

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

OF CRAWFORD ROW TOWNHOMES AT DOS RIOS

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF CRAWFORD ROW TOWNHOMES AT DOS RIOS (“Declaration”) is made as of the date signed below by DR Townhomes LLC, a Colorado limited liability company hereinafter referred to as “Declarant,” for itself, its successors and assigns.

RECITALS:

A. Declarant is the owner of the following real property situate in the County of Mesa, State of Colorado:

Lots 1 through 13, inclusive, and Tract A, Crawford Row Townhomes at Dos Rios Filing 1, Mesa County, Colorado as shown on the plat thereof recorded in Mesa County, Colorado

(the “Property”). Please note that the recorded plat of Crawford Row Townhomes at Dos Rios Filing 1 includes other real property that is not subject to this Declaration.

B. Declarant is developing the Property under the name and style of Crawford Row Townhomes At Dos Rios (the “Community”) and desires to submit and subject the Property to the covenants, terms and provisions set forth and established by this Declaration in furtherance of a common and general plan of development for the Property for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property, and deems it appropriate and proper to set aside a portion of the Property as common area for the use and benefit of the owners of Lots within the Property, and to establish a Colorado nonprofit corporation, Crawford Row at Dos Rios Townhome Owners Association, organized pursuant to the Colorado Nonprofit Corporation Act, to which such common area from time to time shall be conveyed.

C. Except as otherwise specifically provided herein, the Community is exempt to the maximum extent permitted by law from the provisions of the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 *et seq.* (“CCIOA”), as a common interest community with fewer than 20 residential lots, with no reserved development rights.

D. The Property is part of a larger common interest community known as the Dos Rios Planned Community (“Master Community”). The Master Community is created pursuant to the Master Declaration of Covenants, Conditions, and Restrictions for the Dos Rios Planned Community (“Master Declaration”) (as amended) for the purpose of enhancing, maintaining and protecting the value and desirability of the larger Dos Rios Planned Community. There has been formed the Dos Rios Master Association (“Master Association”), organized pursuant to Colorado law and to C.R.S. §38-33.3-301 and the Colorado Nonprofit Corporation Act, to which certain common areas for the use and benefit of all the Lot and Unit owners within the Master Community

shall be from time to time conveyed. The Crawford Row Townhomes at Dos Rios common interest community is a part of the Master Community, and the Crawford Row at Dos Rios Townhome Owners Association is a sub-association with respect to the Master Association, as those terms are defined under CCIOA.

E. Any conflicting provisions of this Declaration, or any amendment or supplement thereto, and the Master Declaration, shall be resolved in favor of the more strict, stringent, burdensome, or restrictive provision.

NOW, THEREFORE, the Declarant covenants and declares that the Property shall be developed as a common interest community, and that all of the Property, and any part thereof, with all appurtenances, facilities, and Improvements thereon, therein or thereto, shall be held, sold, owned, conveyed, encumbered, leased, used, occupied, liened, and improved subject to the following limitations, restrictions, easements, covenants, servitudes, conditions, obligations, reservations, liens, provisions, and charges described or set forth in this Declaration, all of which are declared and agreed to be in furtherance of a general plan for the improvement and development of the Property, and which shall run with the land, shall be binding upon and inure to the benefit of all parties having or acquiring any right, title or interest in the Property or any part of it and the successors in interest, heirs and assigns of such parties, and are imposed upon the Property and every part of it as equitable servitudes which may be enforced by the Declarant, its successors and assigns, each Owner, his or her successors and assigns, or by the Association, its successors and assigns.

ARTICLE 1 DEFINITIONS

The terms, words, and phrases used herein shall have the meanings stated in the Act, except as otherwise provided herein:

1.1 “Assessment” shall mean and refer to any assessment levied against one or more Owner(s) or Lot(s) as permitted by this Declaration or applicable law, including without limitation any of the following:

(a) “Regular Assessment” shall mean and refer to a charge against each Lot representing that portion of the Common Expenses attributable to such Lot (also known as “dues”), and may include all fees, charges, late charges, attorney fees, fines and interest arising from failure to pay when due the principal amount of such assessment.

(b) “Special Assessment” shall mean and refer to a charge against any Lot representing a portion of the Association’s cost for the purchase, installation, construction or expected or unexpected repair or replacement, of any improvement (including any capital improvement or any necessary fixtures and personal property related to a capital improvement) that is a Common Expense of the Association

(c) “Capital Assessment” shall mean and refer to a charge against any Lot representing a portion of the Association’s estimates for reserves for repair, replacement or upgrading of existing capital improvements, and/or acquisition, construction and installation of new capital improvements.

(d) “Limited Special Assessment” shall mean and refer to a charge against any Lot for certain costs incurred by the Association for materials or services furnished to the Owner or his or her Lot at the request of or on behalf of such Owner, or as a result of any Owner failing to maintain any portion of his or her Lot in accordance with the provisions of this Declaration, or as a result of the negligence, recklessness, or willful misconduct of any Owner, his or her employees, guests or invitees, or for excessive use or special use of the services or facilities, if any, provided by the Association, or for any other purpose for which this Declaration or applicable law specifies or permits the imposition of an Individual Special Assessment.

1.2 “Association” shall mean and refer to **Crawford Row at Dos Rios Townhome Owners Association**, a Colorado nonprofit corporation, which has been or shall be organized under the laws of the State of Colorado prior to the conveyance of the first Lot in the Community, and its successors and assigns.

1.3 “Common Area” shall mean and refer to all of the Property, together with all Improvements therein or thereon, excluding the Lots, including but not limited to Tracts shown on any plat of the Property or any other property conveyed to the Association in fee simple for the use and benefit of the Members, and all real and personal property owned by the Association for the benefit of the Community.

1.4 “Community” means all of the Property together with any and all Improvements therein and thereon, any and all Association property that is owned, held, or maintained for the use and benefit of the Owners/Members, and all rights, easements, appurtenances belonging thereto, including without limitation those created by this Declaration, and shall generally have the same meaning as the term “common interest community” under the Act. The Community shall be known as Crawford Row Townhomes at Dos Rios.

1.5 “Declarant” shall mean and refer to DR Townhomes LLC, a Colorado limited liability company, and affiliates of Declarant, and its successors and assigns to whom it expressly transfers all or any part of its rights as Declarant hereunder.

1.6 “Declaration” shall mean this Declaration as it may be amended or supplemented from time to time to time as herein provided, which shall be indexed in the grantee’s index in the name of the Community and the Association and in the grantor’s index in the name of the Declarant executing this Declaration.

1.7 “Eligible Mortgagee” means a First Mortgagee (as hereinafter defined) who (i) is also a bank, savings and loan association, insurance company, real estate mortgage investment trust, pension fund, an agency of the United States Government, mortgage banker, the Federal National Mortgage Association (“FNMA”), the Federal Home Loan Mortgage Corporation (“FHLMN”) or any other lender generally recognized as an institutional lender, and (ii) has notified the Association, in writing, of its name and address, and that it holds the First Mortgage on one or more Lots. The notice must include the Lot number and street address of the Lot on which it has such security interest. This notice shall be deemed to include a request that the Eligible Mortgagee be given the information and afforded the rights described in this Declaration for Eligible Mortgagees.

1.8 “First Mortgage” means a Mortgage upon a Lot having priority of record over all other recorded encumbrances and liens thereon, except those governmental liens made superior by statute (such as general ad valorem tax liens and Special Assessments). “First Mortgagee” means a mortgagee whose encumbrance is a First Mortgage. Nothing herein shall prohibit a mortgagee under a single mortgage from being a “First Mortgagee” upon more than one (1) Lot and from maintaining and exercising all First Mortgagee voting rights, approvals and/or consents with respect to each applicable Lot for which it is First Mortgagee.

1.9 “Governing Documents” means the foundational documents creating and governing the Community, including but not limited to this Declaration, the Articles of Incorporation of the Association, the Bylaws of the Association, the rules, procedures, regulations, policies, and guidelines adopted pursuant to such documents by the Association through its Board of Directors (“Board”) or authorized committees.

1.10 “Improvements” shall mean and refer to all structures and any appurtenances thereto or components thereof of every type or kind, as well as fences, retaining walls, screening walls, plantings, poles, signs, mailboxes, tanks, equipment, satellite dishes, HVAC facilities and air conditioners, including but not limited to buildings, outbuildings, swimming pools, hot tubs, patios, patio covers, awnings, painting or other finish materials of any exterior surface, benches, surface improvements including sidewalks, driveways, and landscaping, drainage facilities, channels, and features.

1.11 “Lot” shall mean and refer to any lots shown on any recorded plat or plats of the Property together with Improvements therein and thereon and appurtenances thereto. Boundaries of a Lot shall be as shown and defined on any recorded plat of the Property, and, with respect to a Party Wall, as defined in this Declaration.

1.12 “Maintenance Area” shall mean and refer to that portion of each Lot that, although not part of the Common Area, is designated to be repaired, improved, maintained, regulated, and otherwise kept up by the Association pursuant to this Declaration. The Maintenance Area shall include those portions of the exterior of the Townhomes designated for Association maintenance as provided in Section 5.1(a) below, and the landscaping, sprinkler system, sidewalk, utility lines

and other Improvements located outside of the exterior the Townhome but within the physical boundaries of the Lot.

1.13 “Member” shall mean and refer to every person or entity who holds membership in the Association or, following termination of the Community, all former Owners entitled to distributions of proceeds under C.R.S. §38-33.3-218 or their heirs, personal representatives, successors or assigns.

1.14 “Mortgage” means any mortgage, deed of trust or other assignment or comparable security instrument recorded in the real property records of the office of the Clerk and Recorder of Mesa County, Colorado, and by which a Lot or any part thereof is encumbered. The term shall include a “security interest” as defined by the Act.

1.15 “Owner” means any person, trust, entity, corporation, partnership, association, or other legal entity or any combination thereof, including Declarant, who owns the record fee simple interest in one or more Lots, and shall include any grantee, transferee, heir, successor, personal representative, executor, administrator, devisee, and assign of any Owner but shall not refer to any mortgagee or other person or entity having an ownership interest in any Lot merely as a security for the performance of an obligation, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

1.19 “Owner’s Proportionate Share” means the common expense liability allocated to each Lot, which shall be calculated as a fractional number obtained where the numerator is one and the denominator is the total number of townhomes in the Community, or 1/13.

1.20 “Party Wall” shall mean and refer to the material(s) located on the dividing Lot line between the adjacent, interior walls of adjoining Townhomes and beneath the roof shingles and behind any exterior stucco, stone, masonry or siding materials of a Townhome. Each wall which is built as a part of the original construction of the Townhomes and placed on or immediately adjacent to the dividing line between the Lots shall constitute a Party Wall.

1.21 “Plat” shall mean and refer to the Crawford Row Townhomes at Dos Rios Filing 1 subdivision plat recorded in the official land records of Mesa County, and any other recorded plat or replat of the Property, in whole or in part.

1.22 “Period of Declarant Control” shall mean that period during which the Declarant, or a person designated by Declarant, may appoint and remove the officers and members of the Board as set forth in this Declaration.

1.23 “Property” shall mean and refer to that certain real property described in the Recitals, Paragraph A, of this Declaration.

1.24 "Townhome" shall mean the single-family dwelling structure constructed and located upon a Lot constructed with one or more zero lot-line setback(s) and one or more Party Walls connecting the structure to one or more similar structures.

1.25 "Reserve Fund" shall mean and refer to the reserve fund for capital maintained by the Association for unforeseen expenditures and to purchase any equipment, services, materials or improvements the Board of Directors of the Association may deem necessary or appropriate for, or related to, the operation, use, management, maintenance, repair, improvement, or replacement of Common Areas or Association Improvements.

ARTICLE II PROPERTY RIGHTS

Section 2.1 Title to the Common Area. Subject to the provisions of this Declaration, title to the Common Area shall be conveyed in fee simple, free and clear of all liens and encumbrances, except this Declaration, other title exceptions of record on the date of recording of this Declaration, and then current real property taxes prorated to the date of conveyance, by the Declarant to the Association, when required by law, but not later than sixty (60) days after the initial sale of the first Lot in the Community to someone other than the Declarant.

Section 2.2 Non-Division of the Common Area. The Common Area shall remain undivided and shall not be subject to partition. By acceptance of the deed or other instrument of conveyance or assignment, each Owner specifically waives his/her/its rights to institute and/or maintain a partition action or any other action designed or intended to cause a division of the Common Area, and by such acceptance each Owner specifically agrees (1) not to institute any action therefore, and (2) that this Section may be pleaded as a bar to the maintenance of such an action; and (3) that this Section and its restrictions are necessary to preserve the rights of all Owners regarding the operation and management of the Common Area and the Community. A violation of this Section shall entitle the Association to collect from the parties violating the same, jointly and severally, the actual attorney fees, costs and other damages the Association incurs in connection with or relating to any such action. Nothing herein shall be construed as a limitation of the right of legal partition of any Lot among the Owners thereof, but such action shall not affect any other Lot nor sever any part of the Community from such Lots.

Section 2.3 Owners' Easement of Enjoyment. Subject to the limitations and restrictions of this Declaration, every Owner shall have an equal, non-exclusive right and easement of enjoyment in and to the Common Area, including without limitation the right of ingress and egress to and from the Owner's Lot, his/her/its parking area, any private street, or any recreational facilities or amenities of the Association or of the Master Association within any Common Area thereof, and such easement shall be appurtenant to and shall pass with the title to every Lot without the necessity of additional reference. This easement of enjoyment does not allow any Owner to use the Common Areas for business or commercial purposes without the prior express written permission of the Association. This Easement of Enjoyment of the Common Areas is intended for

the common use and enjoyment of Owners for recreation and other related activities attendant to residential use of their Lots, and does not and shall not be construed to dedicated the Common Areas for use by the general public or to create any right of the general public to use the Common Areas for any purpose.

Section 2.4 Limitations of Owner's Easement of Enjoyment. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to create, adopt, promulgate and publish rules, regulations, policies and guidelines governing the use of the Common Areas by Owners, their invitees, guests, tenants, and contractors and to enforce strict compliance with those rules, regulations, policies and guidelines for such use;

(b) The right of the Association to enforce the restrictions contained in this Declaration and to enforce compliance with said restrictions by every Owner, his invitees, guests, tenants, and contractors;

(c) The rights of certain Lot Owners to the exclusive use of any part of a Common Area that is designated by this Declaration or on any plat of the Property as a Limited Common Area for the use and benefit of such Lot Owners, and the right of the Association and such Lot Owners to enforce such rights;

(d) The right of the Association, as provided in its Articles or Bylaws, to suspend an Owner's voting rights and right to use of Common Areas for any period of time during which such Owner is in default under this Declaration, including without limitation non-payment of any Assessment levied by the Association, provided that any such suspension shall not be effective unless prior notice and an opportunity to be heard has been given to the Owner as provided in the Articles or Bylaws, and provided that where any such suspension is for an infraction of the Association's rules and regulations, the period of suspension shall not exceed sixty (60) days;

(e) The right of the Association to cause or consent to (1) the construction of additional Improvements within the Common Areas, (2) the alteration or removal of any existing Improvements within the Common Areas, and (3) the closing or limitation of use of the Common Areas or any part thereof for maintenance, repair, replacement or improvement thereof, for the safety or benefit of the Members.

(f) The right of the Association to grant easements under, over, across, through, upon, or in the Common Areas so long as such easements do not unreasonably interfere with the use of a Lot;

(g) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility, and to subject the Common Area to such conditions as may be imposed or required by the public entity or utility, for the purposes of providing or

making public or utility services and facilities available to the Members, subject to the provisions of this Declaration;

(h) The rights of the Association to borrow money for the purpose of improving, repairing, replacing or maintaining the Common Area and to mortgage the Common Areas as security for any such loan, subject to the provisions of Article XI hereof;

(i) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure, waste, harm, degradation or misuse;

(j) The right of Declarant or the Association to assign or allocate any part of the Common Area to be a Limited Common Area for the exclusive use of a particular Owner or Owners;

(k) The right of the Association to abate nuisances, unlawful activity, code violations, hazardous activity, and to otherwise manage and keep the Common Areas in an orderly, safe, and clean manner and condition.

Section 2.5 Other Easements. In addition to the Owners' Easement of Enjoyment, the Common Areas shall be subject to the following:

(a) Utility Easements. Notwithstanding any provision of this Declaration to the contrary, Declarant reserves the right to create, grant and transfer non-exclusive easements in, on, under, over, across, and through the Property, including without limitation the Common Areas, for the purpose of installing, maintaining, repairing and placing any utilities or related services, including but not limited to any gas, electric, water, sewer, drainage, irrigation, communication, phone, television or similar lines, pipes, mains, or cables, and conduits therefor, and related facilities, including without limitation any heating or cooling installations, any master television or communication antenna system, pumps, and sprinklers, and for other utility and public purposes consistent with the intended use of the Property under this Declaration. The foregoing easements shall include, without limitation, the right of ingress and egress, the right to erect and maintain the necessary pipes, poles, boxes, and other equipment, and the right to enter into agreements relating to such utility services and easements, all of which shall be binding upon the Association and the Owners. Should any person or party furnishing such service(s) request a specific easement by separate recordable documents, Declarant shall have the right to grant such easement on the Property. The foregoing easement(s) shall be in addition to any other recorded easements on the Property, including but not limited to any easements dedicated on a recorded plat of the Property, and any easements created by or reserved pursuant to this Declaration. No easements shall be granted pursuant to this Section which will unreasonably interfere with an Owner's use of his/her/its Lot. All rights reserved herein for the Declarant shall pass to the Association upon completion of the improvements by the Declarant.

(b) Maintenance Easement. A non-exclusive easement is hereby granted to the Association, their respective officers, agents, employees and assigns, upon across, over, in, under and through the Common Area and any Lot as may be necessary or appropriate to perform, exercise or carry out (1) the duties and functions which the Association is obligated or permitted to perform pursuant to this Declaration or otherwise, including without limitation any maintenance required or permitted hereunder or pursuant to the Act, (2) any of Declarant's rights, (3) inspection, maintenance, repair, replacement, construction or reconstruction of any facilities, utilities, improvements or equipment on or within the Common Areas and Maintenance Areas; provided, however, that entry into any Townhome in non-emergency situations shall only be made after service of reasonable written notice and during regular business hours, and, under emergency circumstances after such notice, if any, as is reasonable under the circumstances.

(c) Emergency Easement. A non-exclusive easement is further granted to all police, fire protection, ambulance and all similar persons to enter upon the Property, including but not limited to all Lots, Maintenance Areas and the Common Area, in the performance of their duties; however, nothing in this Declaration shall be construed or used to obviate or avoid the legal requirement of a warrant for any search or seizure by law enforcement personnel.

(d) Common Wall or Party Wall Easement. Each Owner, his agents and contractors, are granted a non-exclusive easement for purpose of maintenance, construction, reconstruction and repair, in, over, under, upon and through adjacent Lots and in and upon adjacent Townhomes for purpose of common wall repair or maintenance, in accordance with Section 5.5, upon reasonable notice to the Owner thereof. Any damage occasioned to the adjacent Lot or Improvements, including the Townhome, thereon in exercising said easement shall be the responsibility of the Owner who caused or occasioned such damage.

(e) Exterior Wall Easement. Each Owner, his agents and contractors, are granted a non-exclusive easement in, over, under, upon and through the adjacent Common Area for the purpose of maintenance, construction, reconstruction and repair of any exterior wall on such Owner's Lot; provided, however, that such Owner shall be responsible for any damage to the Common Area caused or occasioned by such work or activities, and shall restore it to its condition prior to commencement of such work or activities.

(f) Easement for Encroachments. If any part of the Common Area or any Improvement therein or thereon encroaches upon a Lot or Lots, a valid easement for such encroachment and for the maintenance of the same, so long as it stands, is granted and crated hereby and shall and does exist. If any portion of a Lot or any Townhome or other structure related thereto encroaches upon the Common Area, or upon any adjoining Lot or Lots, a valid easement for the encroachment and for maintenance of the same, so long as it stands, shall and does exist. In the even that a Townhome or structure related thereto is partially or wholly destroyed, the Owner agrees to make all reasonable efforts to rebuild the structure within the boundaries of the Lot; however, if the structure is rebuilt in its prior location, the Owners agree, by acquiring a Lot or Lots within the Community, that minor encroachment of part of the Townhome due to such construction shall be permitted and

that a valid easement for said minor encroachment and the maintenance thereof shall exist. Encroachments referred to this Section include, but are not limited to, encroachments caused by error in the original construction of any Townhome or relate structure constructed on the Property, by error in the plat, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Improvements or nay portion thereof. Such encroachments and easements shall not be considered or construed to be title defects or encumbrances either on the Common Area or on the Lots. In interpreting any and all provisions of this Declaration, subsequent deeds, Mortgages, or other security instruments relating to Lots and Townhomes, the actual location of a Townhome, and related structures, shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered, notwithstanding any minor deviations, either horizontally, vertically or laterally, from the location of such Lot, Townhome, and related structure, as indicate on the plat.

(g) Easement for Foundations. Owners of adjoining Lots shall have mutual easements of horizontal and vertical support for the foundations on which adjacent walls of their Improvements rest, and similar easements for support from the Common Area, and for the benefit of Improvements on the Common Area, are hereby created, reserved and dedicated, and shall also exist.

(h) Easement for Ingress and Egress. Subject to the provisions of this Declaration, each Owner, his agents and guests, are hereby granted a perpetual, non-exclusive easement over any streets, roadways, driveways, and sidewalks located within or upon the Common Areas for the purpose of vehicular and pedestrian ingress to and egress from such Owner's Lot. If any of the streets or roadways upon the Property are private streets, Declarant shall have the right to relocate any portion of such streets or roadways, provided that such relocation continues to provide all Owners with reasonable access to and from their Lots. Declarant may also dedicate any portion of any private street or roadway upon the Property to a public entity for public right-of-way, if and only if the public entity has agreed to accept such dedication, in which case, if accepted by a public entity, the Association's obligations for repair and maintenance of said street or roadway shall cease.

(i) Easement for Drainage. There is hereby created an easement for drainage over the Common Areas. Any such easement may be relocated by the Declarant or by the Association so long as it is relocated pursuant to a stamped design by a competent engineer and is otherwise in accordance with applicable drainage standards and applicable state and local regulations.

(j) Easement for Utilities and Access for Adjacent Lots. There are hereby reserved and created the following non-exclusive, appurtenant easements upon, over, along, through, within, under, and across Tract A, Crawford Row Townhomes at Dos Rios Filing 1, Mesa County, Colorado, benefitting Lots 100 and 101 of Crawford Row Townhomes at Dos Rios Filing 1, Mesa County, Colorado:

- (i) An easement for access, ingress and egress for vehicles, pedestrians, bicycles, and other common means of transportation to and from Lawrence Avenue and Lots 101 and 102, including without limitation access, ingress and egress for any and all owners, tenants, residents, and invitees of the same to and from Lots 100 and 101 and any part thereof, trash collection, mail and package delivery, and other uses common to residential use of real property (“Access Easement”); and
- (ii) An easement for utilities, including but not limited to sewer, water, electricity, gas, telecommunications, serving Lots 100 and 101 (“Utility Easement”).

The owners of Lots 100 and 101 and any part thereof and their tenants, guests and invitees are referred to in this Section 2.5(j) as “Beneficiaries.”

The Access Easement and Utility Easement are expressly for the benefit of Lots 101 and 102 including any and all future development thereof, which may include but shall not be limited to further subdivision into multiple lots or tracts, construction and development of townhomes, apartments, or other residential structures and uses and related accessory structures and uses. Future development of Lots 101 and 102 shall not be deemed or construed to overburden the easement created by this Section 2.5(j).

To the maximum extent practicable, utilities shall be installed and maintained underground. Vehicular access, ingress and egress shall be limited to the clearly delineated drive aisles within Tract A and shall not include any designated parking areas, landscaped areas, trash enclosures, or other areas dedicated to other uses. Pedestrian access shall be limited to the sidewalks and drive aisles and shall not include landscape areas, trash enclosures, or parking areas. Vehicular and pedestrian access by the Beneficiaries of the Access Easement shall not be exercised in such a manner that interferes with or obstructs such other clearly designated uses of Tract A.

The owners of Lots 100 and 101 and of any subdivided or other portion thereof may be required by the Association to contribute to the costs of maintenance of the areas of Tract A used for access, ingress and egress in such amounts as shall be fair and equitable based on actual use of such areas and actual maintenance costs. The Association shall provide a detailed statement including a description of such costs and the beneficiary’s equitable portion thereof. This Section 2.4(j) shall create a right of the Association to such contribution from such owners or any association of such owners.

(k) Declarant, as owner of Lots 100 and 101, has granted and conveyed, by separate instrument, an easement to the Association for the benefit of the Association and the Lot Owners over that area depicted on the Plat as “Public Utility Easement Granted By This Plat and Access Easement Granted by Separate Instrument” for ingress-egress, access, and other normal and customary vehicular and pedestrian movement and for the installation, use, maintenance, repair,

and replacement of utilities. The equitable share of maintenance costs for such easement shall be a Common Expense of the Association and the Lot Owners.

Section 2.6 Delegation of Use. Subject to the provisions of this Declaration and any rules or regulations which may be established from time to time concerning the Common Area, any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, his guests, short-term lodgers, or contract purchasers who reside on or are using her/her/its Lot. Each Owner shall, to the extent permitted by law, be liable for any damage done to the Common Area by such persons and for any breach of the Association's rules and regulations by such persons.

Section 2.7 Rights of Declarant Incident to Construction. An easement is hereby retained by and granted to Declarant, its successors and assigns, for access, ingress, and egress, over, in, upon, under, across and through the Common Area of any special Declarant right hereunder or under the Act, including, but not limited to, the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to Declarant's construction on the Property.

Section 2.8 Easements Deemed Created. All conveyances of portions of the Property, including Lots, hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the easements created by, set forth in, contained and referenced in this Declaration, even though no specific reference to such easements appears in the instrument of such conveyance.

Section 2.9 Recorded Easements. The Property, and all portions thereof, shall be subject to all recorded licenses and easements including without limitation any shown on any recorded plat of the Property or any part thereof, whether recorded contemporaneously with this Declaration or after.

Section 2.10 Duty of Association to Accept Common Areas. The Association shall have the duty and obligation to accept conveyance or dedication of Common Areas within and of the Property to the Association from or by the Declarant, and shall have no right to decline or reject such conveyance or dedication. The right of Declarant to convey or dedicate Common Areas to the Association and the obligation and duty of the Association to accept such conveyance or dedication is and shall be a reserved special right of the Declarant pursuant to this Declaration. No Member of the Association, including any member of the Board of Directors, shall have any right to object to such conveyance or dedication.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Membership. Every Owner of one or more Lots in the Property shall be entitled and required to be a Member of the Association, subject to the voting rights provisions of this Article III. No person or entity other than an Owner of one or more Lots in the Property may

be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot; no Owner shall be entitled to sever his or her ownership interest in a Lot from membership in the Association, provided, that this shall not be construed as precluding the Owner of a Lot from creating or severing a co-tenancy, joint tenancy or any other form of co-ownership with any other person or persons. Ownership of a Lot shall be the sole qualification for membership.

Section 3.2 Allocation of Votes. Each Lot that may be created shall be allocated one vote in the Association. If only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Lot. If more than one of the multiple Owners is present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of such Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. If the Owners of the Lot are unable to reach a majority, their vote shall not be counted. The Association shall have one class of voting membership who shall be the Owners. The Owners shall elect all of the members of the Board of Directors following termination of the Period of Declarant Control.

Section 3.3 Declarant Control. Notwithstanding anything herein to the contrary, the Declarant shall have the right to appoint the members of the Board of Directors and the Officers of the Association during the Period of Declarant Control as set forth in Section 3.6.

Section 3.4 No Cumulative Voting. In the election of directors of the Association, cumulative voting shall not be allowed.

Section 3.5 Membership Appurtenant. By accepting a deed to a Lot or other instrument the acceptance of which would render the holder an Owner, membership in the Association shall be appurtenant to and inseparable from a Lot. Membership in the Association may not be transferred except in connection with the transfer of ownership of a Lot and shall be automatically transferred by Conveyance of a Lot without additional action or documentation.

Section 3.5 Directors of the Association. When Declarant relinquishes control of the Board to the Owners pursuant to Section 2.06, the Board shall be comprised of not fewer than three (3) directors, who shall be elected by a vote of the Members.

Section 3.6 Management of the Association – Period of Declarant Control.

(a) Notwithstanding anything stated elsewhere in this Declaration, until the earliest of: (i) twenty (20) years after the date of recording of this Declaration (the period of Declarant's control) in the real property records of Mesa County, Colorado; (ii) one year after Conveyance of 100% of the Lots to Owners other than Declarant; or, (iii) two (2) years after the most recent Conveyance of a Lot by Declarant in the ordinary course of business, Declarant may appoint and remove all Association officers and all members of the Board of Directors of the Association, subject to the limitations stated in this Section.

(b) Upon the termination of the Period of Declarant Control specified in subsection 3.6(a) the Owners shall elect a Board of Directors in accordance with Section 3.5 who must be

Owners other than Declarant or designated representatives of Owners other than Declarant, except that where Declarant also owns a Lot, Declarant may be elected as a director. The Board of Directors so elected and officers shall take office upon termination of the period of Declarant control specified above.

(c) Notwithstanding anything to the contrary stated elsewhere in this Section 2.06, by a vote of 67% of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, any member of the Board of Directors may be removed with or without cause, other than a member appointed by Declarant.

(d) Declarant may voluntarily surrender the right to appoint and remove officers of the Association and members of the Board before termination of the period of Declarant's control; but in that event Declarant may require, for the duration of the period of Declarant's control, that specified actions of the Association or the Board (as described in a recorded instrument executed by Declarant) be approved by Declarant before they become effective.

(e) Within sixty (60) days after Owners other than Declarant elect a majority of the Board, Declarant shall deliver to the Association all property of the Owners and the Association held or controlled by Declarant, including, without limitation, those items specified in C.R.S. § 38-33.3-303(9).

Section 3.7 Quorum. Quorum requirements are specified in the Bylaws.

Section 3.8 Officers of the Association. The officers of the Association are specified in the Bylaws.

Section 3.9 Authority. The Association shall have all rights, powers and authority specified or permitted by this Declaration, the Articles of Incorporation, the Bylaws, the Act or any other applicable law, to the extent permitted by law.

Section 3.10 Duties and Obligations. The Association shall perform all duties and obligations specified in this Declaration, the Articles of Incorporation, and the Bylaws, including but not limited to maintenance and upkeep of all Common Area and the Maintenance Area as defined and further provided in this Declaration. To promote responsible governance, the Association shall adopt a procedure for the adoption and amendment of policies, procedures and rules, as well as regulations concerning the accumulation and investment of reserve funds. The Common Areas and the Maintenance Area shall be repaired, maintained, improved, and regulated by the Association as provided in this Declaration.

Section 3.11 Actions Against Owners. The Association may take judicial action against any Owner to enforce compliance with any provision of this Declaration, obtain mandatory or injunctive relief, or obtain damages for noncompliance, and may exercise any other right or remedy for enforcement of this Declaration permitted by law; provided, however, that the parties shall first informally meet and correspond in an attempt to resolve the dispute. If the dispute is not resolved within thirty (30) days after the initial notice of the dispute from one party to the other, the parties shall proceed in good faith to submit the matter to mediation. Mediation is a process in which the

parties meet with an impartial person who helps to resolve the dispute informally and confidentially. The mediator cannot impose a binding decision. The parties to the dispute must agree before any settlement is binding. Within fourteen (14) days after one party notifies the other of a dispute, the parties shall jointly appoint an acceptable professional mediator. If the parties cannot agree on a mediator, each party shall select a professional mediator whose sole purpose shall be to select a third professional mediator who shall mediate the dispute. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within thirty (30) days after the date the mediator is selected, or if one party does not respond or refuses to participate in selecting a mediator. If the dispute is settled through the mediator, the parties shall share equally in the mediation costs and pay their own attorney fees, if any. If the dispute is not settled by mediation and proceeds to litigation, the losing party in the litigation shall pay the prevailing party's portion of the mediation costs and its attorney fees, if any.

Section 3.12 Conveyance or Encumbrance. The Association shall have the right to encumber, dedicate or convey all or any part of any Common Area or the Association interest in Common Areas or any other Association asset. However, no such encumbrance, dedication or conveyance shall be effective unless an instrument signed by 67% of the Members entitled to vote agreeing to such encumbrance, dedication, or transfer has been recorded in the real property records of Mesa County, Colorado. Any of the instruments required by this Section may be signed in counterparts that shall together constitute a single agreement.

Section 3.13 Management Agreement and Other Contracts.

(a) The Association may utilize professional management in performing its duties. Any agreement for professional management of the Association's business or any contract providing for the services of Declarant shall have a maximum term of three (3) years and the materials terms thereof shall be subject to renegotiation. The Association shall utilize the same professional management company, person, or entity as is utilized by the Master Association, unless the Master Association consents in advance and in writing to the Association's use and contract with a different management professional.

(b) Any contracts, licenses or leases entered into by the Association while Declarant controls the Association shall be subject to C.R.S. §38-33.3-305 and shall be terminable in accordance therewith.

(c) Each Owner shall be bound by the terms and conditions of any management agreement entered into by the Association.

(d) If professional management has been previously in effect after being required by any holder, insurer, or guarantor at that time or later, any decision to terminate professional management and to establish self-management by the Association shall require the prior consent of sixty-seven percent (67%) of the Eligible Mortgagees (based upon one vote for each Eligible Mortgage held) and vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are attached, who are voting in person or by proxy at a meeting duly called for that purpose.

Section 3.14 Public Disclosures After Declarant Control. Within thirty (30) days after assuming control from Declarant pursuant to Section 2.06, the Association shall make the following information available to Owners by posting on an internet web page (if the Owners have been previously notified of the web address via mail or e-mail), maintaining a literature table or binder at the Association's principal place of business, or by mail or personal delivery:

- (a) The name of the Association;
- (b) The name of the Association's designated agent or management company, if any;
- (c) A valid physical address and telephone number for both the Association and the designated agent or management company, if any;
- (d) The name of the common interest community;
- (e) The initial date of recording of the Declaration;
- (f) The reception number or book and page for the main document that constitutes the Declaration;
- (g) The date on which the Association's fiscal year commences;
- (h) The Association's operating budget for the current fiscal year;
- (i) A list, by type of Lot or unit, of the Association's current Assessments, including both Regular and Special Assessments;
- (j) The Association's annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (k) The results of the Association's most recent available financial audit or review;
- (l) A list of all Association insurance policies, including but not limited to property, general liability, Association director and officer professional liability, and fidelity, which shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed;
- (m) The Articles of Incorporation, Bylaws and any rules and regulations of the Association;
- (n) The minutes of the Board and Member meetings for the fiscal year immediately preceding the current annual disclosure; and
- (o) Any rules, regulations and procedures concerning the investment of reserve funds, the adoption and amendment of policies, procedures and rules, and the resolution of disputes between the Association and Owners.

Section 3.15 Annual Public Disclosures. Within ninety (90) days after the end of each fiscal year of the Association, the Association shall make available (by the same methods described in Section 3.14) the information described in subsections 3.14(g) through 3.14(o).

Section 3.16 Owner Education. So long as required by law, the Association shall provide, or cause to be provided, education to Owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the Association, and the Board of Directors, under Colorado law. The criteria for compliance with this Section 3.16 shall be determined by the Board.

ARTICLE IV COVENANT FOR ASSESSMENTS

Section 4.1 Creation of the Lien and Personal Obligation of Assessments.

(a) The undersigned Declarant, for each Lot within the Property, covenants (and each Owner of any Lot by acceptance of a deed or other conveyance for that Lot, whether or not it shall be so expressed in that instrument, is deemed to covenant and agree) to pay to the Association: (a) all Assessments and charges levied against that Lot; and (b) all fees, charges, late charges, attorney fees, fines, collection costs, interest and other sums charged pursuant to this Declaration or as allowed by any other applicable law. The Association shall have the right to impose reasonable charges for late payment of Assessments, recover reasonable attorney fees and other legal costs for collection of Assessments and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated, and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, the Bylaws, or the rules and regulations of the Association.

(b) Any charge set forth in this Section 4.1, from the time such charge becomes due, shall be a charge on and covenant running with the land, and shall be a continuing lien on the Lot against which each such item is assessed. If an Assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations. A valid acceleration of installment Assessment obligations may be made by the Board at any time any Assessment or Assessment installment is at least thirty (30) days overdue. Each such charge, together with interest, costs, and reasonable attorney fees, shall also be the joint and several personal obligation of each person and entity who was the Owner of the Lot at the time when the item became due, provided, that this personal obligation shall not pass to an Owner's successors-in-interest unless expressly assumed by them.

(c) The Association's lien on a Lot for Assessments shall be superior to any homestead exemption now or later provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver of the homestead and any other such exemption as against such Assessment lien.

Section 4.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for: Common Expenses; to promote the health, safety or welfare of the residents of the Property; for the benefit of the Common Area and Association Improvements; or for any other purpose of the Association, as those purposes (as amended from time to time) are

specified in this Declaration, the Bylaws or the Articles of Incorporation; or as otherwise authorized or permitted by the Act or other applicable law.

Section 4.3 Initial Administrative Contribution. The Association shall have the authority to charge each Owner that purchases a Lot (whether from Declarant or any subsequent Owner) a one-time, non-refundable payment to the Association in an amount determined by the Board that shall be used by the Association to cover administrative costs related to the change in ownership. This payment shall be collected and transferred to the Association at the time of closing of each sale of a Lot, and shall not relieve an Owner from making regular payments of Assessments when due.

Section 4.4 Initial Contribution to Reserve Fund. Each Owner, at the time the Owner acquires his or her Lot, shall make a contribution to the Reserve Fund of the Association in the amount equal to at least two quarters (if installments are paid quarterly), or six months (if installments are paid monthly), worth of installment(s) of the Common Expense Assessment for such Lot. Such sum shall be held as a reserve for capital, and may be used for unforeseen expenditures or to purchase any additional equipment or services the Board deems necessary or appropriate for or related to the operation, use, management, maintenance, repair, improvement, or replacement of Common Areas or Association Improvements. Declarant is prohibited from using the Reserve Fund to defray any of its expenses, reserve contribution or construction costs, or to make up any budget deficits while Declarant has control of the Association. The contribution of each Owner to the Reserve Fund is refundable to the Owner when the Owner conveys a fee simple interest in the Owner's Lot or Unit to a bona fide transferee and that transferee makes a contribution for the Lot or Unit to the Reserve Fund pursuant to this Section 4.4.

Section 4.5 Initial Assessment. The initial Regular Assessment for each Lot shall be determined by Declarant, subject to Section 4.6. When Declarant relinquishes control of the Board to the Owners pursuant to this Declaration, the Board shall determine the amount of the Regular Assessments based on a budget adopted by the Association as described in this Declaration, subject to Section 4.6. Until the initial Regular Assessment, all expenses of the Association shall be paid by Declarant.

Section 4.6 Limitations on Assessments. All Regular Assessment for any Lot on which there is a Townhome, or for which a building permit for the construction of a residence has been issued or on which construction of a residence has commenced, not including a fence permit (an "improved Lot" in this Section 4.6), shall be determined by the Board in accordance with Section 4.6. Any Lot that is not an improved Lot or which is vacant is an "unimproved Lot" for purposes of this Section 4.6. For any unimproved Lot, the Regular Assessment shall be 0% of the Regular Assessment for an improved Lot for that year. The Regular Assessment for unimproved Lots for which a building permit for a residence has been issued, or construction of a residence has commenced, shall be increased to the amount for improved Lots effective once the certificate of occupancy is obtained, but shall be prorated based on the month of the year in which the certificate of occupancy was issued.

Section 4.7 Date of Commencement of Assessments; Due Dates. The initial Regular Assessment shall be adjusted according to the number of months remaining in the calendar year for which the Assessment is made, if less than a full year. Thereafter, the Board shall fix the amount of such annual Assessments against each Lot, subject to Section 4.05, at least thirty (30) days in advance of each annual Assessment period. Written notice of the annual Regular Assessment shall be sent to every Owner subject to the Assessment. The due date(s) shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. Special Assessments and Capital Assessments may be made by the Board at any time, except as limited by this Declaration, the Act or other applicable law.

Section 4.8 Expense Allocation. Except as otherwise stated in this Article IV, or as otherwise provided by the Act or other applicable law, each Lot shall be allocated a fraction of the Common Expenses of the Association in which the numerator is the gross square footage of that townhouse plus the square footage of that townhouse's façade and the denominator is the total gross square footage of all of the townhouses plus the total gross square footage of all of the townhouse façades in the Community. Despite anything to the contrary stated in this Section 4.8, if permitted or required by this Declaration (see for example Section 4.10), the Act or other applicable law, any Common Expense or portion of any Common Expense or other cost or expense to the Association benefiting or caused by fewer than all Lots shall be assessed exclusively against the Lots benefited by or causing the Common Expense or other cost or expense.

Section 4.9 Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for its expenses and any prepayment of or provision for reserves shall be retained by the Association as unallocated reserves and need not be credited to the Owners in proportion to their Allocated Interests or credited to them to reduce their future Assessments.

Section 4.10 Owner's Negligence. In the event that the need for maintenance, repair, replacement, reconstruction or reconfiguration of Common Area, or any other Common Expense, is caused by the willful or negligent act or omission of any Owner, or by the willful or negligent act or omission of any family or household member, guest or invitee of such Owner, such expense and all related fees, costs and expenses of or to the Association shall be the personal obligation of such Owner and may be made part of any Assessment against such Owner and that Owner's Lot(s). Negligence or the willful act or omission of any Owner or any family or household member, guest or invitee of such Owner, and the amount of the Owner's liability therefor, shall be determined by the Board of Directors at an informal hearing after notice to the Owner, provided that any such determination that assigns liability to any Owner pursuant to the terms of this Section 4.10 may be appealed by such Owner to a court of law.

Section 4.11 Priority of Lien. The lien for Assessments shall have the priority specified in the Act, C.R.S. § 38-33.3-316(2), or other applicable law.

ARTICLE V MAINTENANCE OF THE COMMUNITY

Section 5.1 Association Maintenance. The Association shall provide and be responsible for such maintenance and repair in a first class condition as follows:

(a) Paint, repair, replace, maintain, and care for roofs, gutters, downspouts, driveways, and exterior building surfaces, including without limitation siding, trim, stucco, decks, fences, and patios of the Townhomes, but excluding windows and other glass surfaces, screens, exterior light bulbs, and doors (except that the association shall be responsible for repainting the exterior surface of doors), which shall all be the responsibility of the Owner, unless otherwise determined in writing by the Association through its Board of Directors. An Owner shall not paint or change the appearance of the exterior of a Townhome without the prior written approval of the Association, through its Board of Directors. The Association shall paint or retain the exterior of all Townhomes as often as necessary to keep such exterior attractive and in good repair;

(b) All repair, replacement, improvement, and maintenance of the Common Area and Improvements located therein and thereon, and of the Maintenance Area, including with limitation landscaping, sprinkler system, roadways, driveways, drainage structures or facilities, utility service lines, including any common utilities within a Lot which also serve another Townhome, but excluding and excepting any utility lines or facilities which are mains or transmission lines or other facilities owned and maintained by the utility provider or which are the responsibility of such provider, including water lines located within the Common Areas or private streets within the Community, any light fixtures, sidewalks pathways and other Improvements located on the Common Area. Except as otherwise specifically provided in this Declaration, Owners shall not construct, alter, paint, change, modify, expand, restrict, or remove any Improvement within the Common Area or Maintenance Area, nor shall any Owner install fences or other Improvement on any Common Area or Maintenance Areas without the prior written approval of the Association;

(c) Repair and replacement of any buildings or Improvements upon the Lot insofar as the Association received insurance proceeds or makes a Special Assessment to accomplish such repair or replacement;

(d) The Association shall maintain, the landscaping, drainage, and sprinkler systems in such a fashion that the soil surrounding the foundations of the buildings and other Improvements shall not become so impregnated with water that they cause expansion or shifting of the soils supporting the Improvements or other damage to the Improvements and do not impede the proper functioning of the drainage as originally installed. Such maintenance shall include, where necessary, the removal or replacement of improperly functioning landscaping, drainage, sprinkler system elements, swales, ditches, or other drainage improvements and shall also include taking measures necessary to prevent ponding, including without limitation regrading or resurfacing where necessary to provide for adequate drainage and preventing Owners from installing landscaping or using water on the Lots in such a manner as to endanger the structural integrity or stability of any of the landscaping, drainage facilities, or landscaping, structures, Townhomes, or other Improvements on the Property.

(e) The Association may also undertake such emergency repairs as the Board of Directors believes necessary to prevent imminent harm to life or property in the Community.

Section 5.2 Damage Caused or Occasioned by Owner. In the event that the need for maintenance or repair described in Section 5.1 is caused or occasioned, in the sole discretionary determination of the Board of Directors, by the conduct or activities of any Owner or his/her/its family, guests, tenants, contractors, invitees, or short term lodgers, or other persons or parties acting with the consent of any of the foregoing, including without limitation any pets or animals of those persons or parties, the cost of such maintenance shall be the personal obligation of such Owner, shall be added to and become part of the Assessment to which the Lot of such Owner is subject, and shall become a lien against such Owner's lot as provided in this Declaration, provide that such Owner has been given written notice of such Assessment and an opportunity to be heard.

Section 5.3 Access at Reasonable Hours. For the purpose of performing the maintenance referred to in Section 5.1 and inspections related thereto, the Board of Directors of the Association, through its duly authorized agents, contractors, or employees shall have the right, after reasonable notice to the Owner or occupants thereof and during regular business hours, to enter upon any Lot and Improvement s thereon, and such entry shall not be deemed a trespass. In emergency situations, the Board of Directors or its agents, contractors, or employees may enter without notice at any time, but the Owner or other occupants thereof shall be notified as soon as reasonably possible thereafter. In performing the repairs or maintenance authorized under this Article V, the Association shall not be liable for any loss, cost or damage caused by its action, except where due to willful misconduct or gross negligence.

Section 5.4 Owner Maintenance. Except as provided in Section 5.1, the Owner shall be responsible for all other maintenance and repairs, including without limitation maintenance of his/her/its Lot, Townhome, and any fixtures, furnishings, equipment, and appliances located therein or thereon. All utilities, fixtures, and equipment installed within a Townhome, commencing at appoint were the utility lines, pipes, wires, conduits or systems enter the exterior walls of such Townhome, shall be maintained and kept in repair by the Owner thereof, except for any common utilities serving other Townhomes which shall be the Association's responsibility as provided in Section 5.1. An Owner shall not do or cause any act or work that will impair any easement or utility service, nor do or cause any condition to exit which will adversely affect the use and enjoyment of other Lots or the provision of utility services to such Lots. No Owner shall, in whole or in part, change the landscaping on her/her/its Lot, or anywhere else in the Community, by the additional or removal of any Improvements or items thereon, including without limitation fences, shrubs, sprinklers, plantings, gravel, hardscapes, or landscaping features without the prior written approval of the Board of Directors. If any Owner fails to fulfill his/her/its responsibilities under this Article V, the Board, at its option, may take such action as it deems appropriate, including without limitation performing the Owner's obligations, after ten (10) days notice to sch Owner, except in emergencies, and any costs resulting therefrom shall be an Assessment against such Owner and his Lot and shall be due and payable by the Owner thereof.

The Owners shall not do anything which would change the final approved grading of the Property. The Owners shall not do anything which would change the landscaping so as to cause or permit poor drainage or other damage to the Townhomes or any other Improvements within the Community.

Section 5.5 Party Walls.

(a) Owners' Rights and Generally Applicable Law. The Owners of adjoining Townhomes separated by a Party Wall shall each have a perpetual, non-exclusive right to access, inspect, maintain, repair and replace the Party Wall. This right shall be binding upon and inure to the benefit of the Owners and their respective heirs, successors and assigns. It shall run with the land and is not a personal covenant; provided, however, that assignment by either Owner of his or her Lot shall not release that Owner from liability under this Section, unless specifically released by the other Owner in writing. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Maintenance, Repair and Replacement. The Owners who share a Party Wall shall share in the costs of maintenance, repair and replacement of their Party Wall in proportion to such use, except that where such maintenance, repair or replacement is caused or necessitated solely by the negligence or willful conduct or omission of one Owners, that Owner shall be solely responsible for the cost of such maintenance, repair or replacement. If any maintenance, repair or replacement is caused or necessitated by the Owners in anything but equal proportion, the Owners shall bear the costs of such maintenance, repair or replacement in proportion to their fault. This provision shall create on behalf of such Owners a right of contribution from the other Owners for the reasonable costs of repair, maintenance or replacement of a Party Wall.

(c) Submittal of Plans. The Owners sharing a Party Wall shall cooperate with and keep the other Owner(s) informed regarding Plans for any maintenance, repair or replacement of a Party Wall. Any maintenance, repair, or replacement of a Party Wall that may or will disturb the exterior appearance of a Townhome must be submitted to and approved by the Association prior to such disturbance.

(d) Disputes. If the Owners of adjoining units separated by a Party Wall are unable to agree as to whether the Party Wall is in the need of maintenance, repair or replacement, the Owners shall submit their dispute to the Association who shall decide the matter. The Association's decision shall be treated as an arbitrator's decision, binding on both parties. If the Association recommends maintenance, repair or replacement, the parties shall be obligated to submit plans for such maintenance, repair or replacement in accordance with this Section.

(e) Contribution. An Owner's right to contribution to costs of repair, maintenance, and/or replacement of a Party Wall from another Owner or other Owners shall run with the land

and shall pass to such Owner's heirs, successors and assigns and shall be enforceable by said Owner.

(f) Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty and if the Association does not restore such wall with insurance proceeds or a Special Assessment or Limited Special Assessment, any Owner who has used the Party Wall may restore it, and if other Owners thereafter make use of the Party Wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(g) Special or Unusual Materials. If an Owner restores, repairs or alters a Party Wall with unusually expensive or unusually or atypically high-grade materials, that Owner shall be solely responsible for the increased cost of the work relating to the unusual materials.

(h) Weatherproofing. Notwithstanding any other provisions of this Section, an Owner who by his/her/its negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements for all Lot Owners sharing the Party Wall.

(i) Survival. Notwithstanding anything in this Declaration to the contrary, to the extent feasible the terms and conditions of this Section shall survive termination of this Declaration.

(j) Arbitration. In the event of any dispute arising concerning a Party Wall, or under the provisions of this Section, the parties shall submit the matter to binding arbitration before one impartial arbitrator. Should any party refuse to appoint or agree to an arbitrator within ten (10) days after a written demand for arbitration is made by an Owner, the Association, through its Board of Directors, shall select an arbitrator. The parties to the arbitration shall share equally in the costs thereof, but each party shall pay its own attorney fees, regardless of which party is determined or decided to be the prevailing party in the arbitration.

ARTICLE VI RESTRICTIONS

Section 6.1 Residential Use. Each Lot shall be occupied and used as a residence, except as otherwise specifically provided below regarding short-term rental/lodging use, which is expressly permitted within the Community subject to the requirements and limitations of this Declaration, regardless of whether such use is or may be considered commercial lodging. Other than the rental of the Townhomes for residential or short-term rental purposes no Lot shall be used for any business, manufacturing or commercial purpose; provided, however, that if the zoning designation of the Property or any pertinent part thereof allows and if prior written approval of the Board of Directors is obtained, a specifically designated portion of a Lot may be used as a home occupation, home business, or live-work use, in accordance with the applicable zoning and land use standards.

Section 6.2 Animals. No animals, livestock, reptiles, poultry or insects, of any kind, shall be raised, bred, kept or boarded in or on the Property; except that the Association may, by duly promulgated rules and regulations, allow Owners to keep a reasonable number of household pets, as long as such pets are not kept or bred for any commercial purpose or kept in such manner as to create a danger, nuisance, excessive noise, or filth to any Owner or occupant of the Community. The Association may, by duly promulgated rule or regulation, prohibit the keeping of household pets within the Community, or may limit the number and manner of keeping of household pets. If the Association, by rule/regulation, allows Owners to keep household pet(s), such authorization shall be coupled with the responsibility to pay any costs to the Association for any damages caused by such Owner's pet(s) to Common Area or any Association property. If household pets are permitted within the Community, when outdoors, animals shall always be in the company of their Owners or another responsible party, and shall be confined on the Owner's Lot or within leash control at all times; Owners shall be responsible for the cleanup of all waste from their pet(s) anywhere in the Community; dogs which habitually bark, are frequently found at large in the Community, or are vicious or dangerous, as determined in the sole discretion of the Board of Directors of the Association, shall be prohibited and abated; and dogs must not be left unattended or tied up on any deck or patio or anywhere outdoors on a Lot at any time.

Section 6.3 Antennas, Towers, Dishes and Solar Panels. Except for those installed by Declarant or Association for the use and benefit of the Community as a whole, no antenna, satellite or similar device for radio, television or other electronic transmission or reception shall be erected, installed or permitted to remain on any Lot, except in such areas that are specifically designated for such devices by the Association. Except for those installed by Declarant or the Association for the benefit of the Community as a whole, no solar panels or other apparatus may be erected upon the roof of any structure within the Community without the prior written consent of the Association.

Section 6.4 Air Conditioning/HVAC Units. No window mounted air conditioning or HVAC (refrigeration, evaporative or other) units are allowed.

Section 6.5 Signs and Other Miscellaneous Structures. Except as permitted in writing by the Board of Directors of the Association or pursuant to its rules, no advertising or signs of any character shall be erected, placed, permitted or maintained on any Lot or within any Townhome other than a name plat of the occupant and a street number, except that Declarant shall be permitted to use signs within the Community until all the Lots Which May be Created have been sold by the Declarant. Notwithstanding the foregoing, an Owner may display a sign no greater in size than 36 x 48 inches that carries a message intended to influence the outcome of an election or ballot issue ("political sign") on the Owner's Townhome, provided that such political sign shall not be displayed earlier than forty-five (45) days before the day of the election and that it is removed no later than seven (7) days after the date of the election. No outdoor refrigerating, cooling or heating apparatus shall be installed on any Lot except by the Declarant. No clotheslines,

zip lines, or other lines or wires in the air shall be installed or maintained on any Lot except by the Declarant or, as permitted in this Declaration, by the Association.

Section 6.6 Signs in the Common Area. No sign, graphic, or advertising device of any kind shall be displayed in the Common Areas by any Owner except: (i) one sign advertising the property for sale or rent. Any permitted sign shall be no more than five (5) square feet in size. Signs used by Declarant for any purpose are not subject to the restrictions in this Article VI.

Section 6.7 Lots to be Maintained. Every Lot shall at all times be kept in a clean, sightly, and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Lot so that they are visible from any street or neighboring Lot, except that this Section 6.7 shall not apply to the Declarant during any period of construction activity. No condition shall be permitted within any Townhome balcony, porch, patio, or deck which is visible from other Townhomes or the Common Area that is unsightly, malodorous, cluttered, or otherwise inconsistent with the design integrity of the Community as determined by the Board of Directors in its sole discretion. The Board may regulate by rule the color and appearance of drapes, shades, blinds and window coverings. Notwithstanding the foregoing, this Section shall not prohibit the display of the American flag or a military service flag as provided in C.R.S. §38-33.3-106.5, but the Board may adopt reasonable rules regulating the location, placement and display of such flags in compliance with the Act.

Section 6.8 Lots Not to be Subdivided. Except for lots that are reserved for future development by indication on a plat or by this Declaration, no Lot or Lots shall be further subdivided or combined with another Lot in whole or in part, except as otherwise specifically provided in this Section. No less than one entire Lot, as conveyed by the Declarant or subsequent owner, shall be used as a building site for a residence. The boundaries of adjoining Lots may be relocated pursuant to C.R.S. §38-33.3-212 provided that no new or additional Lot or building site is or would be created thereby and provided that the relocation of the boundary will not result in any violation of any zoning or development approval, condition or standard, including but not limited to minimum lot size as approved for the Community pursuant to any zoning law, ordinance or approval, and provided that no Lot owner and/or the Association or Community would be harmed, compromised, or injured thereby. If one Owner owns abutting Lots and combines them as a single dwelling, the Owner shall continue to be responsible for all Assessments related to each Lot so combined and cannot avoid Assessments on each Lot by such combination or by using more than one Lot as a "combined Lot." Such Owner shall also continue to have the votes allocated to each Lot so combined.

Section 6.9 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done or placed on any Lot that is or may become a nuisance or cause embarrassments, disturbance or annoyance to others.

Section 6.10 Storage Areas. No equipment, garbage cans, wood piles, brick piles, or other items shall be stored on a Lot.

Section 6.11 Parking, Storage of Vehicles. The Association may, by duly promulgated rules and regulations, restrict, limit, designate, or prohibit parking or storage of vehicles of any kind or type within the Common Areas or any portion thereof. The Association shall post "No Parking" signs in certain areas of the Property, and shall prohibit parking in the drive aisles of the parking areas and at other locations in accordance with applicable standards of the Grand Junction Fire Department, and shall develop a policy of parking enforcement to preserve access for fire and emergency vehicles.

Section 6.12 Trash and Rubbish. Trash bins/dumpsters shall be installed by the Declarant or the Association within Common Areas within enclosures and in locations as approved by the Association. Owners shall not place household trash or rubbish anywhere in the Community other than within the Association provided trash bins and containers. Trash enclosures shall be maintained in good repair in a clean and sanitary manner and in good working order by the Association.

Section 6.13 Nuisance and Hazardous Activities. No obnoxious or offensive activity shall be conducted on any Lot, nor shall any activity be permitted that becomes an annoyance or nuisance within the Subdivision. No light shall be permitted from any Lot that is unreasonably bright or causes unreasonable glare when viewed from the street or an adjacent Lot or property. No sound shall be emitted from any Lot that is unreasonably loud or annoying and no odor shall be permitted from any Lot that is noxious or unreasonably offensive to others, as determined by the Board in its reasonable discretion. No open burning shall be allowed anywhere in the Subdivision or on the private lots. No outdoor burning of wood, charcoal, paper, trash or any other materials, in a fire pit or elsewhere/otherwise, shall be allowed anywhere in the Subdivision. No fire pits, or smokers of any type are allowed on the decks or grounds of the lots. No grills are permitted except those selected by the Declarant or approved by the Board. No activities shall be conducted on the Property or within the improvements constructed on or within the Property that are or might be unreasonably hazardous to any person or property. No firearms, explosives, air rifles, BB guns, crossbows or similar devices shall be discharged on the Property. In no event shall activities of Declarant that are reasonably necessary for the development and construction of the Property be considered a nuisance or hazard under this Section.

Section 6.14 Architectural Standards. In order to maintain the quality appearance and to protect the architectural integrity of the Residences, no Owner (other than Declarant) or other occupant of a Residence shall make any modifications to the exterior of a Residence, including without limitation to colors or materials, or make modifications that will change the exterior appearance of a Residence, Unit or a Lot without the prior express written approval of the Board for each specific proposed change. Window Treatments that are visible from the exterior will be restricted to be the roller shade type, of a make and color to be determined by the Declarant and thereafter by the Board to maintain the quality appearance and protect the architectural integrity

of the Residences visible from the exterior. The Declarant and Board reserve the right to create further architectural standards as may be necessary from time to time to maintain the quality appearance and protect the architectural integrity of the Residences visible from the exterior.

Section 6.15 Restrictions Relating to Drainage. Nothing shall be done or permitted on any Lot that would block, divert or channelize the natural flow of drainage across any Lot from adjacent Lots, as established by the approved Community grading, without specific approval from the Association. The Association shall not permit any such modification unless and until alternate drainage is designed by a qualified engineer and the revised drainage plan approved by the City of Grand Junction.

Section 6.16 Leases and Short Term Rentals.

6.16.1 Leases. The term “lease” as used in this Declaration, shall include any agreement for the leasing or rental of a Lot or any portion of it, and shall specifically include, without limitation, a month-to-month rental. Any Owner shall have the right to lease his or her Lot or Unit under the following conditions:

- (a) All leases shall be in writing;
- (b) All leases and the lessee’s occupancy of the Lot shall be subject in all respects to the provisions of this Declaration, and the Articles of Incorporation, Bylaws and rules and regulations of the Association, and the lessee’s failure to comply with any of the above-mentioned documents, in any respect, shall be a default under the lease.

The provisions of (b) above shall be contained in each lease, but shall also be deemed to be implied terms of each such lease, whether or not actually contained in the lease.

6.17.2 Short Term Rentals. The term “Short Term Rental” as used in this Declaration shall mean and refer to the renting or selling of lodging to persons on a short-term basis, typically shorter than thirty (30) consecutive days. Any Owner may sell, let, or rent a Lot or Unit, or any part thereof, as a short-term rental, subject to the following requirements:

- (a) Short term rentals must comply with all applicable local ordinances and regulations governing the same. The Declarant and Board reserve the right to create, enforce, and modify rules and regulations to govern short term rentals within the Association;
- (b) Owners shall either use the Association’s property management company to manage the short-term rentals, under a separate private management contract or, if not, shall provide the Association with the name, address, and phone number of a local contact

person appointed to respond to issues, emergencies and other matters requiring prompt response that may arise with short-term rentals;

(c) Rules and regulations of the Master Association and of the Association, as well as instructions for trash removal, parking, locks, internet, T.V. and other communications services, and contact information for the local emergency contact person or entity, shall be conspicuously posted within the Townhome;

(d) Owners shall, prior to listing or advertising the Townhome for short-term rental, inform the Master Association and Association of such use of the Townhome.

ARTICLE VII

BUDGET AND RECORDS

Section 7.1 Books and Records. Association policies and regulations regarding records, retention of records, and Member access to records are specified in the Bylaws.

Section 7.2 Annual Budget. The Board of Directors shall cause an operating budget, balance sheet, and cash flow statement for the Association to be prepared no less frequently than annually.

Section 7.3 Delivery of Budget. Within ninety (90) days after adoption of any proposed budget, the Board of Directors shall mail by ordinary first-class mail or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of the Owners to consider ratification of the budget which shall be within a reasonable time after mailing or other delivery of the summary.

Section 7.4 Ratification of Budget. Unless at the meeting Owners representing a majority of all Lots veto the budget, the budget is ratified, whether or not a quorum is present.

Section 7.5 Rejection of Budget. In the event that the proposed budget is vetoed, the budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

Section 7.6 Reserve Fund. As part of each annual budget, the Board of Directors shall include an amount which, in its reasonable business judgment, will at least establish and maintain an adequate reserve fund for the repair or replacement of any personal property, fixtures, and improvements required to be operated or maintained by the Association based upon age, remaining life, replacement cost, and any other relevant factors. Any reserve funds may be deposited in such interest bearing account(s) as the Board of Directors deems appropriate.

Section 7.7 Audit and Review. The books and records of the Association shall be subject to an audit, using generally accepted auditing standards, or a review, using statements on

standards for accounting and review services, at least once every two (2) years by a person selected by the Board of Directors. Such person need not be a certified public accountant except in the case of an audit.

Section 7.8 Fiscal Year. The fiscal year of the Association shall initially be the calendar year, but the Association may adopt a different fiscal year, for Assessments or otherwise, if permitted by law.

ARTICLE VIII

NONPAYMENT OF ASSESSMENTS

Section 8.1 Delinquency. Any Assessment provided in this Declaration that is not paid when due is delinquent. If any such Assessment is not paid within thirty (30) days after the due date without additional notice or demand, the Assessment shall bear interest from the due date at a rate not to exceed the maximum rate of interest permitted by CCIOA or other applicable law, as determined by the Board. The Association may, at its option, exercise any right or remedy available to the Association under applicable law, including without limitation bringing an action at law against the Owner personally obligated to pay the same or, upon compliance with the notice provisions set forth in in this Declaration, foreclosing the lien provided in this Declaration and as allowed by applicable law against the Lot(s) as to which the Assessment has not been paid; and in any case there shall be added to the amount of such Assessment interest and all costs which may be incurred by the Association in its collection of the Assessment, including reasonable attorney fees. Each Owner vests in the Association or its assigns the right and power to bring all actions or proceedings at law or in equity or to institute judicial foreclosure proceedings against such Owner or other Owners for the collection of such delinquent Assessments.

Section 8.2 Nature of Obligation and Lien.

- (a) The obligation for such payments by each Owner to the Association is an independent covenant, with all amounts due from time to time payable in full without notice (except as otherwise expressly provided in this Declaration) or demand, and without setoff or deduction. The Board or managing agent of the Association may prepare a written notice setting forth the amount of such unpaid indebtedness and the name of the Owner of the Lot and description of the Lot. Such a notice shall be signed by one member of the Board or by the managing agent of the Association and may be recorded in the real property records of Mesa County, Colorado. The lien for each unpaid Assessment attaches to each Lot at the beginning of each Assessment period and shall continue to be a lien against such Lot until paid. The costs and expenses for filing any notice of lien shall be added to the Assessment for the Lot against which it is filed and collected as part and parcel thereof. Each Assessment, together with interest, late charges, costs and reasonable attorney fees, shall also be the personal obligation of each

person who was the Owner of such Lot at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass by Conveyance of a Lot.

- (b) The statutory lien for Assessments is prior to all other liens and encumbrances on a Lot except: (i) liens and encumbrances recorded before the recordation of this Declaration; and (ii) liens for real estate taxes and other governmental assessments or charges against the Lot. Notwithstanding the foregoing, the statutory lien for Assessments is also prior to the lien of a first mortgage to the extent of an amount equal to the Assessments based on a periodic budget adopted by the Association which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien created under Section 4.01 of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien.
- (c) The recording of this Declaration constitutes record notice and perfection of the statutory lien. No further recording of any claim of lien or assessment is required; however, a notice of lien may be recorded at the Association's option, in which event costs and attorney fees incurred in connection with the preparation and filing of such notice shall be assessed against the Owner's Lot as a default assessment.

Section 8.3 Foreclosure Sale. Any foreclosure sale related to an Assessment lien is to be conducted in accordance with those provisions of the laws and rules of the courts of the State of Colorado applicable to the foreclosure of mortgages, or in any other manner then permitted or provided by applicable law. The Association, through its duly authorized agents, shall have the power to bid on the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same in the name of the Association.

Section 8.4 Curing of Default. Upon the timely curing of any Assessment delinquency, the Association is authorized to file or record a certificate setting forth the satisfaction of such claim and release of such lien upon payment by the defaulting Owner of a fee determined by the Association to cover the costs of preparing and filing or recording such release, and other expenses incurred.

Section 8.5 Cumulative Remedies The Assessment lien and the rights of foreclosure and sale under it shall be in addition to, and not in substitution of, all other rights and remedies which the Association and its assigns may have under this Declaration and then applicable law, including without limitation a suit to recover a money judgment for unpaid Assessments, as provided above, all of which rights and remedies shall be cumulative.

ARTICLE IX

INSURANCE

Section 9.1 Insurance. The Association shall obtain and maintain insurance as required by CCIOA, currently codified at C.R.S. § 38-33.3-313, as amended, and by this Declaration. All insurance policies shall:

- (a) be obtained from responsible companies duly authorized and licensed to carry on an insurance business in the State of Colorado, and having at least a “B” general policy holder’s rating or financial performance index of six (6) or better in the Best’s Key Rating Guide;
- (b) provide a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees, agents and Owners and members of the Owners’ households;
- (c) provide that the insurance cannot be canceled, invalidated, or suspended on account of the conduct of the Association, its officers, directors, employees and agents;
- (d) provide for a waiver of any defense based on co-insurance;
- (e) provide that the policy of insurance shall not be permitted to lapse, be terminated, canceled or materially or substantially changed or modified without at least thirty (30) days’ prior written notice to the Association, the Owners and the Eligible Mortgagees;
- (f) provide that no act or omission by any Owner, unless such Owner is acting within the scope authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and
- (g) provide that if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association’s policy provides primary insurance.

Section 9.2 Type of Insurance.

- (a) **Casualty.** A policy of property insurance covering the following: the Lots and all insurable Improvements thereon including the Townhomes, except for the value of the land, foundation, excavation, and other items normally excluded; and all insurable personal property owned by the Association, together with all fixtures and appliances attached thereto except for the value of the land, foundation, excavation and other items normally excluded. Such policy shall include a “Replacement Cost Endorsement” providing that any claim will be settled on a full replacement cost basis without deduction for depreciation, an “Inflation Guard Endorsement” and an “Agreed Amount Endorsement.” The Association may also purchase a “Demolition Endorsement” and “Increased Cost of Construction Endorsement” and/or a Contingent Liability from Operation of Building Laws Endorsement” or the equivalent. Such insurance as maintained by the Association pursuant to this Section shall afford protection against at least the following:

- (1) Loss or damage by fire and other hazards covered by the standard all risk form including without limitation endorsements for vandalism and malicious mischief, and
 - (2) Such other risks as shall customarily be covered with respect to projects similar in construction, location and use.
- (b) Comprehensive general liability and property damage insurance – Common Areas. The Association shall obtain a master insurance policy insuring against damage to the Common Area and all Improvements therein and thereon. The master insurance policy insuring the Common Area shall be for broad form covered causes of loss and shall include (or the Association shall obtain separately) in such limits as the Board of Directors of the Association may, from time to time, determine, but not in an amount less than \$500,000.00 for bodily injury, per person, per occurrence and umbrella liability limits of \$1,000,000.00 per occurrence covering claims for bodily injury and \$50,000.00 for property damage arising out of one occurrence or \$1,000,000.00 combined single limit coverage. To the extent reasonably obtainable, coverage shall include, without limitation, liability for personal injuries, operation of automobiles (whether owned, non-owner or hired) on behalf of the Association, and activities in connection with ownership, operation, maintenance and use of the Common Area by the Association, off-premises employee coverage for its officers, directors, agents, employees, and representatives, water damage liability. The Association, as attorney-in-fact, shall have the authority conferred upon it in this Declaration to deal with insured items in the event casualty to them is an insured loss to the Association under its master insurance policy.
- (c) Directors and Officers Liability Insurance. In addition, if reasonably available, the Association shall maintain directors and officers liability insurance to protect the officers and directors of the Association from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Association.
- (d) Workers' Compensation Insurance. If and at any time that the Association has employees, the Association shall obtain workers compensation insurance in the amounts and in the forms now or hereafter required by law.
- (e) Fidelity Insurance. The Association may purchase, if it is reasonably and cost-effectively available in the reasonable determination of the Board of Directors, blanket fidelity insurance covering losses resulting from dishonest or fraudulent acts or omissions committed by the Association's directors, managers, and officers, including without limitation any person employed as an independent contractor for the purpose of managing the Association and any employee thereof, trustees, employees, volunteers, or anyone who manages the funds collected and held for the benefit of the Owners. The Association shall require that any managing agent which handles funds of the Association should be covered by its own fidelity insurance policy, in an amount

necessary to cover three months of assessments, as calculated from the current budget of the association. Such policy shall cover any person or entity handling funds of the Association including but not limited to employees of the professional manager, and which should also be covered by its own fidelity bond and submit evidence thereof to the Association. Such fidelity coverage or bonds shall name the Association as the named insured and shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar exceptions.

- (f) Flood. If the Property is located in an area identified by the Secretary of Housing and Urban Development or the Director of the Federal Emergency Management Agency as an area having special flood hazards and the sale of Flood Insurance has been made available under the National Flood Insurance Act of 1968, the Association may purchase and maintain a "blanket" policy of flood insurance on the Property in an amount which is the lesser of (i) the maximum amount of insurance available at a premium rate that is, in the reasonable discretion of the Board of Directors, cost effective, or (ii) the aggregate replacement value of the Improvements located upon the Property.
- (g) Other Insurance. In addition, the Board of Directors may obtain any other insurance against such other risks, of a similar or dissimilar nature, which the Board shall deem appropriate with respect to the Property, including insurance on property that the Association is not obligated to ensure or insurance on the property of others.
- (h) Unavailability. If any insurance described in this Declaration is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent by U.S. mail to all Owners and Eligible Mortgagees as provided herein.

Section 9.3 Assessment of Members. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Members causing such loss or benefitting from such repair or restoration all deductibles paid by the Association. In the event that multiple properties are damaged by a loss, the Association in its reasonable discretion may assess each member a pro rata share of any deductible paid by the Association.

Section 9.4. Waiver of Subrogation. The Association and Lot Owners each waive all rights of recovery against the other, their officers, members, agents and employees, occurring on or arising out of the use and occupancy of the Property to the extent such loss or damage is covered or indemnified by proceeds received from insurance carried by the other party, or for which such party is otherwise reimbursed. Each of the parties shall, upon obtaining the insurance required under this Declaration, notify the insurance carrier that the foregoing waiver of subrogation is

contained in this covenant, and, to the extent available, shall require the insurance carrier to include an appropriate Waiver of Subrogation Provision in the policy.

Section 9.5 Independent Contractors. Any person employed as an independent contractor by the Association for the purposes of managing the Association must obtain and maintain a fidelity bond in the same amount required in this Article IX unless the Association names such a person as an insured employee in a contract of fidelity insurance. The Association may carry or require of an independent contractor employed to manage the Association fidelity bond coverage in an amount greater than that specified in this Article IX.

Section 9.6 Premiums are Common Expenses. Premiums for insurance and bonds required of the Association under this Article IX are Common Expenses of the Association.

Section 9.7 Owner's Personal Property and Liability Insurance. An insurance policy issued to the Association does not obviate the need for Owners to maintain insurance for their own benefit. Each Owner shall be solely responsible, at his/her/its expense, for all insurance covering all loss or damage to any and all fixtures, appliances, furniture, furnishings, belongings, and personal property supplied, maintained, or installed by the Owner and covering liability for injury, death or damage occurring within his Townhome and upon his Lot. Such insurance shall contain waivers of subrogation and shall be so written that the insurance obtained by the Association shall not be affected or diminished thereby. The Association shall not have any responsibility regarding the obtaining or continuation of any such insurance. If at any time of any loss under any policy which is in the name of the Association there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, such Association policy shall be primary insurance.

ARTICLE X

DAMAGE OR DESTRUCTION OF COMMON AREA

Section 10.1 Appointment of Association as Attorney-in-Fact. This Declaration constitutes each Owner's and First Mortgagee's appointment of the Association as his/her/its attorney-in-fact and insurance trustee under C.R.S. §38-33.3-313(5) and (9) and under this Declaration to administer repairs, receive and apply insurance funds, and to ensure compliance with this Declaration upon the damage, destruction, condemnation, liquidation, or obsolescence of all or any part of the Community or from termination of the Community, including without limitation the repair, replacement and improvement of any buildings, fixtures, Improvements, and service equipment located on the Property (but excluding any furniture, furnishing or other personal property installed by the Owners). Any grantee's acceptance of a Deed or other instrument rendering that person an Owner shall constitute the irrevocable appointment of the Association as the grantee's attorney-in-fact as described herein, to act with all the powers as provided in this Article X. Title to any Lot is declared and expressly made subject to the terms and conditions hereof.

Section 10.2 Rights of Association as Attorney-in-Fact. As attorney-in-fact, the Association, by its President and Secretary, shall have full and complete authority, right and power to make, execute, and deliver any contract, deed, or any other instrument with respect to the interest of an Owner which is necessary and appropriate to exercise the powers granted in this Declaration.

Repair and reconstruction of the Common Area means restoring the same to substantially the same condition in which it existed prior to the damage. The obsolescence of the Common Area shall be determined by the Association, in its sole and absolute discretion. Except as otherwise provided in this Declaration, any insurance proceeds collected shall be paid to the Association for the purpose of repair, restoration, or replacement.

Section 10.3 Damage or Destruction of Common Area. In the event of damage or destruction to any Improvement installed by the Association or Declarant within the Common Area due to an insured loss, the Association shall apply the insurance proceeds to the reconstruction and repair of the damaged improvement. If the insurance proceeds are insufficient, the Association may levy a Capital Assessment in the aggregate amount of such deficiency and shall proceed to make such repairs or reconstruction, unless:

- (a) The planned community is terminated in accordance with this Declaration;
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (c) 67% of the Owners and Eligible Mortgagees vote or otherwise consent, in accordance with Declaration, not to rebuild; or
- (d) Prior to the conveyance of any Lot to a person other than Declarant, the holder of a deed of trust or mortgage on the damaged portion of the Common Area rightfully demands all or a substantial part of the insurance proceeds.

Distributions of insurance proceeds shall be made to the Association unless made jointly payable to the Owners and Eligible Mortgagees of their respective Lots, if any. The Capital Assessment described in this Section shall be a debt of each Owner and a lien on his or her Lot and the improvements on it and may be enforced and collected in the same manner as any Assessment lien provided for in this Declaration.

Section 10.4 Damage or Destruction of Townhomes. In the event of damage to or destruction of a Townhome, the insurance proceeds shall be applied by the Association, as attorney-in-fact to such reconstruction, and the Improvements shall be promptly repaired and reconstructed, subject to C.R.S. §3-33.3-319(9) of the Act. The Association shall have full authority, right, and power as attorney-in-fact to cause the repair and restoration of the

Improvements. The Annual Assessments set forth in this Declaration shall not be abated during the period of insurance adjustments and repair or reconstruction. If insurance proceeds are insufficient to repair and reconstruct any or all of the damaged or destroyed Townhomes, the cost of repair or replacement in excess of the insurance proceeds and reserves shall be a Common Expense of the Association.

Section 10.5 Vote Not to Rebuild. Notwithstanding any provision to the contrary, if sixty-seven percent (67%) of the Eligible Mortgagees, based upon one (1) vote for each First Mortgage held, and the Owner to which at least sixty-seven percent (67%) of the votes in the Association are attached, which must include the vote of every Eligible Mortgagee and Owner of a Townhome that will not be rebuilt, the Association shall provide that of any or all of the destroyed or damaged Townhomes shall forthwith be demolished and all debris and rubble caused by such demolition removed from the Lot, and the Lot regraded and landscaped to the satisfaction of the Board of Directors. The cost of such demolition work and landscaping, together with all taxes, liens and encumbrances and any costs in repairing any party walls, shall be paid for by any and all available insurance proceeds, with any deficiency thereof to be a Common Expense of the Association. Any excess insurance proceeds shall be distributed pursuant to C.R.S. §38-33.3-313(9)(b) and said Owner shall convey merchantable title to his/her/its Lot to the Association, free and clear of all liens, encumbrances, Assessments, and taxes (except as prorated), for its fair market value as determined by a MAI appraisal, the cost of which shall be paid by the Owner of the applicable Townhome, with the appraiser thereof to be named by the Board of Directors. Upon the Association's acquisition of the Lot, said Lot shall become part of the Common Area.

Section 10.6 Condemnation. If a Lot, or any part thereof, is acquired by eminent domain, the provisions of C.R.S. §38-33.3-107 shall apply. In the event proceedings are initiated by any government or agency thereof, seeking to take by eminent domain the Common Area, or any part thereof or any interest therein, with a value, including loss of value to the balance of the Common Area, as reasonably determined by the Association, in excess of \$5,000.00, the Association shall give prompt notice thereof, including a description of the part of or the interest in the Common Area sought to be so condemned, to all owners. The Association shall have full power and authority to defend in said proceedings, but the Association shall not enter into proceedings pursuant to which the Common Area or any part thereof or any interest therein is relinquished without giving all Eligible Mortgagees and all Owners at least fifteen (15) days' prior written notice thereof.

The award made for any such taking or condemnation of all or part of the Common Area shall be paid to the Association as provided in C.R.S. §38-33.3-107(3) and after the approval described below, the award shall be applied toward the repair and restoration of the Common Area, the Association shall arrange for the same and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that sixty-seven percent (67%) or more of the Owners and at least fifty-one percent (51%) of Eligible Mortgagees do not duly and promptly approve the repair and restoration of such Common Area, the Association shall disburse the net proceeds of such award jointly to the Owners and their

respective First Mortgagees at the rate of one (1) equal share per Lot, except that any award attributable to the acquisition of Limited Common Area shall be paid solely to the Owner thereof and the Owner's First Mortgagee.

Section 10.7 Repair and Reconstruction. Unless otherwise agreed by sixty-seven percent (67%) of the Eligible Mortgagees, based on one (1) vote for each First Mortgage held, and by vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are attached, any restoration or repair of the Community after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and with the original plans and specifications, and shall restore any Townhome or other Improvement partially condemned or damaged by an insurable hazard to substantially the same condition in which it existed prior to such condemnation or damage.

Section 10.8 Excess Insurance Proceeds. With the prior written approval of sixty-seven percent (67%) of the Eligible Mortgagees, based on one (1) vote for each First Mortgage held, and by vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are attached, any insurance proceeds remaining after any repairs or reconstruction are completed shall be paid to each Owner and his First Mortgagee jointly at the rate of one (1) equal share per Lot. Without such approval, any excess insurance proceeds shall be placed in the Association's reserves.

Section 10.9 Notice of Loss to Eligible Mortgagee. In the event that there shall be any damage to or destruction of (a) any Improvement on the Lot on which such Eligible Mortgagee holds the First Mortgage which shall be in excess of Five Thousand Dollars (\$5,000.00) and/or (b) the Common Area which shall be in excess of Five Thousand Dollars (\$5,000.00), or in the event of the condemnation of any part of the Common Area as described in this Article X in excess of Five Thousand Dollars (\$5,000.00) in value, then timely written notice of any such damage, destruction or condemnation shall be given by the Association to such Eligible Mortgagee.

ARTICLE XI **SPECIAL DECLARANT RIGHTS**

Section 11.1 Rights of Declarant Incident to Construction.

(a) Easements for the installation and maintenance of utilities and irrigation, and drainage detention and other water and utility facilities are reserved as shown on the recorded Plat of the Community. Within these easements Owners shall not install, plant, place or maintain any improvement, structure, planting or other material or make any alterations which may change the direction of flow of drainage channels in the easements. Declarant and the Association shall have the right (but assume no obligation) to enter upon the Property to correct any flow of water and to establish and re-establish drainage channels.

(b) An easement is retained by and granted to Declarant, affiliates of Declarant including the Declarant under the Master Declaration, its successors and assigns, for access, ingress and egress over, in, upon, under, and across any easements shown on the Plat, including but not limited to the right to store materials on such areas and to make such other use of such areas as may be reasonably necessary or incidental to Declarant's or its designees' construction on the Property, including without limitation construction of improvements indicated on the Plat; provided, however, that no such rights or easements shall be exercised by Declarant in such a manner as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Owner, his or her family members, guests, or invitees, to or of that Owner's Lot.

(c) Declarant, for itself and its successors and assigns, retains a right to store construction materials on Tract A and upon any Lot owned by Declarant and to make such other use of it as may be reasonably necessary or incidental for the purpose of the completion or improvement of the Property, the performance of Declarant's obligations under this Declaration, and the sale of the Lots.

(d) Any Special Declarant Rights created or reserved in this Declaration for the benefit of Declarant shall be construed to include affiliates of Declarant, and any transferee or assignee of Declarant or affiliate of Declarant. Special Declarant Rights may be transferred to any person or entity by an instrument describing the rights transferred, and shall be recorded in the office of the Clerk and Recorder of Mesa County, Colorado.

(e) The rights of Declarant reserved in this Article XI shall expire on the date that is twenty (20) years recording of this Declaration.

Section 11.2 Declarant's Right to Amend Declaration, Articles, and Bylaws.

Declarant reserves and is granted and shall have the right and power to record technical amendments and technical corrections to this Declaration, the Articles of Incorporation or the Bylaws of the Association at any time prior to the termination of Declarant's control of the Association, for the purposes of correcting spelling, grammar, dates, typographical and clerical errors, or as may otherwise be necessary to clarify the meaning of any provisions of any such document.

Section 11.3 Transfer and Assignment of Declarant Rights and Obligations. Any or all rights, reservations, defenses, limitations, benefits, and obligations of Declarant may be transferred or assigned, in whole or in part, by Declarant, for all or any portion of the Property. Declarant Rights reserved hereunder may be shared with, assigned and/or transferred to other persons or entities by Declarant.

ARTICLE XII
GENERAL PROVISIONS

Section 12.1 Term. The provisions of this Declaration shall each constitute covenants, running with the land applicable to all of the Property and Lots, binding Declarant and all persons and entities claiming by, through, or under it for a period of twenty (20) years from the date of recording of this Declaration in the real property records of Mesa County, Colorado, which shall be automatically extended for successive periods of twenty (20) years each, without action by or notice to any person or entity unless amended or terminated as provided in Section 12.2.

Section 12.2 Termination and Amendment. Subject to the Declarant's reserved rights under this Declaration, all or any portion of this Declaration may be supplemented, changed or canceled in whole or in part at any time by the vote or agreement of the Owners of sixty-seven percent (67%) of the Lots that may be created and, during the period of Declarant control as defined in this Declaration, with the written consent of the Declarant. Such agreement may be in any number of counterparts, and shall be effective when duly recorded in the real property records of Mesa County, Colorado, subject to the following requirements:

- (a) The amendment shall have been reduced to a writing, which writing shall have been approved by an affirmative vote or written consent by the applicable required percentage of Members and, if applicable, Declarant and the Eligible Mortgagees;
- (b) A written certificate executed and acknowledged by an officer of the Association shall be attached to the written amendment which shall state that such amendment was approved by the applicable required percentage of Members, Declarant and all Eligible Mortgagees, if any, who are required to approve such amendment;
- (c) The approved written amendment and the certificate described in (a) and b) above shall be recorded in the office of the Clerk and Recorder of the County in which the Property is located, and indexed in the Grantee's index in the name of the Community and in the Grantor's index in the name of the Association.

Section 12.3 Restrictions Upon Association and Owners. Unless at least sixty-seven percent (67%) of the Eligible Mortgagees, based upon one (1) vote for each Lot encumbered by a First Mortgage held by an Eligible Mortgagee and sixty-seven percent (67%) of the Owners other than Declarant, by vote or agreement have given their prior approval, neither the Association nor the Owners shall be empowered or entitled, by act or by omission, to do any of the following:

- (a) abandon or terminate this Declaration or enforcement thereof with regard to the maintenance, repair, upkeep, improvement, and replacement of the Common Areas, Maintenance Area, and Improvements therein or thereon, or party walls;
- (b) seek to abandon, partition, subdivide, mortgage, encumber, sell or transfer all or substantially all of the Common Area, except for the granting of utility or access or ingress-egress easements or the dedication of Common Areas to a public entity as provided in this Declaration;
- (c) any conveyance or encumbrance of the Common Area shall comply with the voting requirements of C.R.S. §38-33-3-312;
- (d) fail to maintain insurance as provided in this Declaration;

- (e) use hazard insurance proceeds for loss to the Improvements for other than repair, replacement or reconstruction of such Improvements as provided in this Declaration;
- (f) change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner; or
- (g) effect a material change in the provisions of this Declaration relating to the following: voting rights; Assessments, Assessment liens, or priority of Assessment liens; reserves for maintenance, repairs, and replacement of Common Areas; re-subdivision of Lots; or any provisions that expressly benefit Eligible Mortgagees.

If prior approval of Eligible Mortgagees is required, the Association shall send a dated written notice and a copy of any proposed action or amendment by certified mail to each Eligible Mortgagee at its address of record with the Association. An Eligible Mortgagee that does not deliver to the Association a negative response within sixty (60) days after the date of the notice shall be deemed to have approved the proposed action or amendment and to have waived objection thereto.

Section 12.4 Enforcement. Except as otherwise specifically and expressly provided or limited in this Declaration, the Association, the Declarant, and any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, Declarant or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition to all other remedies, the Association shall have the right, after notice and an opportunity to be heard, to impose upon any Owner reasonable fines for any breach by that Owner of the provision of this Declaration, the Bylaws, and/or the Association's rules and regulations, and to impose late fees and interest charges on sums owed by such Owner which are not timely paid. The Association shall also have the right to recover from such Owner all attorneys fees incurred in the course of such enforcement actions, hearings, and collection of fines or other sums owed to the Association by an Owner. All rights and remedies provided in this Declaration are distinct and cumulative to any other right or remedy hereunder or afforded by law or in equity, and may be exercised concurrently, independently or successively.

Section 12.5 Rules and Regulations of Association; Association to Resolve Ambiguities. The Association shall have the right to promulgate rules and regulations to enforce, apply, or interpret this Declaration, and all Owners and other parties subject thereto shall strictly comply with such rules and regulations. If any doubt or question arises concerning the meaning or intent of any provision of this Declaration, the Board of Directors of the Association shall have the authority to, by resolution, or by duly promulgated rules and regulations, determine the proper construction of such provision and fix and establish the meaning, effect, application, and interpretation of the provision. However, this Section 12.5 shall not apply to the Declarant or to any such question as it may concern the Declarant's activities hereunder, unless Declarant has given its specific prior written authorization or consent to the Board of Directors for the interpretation.

Section 12.6 Merger of Associations. The Association may merge with any other association of a common interest community following approval by owners of lots to which are allocated the percentage of votes in each common interest community required to terminate that common interest community. Such merger shall be accomplished in accordance with an agreement prepared, executed, recorded, and certified by the President of the Association and the president of the association to be merged with, which agreement must be recorded in the real property records of Mesa County, Colorado. The surviving entity in any such merger or affiliation shall be the Association for purposes of this Declaration.

Section 12.7 Conflict of Provisions. In case of any conflict between this Declaration, the Articles of Incorporation or the Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws of the Association, the Articles of Incorporation shall control.

Section 12.8 Severability. Invalidation of any of the covenants, restrictions or other provisions contained in this Declaration shall in no way affect or limit any other provisions which shall remain in full force and effect. To the extent feasible, any non-complying provision and the remainder of this Declaration shall be reformed to comply with applicable law and to preserve the intent of this Declaration, including the invalidated provision.

Section 12.9 Non-Waiver. The failure of Declarant, the Association, or any Owner to enforce any right under this Declaration upon any occasion shall not be deemed a waiver of such right on any subsequent occasion(s). The waiver, either express or implied, by Declarant, the Association, or any Owner of any of the rights, terms or conditions in this Declaration shall not be deemed as or constitute a waiver of any other rights, terms or conditions in this Declaration. Any waiver, in order to be valid and effective, must be in writing.

Section 12.10 Notice.

- (a) Notice to Owner. Any notice or demand to an Owner required or permitted by this Declaration shall be in writing and shall be sent by email, if an email address is provided to the Association by said Owner, or, if not, by United States first class mail, postage prepaid, to the address of the Owner of the Lot(s) to receive notice at the address provided by the Owner for that purpose to the secretary of the Association, or, if no such address is provided, to the address of the Owner shown on the records of the Mesa County Assessor.
- (b) Notice to Association. Any notice or demand to the Association required or permitted by this Declaration shall be in writing and shall be sent by email, if an email address is provided for the Association on the Association's website, or, if not, shall be sent by United States first class mail, postage prepaid, to the address of the Association provided on the Association's website.

- (c) **Notice to Declarant.** Any notice or demand to the Declarant required or permitted by this Declaration shall be sent by United States first class mail, certified, return receipt requested, postage prepaid, to the address of the Declarant's registered agent as registered with the Colorado Secretary of State.

Section 12.11 Section Headings. The article and section titles and headings used in this Declaration are for identification purposes only and shall not be utilized to interpret or construe the provisions of this Declaration, which shall remain in full force and effect.

Section 12.12 Binding Effect. The provisions of this Declaration shall be binding upon and for the benefit of Declarant, each Owner, and each and all of their heirs, personal representatives, successors in interest, and assigns.

Section 12.13 No Rights Given to the Public. Nothing contained in this Declaration shall be deemed to be a gift or dedication of any portion of the Property to the general public or for any public use or purpose.

Section 12.14 Applicability of Governmental Regulations. The covenants, conditions and restrictions contained in this Declaration are separate and distinct from any zoning, building or other law ordinance, rule or regulation of the City of Grand Junction or of any governmental authority having jurisdiction over the Property which now or in the future may contain different requirements from or in addition to those contained in this Declaration or which may prohibit uses permitted in it or permit uses prohibited in it. In the event of any conflict between the provisions of this Declaration and the provisions of any such law, ordinance, rule or regulation, the Owner must first comply with all governmental laws, ordinances, rules or regulations and then, to the extent possible, the Owner must comply with these covenants, conditions and restrictions unless such compliance would result in a violation of such law, ordinance, rule or regulation, in which case, upon a finding that compliance with this Declaration would result in such a violation, the Association shall waive any such covenant, condition or restriction to the extent it results in such a violation and, in connection with such waiver, the Association may impose such conditional covenants, conditions and restrictions as may be necessary to carry out the intent of this Declaration.

Section 12.15 Acceptance of Provisions. The acquisition of a Lot by conveyance or an interest in a Lot by encumbrance thereof or the Improvements thereon shall be deemed to include the acceptance of all provisions of the Declaration, all of which shall be binding upon each Owner, his/her/its heirs, personal representatives, family, guests, tenants, successors and assigns, and everyone having an interest in the Lot without the necessity of inclusion of an express provision in the instrument of conveyance of encumbrance.

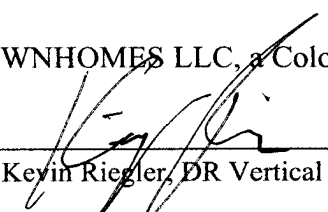
Section 12.16 Recovery of Attorneys Fees and Costs. Except as otherwise specifically provided in this Declaration, such as regarding arbitration in the context of a dispute over a Party

Wall or in the context of construction defect claims, in the event of any action to enforce, or to obtain redress for any violation of, this Declaration, the party who substantially prevails in such action shall be entitled to recover from the other party, and the judge, court or arbitrator shall award such party, its reasonable attorney fees and costs of such litigation.

Section 12.17 Registration By Owner of Mailing Address. Each Owner shall register his/her/its email and mailing address with the Association. It is the Owner's responsibility to notify and provide a new address to the Association when the Owner's address(es) change(s).

EXECUTED AND DECLARED as of the date set forth below.

DR TOWNHOMES LLC, a Colorado limited liability company

By: 
Kevin Riegler, DR Vertical Manager, LLC, Manager of DR Townhomes LLC


Date: 3/21/24

STATE OF Colorado)
) .ss
COUNTY OF Route)

The foregoing instrument was subscribed and sworn to before me on March 21st, 2024, by Kevin Riegler as duly authorized representative of DR Vertical Manager, LLC, Manager of DR Townhomes LLC.

My commission expires: 12-7-2024

Witness my hand and seal.


Notary Public

JULIE L. HAMMOND NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19964019742 MY COMMISSION EXPIRES 12/07/2024
