THE ALDASORO RANCH ALDASORO RANCH HOMEOWNERS COMPANY ADMINISTRATIVE RULES, REGULATIONS AND POLICIES

"ASSOCIATION ROADS"

Effective Date: August 27, 2013

DEFINITIONS

- (a) "Aldasoro Lot" means any lot designated for residential use and development that has been platted and included in the Aldasoro Ranch subdivision.
- (b) "Association Roads" means any of the private roads located in the Aldasoro Subdivision that are owned, operated and administered by the HOA. Association Roads shall mean and include, without limitation, the right-of-way/easement area associated with the improved surface area of the road, including the shoulder, road base, ditches and the like, gates, fences, signs, markers, landscaping and such other components serving or constituting part of the Association Roads.
- or supplemented from time to time: General Declaration for the Aldasoro Ranch, recorded on August 5, 1991 in Book 480 at page 817; First Amendment to Declaration recorded on May 15, 1992 in Book 492 at page 152; Second Amendment to Declaration recorded on August 6, 1996 in Book 565 at page 783; Third Amendment to Declaration recorded November 13, 2003 at Reception No. 361929, as re-recorded February 9, 2005 at Reception No.372380; Fourth Amendment to Declaration recorded February 22, 2005 at Reception no.372729; First Supplement to Declaration recorded on April 9, 1992 in Book 490 at page 413; Second Supplement to Declaration recorded on May 15, 1992 in Book 492 at page 149; Third Supplement to Declaration recorded on January 29, 1993 in Book 505 at page 322; and Fourth Supplement to Declaration recorded on April 25, 1995 in Book 545 at page 70 (collectively referred to as the "General Declaration"); Final Plat for Aldasoro Ranch Filing No. 1, recorded on August 5, 1991 in Plat Book 1 at page 1153; Final Plat for Aldasoro Ranch Filing No. 2, recorded on April 25, 1995 in Plat Book 1 at page 1406; and Final Plat for Aldasoro Ranch Filing No. 3, recorded on April 25, 1995 in Plat Book 1 at page 1830 (collectively referred to as the "Plats"), the Articles of Incorporation and Bylaws for the HOC and such other rules, regulations and policies adopted from time to time.
- (d) "Authorized User" means the following persons: (i) an Owner of Property duly included in the Association; (ii) a Guest, provided that use of the Association Roads necessary for the sole and exclusive purpose of gaining access to and from the Owner's Property to whom the person is a guest; (iii) a person or party to whom usage rights was expressly granted by written agreement or instrument executed by the HOC, provided that such usage is limited to the particular Association Roads for which the rights were granted and the usage is restricted as provided for in the usage agreement and these Rules; and (iv) such other persons or entities as authorized by the Board for the purpose of advancing or undertaking Association business or affairs.
- (e) "Guest" means a person or persons who are present in the Aldasoro Ranch subdivision at the specific invitation of an Owner or Tenant to gain access to and from the Owner's property.
 - (f) "HOC" means the Aldasoro Ranch Homeowners Company.
- (g) "Owner" means a person or persons who are the current fee simple owner of an Aldasoro Lot. Family members related to an Owner are deemed to be an "Owner" for purposes of this Policy.
- (h) "Tenant" means a person or persons duly authorized to lease a residence from an Owner that has been constructed on an Aldasoro Lot. Family members related to a Tenant are deemed to be a "Tenant" for purposes of this Policy.

RECITALS

- A. The HOC owns, operates, manages and administers Association Roads
- B. The HOC wishes to promulgate rules and regulations related to the usage of the Association Roads to create uniformity and certainty.

ADOPTED RULES AND REGULATIONS

Pursuant to the authority provided for in the Association Governing Documents, the Board does hereby adopt and promulgate the within Rules.

- 1. **Designation of Association Road(s) and Facilities.** All Association Roads shall be governed by these Rules. Capitalized terms as used herein shall be given the meaning ascribed to the term in the Association Governing Documents, unless otherwise stated or defined in these Rules.
- 2. **Board of Directors.** The Board is authorized and directed to monitor and enforce compliance with these Rules. These Rules may be amended only by vote of two-thirds of the Board Members of the Board of Directors, following notice and a reasonable opportunity to comment by all Association Members, at any meeting duly called for such purpose. No vote of the Association Members is required to effect an amendment to the Rules. The Board shall promptly publish any amendments or modifications to these Rules to the Association Members.
- 3. **Persons Authorized to Use of The Association Roads**. The Association Roads shall be used only by an Authorized User, subject to these Rules.
- 4. **Restrictions Concerning the Use of Association Roads**. The use of an Association Road by any Authorized User is subject to the following requirements:
- 4.1. The Association Roads shall be used only for the purposes for which they were designed and constructed.
- 4.2. Only motorized vehicles designated for and allowed for use on paved public highways may be used on the Association Roads. Unlicensed OMVS, Snowmobiles, ATV's, dirt bikes and other similar recreational motor vehicles shall not be allowed on the Association Roads. Exception for licensed ATV's used in a responsible way for maintenance. Abuse of this exception is at the Boards discretion.
- 4.3. The Association Roads shall not be used in a manner that would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body.
- 4.4. The Association Roads shall not be used in a manner that would cause damage to, or waste to the Association Roads.
 - 4.5. The Association Roads shall not be used in a manner that would be imprudent or unsafe.
- 4.6. The Association Roads shall not be used in a manner that would result in the cancellation of the insurance as maintained by the Association, without the prior written approval of the Association.
- 4.7. The Association Roads shall not be used in a manner that would result in any damage to any other Owner's person or property.

- 4.8. No Authorized User may exceed the maximum speed limit on all Association Roads, which is currently 25 M.P.H. or such lesser speed as is reasonably prudent under the circumstances.
- 4.9. No parking of any vehicles by any Authorized Person is allowed on any Association Roads without the prior written approval of the Board, which may be granted or refused in the sole discretion of the Board.
- 4.10. No work to the Association Roads, including, without limitation, digging, trenching, cutting, paving, drilling, excavation or other disturbance whatsoever may occur without the prior written approval of the Board, which may be granted or refused in the sole discretion of the Board.
- 4.11. With respect to an Association Road and/or any area of an easement or right-of-way associated with an Association Road, an Owner may not: (a) place, erect or construct any signs, markers or other displays or any other type, kind or purpose (not otherwise allowed by these Rules); (b) place, erect or construct any other structure or improvement; or (c) remove any portion of the Association Roads.
- 4.12. Bicycles may be used along the right side of the paved Association Roads, provided that the rider is using the Association Roads in a safe and careful manner, at a safe and reasonable speed and stays within the areas authorized for bicycle riding.
- 4.13. No other non-motorized vehicles, including, without limitation, skateboards, roll skates, roller blades, roller skis, sleds or skis are allowed to be used on Association Roads.
- 5. **Damage to Association Roads.** Any Owner or their Authorized User or other designee whose use of any Association Roads damages or causes unusual wear and tear to any Association Roads shall be obligated to reimburse the Association for costs and expenses it incurs in fixing any such damage or wear and tear. The Board shall assess the cost and expense so incurred against the Owner of the Property that caused the damage or wear and tear. Reimbursements for costs and expenses shall be assessed and collected in the manner provided for in the Articles.
- 6. Variances and Waivers. The Board, in its sole and reasonably discretion, may grant such temporary or permanent waivers or variances from these Rules as the Board deems necessary and appropriate.

7. Fines and Penalties.

- 7.1. **Board to Enforce Compliance.** The Board is authorized and empowered to obtain a reimbursement from an Owner deemed to have damaged for any costs incurred by the Association in curing a violation of these Rules, including any damage to the Association Property.
- penalties, not to exceed the sum of \$100 per occurrence per day, which fines and penalties may be assessed against an Authorized User who is found to be in violation of these Rules. The fine shall continue for each day that the Owner shall continue to be in violation, following the expiration of the cure period stated in the notice (described below). All fines and reimbursements assessments shall be due and payable immediately upon notice of such fine or assessment and the expiration of the cure period and, if a hearing is requested for the violation, the fine. If any fine assessment is not paid within ten days after the due date, a late charge in the amount of \$100 shall be assessed to compensate the Association for the expenses, costs and fees involved in handing such delinquency. Owners shall be personally, jointly, and severally liable for all fines/penalty assessments. In the event an Authorized User is not an Owner of Property, the Owner of Property who authorized the Authorized User to use the Association Road and Facilities shall be responsible for the fines, penalties and other costs

imposed by the Board. Fines and penalties shall be assessed and collected in the manner provided for in the Articles.

- 7.3. **Notice of Violation**. The Board shall notify an Owner of the Board's determination of a violation ("**Notice of Violation**") under the Rules or the provision of the Declaration, Map or Bylaws to the applicable Owner as soon as reasonably practicable following discovery. The Board may also, at its option, provide a copy of such notice to any non-owner violator. The Notice of Violation shall describe the nature of the violation and shall further state that the Board may seek to protect its rights as they are specified in the governing legal documents. The fine assessment is due and payable immediately upon receipt of Notice of Violation, unless a hearing is requested, in which case the payment of the fine will be delayed pending the outcome of the hearing.
- 7.4. **Request for Hearing**. In the event any Owner desires to challenge or contest any alleged violation and possible fine stated in the Notice of Violation, said Owner must, within fourteen days from receipt of the Notice of Violation, request such hearing by notifying the Association, in writing, of such hearing request. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived. If a hearing is requested within the aforementioned 14 day period, the Board shall convene a hearing as provided for below. In requesting a hearing before the Association, an Owner shall state and describe the grounds and basis for challenging or denying the alleged violation as well as such other information the Owner deems pertinent.
- 7.5. **Board to Conduct Hearing**. If a hearing is timely requested by an Owner, the Board shall hear and decide cases set for hearing pursuant to these Rules. The Board shall send a notice of hearing ("Notice of Hearing") to the Owner indicating the time, place and location of the hearing. The Board may appoint an officer or other Owner to act as the presiding officer (the "Presiding Officer") at any of the hearings.
- 7.6. Conflicts. It shall be incumbent upon each Board member to make a determination as to whether he/she is able to function in a disinterested and objective manner in consideration of each hearing before the Board. Any Board member incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Association prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and said Board member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member(s) results in an even number of remaining Board members eligible to hear a case, the Presiding Officer shall appoint an Association member, in good standing, to serve as a voting member of the hearing board.
- Hearing. Each hearing shall be held at the scheduled time, place and date stated in the 7.7. Notice of Hearing, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board by reading the Notice of Hearing. The general procedure for hearing shall consist of opening statements by each party; presentation of testimony and evidence, including cross-examination of witnesses by each party; and closing statements by each party. Notwithstanding the foregoing, the Board may exercise its discretion as to the specific manner in which a hearing shall be conducted and shall be authorized to question witnesses, review evidence and take other such reasonable action during the course of a hearing of which it may deem appropriate or desirable to permit the Board to reach a just decision in the case. Neither the complaining parties, nor the Owner, must be in attendance at the hearing in order for the hearing to proceed. However, the decision of the Board at each hearing shall be based on the matters set forth in the Notice of Violation, request for hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board of Directors, all hearings shall be open to attendance by all members of the Association. The Board and the Owner may participate by phone. The hearing shall be open to all Owners in the Community.

- 7.8. **Decision**. After all testimony and other evidence have been presented to the Board at a hearing, the Board shall render its written decision thereon within twenty days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the Board. The Board shall issue written findings of fact and conclusions, and, if applicable, shall impose a reasonable fine as provided in the Association's Rules and assess costs, expenses and fees, including attorney fees incurred by the Association in conducting the hearing and issuing the fines. The Board may also issue and present for recording with the Clerk and Recorder of San Miguel County, Colorado, a Notice of Finding of Violation. Upon satisfactory compliance with the Association's governing documents, the Notice of Violations may be released by the Association issuing and recording a Release of Notice of Findings of Violations.
- 7.9. **Enforcement**. The Association may commence an action at law, or in equity, or both, against any Owner personally obligated to pay the fine and assessment for recovery of said fine and assessment plus late charges. The prevailing party shall recover its reasonable attorneys' fees and associated costs and expenses incurred in connection with such legal proceedings.

8. Miscellaneous.

- 8.1. **Resolution of Conflicts**. In the event of a specific conflict between the Articles and the Rules, the Rules shall prevail.
- 8.2. **No Waiver**. Failure by the Association, the Board or any person to enforce any provision of these Rules shall in no event be deemed to be a waiver of the right to do so thereafter.
- 8.3. Severance. The provisions of these Rules shall be deemed to be independent and several, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or decree of any court of competent jurisdiction, shall in no way affect the validity or enforceability of the remaining provisions, which provisions shall remain in full force and effect.

APPROVAL AND EXECUTION

The foregoing Rules are hereby adopted by the Association as of the Effective Date.