

**APPLICATION FOR WATER ALLOTMENT CONTRACT
BASALT WATER CONSERVANCY DISTRICT**

1. Applicant(s) Name(s): **Emma Farms Homeowners Association, Inc.**

Applicant(s) Mailing Address: **Tom Waldeck & Steve Waldeck
Emma Farms, LLC
0124 Totterdown Street
Aspen, CO 81611**

Applicant(s) Street Address: **Same as above**

Applicant(s) Telephone No(s).: **(970) 920-4074**

Applicant(s) E-mail Address:

Attorney Info (Name, Address, Telephone and Fax Nos., E-mail):

**Scott C. Miller, Esq.
Patrick, Miller & Kropf, P.C.
730 E. Durant Ave., Suite 200
Aspen, CO 81611
(970) 920-1028
millers@waterlaw.com**

Emergency Contact Information (preferably local) (Name, Address, Telephone and Fax Nos.):

Contact Information (Name, Address, Telephone and Fax Nos.) of any property manager, caretaker, irrigator, system operator or agent who should be provided a copy of this contract:

2. Type of land use (development) proposed for water allotment contract (i.e. single family home, subdivision, gravel pit, etc.)

Subdivision.

3. Legal description of property on which District's water rights and/or contract water shall be used; Quarter, Quarter, Section, Township, Range (attach map and vesting deed with proof of ownership)*: **Lots 1-5, Emma Farms, according to Final Plat at Reception No. 200800849 See attachment for plat and deeds.**

4. Elevation zone of property: 6-7,000 ft., _____ 7-8,000 ft.,
8-9,000 ft.

5. Name and legal description of water supply diversion point(s): include Quarter
Quarter, Section, Township, Range, bearing and distance from nearby Section
corner. (Identify if well, spring, pipeline, etc.) If diversion point is a well, please
provide the State Permit No. _____.

There are to be five wells, located on building envelopes as shown on final plat.
See attached mapping. Final well locations to be determined when well permit
applications are submitted. Well permit applications will be applied for if and when
allotment contract is approved. As permits are approved, they will be provided to
the District.

Is the well operational/active? _____ Yes, No

Is there currently an operating well meter? _____ Yes, No

Notice: A valid well permit with operating well meter will be required under the
contract.

6. Has Applicant applied with the Water Court for water rights, change of water rights
and/or a water right plan for augmentation? _____ Yes, No; If yes,
what is the Water Court Case No.

7. Proposed waste water treatment system: (please check)

_____ Tap to central waste water treatment facility

Septic tank/leachfield system

_____ Evapotranspiration system

_____ Other:

8. Proposed use of water (please check)

Domestic/Municipal (single family home(s), duplex(s), condominium(s),
mobile home(s), apartment). Please complete page three of this
application.

_____ Commercial (hotel, office, warehouse, restaurant, bar, retail). Please
complete page four of this application.

_____ Industrial (gravel pit, manufacturing). Please complete page four of this
application.

_____ Agricultural (crop irrigation, stock watering). Please complete page five of
this application.

Date on which the county or other applicable governmental entities approved the land
use for which you seek legal water service: _____. (Note: Copy of the

Resolution of other documentation evidencing such approval should be submitted with application.)

9. What other water rights are associated with or used on the property?

0.771 cfs of water transported via the Home Supply Ditch, 0.533 cfs from each of the following priorities (from the deed):

- a) **Priority No. 179, Division 5 Water Court Case No. 132, adjudicated May 11, 1889 and appropriated May 27, 1887;**
- b) **Priority No. 261, Division 5 Water Court Case No. 2811, adjudicated January 23, 1931 and appropriated May 1, 1905; and**
- c) **Priority No. 377, Division 5 Water Court Case No. 3082, adjudicated August 25, 1936 and appropriated April 15, 1907.**

0.553 cfs from each of the following priorities of the Sopris Highline Ditch:

- a) **Priority No. 107, Division 5 Water Court Case No. 132, adjudicated May 11, 1889 and appropriated May 27, 1887;**
- b) **Priority No. 414T, Division 5 Water Court Case No. 3082, adjudicated August 25, 1936 and appropriated May 1, 1922.**

10. What other uses of water occur on the property? **Irrigation.**

Please complete this page if you checked domestic/municipal use on Page 2, No. 8

DOMESTIC/MUNICIPAL WATER USES

In-House

Single family residential home(s)

Number of Units: **5 Single-Family
and 5 ADUs**

Duplex(s)

Number of Units: _____

Condominium(s)

Number of Units: _____

Apartment(s)

Number of Units/Rooms: _____

Mobil Home(s)

Number of Units: _____

Irrigation (lawns, parks, open space)

Total area to be irrigated 50,000 Sq. Ft. or _____ Acres

Type of irrigation system (please check)

X Sprinkler

_____ Flood (irrigation ditch)

Domestic stock watering (cattle, horses)

Number of animals: **up to 30.**

Period of use (months): **Year round.**

Other domestic/municipal uses not listed:

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF PITKIN)

I, David Myler, being first duly sworn, upon oath, depose and state as follows:

- 1) I am the Applicant or a duly authorized officer, manager, agent or attorney-in-fact for the Applicant for this Application for Water Allotment Contract;
- 2) I have read and know the contents of this Application;
- 3) The information contained herein is an accurate and complete description of the Applicant's intended use of the Basalt Water Conservancy District's water rights;
- 4) The Applicant acknowledges that the accuracy and truth of all statements in this Application are conditions of approval of this Application by the Basalt Water Conservancy District and of the Contract to be made pursuant to such approval; and
- 5) I acknowledge that this application shall be subject to the District's Water Allotment Contract as approved and issued by the District.

Date: 7/8/08

By: *[Signature]*

Print Name: David Myler

Title: Directory/Secretary Treasurer

Subscribed and sworn before me this 8th day of July, 2008
by David S. Myler.

Witness my hand and seal.

[Signature]
Notary Public

My commission expires:

**My Commission Expires
October 25, 2011**

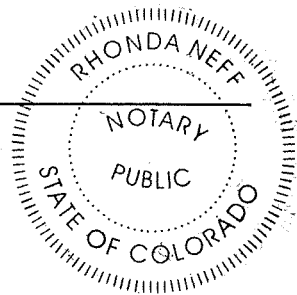


EXHIBIT A
LEGAL DESCRIPTION

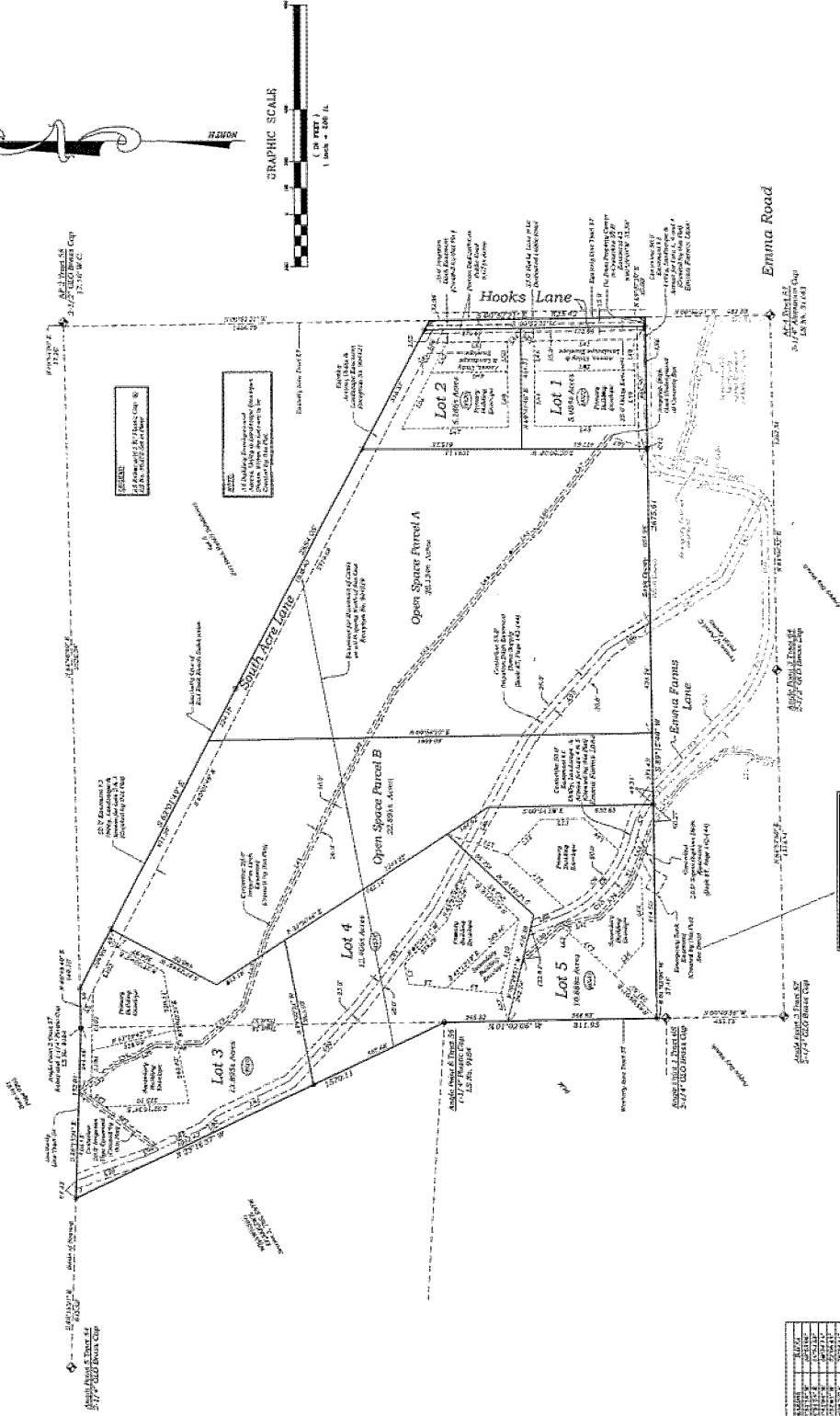
A PARCEL OF LAND SITUATE IN TRACTS 56 AND 57, TOWNSHIP 8 SOUTH, RANGE 87 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EAGLE, STATE OF COLORADO, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT ANGLE POINT 2 OF SAID TRACT 57, A REBAR AND CAP LS NO. 9184 IN PLACE; THENCE N88°48'40"E ALONG THE NORTHERLY LINE OF SAID TRACT 57 A DISTANCE OF 149.16 FEET TO A POINT ON THE SOUTHERLY LINE OF RED ROCK RANCH SUBDIVISION; THENCE DEPARTING THE NORTHERLY LINE OF SAID TRACT 57 S62°01'49"E ALONG THE SOUTHERLY LINE OF SAID RED ROCK RANCH SUBDIVISION A DISTANCE OF 2884.05 FEET TO A POINT ON THE EASTERLY LINE OF SAID TRACT 57; THENCE S00°52'21"E ALONG SAID EASTERLY LINE A DISTANCE OF 825.42 FEET; THENCE DEPARTING SAID EASTERLY LINE S89°12'40"W 2675.61 FEET TO A POINT ON THE WESTERLY LINE OF SAID TRACT 57; THENCE N01°02'06"W ALONG THE WESTERLY LINE OF SAID TRACT 57 A DISTANCE OF 811.95 FEET TO ANGLE POINT 8 OF SAID TRACT 56; THENCE DEPARTING SAID WESTERLY LINE N25°16'57"W 1570.11 TO A POINT ON THE SOUTHERLY LINE OF TRACT 54 (WHICH ANGLE POINT 5 OF TRACT 54 BEARS N188°15'21"W 643.52 FEET); THENCE S88°15'21"E ALONG THE SOUTHERLY LINE OF SAID TRACT 54 A DISTANCE OF 652.01 FEET TO THE TRUE POINT OF BEGINNING, SAID TRACT OF LAND CONTAINING 106.215 ACRES MORE OR LESS;

FINAL PLAT
EMMA FARMS

A Parcel of Land Situate in Sections 10 & 11 and Tracts 56 & 57, Township 8 South, Range 87 West of the 6th P.M. County of Eagle, State of Colorado

SUF-00022



Tom Waldeck
515 W. NORTH STREET
ASPEN, CO 81611

DATE: 7/29/09
PROJECT NO.: 06005601
SHEET: 3
OF: 3

FINAL PLAT
EMMA FARMS



REVISION	DESCRIPTION
1/21/09	ADJ. SP. PARCELS/PINPOINT PLATS
1/21/09	10' W. WIDE
1/21/09	10' W. WIDE

TRACT	SECTION	TOWNSHIP	RANGE	ACRES	APPROXIMATE	REMARKS
1	10	8	87	1.00	0.00000	...
2	10	8	87	1.00	0.00000	...
3	10	8	87	1.00	0.00000	...
4	10	8	87	1.00	0.00000	...
5	10	8	87	1.00	0.00000	...
6	10	8	87	1.00	0.00000	...
7	10	8	87	1.00	0.00000	...
8	10	8	87	1.00	0.00000	...
9	10	8	87	1.00	0.00000	...
10	10	8	87	1.00	0.00000	...
11	10	8	87	1.00	0.00000	...
12	10	8	87	1.00	0.00000	...
13	10	8	87	1.00	0.00000	...
14	10	8	87	1.00	0.00000	...
15	10	8	87	1.00	0.00000	...
16	10	8	87	1.00	0.00000	...
17	10	8	87	1.00	0.00000	...
18	10	8	87	1.00	0.00000	...
19	10	8	87	1.00	0.00000	...
20	10	8	87	1.00	0.00000	...
21	10	8	87	1.00	0.00000	...
22	10	8	87	1.00	0.00000	...
23	10	8	87	1.00	0.00000	...
24	10	8	87	1.00	0.00000	...
25	10	8	87	1.00	0.00000	...
26	10	8	87	1.00	0.00000	...
27	10	8	87	1.00	0.00000	...
28	10	8	87	1.00	0.00000	...
29	10	8	87	1.00	0.00000	...
30	10	8	87	1.00	0.00000	...
31	10	8	87	1.00	0.00000	...
32	10	8	87	1.00	0.00000	...
33	10	8	87	1.00	0.00000	...
34	10	8	87	1.00	0.00000	...
35	10	8	87	1.00	0.00000	...
36	10	8	87	1.00	0.00000	...
37	10	8	87	1.00	0.00000	...
38	10	8	87	1.00	0.00000	...
39	10	8	87	1.00	0.00000	...
40	10	8	87	1.00	0.00000	...
41	10	8	87	1.00	0.00000	...
42	10	8	87	1.00	0.00000	...
43	10	8	87	1.00	0.00000	...
44	10	8	87	1.00	0.00000	...
45	10	8	87	1.00	0.00000	...
46	10	8	87	1.00	0.00000	...
47	10	8	87	1.00	0.00000	...
48	10	8	87	1.00	0.00000	...
49	10	8	87	1.00	0.00000	...
50	10	8	87	1.00	0.00000	...

TRACT	SECTION	TOWNSHIP	RANGE	ACRES	APPROXIMATE	REMARKS
1	10	8	87	1.00	0.00000	...
2	10	8	87	1.00	0.00000	...
3	10	8	87	1.00	0.00000	...
4	10	8	87	1.00	0.00000	...
5	10	8	87	1.00	0.00000	...
6	10	8	87	1.00	0.00000	...
7	10	8	87	1.00	0.00000	...
8	10	8	87	1.00	0.00000	...
9	10	8	87	1.00	0.00000	...
10	10	8	87	1.00	0.00000	...
11	10	8	87	1.00	0.00000	...
12	10	8	87	1.00	0.00000	...
13	10	8	87	1.00	0.00000	...
14	10	8	87	1.00	0.00000	...
15	10	8	87	1.00	0.00000	...
16	10	8	87	1.00	0.00000	...
17	10	8	87	1.00	0.00000	...
18	10	8	87	1.00	0.00000	...
19	10	8	87	1.00	0.00000	...
20	10	8	87	1.00	0.00000	...
21	10	8	87	1.00	0.00000	...
22	10	8	87	1.00	0.00000	...
23	10	8	87	1.00	0.00000	...
24	10	8	87	1.00	0.00000	...
25	10	8	87	1.00	0.00000	...
26	10	8	87	1.00	0.00000	...
27	10	8	87	1.00	0.00000	...
28	10	8	87	1.00	0.00000	...
29	10	8	87	1.00	0.00000	...
30	10	8	87	1.00	0.00000	...
31	10	8	87	1.00	0.00000	...
32	10	8	87	1.00	0.00000	...
33	10	8	87	1.00	0.00000	...
34	10	8	87	1.00	0.00000	...
35	10	8	87	1.00	0.00000	...
36	10	8	87	1.00	0.00000	...
37	10	8	87	1.00	0.00000	...
38	10	8	87	1.00	0.00000	...
39	10	8	87	1.00	0.00000	...
40	10	8	87	1.00	0.00000	...
41	10	8	87	1.00	0.00000	...
42	10	8	87	1.00	0.00000	...
43	10	8	87	1.00	0.00000	...
44	10	8	87	1.00	0.00000	...
45	10	8	87	1.00	0.00000	...
46	10	8	87	1.00	0.00000	...
47	10	8	87	1.00	0.00000	...
48	10	8	87	1.00	0.00000	...
49	10	8	87	1.00	0.00000	...
50	10	8	87	1.00	0.00000	...



WARRANTY DEED

Rec fee #110 - 3/14
(2)

THIS DEED, made this 14th day of January, 2005, between CONRAD N. CERISE AND LAVANIA CERISE, Grantors and EMMA FARMS, LLC, whose legal address is 915 W. North St, Aspen CO, Grantee.

WITNESS, that the Grantors, for and in consideration of the sum of Ten and no/100ths dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell, convey and confirm unto the Grantee, its successors and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Eagle and State of Colorado, described as follows:

See Exhibit "A" attached hereto.

also known by street and number as: TBD Emma Road, Basalt, CO 81621

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantors, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the Grantee, its successors and assigns forever. And the Grantors, for themselves, their heirs and assigns, do covenant, grant, bargain and agree to and with the Grantee, its successors and assigns, that at the time of the ensembling and delivery of these presents, they are well seized of the premises above conveyed, have good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and have good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except those matters set forth on Exhibit "B" attached hereto.

The Grantors shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of the Grantee, its successors and assigns, against all and every person or persons lawfully claiming the whole or any part thereof.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the Grantors have executed this deed on the date set forth above.

Conrad N. Cerise
Conrad N. Cerise

Lavania Cerise
Lavania Cerise

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledge before me this 14th day of January, 2005, by Conrad N. Cerise and Lavania Cerise.

My commission expires: 8/24/07
Witness my hand and official seal.

Marlene Stalker
Notary Public

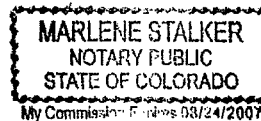


EXHIBIT A

LEGAL DESCRIPTION

A parcel of land situated in Tracts 56 and 57, Township 8 South, Range 87 West of the 6th Principal Meridian, Eagle County, Colorado, being more particularly described as follows:

Beginning at Angle Point No. 2 of said Tract 57;
thence N 88°45'00" E 149.16 feet along the Northerly boundary line of said Tract 57;
thence S 62°05'30" E 1817.00 feet;
thence S 78°58'54" W 1861.97 feet;
thence N 25°20'37" W 1352.38 feet to a point on the Northerly boundary line of said Tract 56;
thence S 88°19'00" E 652.00 feet along the Northerly boundary line of said Tract 56 To The Point Of Beginning

COUNTY OF EAGLE,
STATE OF COLORADO.

Exhibit "B" EXCEPTIONS

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

Any and all unpaid taxes and assessments and any unredeemed tax sales.

The effect of inclusions in any general or specific water conservancy, fire protection, soil conservation or other district or inclusion in any water service or street improvement area.

Reservations or exceptions contained in U.S. Patents, or in Acts authorizing the issuance thereof, recorded in Book 48 at Page 330 and Patent recorded in Book 623 at Page 606, reserving 1) Rights of the proprietor of a vein or lode to extract and remove his ore therefrom and 2) rights of way for ditches and canals constructed under the authority of the United States, Eagle County records.

A reservation for a ditch reserved in the Warranty Deed from Clement Diemoz to Albert Thornhill recorded in Book 87 at Page 142 and in Warranty Deed from Albert Thornhill to John Vasten recorded in Book 87 at Page 144 and a reservation for a ditch reserved in the Warranty Deed from John Vasten to Arthur Vasten recorded in Book 128 at Page 451, Eagle County Records and in Deeds recorded in Book 153 at Page 332; in Book 153 at Page 342 in Book 166 at Page 260, Pitkin County records.

A reservation of a right of way to grantor and his heirs and assigns, reserved in Warranty Deed from Clement Diemoz to Emanuel Letey recorded in Book 78 at Page 348, Eagle County records and in Book 153 at Page 173, Pitkin County records.

Terms, conditions, obligations as contained in the Deeds recorded October 30, 1996 in Book 710 at Page 35 as Reception No. 606014 and in Book 710 at Page 36 as Reception No. 606015, Eagle County records.

Right of way for all ditches and creeks crossing over subject property.

All matters as shown on the Improvement Location Certificate by Lines In Space dated 10/14/04.

Easement for movement of cattle across subject property, as noted in Contract dated August 30, 2004 for subject property.



904520

Page: 1 of 2

01/27/2005 10:47A

Teak J Simonton Eagle, CO 66 R 11.00 D 0.00

2/11
③
102-2-a

BARGAIN AND SALE DEED

Conrad N. Cerise, Lavania Cerise, Lucy Cerise and Rory N. Cerise, collectively Grantors, for the consideration of Ten Dollars and other good and valuable consideration, in hand paid, hereby sell and convey to the following Grantee, Emma Farms, LLC, whose address is c/o The Myler Law Firm, P.C., 211 Midland Avenue, Suite 201, Basalt, Colorado, 81621, the following water rights in the County of Eagle and State of Colorado, to wit:

1.281 cfs of water, transported via the Home Supply Ditch, .427 cfs from each of the following priorities: (a) Priority No. 179, Division Five Water Court Case No. 132, adjudicated 5/11/1889 and appropriated 5/27/1887; (b) Priority No. 261, Division Five Water Court Case No. 2811, adjudicated 1/12/1931 and appropriated 5/1/1905; and (c) Priority No. 377, Division Five Water Court Case No. 3082, adjudicated 8/25/1936 and appropriated 4/15/1907,

with all its appurtenances.

SIGNED this 14th day of January 2005.

Conrad N. Cerise

Conrad N. Cerise

Lavania Cerise

Lavania Cerise

Lucy Cerise

Lucy Cerise

Rory N. Cerise

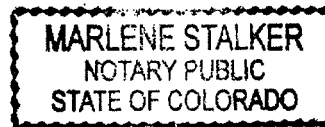
Rory N. Cerise

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 14th day of January, 2005, by **Conrad N. Cerise**.

WITNESS my hand and official seal.

My commission expires:



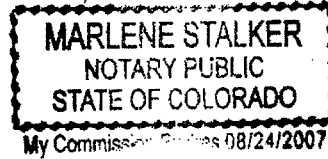
My Commission Expires 08/24/2007

Marlene Stalker

Notary Public



STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)



The foregoing instrument was acknowledged before me this 14th day of January, 2005, by **Lavania Cerise.**

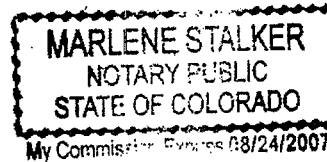
WITNESS my hand and official seal.

My commission expires:
0-24-07

Marlene Stalker

Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)



The foregoing instrument was acknowledged before me this 14th day of January, 2005, by **Lucy Cerise.**

WITNESS my hand and official seal.

My commission expires:

Marlene Stalker

Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 14th day of January, 2005, by **Rory N. Cerise.**

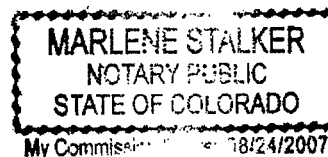
WITNESS my hand and official seal.

My commission expires:

Marlene Stalker

Notary Public

G:\Client\Waldeck, Tom\Bargain and Sale Deed (Water Rights).wpd





\$127.50 3/16-
doc fee

WARRANTY DEED

THIS DEED, made this 8th day of August, 2007, between

Rory N. Cerise and Lucy W. Cerise

of the said County of Eagle and State of Colorado, Grantor, and

SW Enterprises, LLC, a Colorado limited liability company

whose legal address is: 124 Totterdown Road, Aspen, CO 81611
of the said County of Eagle and State of Colorado, grantee:

WITNESS, that the grantor, for and in consideration of the sum of
(\$10.00) Ten dollars and Zero cents, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and
conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantees, their heirs and assigns forever, all the
real property, together with improvements, if any, situate, lying and being in the County of Eagle and State of Colorado described as
follows:

See "Exhibit A" attached hereto
also known by street and number as: 3006 Emma Road, Basalt, CO 81621

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the
reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and
demand whatsoever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and
appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantee, his heirs and
assigns forever. And the grantor, for himself, his heirs, and personal representatives, does covenant, grant, bargain, and agree to and
with the grantee, his heirs and assigns, that at the time of the ensembling and delivery of these presents, he is well seized of the premises
above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full
power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and
clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or
nature soever, except those matters set forth in Exhibit "A" attached hereto and made a part hereof.

The grantor shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable
possession of the grantee, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof.
The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the grantor has executed this deed on the date set forth above.

Rory N. Cerise
Rory N. Cerise

Lucy W. Cerise
Lucy W. Cerise

STATE OF Colorado)
) ss.
COUNTY OF Eagle)

The foregoing instrument was acknowledged before me this 8th day of August, 2007, by Rory N. Cerise and Lucy W. Cerise

My commission expires: March 28, 2009.

Witness my hand and official seal



My Commission Expires Mar. 28, 2009

Shirley Helmer
Notary Public

Return to: Myler Law Firm
211 Midland Ave.
Basalt, CO 81621

Return: Stewart Title, Edwards

EXHIBIT "A"

A parcel of land situated in Tract 57, Township 8 South, Range 87 West of the 6th Principal Meridian, Eagle County and Pitkin County, Colorado, being more particularly described as follows:

Beginning at a point on the Westerly boundary line of said Tract 57, whence Angle Point No. 3 of said Tract 57 bears
S 00°28'10" E 490.22 feet;
thence N 89°19'45" E 2311.03 feet;
thence S 00°50'26" E 207.33 feet;
thence N 89°09'51" E 150.17 feet;
thence N 00°52'43" W 204.93 feet;
thence N 88°44'51" E 181.42 feet;
thence N 00°51'00" W 415.99 feet;
thence S 89°41'46" W 309.54 feet;
thence N 74°53'34" W 1004.12 feet;
thence S 83°18'54" W 1374.47 feet to a point on the Westerly boundary line of said Tract 57;
thence along said Westerly line S 00°49'58" E 546.90 feet To The True Point Of Beginning

COUNTY OF EAGLE AND COUNTY OF PITKIN
STATE OF COLORADO

EXHIBIT A
EXCEPTIONS

1. Taxes for the year 2007 not yet due and payable and subsequent years.
2. The effect of inclusions in any general or specific water conservancy, fire protection, soil conservation or other district or inclusion in any water service or street improvement area.
3. Reservations or exceptions contained in U.S. Patents, or in Acts authorizing the issuance thereof, recorded in Book 48 at Page 330 and Patent recorded in Book 623 at Page 606, reserving 1) Rights of the proprietor of a vein or lode to extract and remove his ore therefrom and 2) rights of way for ditches and canals constructed under the authority of the United States, Eagle County records.
4. A reservation for a ditch reserved in the Warranty Deed from Clement Diemoz to Albert Thornhill recorded in Book 87 at Page 142 and in Warranty Deed from Albert Thornhill to John Vasten recorded in Book 87 at Page 144 and a reservation for a ditch reserved in the Warranty Deed from John Vasten to Arthur Vasten recorded in Book 128 at Page 451, Eagle County Records and in Deeds recorded in Book 153 at Page 332; in Book 153 at Page 342 in Book 166 at Page 260, Pitkin County records.
5. A reservation of a right of way to grantor and his heirs and assigns, reserved in Warranty Deed from Clement Diemoz to Emanuel Letey recorded in Book 78 at Page 348, Eagle County records and in Book 153 at Page 173, Pitkin County
6. Terms, conditions, obligations as contained in the Deeds recorded October 30, 1996 in Book 710 at Page 35 as Reception No. 606014 and in Book 710 at Page 36 as Reception No. 606015, Eagle County records.
7. Right of way for all ditches and creeks crossing over subject property.
8. All matters as shown on the Improvement Location Certificate by Lines In Space dated 10/14/04.
9. Easement for movement of cattle across subject property, as noted in Contract dated August 30, 2004 for subject property and in Deed recorded January 27, 2005 as Reception No. 904519.
10. Access, Utility and Landscape Easement Agreement recorded January 27, 2005 as Reception No. 904521.
11. Colorado State Highway Department Map recorded June 22, 2005 as Reception No. 920243.
12. Memorandum of Water Allotment Contract by Basalt Water Conservancy District recorded March 23, 2006 as Reception No. 200607290.
13. Eagle County Resolution entitled Approval of the Sketch Plan for The Emma Farms Subdivision recorded January 5, 2006 as Reception No. 200600345.
14. Eagle County Resolution entitled Approval of a Zone Change and Subdivision Preliminary Plan for the Emma Farms Subdivision recorded October 13, 2006 as Reception No. 200628167.
15. In the event that SW Enterprises LLC no longer has title to the property immediately adjoining subject property to the North there will be a lack of access to subject property..



WARRANTY DEED

THIS DEED, made this 29th day of December, 2006, between

Conrad N. Cerise and Lavania Cerise

of the said County of Eagle and State of Colorado, Grantor, and

Emma Farms, LLC, a Colorado Limited Liability Company as to an undivided 68.19% interest and SW Enterprises, LLC, a Colorado Limited Liability Company as to an undivided 31.81% interest, as Tenants In Common

3/16 -

Dec \$127.50 -

whose legal address is: 915 W. North St., Aspen CO 81611
of the said County of Pitkin and State of Colorado, grantee:

WITNESS, that the grantor, for and in consideration of the sum of (\$10.00) Ten dollars and Zero cents, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantees, their heirs and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Eagle and State of Colorado described as follows:

See "Exhibit A" attached hereto
also known by street and number as: 3004 Emma Road, Basalt, CO 81621

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantee, his heirs and assigns forever. And the grantor, for himself, his heirs, and personal representatives, does covenant, grant, bargain, and agree to and with the grantee, his heirs and assigns, that at the time of the ensealing and delivery of these presents, he is well seized of the premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except those matters set forth in Exhibit "A" attached hereto and made a part hereof.

The grantor shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of the grantee, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the grantor has executed this deed on the date set forth above.

Conrad N. Cerise
Conrad N. Cerise

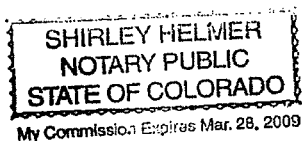
Lavania Cerise
Lavania Cerise

STATE OF Colorado)
) ss.
COUNTY OF Eagle)

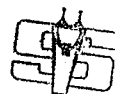
The foregoing instrument was acknowledged before me this 29th day of December, 2006, by Conrad N. Cerise and Lavania Cerise

My commission expires: March 28, 2009.

Witness my hand and official seal.



Shirley Helmer
Notary Public



Return to

Mylor Law
211 Midland
#202
Basalt, CO

**EXHIBIT A
LEGAL DESCRIPTION**

Order No.: 6038291

A parcel of land situate in Tracts 56 and 57, Township 8 South, Range 87 West of the 6th Principal Meridian, County of Eagle, State of Colorado, said parcel of land being more particularly described as follows:

Commencing at Angle Point No. 2 of said Tract 57, a Rebar and Cap LS No. 9184 in place,
thence S 64°13'45"E 1948.61 feet to a point on the Southeasterly Corner of a parcel of land as described in Reception
No. 904519 as filed in the Eagle County Clerk and Recorder's Office,
The True Point Of Beginning;
thence S62°05'30"E 1067.52 feet;
thence S00°51'00"E 825.20 feet;
thence S89°09'00"W 33.19 feet;
thence N01°03'08"W 415.99 feet;
thence S89°29'08"W 309.54 feet;
thence N75°05'42"W 1004.12 feet;
thence S83°06'46"W 1374.47 feet to a point on the Westerly line of said Tract 57;
thence N01°02'06"W along said Westerly line a distance of 266.07 feet;
thence departing said Westerly line N25°20'37"W 217.74 feet to a point on the Southerly line of said Parcel of land as
described in Reception No. 904519;
thence N78°58'54"E along said Southerly line a distance of 1861.97 feet To The Point Of Beginning

COUNTY OF EAGLE
STATE OF COLORADO

EXHIBIT A
EXCEPTIONS

1. 2006 taxes not yet a lien due and payable.
2. The effect of inclusions in any general or specific water conservancy, fire protection, soil conservation or other district or inclusion in any water service or street improvement area.
3. Reservations or exceptions contained in U.S. Patents, or in Acts authorizing the issuance thereof, recorded in Book 48 at Page 330 and Patent recorded in Book 623 at Page 606, reserving 1) Rights of the proprietor of a vein or lode to extract and remove his ore therefrom and 2) rights of way for ditches and canals constructed under the authority of the United States, Eagle County records.
4. A reservation for a ditch reserved in the Warranty Deed from Clement Diemoz to Albert Thornhill recorded in Book 87 at Page 142 and in Warranty Deed from Albert Thornhill to John Vasten recorded in Book 87 at Page 144 and a reservation for a ditch reserved in the Warranty Deed from John Vasten to Arthur Vasten recorded in Book 128 at Page 451, Eagle County Records and in Deeds recorded in Book 153 at Page 332; in Book 153 at Page 342 in Book 166 at Page 260, Pitkin County records.
5. A reservation of a right of way to grantor and his heirs and assigns, reserved in Warranty Deed from Clement Diemoz to Emanuel Letey recorded in Book 78 at Page 348, Eagle County records and in Book 153 at Page 173, Pitkin County
6. Terms, conditions, obligations as contained in the Deeds recorded October 30, 1996 in Book 710 at Page 35 as Reception No. 606014 and in Book 710 at Page 36 as Reception No. 606015, Eagle County records.
7. Right of way for all ditches and creeks crossing over subject property.
8. All matters as shown on the Improvement Location Certificate by Lines In Space dated 10/14/04.
9. Easement for movement of cattle across subject property, as noted in Contract dated August 30, 2004 for subject property and in Deed recorded January 27, 2005 as Reception No. 904519.
10. Access, Utility and Landscape Easement Agreement recorded January 27, 2005 as Reception No. 904521.
11. Colorado State Highway Department Map recorded June 22, 2005 as Reception No. 920243.
12. Memorandum of Water Allotment Contract by Basalt Water Conservancy District recorded March 23, 2006 as Reception No. 200607290.
13. Eagle County Resolution entitled Approval of the Sketch Plan for The Emma Farms Subdivision recorded January 5, 2006 as Reception No. 200600345.
14. Eagle County Resolution entitled Approval of a Zone Change and Subdivision Preliminary Plan for the Emma Farms Subdivision recorded October 13, 2006 as Reception No. 200628167.

BARGAIN AND SALE DEED

Conrad N. Cerise, Lavana Cerise, Lucy Cerise and Rory N. Cerise, collectively Grantors, for the consideration of Ten Dollars and other good and valuable consideration, in hand paid, hereby sell and convey to the following Grantee, Emma Farms, LLC, whose address is c/o The Myler Law Firm, P.C., 211 Midland Avenue, Suite 201, Basalt, Colorado 81621, the following water rights in the County of Eagle and State of Colorado, to wit:

0.771 cfs of water transported via the Home Supply Ditch, 0.533 cfs from each of the following priorities: (a) Priority No. 179, Division 5 Water Court Case No. 132, adjudicated 5/11/1889 and appropriated 5/27/1887; (b) Priority No. 261, Division 5 Water Court Case No. 2811, adjudicated 1/12/1931 and appropriated 5/1/1905; and (c) Priority No. 377, Division 5 Water Court Case No. 3082, adjudicated 8/25/1936 and appropriated 4/15/1907, together with 1.066 cfs of water transported via the Sopris Highline Ditch, 0.533 cfs from each of the following priorities: (a) Priority No. 107, Division 5 Water Court Case No. 132, adjudicated 5/11/1889 and appropriated 3/25/1885; and (b) Priority No. 414T, Division 5 Water Court Case No. 3082, adjudicated 8/25/1936 and appropriated 5/1/1922,

with all its appurtenances.

SIGNED this 8th day of ~~December~~ ^{August} 2007.

Conrad N. Cerise
Conrad N. Cerise

Lavana Cerise
Lavana Cerise

Lucy W. Cerise
Lucy W. Cerise

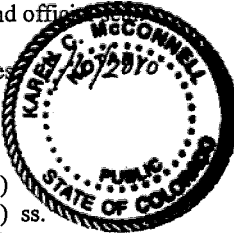
Rory N. Cerise
Rory N. Cerise

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 8th day of August, 2007,
by **Conrad N. Cerise**.

WITNESS my hand and official seal.

My commission expires:



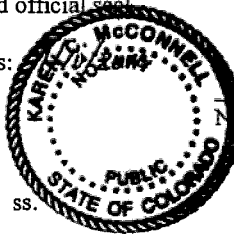
Karen C. McConnell
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 8th day of August, 2007,
by **Lavana Cerise**.

WITNESS my hand and official seal.

My commission expires:



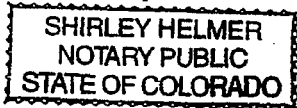
Karen C. McConnell
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF Eagle)

The foregoing instrument was acknowledged before me this 8th day of August, 2007,
by **Lucy W. Cerise**.

WITNESS my hand and official seal.

My commission expires:



My Commission Expires Mar. 28, 2009

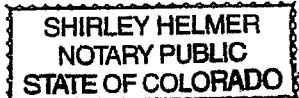
Shirley Helmer
Notary Public

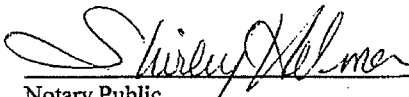
STATE OF COLORADO)
COUNTY OF Chryse) ss.

The foregoing instrument was acknowledged before me this 20th day of August, 2007,
by **Rory N. Cerise**.

WITNESS my hand and official seal.

My commission expires:




Notary Public



DECLARATION OF PROTECTIVE COVENANTS
FOR
EMMA FARMS

14/71

THIS DECLARATION is made this 24th day of Sept., 2007, by EMMA FARMS, LLC and SW ENTERPRISES, LLC, as the owners of the affected property and the "Declarants" herein.

1. **Purpose.** The purpose of these covenants is to preserve the Emma Farms property as a scenic residential area of the highest quality and desirability; to create rules and a decision making process to strengthen the Subdivision community; to preserve the present natural beauty, character and views of the Subdivision to the greatest extent reasonably possible; to protect the seclusion of each home site; to define and describe certain provisions, covenants, conditions and restrictions which shall be applicable to such property; and to further the common interests of the Owners.

2. **Property Subject to Declaration.** The provisions, covenants, conditions and restrictions contained in this Declaration pertain to Lots 1, 2, 3, 4 and 5 as described in the Final Plat for the Emma Farms heretofore recorded as Reception No. _____ in the Office of the Clerk and Recorder of Pitkin County, Colorado, and Reception No. 20800849 in the Office of the Clerk and Recorder of Eagle County, Colorado. The property subject to the Declaration does not include the agricultural conservation easement out parcel as described on said Plat.

3. **Definitions.**
 - a. Association. Association shall mean the Emma Farms Homeowners Association, Inc., a Colorado not-for-profit corporation formed and incorporated to be the association referred to in this Declaration to further the common interests of the Owners of property subject to this Declaration.

 - b. Board of Directors. Board of Directors shall mean the Board of Directors of the Association.

 - c. County. County shall mean Eagle County, Colorado.

 - d. Design Guidelines. "Design Guidelines" shall mean the Design Guidelines described in Section 4.c. hereof.

- e. Lot. Lot shall mean each of the Lots 1 through and including 5 as shown on the Plat which are dedicated to residential use.
- f. Owner. Owner or Owners refers to all persons or other entities who own or acquire all or part of the fee simple title to any of the Lots by whatever means acquired.
- g. Plat. Plat shall mean the final recorded plat of the Emma Farms referred to in **Section 2** above.
- h. Primary Building Envelope. The location designated on the Plat where the primary residence and accessory dwelling unit must be located.
- i. Secondary Building Envelope. The location designated on the Plat where accessory and agricultural buildings may be located.
- j. Subdivision. Subdivision shall mean the Emma Farms as depicted on the Plat.

4. Restrictions and Permitted Uses.

- a. Residential Uses. Each Lot shall be used only for residential purposes only. Residential purposes shall be limited to the use and occupancy of the primary dwelling unit by a single family, its guests, in-laws, and servants, as well as use and occupancy of an accessory dwelling unit (ADU) by an additional family or individual. An ADU is defined as a dwelling unit that is accessory to the primary dwelling unit and is designed and intended for occupancy by the caretaker of the said Lot, or relatives and guests of the occupants of the primary dwelling unit. The ADU shall be attached to the primary dwelling unit. Any land area within any Lot that has historically been utilized for growing hay and/or grazing may continue to be utilized for such purpose, including irrigation, by the Owner of that Lot or by the Declarant pursuant to a lease or easement.
- b. Building Size Restrictions. No single family residences in Emma Farms shall exceed 8,250 square feet in size. The floor area of basements (to the extent considered as floor area pursuant to the Floor Area Calculations provision of Section 2-110 of the Eagle County Land Use Regulations) agricultural buildings, accessory buildings, and Accessory Dwelling Units shall be included within this limitation. No Accessory Dwelling Unit on any Lot shall exceed 1,000 square feet in size. The total of agricultural

buildings or other accessory buildings shall not exceed 1,200 square feet in size.

- c. Construction of Improvements. No improvements of any kind shall be constructed, erected, altered or permitted on any Lot, including, but not limited to, dwelling units, greenhouses, garages, toolsheds, work areas, ponds, fences, walls, driveways, towers, antennae, satellite dishes, kennels, exterior lighting, corrals, flagpoles, curbs and walks unless the Board of Directors has approved them prior to the commencement of the construction or alteration, except when a variance has been approved (as provided herein), or except as Declarant may be specifically permitted to do by this Declaration or required to do by any subdivision improvements agreement between the Declarant and the County. Revegetation of all infills and cuts will be required.

Except for the individual wells, utilities, and fences, all structures or improvements shall be constructed within the approved Primary and Secondary Building Envelopes depicted on the Plat. All structures and improvements shall conform to the Design Guidelines set forth in Attachment A hereto and incorporated herein by this reference. The Design Guidelines may be amended by a majority of the Board of Directors.

- d. Building Permits. An Owner may apply for a building permit from the County building department at any time; provided, however, that the plans approved by the building department shall not differ in any substantial way from the plans approved by the Association. If the plans approved by the building department differ in any substantial way, as determined by the Association, then all approvals of the Association shall be deemed automatically revoked.
- e. Variances. Unless specifically prohibited by a provision of this Declaration, the Association may, by an affirmative vote of a majority of the Board of Directors, allow reasonable variances as to any of the covenants and restrictions governing architectural control and design guidelines, on such terms and conditions as the Association shall require. No variance shall be granted which contravenes any of the provisions of this Declaration which were required by an approval obtained by Declarant from the County or which violates any applicable County land use or building codes.
- f. Home Occupation. Home occupation may be conducted, but no external indication of the home occupation shall be permitted outside any building,

except the temporary parking of not more than two cars at any one time. Except for temporary parking, there shall be no impact on the Subdivision as a result of the conduct of any home occupation. Expressly prohibited are visual impact (including, without limitation, signs), noise, odor and all other forms of environmental pollution. No home occupation shall place greater demand on the domestic well and waste water disposal systems than would be considered normal for the residential use permitted on the Lot.

- g. Subdivision. No Lot may be subdivided.
- h. Animals. The keeping of animals on each Lot shall be governed by the following:
 - 1. A maximum of six large livestock animals, to be limited to horses, mules, donkeys, burros, cattle, sheep, goats or llamas, may be kept on each Lot. Any Lot Owner must provided for dry-lot storage of said animals.
 - 2. A maximum of twenty poultry, fowl, or rabbits, shall be permitted, but they shall be enclosed in a pen or enclosure approved by the Association.
 - 3. A maximum of three dogs may be kept. Dogs shall be kept under the control of their owners at all times and shall not be permitted to run free or to cause a nuisance in the Property. No dogs shall be allowed beyond the boundaries of Primary or Secondary Building Envelopes on the Lot owned by the person(s) where the dog is housed unless leashed and accompanied by a person in full control of such dog.
 - 4. Additional small animals may be maintained within any primary structure.
- i. No Mining or Drilling. No Lot shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas, minerals, rocks or stones unless agreed unanimously by all members of the Association.
- j. Signs. No sign, graphic, or advertising device shall be placed upon the property, except in compliance with the Design Guidelines.

- k. Temporary Structures. No structure shall be placed on any Lot, except as approved in writing by the Association or Declarant. However, nothing herein shall prohibit the placement of tents, tepees, or toy structures primarily for the use of children.
- l. Objectionable Noise. No person shall discharge a firearm, operate a snowmobile or dirt bike, or engage in any action which constitutes a nuisance upon any Lot, roadway, or other place within Emma Farms. This provision shall not prohibit use of Subdivision roads for ingress and egress of the aforementioned vehicles between individual Lots, except Lots 6 and 7, and the public road system.
- m. Waste Water Disposal. All sewage disposal facilities shall be engineered, installed, constructed and maintained according to the applicable standards of the County and the State of Colorado. Each Lot Owner shall install and maintain their own individual sewage disposal systems.
- n. Fencing. Any portion of the Primary or Secondary Building Envelopes of a Lot may be enclosed by fencing. No fence shall be placed within any easement. The proposed location, fencing type, design and color shall comply with the Design Guidelines and be submitted to and must be approved by the Association prior to installation.
- o. Drainage Control. No lateral irrigation ditch may be blocked in any way so as to impede the flow of water to or from adjoining lands. Lateral ditches may be relocated upon the prior written approval of the Declarant or Association, which permission shall be granted only if the change does not adversely affect the flow of irrigation water to or from adjacent land.
- p. Storage. The Declarant or Association may store materials, equipment, and machines on any roadway or common lands within the Subdivision, if the items stored are used primarily for the maintenance of the Subdivision roads and open space, the construction of residential houses, or the construction and maintenance of the irrigation ditch or well.

Except for passenger vehicles, pickup trucks, one boat and one motor home or camper, no motor vehicles, construction equipment, or heavy equipment may be stored on any Lot for more than twenty-four (24) hours, unless enclosed in a structure or opaque fence approved by the Association. Construction equipment and heavy equipment may be kept on a Lot for more than 24 hours provided they are in use for the construction of improvements on the Lot. All vehicles are to be parked or

stored in such a manner so as to minimize the visual impact on adjoining properties.

Inoperable vehicles may not be stored outside.

All trash containers, storage tanks, and clothes lines shall be enclosed in a structure or opaque fence approved by the Association.

Except for firewood and fuel, no lumber, metals, bulk materials, scrap, or building material shall be stored on any Lot, except during construction of a structure for which a Certificate of Occupancy is required, and unless stored in an enclosure or opaque fence approved by the Association.

- q. Utility Lines. All extensions within a Lot of electric, telephone, water, gas, television, or other transmission lines shall be installed underground and at the expense of the Lot Owner in accordance with the Design Guidelines and the engineering standards of the utility company providing or extending the service. No exterior antennae of any kind, other than small satellite television dishes, shall be allowed on any Lot without written approval by the Association. Any large satellite television dishes shall be enclosed within an opaque fence approved by the Association.
- r. Association Authority. The Declarant shall be and constitute the Association until such time as it assigns or delegates the function of the Declarant to the Association. At that time the design review shall be by the Lot Owners in Emma Farms with one vote for each Lot. Such assignment and delegation to the Association shall occur no later than the sale by the Declarant of three (3) of the Lots in the Subdivision. Association decisions shall be made by simple majority vote, except as otherwise provided in this Declaration, the Articles of Incorporation or the Bylaws of the Association.
- s. Declarant Reserved Rights. Any provision of this Declaration to the contrary, notwithstanding, Declarant reserves the right to utilize any portion of any Lot for agricultural purposes, including growing and harvesting crops and grazing of livestock and horses, prior to the initial sale of such Lot by Declarant and, by agreement with an Owner, prior to the construction of a dwelling unit on such Lot. Such use by Declarant shall not be subject to the provisions of **Section 4.h.**, above.

5. Emma Farms Homeowners Association.

- a. General Purposes and Powers. Emma Farms Homeowners Association, Inc. shall be incorporated as a Colorado not-for-profit corporation as the Association to perform functions and hold and manage the easements and property as provided in this Declaration and the Association's governing documents, and to further and protect the common interests of all Owners of Lots in the Subdivision. The Association shall have all powers necessary, convenient or desirable to effectuate these purposes. It shall not engage in commercial, profit-making activity.
- b. Membership. Each person or entity who is the Owner of a Lot, or if more than one Owner, all persons and entities collectively who are the Owners of a Lot, shall automatically be considered to have, for each such Lot owned, one membership interest in the Association, in accordance with the Articles of Incorporation of the Association, which have been filed with the Colorado Secretary of State, as the same may be duly amended from time to time and also filed with the Colorado Secretary of State. Each Owner and Member shall be entitled to the privileges and honor the obligations described in this Declaration and in the Articles of Incorporation and the Bylaws of the Association, as the same now exist or as they may be amended from time to time.
- c. Road, Landscape Easement and Water Storage Tank. The Association shall be obligated to and shall provide for the reasonable care, operation, management, maintenance, repair and replacement of all roads, drainage facilities, landscaping, the common fire protection water storage tank and related water lines and hydrants, and other Association improvements within Emma Farms, including the roads on adjacent properties that provide access to the Lots.
- The Association shall maintain, repair, regulate and keep all roads, landscaping and the fire protection water storage tank within the Subdivision, in good, safe and usable condition to the extent that such may be reasonably necessary, feasible and desirable. Maintenance of the roads shall include, without limitation, removal of snow to the extent necessary.
- d. Third-party Agreements. The Association may enter into agreements with third parties for the performance of the responsibilities of the Association
- e. Insurance. The Association shall obtain insurance coverage to cover such risks as the Board of Directors deems appropriate, but shall obtain and keep in full force and effect at all times at least the following insurance coverage. Casualty insurance shall be obtained on all insurable property of the Association, insuring the full replacement value thereof, including

coverage for fire and extended coverage, vandalism and malicious mischief. The Association shall obtain broad form comprehensive liability coverage covering both public liability and automobile liability with limits of not less than One Million and no/100 Dollars (\$1,000,000.00) for each person and not less than Three Million and no/100 Dollars (\$3,000,000.00) for each occurrence and with property damage limits of not less than Five Hundred Thousand and no/100 Dollars (\$500,000.00) for each accident. All insurance may contain such deductible provisions as good business practice may dictate. All insurance shall name the Association and shall, to the extent reasonably possible, cover each Owner of property now or hereafter subject to this Declaration without any such Owner necessarily being specifically named.

- f. Right to Make Rules and Regulations. The Board of Directors shall be authorized to and shall have the power to adopt and enforce such rules and regulations as may be helpful or necessary to carry out its purposes. The Board of Directors may provide for enforcement of any such rules and regulations through reasonable and uniformly applied penalties. Each Owner of a Lot and such Owner's guests and invitees shall be obligated to comply with and abide by any such rules and regulations.
- g. Board of Directors. The affairs of the Association shall be managed by a Board of Directors as provided in the Articles of Incorporation and Bylaws of the Association. Members of the Board of Directors shall be elected annually by the Owners as provided in the Articles or Bylaws.
- h. Voting of Members. There shall be one (1) vote for each Lot in the election of members of the Board of Directors of the Association and in all other matters submitted to the vote of Owners. In all voting by Owners, cumulative voting and voting by proxy shall be allowed and permitted.
- i. Articles of Incorporation and Bylaws. The purposes and powers of the Association and the rights and obligations inherent in membership set forth in this Declaration may and shall be amplified by provisions of the Articles of Incorporation and Bylaws of the Association; but no such provisions may be, at any time, inconsistent with any provisions of this Declaration.
- j. Collection of Assessments/Enforcements. Each member of the Association shall be obligated to pay and shall pay to the Association all assessments levied by the Association. Assessments may be lawfully imposed, for example, for any items of common expense, which may

include, among other things, expenses and costs of maintaining, repairing and plowing of roads within and accessing the Subdivision; expenses and costs of maintaining, repairing and operating the common water storage tank and related water lines and hydrants; and insurance, accounting and legal functions of the Association.

- k. *Amount of Assessments.* The Board of Directors of the Association shall prepare a budget covering at least a one (1) year period showing, in reasonable detail, the various functions and matters proposed to be covered by the budget, showing the estimated costs and expenses of such functions or matters, showing the estimated income and other funds which may be received by the Association and showing the estimated total amount of assessments required to cover costs and expenses and to provide a reasonable reserve. A copy of the budget shall be furnished to all Owners at least thirty (30) days prior to the annual meeting at which the budget shall be considered. The total amount to be raised by assessments shall be that amount necessary to cover the costs and expenses of functions required to be undertaken or performed by the Association, to fulfill any and all long-term or continuing commitments of the Association made in connection with or contemplated under any previously approved budget, plus such additional amount, if any, approved by the majority of the Owners at such meeting. The cost of maintaining and plowing the roads within the access, utility and landscape easements as shown on the Plat shall be allocated and assessed as follows: Twelve and One-Half percent (12 ½%) each to Lots 1 and 2 and Twenty-Five percent (25%) each to Lots 3, 4 and 5. The Board of Directors shall have the right during any calendar year to levy and assess against the Owners a special assessment for such purpose or purposes, in accordance with this Declaration, the Articles or the Bylaws of the Association, as may be necessary or advisable. Such special assessment shall be due and payable as determined by the Board of Directors.
- l. *Lien for Nonpayment of Assessments.* All sums assessed by the Board of Directors, any fines which may be levied on an Owner, and unpaid fines and assessments charged to an Owner, shall constitute a lien against such Lot superior (prior) to all other liens and encumbrances, excepting only:
1. tax and special assessment liens on the Lots in favor of any governmental assessing unit; and
 2. all sums unpaid on a first mortgage of record, including any unpaid obligatory sums as may be provided by encumbrance.

Each Owner hereby agrees that the Association's lien on a Lot for assessments as hereinabove described shall be superior to the homestead exemption provided by Colorado Revised Statutes §38-410-201, *et seq.*, and each Owner hereby agrees that the acceptance of the deed or other instrument of conveyance in regard to any Lot shall signify such grantee's waiver of the homestead right granted in said section of the Colorado statutes.

If any assessment shall remain unpaid for more than thirty (30) days after the due date thereof, such unpaid sums shall bear interest from and after the due date thereof at the maximum rate of interest permitted by law, or at such rate as is determined by the Board of Directors, and the Board of Directors may impose a late charge on such defaulting Owner as may be established by the Board of Directors. In addition, the Board of Directors shall be entitled to collect reasonable attorneys' fees incurred in connection with any demands for payment and/or collection of delinquent assessments. To evidence such lien, the Board of Directors shall prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Lot and its legal description. Such a notice shall be signed by one (1) member of the Board of Directors and shall be recorded in the Office of the Clerk and Recorder of the County of Eagle, Colorado. Such lien may be enforced by foreclosure of the defaulting Owner's Lot by the Association in like manner as a mortgage on real property upon the recording of a notice of claim thereof. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice of claim of lien, and all reasonable attorneys' fees. The Owner shall also be required to pay to the Association any additional assessments against the Lot during the period of foreclosure, and the Association shall be entitled to the appointment of a receiver to collect the same. The Board of Directors for the Association shall have the power to bid on the Lot at a foreclosure sale and acquire and hold, lease, mortgage and convey the same. The Association, at its election, and in addition to any other remedies it may have at law or in equity, may also sue an Owner personally to collect any monies owed the Association.

Any recorded lien for non-payment of the assessments may be released by recording a release of lien executed by a member of the Board of Directors.

- m. Enforcement Action. The Association, acting by and through its Board of Directors, shall have the right to prosecute any action to enforce the provisions of this Declaration by injunctive relief and for damages, on

behalf of itself and all or part of the Owners. In addition, each Owner and the Association shall have the right to prosecute any action for injunctive relief and for damages by reason of any violation of this Declaration. The prevailing party in any enforcement action shall be entitled to an award of its reasonable costs and attorneys' fees.

- n. Personal Liability of Member. The amount of any assessment, charge, fine or penalty payable by a Owner shall be a joint and several personal obligation to the Association of the persons or entities who constitute the Owner at the time the amount was payable, their heirs, personal representatives, successors and assigns and may be recovered by a suit for a money judgment by the Association without foreclosing or waving any lien securing the same.
- o. Liability of Purchasers and Encumbrancers. A purchaser of any property subject to this Declaration shall be jointly and severally liable with the seller of a Lot for all unpaid assessments, charges, fines or penalties which had accrued or were payable at the time of the grant or conveyance of the Lot to such purchaser without prejudice to such purchaser's right to recover any of the amounts paid by the purchaser from the seller. No holder of a lien or encumbrance on any Lot shall be personally liable for any such assessment, charge, fine or penalty; and the lien for such assessments, charges, fines or penalties shall be junior to any lien or encumbrance on any Lot taken or acquired in good faith and for value without notice and perfected by recording prior to the time a notice of failure to pay any such amount is recorded in the Office of the County Clerk and Recorder of Eagle County.
- p. Limitations on Actions. In the event any construction or alteration of any improvement is commenced upon any of the Lots in violation of this Declaration and no action is commenced within one (1) year thereafter to restrain such violation, then injunctive or equitable relief shall be denied, but an action for damages shall still be available to any party aggrieved. This one (1) year limitation shall not apply to injunctive or equitable relief against other violations of this Declaration.
- q. Estoppel Certificate. Upon payment of a reasonable fee and upon written request of any person with an interest in any Lot subject to the Declaration or having a contract to acquire an interest in such Lot, the Association shall furnish a written statement setting forth the amount of any unpaid assessments, charges, fines or penalties, if any, with respect to the Owner of the Lot or the membership appurtenant thereto and the amount of the

current yearly assessments payable with respect to the property, which statement shall be conclusive upon the Association.

6. Water.

- a. Domestic Water. Domestic water service for the Lots shall be provided by individual or shared wells, and each individual well shall be operated and administered by the Lot Owner using such well. Such wells shall be operated in accordance with the water allotment contract no. ____ with the Basalt Water Conservancy District, the well permit from the Colorado Division of Water Resources and any applicable Court Decrees.

Each Lot Owner shall be responsible for operating, maintaining and repairing their well including, if necessary without limitation, construction and operation of any replacement or supplemental well and any storage tank, and maintaining and repairing the transmission lines and system from the point of connection to the areas of use within the Lot.

In the event the water produced from any individual well becomes inadequate, each Lot Owner may elect to drill a new well or take such other remedial action as is necessary to improve the production of water from the individual well, and the costs thereof shall be borne solely by the affected Lot Owner

7. General Provisions

- a. Term. This Declaration shall remain in full force and effect for a period of twenty-one (21) years from date of recording hereof and shall be automatically renewed for successive periods of ten (10) years each unless amended or revoked by a vote of one hundred percent (100%) of the members of the Association.
- b. Amendment or Revocation. At any time, any provision of this Declaration may be amended by the consent of a majority of all members of the Association by the recording of a written instrument specifying the amendment or repeal and executed by such members. No such amendment or repeal shall be effective with respect to the holder or successor or assign of the holder of a first mortgage or first deed of trust recorded prior to the recording of the specified amendment or repeal unless such holder executes such amendment or repeal instrument.
- c. Effect of Provisions. Each provision, covenant, condition or restriction contained herein shall be deemed incorporated into each deed or other

instrument by which any right, title or interest in the real property subject to this Declaration is granted, devised or conveyed, whether or not set forth or referred to in such deed or instrument. All of the covenants, conditions and restrictions contained in this Declaration shall be a burden on the title to all of the lands in the Subdivision, the benefits thereof shall inure to the Owners, and the benefits and burdens of all said covenants, conditions and restrictions shall run with the title to all of the lands in the Subdivision.

- d. Severability. Should any part or parts of this Declaration be declared invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Declaration.
- e. Paragraph Headings. The paragraph headings within this Declaration are for convenience only and shall not be construed to be a specific part of the terms hereof

Effective as of the date first written above.

DECLARANTS:

EMMA FARMS, LLC

By: 

Tom Waldeck, Manager

SW ENTERPRISES, LLC

By: 

Steven Waldeck, Manager

STATE OF COLORADO)
) ss
COUNTY OF EAGLE)

The above and foregoing document was acknowledged before me this 24th day of September, 2007, by Tom Waldeck, as Managing Member of Emma Farms, LLC.



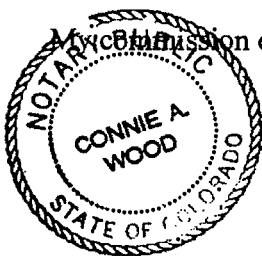
Witness my hand and official seal.

My commission expires: 6-24-2010

Connie A. Wood
Notary Public

STATE OF COLORADO)
) ss
COUNTY OF EAGLE)

The above and foregoing document was acknowledged before me this 24th day of September, 2007, by Steven Waldeck, as Manager of SW Enterprises, LLC.



Witness my hand and official seal.

My commission expires: 6-24-2010

Connie A. Wood
Notary Public

**BYLAWS OF
EMMA FARMS HOMEOWNERS ASSOCIATION, INC.**

TABLE OF CONTENTS

ARTICLE 1
 OBJECT 1
 1.1 Purpose 1
 1.2 Owners Subject to Bylaws 1

ARTICLE 2
 MEMBERSHIP, VOTING MAJORITY OF OWNERS, QUORUM, PROXIES
 1
 2.1 Membership 1
 2.2 Voting 2
 2.3 Quorum 3
 2.4 Majority Vote 3
 2.5 Ballots 3

ARTICLE 3
 ASSOCIATION MEETINGS 3
 3.1 Place of Meetings 3
 3.2 Annual Meeting 3
 3.3 Special Meetings 4
 3.5 Waiver of Notice 4
 3.6 Adjourned Meetings 4
 3.7 Order of Business 4
 3.8 Rules Of Meetings 5

ARTICLE 4
 BOARD 5
 4.1 Association Responsibilities 5
 4.2 Number and Qualification 5
 4.3 Powers and Duties 5
 4.4 Other Powers and Duties 5
 4.5 Managing Agent 7
 4.6 Election and Term of Office 7
 4.7 Vacancies 7
 4.8 Removal of Directors 7
 4.9 Organizational Meeting 7
 4.10 Regular Meetings 8
 4.11 Special Meetings 8
 4.12 Waiver of Notice 8
 4.13 Board Quorum 8
 4.14 Compensation: Fidelity Bonds 8

ARTICLE 5		
	OFFICERS	8
	5.1 <u>Designation</u>	8
	5.2 <u>Election of Officers</u>	8
	5.3 <u>Removal of Officers</u>	9
	5.4 <u>President</u>	9
	5.5 <u>Secretary</u>	9
	5.6 <u>Treasurer</u>	9
ARTICLE 6		
	INDEMNIFICATION	9
	6.1 <u>Definitions</u>	9
	6.2 <u>Indemnification</u>	10
	6.3 <u>Insurance</u>	10
	6.4 <u>Right to Impose Conditions to Indemnification</u>	11
	6.5 <u>Non-Liability of the Directors, Board, and Officers</u>	11
ARTICLE 7		
	AMENDMENTS	11
	7.1 <u>Bylaws</u>	11
	7.2 <u>Preparation of Amendments</u>	11
ARTICLE 8		
	MISCELLANEOUS	11
	8.1 <u>Notice to Association</u>	11
	8.2 <u>Proof of Ownership</u>	11
	8.3 <u>Compliance</u>	12
	8.4 <u>Character of Association</u>	12
	8.5 <u>Conveyances and Encumbrances</u>	12
	8.6 <u>Inspection of Records</u>	12

INTRODUCTION

These are the Bylaws of Emma Farms Homeowners Association, Inc. (the "Association") which shall operate under the Colorado Revised Nonprofit Corporation Act, as amended (C.R.S. § 7-121-101, *et seq.*) ("Corporation Act"), and the Colorado Common Interest Ownership Act, as amended (the "Act") (C.R.S. § 38-33.3-101, *et seq.*).

Terms which are defined in the Declaration of Protective Covenants for Emma Farms recorded _____, as Reception No. _____ in the Pitkin County Records (the "Declaration"), and in the Association's Articles of Incorporation, as the same shall be amended from time to time (the "Articles"), shall have the same meanings herein, unless otherwise defined herein. In the event any term in the Articles conflicts with usage found in the Declaration, the terms used in the Declaration shall control. The word member or members as used in these Bylaws means and shall refer to the Owner or Owners of any Lot (as defined in the Declaration) in Emma Farms.

ARTICLE 1 OBJECT

1.1 Purpose. The purpose for which the Association is formed is to:

1.1.1 Serve as the Master Association for Emma Farms as established in the Declaration and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association, as specified in the Declaration; and

1.1.2 Promote the health, safety, welfare, and common benefit of the Lot and Unit Owners and residents of Emma Farms.

1.2 Owners Subject to Bylaws. All present or future Owners, tenants, future tenants or any other person that might use in any manner the facilities of Emma Farms are subject to the terms and provisions set forth in these Bylaws. The mere acquisition or rental of any Lot, or the mere act of occupancy of any Lot will signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE 2 MEMBERSHIP, VOTING MAJORITY OF OWNERS, QUORUM, PROXIES

2.1 Membership. Ownership of a Lot is required in order to qualify for membership in this Association. Any person, on becoming an Owner of a Lot, shall automatically become a Member of this Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Lot, but such termination shall not relieve or release any such former owner from any liability or obligation to the Association or impair any rights or remedies which the Association may have against such former owner arising out of or in any way connected with ownership of a Lot and membership in the Association. No certificates of stock shall be issued by the Association, but the Board may, if it so elects, issue membership cards

or certificates to the Owners. Such membership card or certificates shall be surrendered to the Secretary whenever ownership of the Lot designated thereon shall terminate.

2.2 Voting.

2.2.1 Votes are allocated among the Members as set forth in the Declaration. If title to any Lot shall be held by two (2) or more persons then each such person shall be a Member of this Association, provided, however, that the voting rights of such Owners shall not be divided but shall be exercised as if the Owner consisted of only one (1) person in accordance with the proxy or other designation made by the persons constituting such Owner. If only one (1) of several Owners of a Lot is present at a meeting of the Association, the Owner present is entitled to cast all the votes allocated to the Lot, unless one or more of the other Owners of that Lot have provided written proxy to the Association, as provided herein, that the Owner present at the meeting is not authorized to vote on behalf of Owners not present at the meeting, unless said proxy has been revoked. In the event the Association has received such a proxy, and such proxy has not been revoked, the votes allocated to that Lot shall not be counted. If more than one (1) of the owners are present, the votes allocated to the Lot may be cast only in accordance with the unanimous agreement of the Owners. There is unanimous agreement if any one (1) of the Owners casts the votes allocated to the Lot without protest being made promptly to the person presiding over the meeting by another Owner of the Lot.

2.2.2 Votes allocated to a Lot may be cast under a proxy duly executed by an Owner. If a Lot is owned by more than one (1) person, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. An Owner may revoke a proxy given under this section only by actual written notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it provides otherwise. The Secretary of the Association must bring all proxies to each meeting where the Owners are entitled to vote and all proxies shall be available for inspection by the officers of the Association and by any Owner in attendance at such meeting. A proxy need not be an Owner. All proxies must be in writing and may be either general or for a particular meeting.

2.2.3 The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the Board or bylaws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of the partnership in the absence of express notice of the designation of a specific person by the partnership. The vote of a limited liability company may be cast by any manager of the limited liability company in the absence of express notice of the designation of a specific person by the limited liability company. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership, limited liability company or business trust owner is qualified to vote.

2.2.4 Votes allocated to a Lot owned by the Association may not be cast.

2.2.5 Cumulative voting in the election of the Board shall not be permitted.

2.3 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence at the beginning of any meeting of the Association in person or by proxy of fifty-one percent (51%) of the votes entitled to be cast shall constitute a quorum present throughout the meeting.

2.4 Majority Vote. The vote of a majority of the Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

2.5 Ballots. Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. Action taken under this section has the same effect as action taken at a meeting of members and may be described as such in any document.

2.5.1 A written ballot shall: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action.

2.5.2 Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

2.5.3 All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of Directors; (iii) specify the time by which a ballot must be received by the nonprofit corporation in order to be counted; (iv) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

2.5.4 An executed written ballot delivered to the Association may not be revoked.

ARTICLE 3 ASSOCIATION MEETINGS

3.1 Place of Meetings. Meetings of the Owners shall be held at Emma Farms or at such place within the State of Colorado as the Board may determine, so long as such alternate location is reasonably convenient to the Owners.

3.2 Annual Meeting. The annual meetings of the Association shall be held each year on such date as shall be selected by the Board, provided that such meeting shall occur in each year no later than six (6) months after the end of the Association's fiscal year. The first annual meeting shall be called by the initial Board of the Association and shall be held within one (1) year of the initial

conveyance of a Lot. At such meetings, the Owners may transact such business of the Association as may properly come before the meeting. At each annual Meeting, and subject to the terms of the Declaration and the Articles, members of the Board shall be elected by ballot of the Owners in accordance with the provisions of Article 4 of these Bylaws. The Owners may transact such other business as may properly come before them at these meetings.

3.3 Special Meetings. Special meetings of the Association may be called by the President of the Association, by a majority of the members of the Board, or by Owners having twenty percent (20%) of the votes in the Association.

3.4 Notice of Association Meetings. It shall be the duty of the Secretary of the Association to cause notice of meetings of the Owners of the Association to be hand-delivered or sent Prepaid by United States mail to the address of each Lot or to any other mailing address designated in writing by an Owner, not less than ten (10) nor more than sixty (60) days in advance of a meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration, the Articles or to these Bylaws, and any proposal to remove an officer or member of the Board.

3.5 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of the Association in writing, and the waiver shall be deemed the same as receipt of notice. A waiver of notice, signed by any of the Owners before, at, or after any meeting shall be a valid substitute for notice for such Owners signing a waiver of notice. The certificate of the Secretary of the Association that notice was properly given as provided in these Bylaws shall be prima facie evidence thereof.

3.6 Adjourned Meetings. If any meeting of the Association cannot be convened because a quorum has not attended or if the business of the meeting cannot be concluded, then in that event, a majority of the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.7 Order of Business. The order of business at all meetings of the Owners shall be as follows:

3.7.1 Roll call or check-in procedure;

3.7.2 Proof of notice of meeting or waiver of notice;

3.7.3 Reading of minutes of preceding meeting;

3.7.4 Reports of officers;

3.7.5 Reports of committees;

3.7.6 Election of members of the Board (when required);

3.7.7 Unfinished business;

3.7.8 New business; and

3.7.9 Adjournment.

3.8 Rules Of Meetings. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and Owners and in the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE 4 BOARD

4.1 Association Responsibilities. The Association has responsibility to manage the Common Elements and to administer Emma Farms, acting through a Board, the members of which shall be referred to as "Directors." In the event of any dispute or disagreement between any Owners relating to Emma Farms, or any questions of interpretation or application of the provisions of the Declaration or Bylaws, such dispute or disagreement shall be submitted to the Board. The determination of such dispute or disagreement by the Board shall be binding on each and all such Owners, subject to the right of Owners to seek other remedies provided by the Declaration or by law after such determination by the Board.

4.2 Number and Qualification. The Board shall be composed of three (3) persons elected from among the Owners, as provided in the Declaration. In the case of Corporate or partnership Owners, the officers, directors, employees, partners or agents of such entities may be members of the Board. The number of Directors may be increased or decreased by amendment of these Bylaws; provided, however, that the number of Directors shall not be reduced to less than three (3) nor increased to more than five (5).

4.3 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential planned community project. The Board may do all such acts and things as are not by law, the Articles, these Bylaws, or the Declaration either prohibited or directed to be exercised and done by the Owners directly.

4.4 Other Powers and Duties. The Board shall be empowered and shall have the duties as follows:

4.4.1 To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, in the Articles, and these Bylaws;

4.4.2 To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of Emma Farms and the Common Elements with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each Owner promptly upon the adoption thereof;

4.4.3 To oversee the maintenance and repair all of the Common Elements and all items of personal property, if any, used in the enjoyment of the entire Planned Community;

4.4.4 To obtain and maintain to the extent obtainable all policies of insurance required by the Declaration;

4.4.5 To periodically fix, determine, levy and collect the Assessments to be paid by each of the Owners towards the Common Expenses of the Association and to adjust, decrease or increase the amount of the Assessments, refund any excess Assessments to the Owners or credit any excess of Assessments over expenses and cash reserves to the Owners against the next succeeding assessment period; to levy and collect Special Assessments in accordance with the provisions of the Declaration, whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies;

4.4.6 To impose penalties and collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws;

4.4.7 To protect and defend Emma Farms from loss and damage by suit or otherwise;

4.4.8 To borrow funds and to give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration or these Bylaws and to execute all such instruments evidencing such indebtedness as the Board may deem necessary or desirable;

4.4.9 To enter into contracts within the scope of their duties and powers, provided, however, that any management and employment contracts, leases involving the Common Parcel or contracts or leases between the Association or its affiliates entered into must provide for termination by either party without payment of a termination fee on no less than ninety (90) days' notice to the other party;

4.4.10 To establish bank accounts that are interest bearing or non-interest bearing, as may be deemed advisable by the Board;

4.4.11 To keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization and to permit inspection thereof as is provided in the Declaration, and, upon the request of any Agency or upon the vote of Owners representing an aggregate ownership percentage interest of at least fifty-one percent (51 %) of the Common Elements, to cause a complete audit to be made of the books and records by a competent certified public accountant;

4.4.12 To prepare and deliver annually to each Owner a statement showing all receipts, expenses or disbursements since the last such statement;

4.4.13 To designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the Common Elements;

4.4.14 To suspend the voting rights of an Owner for failure to comply with these Bylaws or the rules and regulations of the Association or with any other obligations of the Owners pursuant to the Declaration; and

4.4.15 In general, to carry on the administration of the Association and to do all of those things necessary and/or desirable to govern and operate Emma Farms, except as expressly prohibited by the Act.

4.5 Managing Agent. The Board may employ for the Association a Managing Agent (at a compensation established by the Board), to perform such duties and services as it shall authorize. The Board may delegate any of the powers and duties granted to it but, notwithstanding such delegation, shall not be relieved of its responsibility under the Declaration, the Act, the Articles or these Bylaws. If the Board delegates any powers relating to collection, deposit, transfer or disbursement of Association funds, (a) the Managing Agent or others to whom such powers are delegated (collectively, "Delegate") shall maintain all funds and accounts of the Association separate from the funds and accounts of the Delegate, (b) the Delegate shall maintain all reserve accounts of each association managed by it separate from the operational accounts of the Association, (c) fidelity bonds or insurance shall be maintained for or by the Delegate in the amounts set forth in Section 4.14 below, and (d) an annual accounting of Association funds shall be prepared and presented to the Association by the Delegate, a public accountant or a certified public accountant.

4.6 Election and Term of Office. Members of the Board shall be elected by a majority of the Owners voting at the annual meeting of the members of the Association. The initial term of one (1) Director of the Board shall be for one (1) year, the initial term of one (1) Director of the Board shall be for two (2) years and the initial term of one (1) Director of the Board shall be for three (3) years and thereafter until such Director's successor is duly elected and qualified, unless such Director is removed in the manner hereinafter provided. At each annual meeting the members shall elect the same number of Directors whose terms are expiring at the time of each election for a three (3) year term.

4.7 Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be fulfilled by election by the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is duly elected and qualified at the next annual meeting of the Association.

4.8 Removal of Directors. At any annual or special meeting of the Association, duly called, any one (1) or more of the Directors may be removed, with or without cause, by the vote of Owners representing an aggregate ownership interest of at least sixty-seven percent (67%) of the members present and entitled to vote at any such meeting and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

4.9 Organizational Meeting. The first meeting of a newly elected Board shall be held within thirty (30) days of such election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors

in order to convene such meeting, providing a majority of the new Board shall be present at such organizational meeting.

4.10 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held each year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone, telegraph or teletype, at least three (3) days prior to the day named for such meeting.

4.11 Special Meetings. Special meetings of the Board may be called by the President, on his own initiative, on three (3) days' notice to each Director, given personally, or by mail, telephone, telegraph or teletype, which notice shall set forth the, time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on receipt of a written request to call such a special meeting from at least two (2) Directors.

4.12 Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

4.13 Board Quorum. At all meetings of the Board, a quorum is deemed present throughout any meeting if persons entitled to cast fifty percent (50%) of the votes on that Board are present at the beginning of the meeting. The act of a majority of Directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained. At any such adjourned meeting, any business which might have been at the meeting as originally called may be transacted without further notice.

4.14 Compensation: Fidelity Bonds. The members of the Board shall serve without salary or compensation. The Board shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds or insurance in amounts not less than fifty thousand dollars (\$50,000) or such higher amount as the Board may require. The premiums on such bonds shall be paid by the Association.

ARTICLE 5 OFFICERS

5.1 Designation. The officers of the Association shall be a President, a Treasurer and a Secretary, all of whom shall be elected by the Board. Further, the Board may, in its discretion, elect one (1) or more Vice Presidents, an Assistant Secretary and/or an Assistant Treasurer.

5.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. All officers must be members of the Association and the President must be elected from among the

Board. One (1) person may hold concurrently more than one (1) office except that the President may not serve as both President and Secretary.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

5.4 President. The President shall be elected from among the Board and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of the president of a nonprofit corporation, including, but not limited to, the power to appoint committees from among the members from time to time as may be deemed appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meeting.

5.5 Secretary. The Secretary shall keep the minutes of all the meetings of the Board and the minutes of all meetings of the Association; the Secretary shall have charge of such books and papers as the Board may direct; and shall, in general perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up-to-date at the principal office of the Association a complete list of members and their last-known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the Lot owned by such member, the percentage interests in the Common Elements attributable thereto and a description of the Limited Common Elements assigned appurtenant to each Lot. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

5.6 Treasurer. The Treasurer shall have responsibility for Association funds, shall keep the financial records and books of account of the Association and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. Assistant Treasurers, if any, shall have the same duties and powers, subject to supervision by the Treasurer.

ARTICLE 6 INDEMNIFICATION

6.1 Definitions. For purposes of this Article 6, the following terms shall have the meanings set forth below:

6.1.1 Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal;

6.1.2 Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a Director or officer of the Association or a member of a committee formed by the Association or, while a Director or officer of the Association or a member of a committee, is or was serving at the request of the Association as a

director, officer, member, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

6.2 Indemnification.

6.2.1 Except as provided in paragraph 6.2.4 of this Section 6.2, the Association shall indemnify against liability incurred in any Proceeding an Indemnified Party if:

- (1) He conducted himself in good faith;
- (2) He reasonably believed:
 - (a) In the case of conduct in his official capacity with the Association, that his conduct was in the Association's best interest; or
 - (b) In all other cases, that his conduct was at least not opposed to the Association's best interests; and
- (3) In the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

6.2.2 An Indemnified Party's conduct with respect to an employee benefit plan for a purpose he reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirements of sub-subparagraph 6.2.1(2)(b). An Indemnified Party's conduct with respect to an employee benefit plan for a purpose that he did not reasonably believe to be in the interests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirements of subparagraph (1) of paragraph 6.2.1.

6.2.3 The termination of any Proceeding by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, is not of itself determinative that the individual did not meet the standard of conduct set forth in paragraph 6.2.1.

6.2.4 The Association may not indemnify an Indemnified Party (1) in connection with a Proceeding by or on behalf of the Association or its members in which the Indemnified Party was adjudged liable to the Association or its members, or (2) in connection with any Proceeding charging improper personal benefit to the Indemnified Party, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

6.3 Insurance. By action of the Board, notwithstanding any interest of the Directors in such action, the Association may purchase and maintain insurance, in such amounts as the Board may deem appropriate on behalf of any Indemnified Party against any liability asserted against him and incurred by him in his capacity of, or arising out of, his status as an Indemnified Party, whether or

not the Association would have the power to indemnify him against such liability under applicable provisions of laws.

6.4 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article 6, such reasonable requirements and conditions as to the Board may determine to be appropriate, including, without limitation, any one (1) or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the person to be indemnified and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

6.5 Non-Liability of the Directors, Board, and Officers. Neither the Board nor officers of the Association, shall be personally liable to the Owners for any mistake or judgment or for any acts or omissions of any nature whatsoever as Directors, Board, or officers, except for any acts or omissions found by a court to constitute gross negligence or fraud.

ARTICLE 7 AMENDMENTS

7.1 Bylaws. These Bylaws may be amended by action or approval of Owners representing an aggregate ownership interest of at least sixty seven percent (67 %) of the Common Elements in the Project and the number of First Mortgagees specified in the Declaration for particular amendments and any notice of any meeting therefor shall specify the nature and text of any proposed amendment or amendments, provided that these Bylaws shall at all times comply with the provisions of the Act and the Corporation Act.

7.2 Preparation of Amendments. The President and Secretary of the Association may prepare, execute, certify and record amendments to the Declaration.

ARTICLE 8 MISCELLANEOUS

8.1 Notice to Association. Every Owner shall timely notify the Association of the name and address of any Mortgagee, purchaser, transferee or lessee of his Lot. The Association shall maintain such information at the office of the Association.

8.2 Proof of Ownership. Every person becoming an Owner shall immediately furnish to the Board a photocopy or a certified copy of the recorded instrument vesting in that person such ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of members unless this requirement is first met.

8.3 Compliance. These Bylaws are intended to Comply with the requirements of the Act and the Corporation Act. If any provisions of these Bylaws conflict with the provisions of any of such Acts, as the Acts may be amended from time to time, it is hereby agreed that the provisions of the appropriate Acts will apply.

8.4 Character of Association. This Association is not organized for profit. No member, member of the Board, officer or person for whom the Association may receive any property or funds shall receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any of the Board, officers or members except upon a dissolution of the Association, provided, however, (1) that reasonable compensation may be paid to any member, manager, Director, or officer while acting as an agent or employee of the Association for service rendered in effecting one (1) or more of the purposes of the Association, and (2) that any member, manager, Director, or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.


8.5 Conveyances and Encumbrances. Corporate property may be purchased, conveyed or encumbered for security of monies borrowed by authority of the Association and/or the Board. Conveyance or encumbrances shall be evidenced by such documents deemed necessary by the Board which documents shall be executed by the President or Vice President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer, or by such other person or persons to whom such authority may be delegated by the Board.

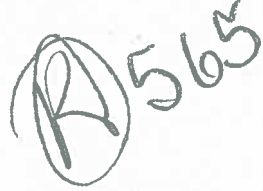
8.6 Inspection of Records. Any Owner or First Mortgagee may inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours, and, upon ten (10) days' notice to the Board or Managing Agent, if any, and upon payment of a reasonable fee, not to exceed fifty dollars (\$50.00), any Owner or First Mortgagee of such Owner shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner. Further, the Association shall make available for inspection during normal business hours, to any Owner, Mortgagee, Agency, insurer or guarantor of any Mortgage and to any prospective purchaser of a Lot, current copies of the Declaration, Bylaws, Articles of Incorporation, Rules and Regulations, and most recent financial statements of the Association.

ADOPTED by the Board on Dec. 20, 2007.


Secretary

Memorandum

To: BWCD BOARD OF DIRECTORS
From: ERIC MANGEOT 
CC: CHRIS GEIGER
Date: AUGUST 14, 2008
File: APPLICATION
Re: EMMA FARMS HOA, INC.



Applicant Name: EMMA FARMS HOA

Type of Use: Domestic Commercial
Industrial Agricultural

Amount: 3.6 AF 0.167 CFS 75 gpm

Location: Area A Area B Inclusion

County: EAGLE/PITKIN Contiguous:

BWCD Division: 6

Mid Valley Metro District Notice Required?: Yes No

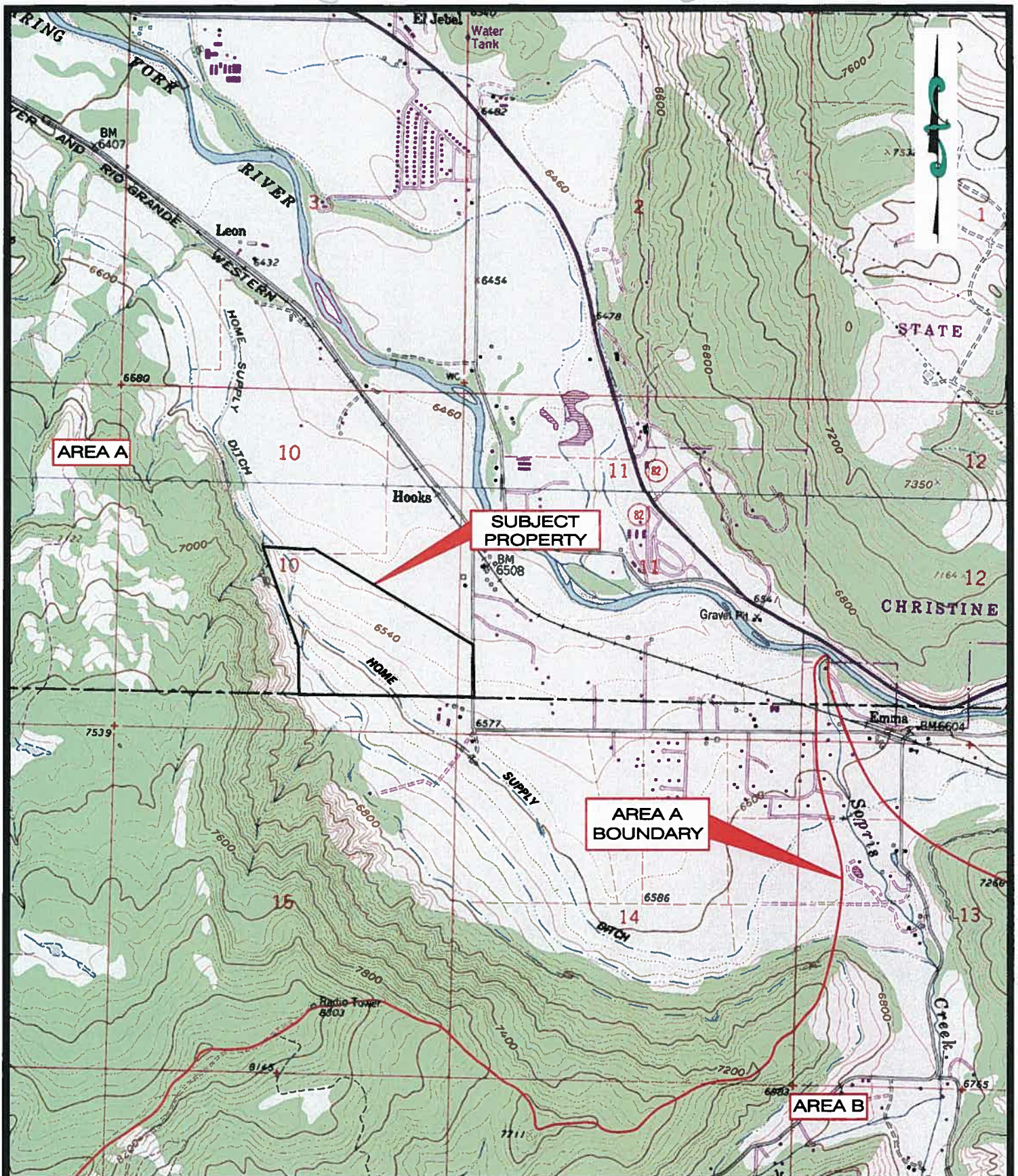
Blue Creek Water Rights Applied? Yes No

Comments: This application seeks a contract to cover depletions from five single-family homes, five accessory dwelling units (ADUs), 50,000 square feet of irrigation, and 30 livestock. Total depletions will be approximately 5.6 AF annually. Upon approval of this contract, the Applicant is requesting cancellation of Contract No. 479. This application is to reflect the final plat for Emma Farms.

The property is also known as Emma Farms which is a 136 acre subdivision consisting of 5 lots in Section 10, Township 8 South, Range 87 West of the 6th P.M.

Based on the property location, it is within BWCD Division 6. The property is located outside of the Mid Valley Metro District service area.

A copy of the water requirements table is attached along with a BWCD map showing the location of the property.



DATE: 08/14/08

JOB NUMBER: 033-7.2

CHECKED BY: RSF

SCALE: 1"=2000'

Water User :	Emma Farms Hoa
Analysis Date :	March 28, 2012
District Area:	A
Source Series:	4
Maximum Demand:	75 (GPM) 0.167 (CFS)

**BASALT WATER CONSERVANCY DISTRICT
WATER REQUIREMENTS
(acre feet)
Contract 565**

Month	Total Demand				Consumptive Use					(12)* TOTAL	(13) Source of Aug/Replace	(14)* Delayed Depletion	
	(1) Domestic In-house	(2) Commercial or Other	(3) Lawn Irrigation	(4) Crop Irrigation	(5) Livestock	(6)* TOTAL	(7) Domestic In-house	(8) Commercial or Other	(9) Lawn Irrigation				(10) Crop Irrigation
January	0.333	0.000	0.000	0.000	0.031	0.401	0.050	0.000	0.000	0.000	0.031	GNM	0.291
February	0.301	0.000	0.000	0.000	0.028	0.362	0.045	0.000	0.000	0.000	0.028	GNM	0.283
March	0.333	0.000	0.000	0.000	0.031	0.401	0.050	0.000	0.000	0.000	0.031	GNM	0.273
April	0.322	0.000	0.086	0.000	0.030	0.482	0.048	0.069	0.000	0.000	0.030	GNM	0.269
May	0.333	0.000	0.542	0.000	0.031	0.997	0.050	0.434	0.000	0.000	0.031	GNM	0.269
June	0.322	0.000	0.687	0.000	0.030	1.143	0.048	0.549	0.000	0.000	0.030	GNM	0.283
July	0.333	0.000	0.651	0.000	0.031	1.117	0.050	0.521	0.000	0.000	0.031	GNM	0.301
August	0.333	0.000	0.392	0.000	0.031	0.832	0.050	0.314	0.000	0.000	0.031	GNM	0.315
September	0.322	0.000	0.358	0.000	0.030	0.782	0.048	0.287	0.000	0.000	0.030	GNM	0.319
October	0.333	0.000	0.113	0.000	0.031	0.525	0.050	0.091	0.000	0.000	0.031	GNM	0.319
November	0.322	0.000	0.000	0.000	0.030	0.388	0.048	0.000	0.000	0.000	0.030	GNM	0.315
December	0.333	0.000	0.000	0.000	0.031	0.401	0.050	0.000	0.000	0.000	0.031	GNM	0.305
TOTALS -->	3.920	0.000	2.830	0.000	0.370	7.831	0.588	0.000	2.264	0.000	0.370		3.543

Assumptions

(1)	NUMBER OF RESIDENCES	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	# persons/residence	10	# of Livestock @ 11 gals/day	30					
	# gallons/person/day	3.5	% CU for Domestic/Commercial	15					
(2)	Commercial/Other Demand (af)	0.000	% Lawn Irrig. Efficiency Consumption of Irrig. (af/ac)	80					
(3)	Sq. Ft. of Lawn Irrigated Lawn Application Rate (af/ac)	50,000	% Crop Irrig. Efficiency Consumption of Irrig. (af/ac)	80					
(4)	Acres of Crop Irrigated Crop Application Rate (af/ac)	2,489	Elevation (feet)	6540					

* = Total Includes 5% Transit Loss
10% from Green Mtn.

Area A-4
Alluvial Wells (Type B)
Roaring Fork River

EXHIBIT A
LEGAL DESCRIPTION

A PARCEL OF LAND SITUATE IN TRACTS 56 AND 57. TOWNSHIP 8 SOUTH, RANGE 87 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EAGLE, STATE OF COLORADO, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT ANGLE POINT 2 OF SAID TRACT 57, A REBAR AND CAP LS NO. 9184 IN PLACE; THENCE N88°48'40"E ALONG THE NORTHERLY LINE OF SAID TRACT 57 A DISTANCE OF 149.16 FEET TO A POINT ON THE SOUTHERLY LINE OF RED ROCK RANCH SUBDIVISION; THENCE DEPARTING THE NORTHERLY LINE OF SAID TRACT 57 S62°01'49"E ALONG THE SOUTHERLY LINE OF SAID RED ROCK RANCH SUBDIVISION A DISTANCE OF 2884.05 FEET TO A POINT ON THE EASTERLY LINE OF SAID TRACT 57; THENCE S00°52'21"E ALONG SAID EASTERLY LINE A DISTANCE OF 825.42 FEET; THENCE DEPARTING SAID EASTERLY LINE S89°12'40"W 2675.61 FEET TO A POINT ON THE WESTERLY LINE OF SAID TRACT 57; THENCE N01°02'06"W ALONG THE WESTERLY LINE OF SAID TRACT 57 A DISTANCE OF 811.95 FEET TO ANGLE POINT 8 OF SAID TRACT 56; THENCE DEPARTING SAID WESTERLY LINE N25°16'57"W 1570.11 TO A POINT ON THE SOUTHERLY LINE OF TRACT 54 (WHERE ANGLE POINT 5 OF TRACT 54 BEARS 1188°15'21"W 643.52 FEET); THENCE S88°15'21"E ALONG THE SOUTHERLY LINE OF SAID TRACT 54 A DISTANCE 652.01 FEET TO THE TRUE POINT OF BEGINNING, SAID TRACT OF LAND CONTAINING 106.215 ACRES MORE OR LESS;