their Lots for these purposes at any time during the grazing season may be removed from the Grazing Program, at the sole discretion of the Board, and their names provided to the Archuleta County Assessor. The Archuleta County Assessor has the authority to remove such Lot from the agricultural classification and, in such event, such Owner will lose the agricultural use classification for the Lot. Upon the first breach of the terms of the grazing agreement the Owner will receive a non-compliance letter of notification from the Grazing/Fencing Committee. Upon a second infraction, the Grazing/Fencing Committee will recommend to the Board that the grazing lease agreement be terminated as to that Lot and the Archuleta County Assessor be notified immediately. Owners acknowledge and agree that the Association, acting through its Board and the Grazing/Fencing Committee appointed by the Board shall execute and administer all leases and the Grazing Program. Any owner who is not "in good standing" when Grazing Lease Agreement Forms are to be sent out, is not eligible to participate in the Grazing Program for that year. (11/11)

Based upon consultation with the Archuleta County Assessor and subject to change should the policies or directives of the Assessor change, the following are guidelines regarding fencing of all or portions of Lots: (Added 4/15/2016)

21. Owners may fence up to five (5) acres for residential use and still participate in the Grazing Program.
22. Owners who elect to fence more than five (5) acres may lose their ability to participate in the Grazing Program. In order to maintain eligibility for the Grazing Program, each fenced Owner

must obtain a signed letter from the Board stating that satisfactory arrangements are made to allow that Owner/Lot to continue participation in the Grazing Program. The decision of the Board will be made in accordance with the current standards of the Assessor at the time of the request and must be completed in the same time frame as the annual Grazing Leases. Requests for such letter should be made to the Grazing Director.

Despite the fact that Colorado is a free range, fence-out state, there are essentially no common areas on the ranch; it is all private property. Grazing or unattended movement of private livestock on other property without the owner's permission is essentially a form of trespass and cannot be tolerated. Furthermore, the Rancher participating in the Grazing lease has an expectation that other, privately owned livestock will not interfere with his exclusive grazing rights. (BoD 9/30/2015 Minutes; Formally Adopted 11/13/15)

Grazing proceeds may exceed expenses in any particular grazing year. It will be at the Board's discretion whether any of this excess will be distributed to grazing participants. Tax consequences and other considerations will directly affect this decision.