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MAHOGANY MESA TOWNHOMES II

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

Rifle, Colorado

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MAHOGANY MESA TOWNHOMES II

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

(Rifle, Colorado)

KNOW ALL MEN BY THESE PRESENTS that Klomhaus and Waller, Inc., does hereby declare and adopt the following Declaration of Covenants, Conditions and Restrictions (the "Declaration"), which shall run with the real property hereafter described, and shall be binding upon all parties acquiring any interest therein or thereto.

ARTICLE I - RECITALS

Section 1.1. The Declarant. Klomhaus and Waller, Inc. (the "Declarant") is a corporation duly organized and existing under and by virtue of the laws of the State of Colorado.

Section 1.2. The Property. The real property submitted to this Declaration is located in the City of Rifle, County of Garfield, State of Colorado, and is described, as follows:

Lot 3
Block 3
Mahogany Addition to the City of Rifle

(the "Property").

Section 1.3. The Development. The Property shall be developed as residential townhomes.

Section 1.4. The Community. The Development shall constitute a common interest community within the meaning of the Colorado Common Interest Ownership Act (the "Act"). The Development will constitute a "condominium,"

within the meaning of the Act and shall be located, in its entirety, within Garfield County, Colorado.

Section 1.5. The Name of the Community. The name of the common interest community is MAHOGANY MESA TOWNHOMES II.

Section 1.6. The Name of the Association. The name of the Association which shall manage the Community in accordance with the provisions of the Declaration and the Act is MAHOGANY MESA TOWNHOMES II ASSOCIATION.

Section 1.7. The Plat. The Development is depicted on the Final Plat of Mahogany Mesa Townhomes II, recorded as Reception No. 678753 of the Garfield County, Colorado records. Such Plat creates four (4) Townhome Lots.

Section 1.8. The Purpose. The purpose of this Declaration is to further the interests of the Community, to protect and enhance the property values and to otherwise effectuate the terms and provisions of the Act.

ARTICLE II - DEFINITIONS

The following terms shall have the following meanings when used herein unless the context otherwise requires:

Section 2.1. Property. “Property” means the property described in Section 1.2 above, all of which is submitted to this Declaration.

Section 2.2. Plat. “Plat” means the Final Plat of Mahogany Mesa Townhomes II referenced in Section 1.7 above.

Section 2.3. Lot or Townhome Lot. The term “Lot” and the term “Townhome Lot” are interchangeable. Each term means a physical portion of the Property designated for separate ownership and shall refer to any of the numbered Lots shown on the Plat.

Section 2.4. Owner. “Owner” or “Lot Owner” means and refers to any person or entity, including the Declarant, at any time owning a Lot.

Section 2.5. Association. “Association” means and refers to MAHOGANY MESA TOWNHOMES II ASSOCIATION, a Colorado corporation not for profit.

Section 2.6. Executive Board. “Executive Board” means the Executive Board of the Association.

Section 2.7. Mortgage. “Mortgage” means and refers to any Mortgage, deed of trust or other security instrument by which a Lot or any part thereof is encumbered.

Section 2.8. Mortgagee. “Mortgagee” means and refers to any person or entity named as a Mortgagee or beneficiary under any deed of trust or Mortgage under which the interest of any Owner is encumbered.

Section 2.9. Common Expenses. “Common Expenses” means and refers to expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

Section 2.10. Common Elements. “Common Elements” means and includes all parts of the Property, grounds, improvements, installations and facilities which are not included within a Lot.

Section 2.11. Community. “Community” means and includes all the Property submitted to this Declaration.

ARTICLE III - TOWNHOME OWNERSHIP

Section 3.1. Separate Interests. The Property shown on the Plat is hereby divided into Common Elements and separate fee simple interests in the individual Lots depicted thereon. The ownership of a Lot includes and is subject to the easements, rights, and obligations created by this Declaration and the By-Laws of the Association.

Section 3.2. Title. Title to a Lot may be held or owned by any person or entity in any manner by which title to any other real property may be held or owned in the State of Colorado.

Section 3.3. Enjoyment of Common Elements. Subject to the limitations contained in this Declaration, every Owner shall have the nonexclusive right to use and enjoy the Common Elements.

Section 3.4. Inseparability. Every conveyance, transfer, gift, devise, encumbrance, or other disposition of a Lot, or any part thereof, shall be presumed to be a conveyance, transfer, gift, devise, encumbrance, or disposition, as the case may be, of the entire Lot, together with all appurtenant rights created by this Declaration. No part of a Lot or of the legal rights appurtenant thereto may be separated from any other part thereof.

Section 3.5. No Partition. No Owner may bring any action for partition of the Common Elements.

Section 3.6. Separate Titles and Taxation. Each Lot, together with its interest in the Common Elements, constitutes for all purposes a separate parcel of real estate and must be separately assessed and taxed. The value of the Common Elements shall be assessed proportionately to each Lot in accordance with such Lot's allocated interest in the Common Elements. The Common Elements shall not be separately taxed or assessed. Upon the filing for recordation of this Declaration and the Plat, the Declarant shall deliver a copy of such filing to the Assessor of Garfield County, Colorado. Thereafter, all taxes, assessments, and other charges of the State, or any political subdivision, or of any special improvement district, or of any other taxing or assessing authority shall be assessed against and collected on each Lot, each of which shall be carried on the tax roles as a separate and distinct parcel for that purpose. No forfeiture or sale of any Lot for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title of the other Lots.

Section 3.7. Mechanic's Lien Rights. No labor performed or materials furnished for use in connection with any Lot with the consent or at the request of an Owner, his agent, or subcontractor shall create any Mechanic's Lien or right to file a statement of Mechanic's Lien against the Lot of any other Owner, or against any interest in the Common Elements.

Section 3.8. Description of Lots. Every deed for the conveyance of a Lot and every other instrument affecting title to a Lot shall identify the County in which the Lot is located and may describe that Lot by the number shown on the Plat with

appropriate reference to the Plat and to this Declaration, as each shall appear in the records of Garfield County, Colorado, in the following fashion:

Lot _____,
MAHOGANY MESA TOWNHOMES II,
according to the Plat thereof recorded as
Reception No. _____ and the
Declaration recorded as
Reception No. _____ of the Garfield
County, Colorado, records.

ARTICLE IV - EASEMENTS; ENCROACHMENTS

Section 4.1. Plat Dedications. All dedicated easements shown on the Plat or provided herein are hereby dedicated or reserved for the purposes intended.

Section 4.2. Enjoyment and Access. Every Owner shall have a non-exclusive right and an easement appurtenant to his Lot for the enjoyment and use of the Common Elements and for access to his Lot, including an easement for ingress and egress for pedestrian traffic over, through, and across sidewalks, paths, walks, and lanes as the same may from time to time exist upon the Common Elements and for pedestrian and vehicle traffic over, through, and across such roads, drives and parking areas as from time to time may be paved and intended for such purposes.

Section 4.3. Utilities. The Property shall be subject to a blanket easement over, across, and through the Common Elements to install, repair, replace, and maintain all utilities, including, without limitation, water, sewer, gas, telephone, electricity, cable tv, telecommunications and internet services. The Lots themselves shall be subject to easements in favor of the Association to maintain, repair, replace or reconstitute common utility service lines, irrigation and sprinkler systems, fixtures, equipment and facilities serving the Lots.

Section 4.4. Maintenance Easement. The Common Elements, and to the extent necessary, the Lots themselves, shall be subject to a non-exclusive right and easement in the Association, including its agents, employees, contractors, and subcontractors, as may be necessary or appropriate for the performance of the duties

and functions which the Association is permitted or obligated to perform under this Declaration and for providing maintenance and repairs.

Section 4.5. Party Wall Easements. Mutual reciprocal easements are hereby established, declared and granted for all party walls between improvements constructed or to be constructed on the Lots, which reciprocal easements shall be for mutual support and shall be governed by this Declaration. Every Deed, whether or not expressly so stating, shall be deemed to convey and to be subject to such reciprocal easements.

Section 4.6. General Law - Party Walls. Each wall which is built as a part of the original construction of the townhomes upon the Property and placed on the dividing line between the Lots shall constitute a party wall. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 4.7. Repair and Maintenance - Party Walls. The cost of reasonable repair and maintenance of any party wall shall be borne equally by the Owners on either side of the party wall. If one of the Owners refuses to pay his proportionate share of the cost of repair or maintenance, then the other Owner may cause the party wall to be repaired and shall be entitled to assess the share of the cost attributable to the adjoining Owner against the non-paying adjoining Owner's Lot, and the same shall become and remain a lien against said Lot until fully paid. Said lien may be foreclosed in the manner provided by law for the foreclosure of a mortgage on real property.

Section 4.8. Party Walls - Casualty. If a party wall is destroyed or damaged by fire or other casualty not covered or not fully covered by the insurance to be maintained by the Association, any Owner served by the wall may restore it or complete the restoration and the other Owner also served by the party wall shall contribute to the cost of restoration thereof an equal, proportionate share, without prejudice however, to the right of any such Owner to call for a larger contribution from other Owner under any rule of law regarding liability for negligent or willful acts or omissions. If one Owner causes the party wall to be restored or completes the restoration, and any other Owner served by the party wall does not contribute his full allocable share to the costs incurred by the Owner who caused the party wall to be restored, the costs attributable to the non-paying adjoining Owner shall be

assessed against that Owner's Lot and the same shall become and remain a lien against said Lot until fully paid. Said lien may be foreclosed in the manner provided by law for the foreclosure of a mortgage on real property.

Section 4.9. Encroachments. If a dwelling unit should encroach upon another Lot by reason of original construction or by the non-purposeful or non-negligent act of the Owner, then an easement appurtenant to such encroaching dwelling unit, to the extent of such encroachment, shall exist so long as such encroachment shall exist. If any Common Element shall encroach upon any Lot by reason of original construction, or the non-purposeful or non-negligent act of the Association, then an easement appurtenant to such Common Element to the extent of such encroachment shall exist so long as such encroachment shall exist.

Section 4.10. Constructive Grant of Reciprocal Easements. All conveyances of Lots hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give effect to the preceding Sections of this Article, even though no specific reference to such easements appear in the conveyance. Such easements and covenants are intended and hereby are declared to run with the land and to be appurtenant to the respective Lots, and each of them.

ARTICLE V - IMPROVEMENTS AND COMMON ELEMENTS

Section 5.1. The Complex. Mahogany Mesa Townhomes II shall consist of four (4) Townhome Lots with Common Elements as more particularly described in this Declaration and set forth on the Plat.

Section 5.2 The Lots. Each Lot shall include that part of the Property that lies within the boundaries of such Lot as shown on the Plat, together with the appurtenant rights and easements in the Common Elements.

ARTICLE VI - MAINTENANCE AND REPAIRS

Section 6.1. Owner's Duties - Lots. Each Owner shall be responsible for maintenance and repair of the interior of such Owner's townhome, and all plumbing, sewers, drains, pipes, electrical wiring and heating, cooling and ventilation facilities and systems located within such Owner's townhome or Lot, except common trunk lines and other common facilities which shall be the

obligation of the Association. All shutters, awnings, window boxes, doorsteps, entryways, stoops, porches, balconies and patios and all exterior doors and windows, frames, glass, and stairs used or allocated solely to a particular Lot shall be maintained by the Owner of that Lot. Each Owner shall be responsible for and keep and maintain in good repair all sewer lines and water lines from his townhome or Lot to the point of connection with the common trunk lines. Each Owner shall maintain and provide lawn care for all areas located within such Owner's Lot, except the yard area and driveway located in front of the Townhome, which shall be the obligation of the Association. In performing such maintenance or repair, or in improving or altering a Lot, an Owner shall obtain all necessary permits and licenses, and shall comply with all applicable laws, rules and regulations, including the rules and regulations of the Association. Notwithstanding the foregoing, no Owner shall do any maintenance, repair or improvement work that impairs the structural soundness of the building in which such Owner's Lot is located or that interferes with any easement. No Owner shall have the right to make or cause to be made any additions, alterations or repairs to the Common Elements.

Section 6.2 Associations Duties - Lots. The Association shall maintain and keep in good condition and repair the following improvements within or which form a part of the Lots:

- (a) The exterior surfaces of the buildings, including the roofs;
- (b) The front yard area and driveway of each Lot;
- (c) The irrigation system serving and located within the Lots;
- (d) The exterior of any fence bordering the Common Elements situate on the boundary of any Lot;
- (e) The common utility trunk lines located within the Lot that also serve one or more other Lots; and
- (f) Any enclosures, sheds or general utility rooms having heating plants or other facilities which serve more than one Lot.

The Association may assume other maintenance duties with respect to the buildings, courtyards, sidewalks and grounds located within the boundaries of the Lots on a non-discriminatory basis but shall have no obligation to do so.

Section 6.3. Association's Duties - Common Elements. The Association shall be responsible for the maintenance and repair of all the Common Elements. Without limiting the generality of the foregoing, the Association shall provide lawn, grounds and landscaping care, shall water, trim, prune and winter wrap trees and shrubs, maintain and operate the irrigation system for the benefit of the Community and otherwise maintain and keep in good repair and condition all sidewalks, yards, grounds, greenbelt areas, all drives and parking areas, traffic control devices and signage, recreational equipment and all other improvements and facilities which form a part of the Common Elements. The Association shall provide for the removal of snow from steps, stairs, walkways, sidewalks, roadways, drives and parking lots which form a part of the Common Elements. The Association shall provide for the removal of snow and ice from the roofs and gutters, as and when necessary or otherwise advisable. The Association shall maintain the Common Elements to substantially the same or better standards as originally installed.

Section 6.4. Materials. Insofar as the party walls, the utility services and facilities, the irrigation system, the exterior portions of the buildings and any fences are concerned, the Association shall have the sole discretion in determining the kind and type of materials to be used in all maintenance and repair work performed, whether the work be performed by the Association or an Owner.

Section 6.5. Maintenance Costs - Common Elements. The costs of the maintenance, repair and upkeep of the Common Elements and those portions of the Lots to be maintained by the Association shall be a Common Expense of all the Owners; provided that, the cost of any such maintenance, repair and upkeep necessitated by excessive wear or abuse caused by or attributable to the Owner or Owners of one or more of the Lots, may by resolution adopted by the Executive Board, be assessed to the Owner or Owners responsible for the excessive wear or abuse in such proportions as the Executive Board, in its sole discretion, determines to be proper.

Section 6.6. Association's Right of Access. To perform the maintenance and repairs, the Association shall have the right of access to any Lot during reasonable hours, or at any time for the purpose of making emergency repairs necessary to

prevent damage to the Common Elements or to other Lots. The costs of repairing any damage to a Lot resulting from entry therein for the purpose of repairing or maintaining the Common Elements or preventing damage to the Common Elements or another Lot, shall be a Common Expense of all the Owners.

Section 6.7. Owner Caused Damage. Notwithstanding the foregoing, if damage to the Common Elements or to any Lot is caused by the negligence or intentional act of an Owner or if entry into a Lot is required because of any negligence or intentional act on the part of an Owner, such Owner shall pay, or reimburse the Association, for all costs of repairing such damage and shall be liable to the Association and the other Owners for all additional losses or expenses suffered as a result of his negligence or intentional acts, including without limitation, reasonable attorney's fees.

Section 6.8. Association's Right to Maintain. If in the sole judgment of the Executive Board, any Owner has failed to keep and maintain his townhome or Lot in good condition and repair, the Association may, after thirty (30) days notice to the Owner, perform all work necessary to maintain the townhome or Lot in good condition and repair and the Association shall have access to the townhome or Lot for such purposes. The Owner shall reimburse the Association for the cost of such work.

Section 6.9. Declarant's Right to Maintain. If, in the sole judgment of Declarant, the Association has failed to keep and maintain the Common Elements in good condition and repair, the Declarant may, after thirty (30) days notice to the Association, perform all work necessary to maintain the Common Elements in good condition and repair and Declarant shall have access to any Lot and the Common Elements for such purposes. The Association shall reimburse Declarant for the cost of such work, which shall be a Common Expense of all Owners.

Section 6.10. Landscaping and Lawn Care. Any landscaping in addition to that provided by the Declarant in connection with the initial construction of the buildings shall be at the discretion of the Association and subject to the prior approval of the Executive Board, which may assess a review fee. Each Owner shall provide lawn care within his Lot, except for the front yard area. The Association shall provide lawn care with respect to the common elements and the front yard area of each Lot. For purposes of this section, in addition to mowing the grass, the term

“lawn care” includes trimming, maintaining and caring for trees, plants, shrubs, flowers and other ornamental landscaping.

Section 6.11. Irrigation System. The Association shall maintain, repair and operate the irrigation system serving the Community and shall have the right of access to any Lot during reasonable hours to accomplish the same, or at any time for the purpose of making emergency repairs to prevent damage to the Lots or Common Elements. The costs associated with maintaining, repairing and operating the irrigation system shall be a Common Expense to all the Owners. Notwithstanding the foregoing, if damage to the irrigation system is caused by the negligence or intentional act of an Owner, such Owner shall pay or reimburse the Association for all costs of repairing such damage and shall be liable to the Association and the other Owners for all additional damage, losses and expenses resulting therefrom.

Section 6.12. Owner Responsibility. Any maintenance or repair required by reason of the willful or negligent act of the Owner, members of his family or guests, tenants or occupants of the Owner's Lot, shall be attributed to the Owner and shall be the responsibility and obligation of such Owner. The Association shall have the right to perform any such maintenance or repairs and recover such costs from the Owner responsible.

Section 6.13. Determination of Obligation and Supervision. The responsibility for the performance of any maintenance, repair, lawn care, snow removal or other work not expressly delineated above shall be determined by the Association. In the event any dispute should arise as to the construction or interpretation of the foregoing Sections, the determination with regard thereto made by the Association shall be conclusive. The Association shall have the right to prescribe minimum standards with regard to an Owner's performance of any maintenance for which the Owner is responsible. The Owner shall comply with all guidelines and requirements prescribed by the Association in this connection, and in furtherance hereof, the Association shall have the right to require any Owner at any time, to forthwith correct any repair or any maintenance deficiency then existing.

ARTICLE VII - THE ASSOCIATION

Section 7.1. Purposes and Powers. The Association through the Executive Board or a Managing Agent shall perform the functions and hold and manage property as provided in this Declaration so as to further the interests of the Lot

Owners in the Development. The Association shall have all the powers necessary or desirable to effectuate such purposes.

Section 7.2. Membership. Every Owner shall be entitled and required to be a member of the Association. An Owner shall be entitled to one (1) membership for each Lot owned. Each such membership shall be appurtenant to and inseparable from the Lot upon which it is based, and shall be transferred automatically by the transfer (in whatsoever form) of that Lot. Ownership of a Lot shall be the sole qualification for membership. No person or entity other than an Owner may be a member of the Association.

Section 7.3. The Executive Board. The affairs of the Association shall be managed by an Executive Board which may by resolution delegate any portion of its authority to an Executive Committee or to a Managing Agent for the Association. There shall be no fewer than three members of the Executive Board, the specific number to be set forth from time to time in the Bylaws.

Section 7.4. Bylaws and Articles. The purposes and powers of the Association and the rights and obligations with respect to Owners set forth in this Declaration may and shall be amplified by provisions of the Articles and Bylaws of the Association.

Section 7.5. Voting. Each Lot shall be entitled to one (1) vote. Owners of more than one (1) Lot shall have the right to cast the aggregate number of votes that the Lots which they own represent. If any Lot is owned by multiple parties, all such parties shall be members; provided, however, that the vote to which such Lot is entitled shall be exercised as the several Owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Lot. Cumulative voting shall not be permitted in the election of the Executive Board or for any other purpose.

Section 7.6. Exercise of Powers. The Association may exercise any right or privilege given it expressly by this Declaration, by the Act or otherwise by law, and every other right, privilege, and power reasonably to be implied from this Declaration or reasonably necessary to effectuate its function and purposes.

Section 7.7. Assessments. The Association shall have the right to levy and make assessments for Common Expenses, in accordance with this Declaration and its By-Laws, for the following purposes:

- (a) To promote the recreation, health, safety, and welfare of the Owners and the residents of the property;
- (b) To pay the costs and expenses of maintaining the Common Elements and those portions of the Lots to be maintained by the Association as set forth in this Declaration;
- (c) To pay the premiums for all insurance which the Association is required or permitted to maintain;
- (d) To pay taxes and special assessments levied against any property of the Association, whether real or personal;
- (e) To provide lawn, grounds and landscaping care for the Common Elements and to otherwise maintain the Common Elements;
- (f) To pay the costs and expenses of maintaining, repairing and operating the irrigation system serving the Community;
- (g) To provide lawn, grounds and landscaping care for the front yard area of the Lots;
- (h) To provide for the removal of snow from sidewalks, roadways, driveways and parking areas which form a part of the Common Elements, each Lots' individual driveway and from the roofs and gutters as needed;
- (i) To pay all charges for lighting, utilities, irrigation water, trash removal and other services attributable to the Common Elements;
- (j) To pay wages for Association employees, Association management expenses, legal and accounting fees;
- (k) To pay any deficit remaining from any previous assessment period;

(l) To create a reasonable contingency reserve, surplus and/or sinking fund;

(m) To pay any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration, its Articles of Incorporation or By-Laws; and

(n) For any other purpose permitted by the Act.

Section 7.8. Assessments for Common Expenses. Each Owner shall pay his prorata share of the Common Expenses. Such proration shall be made on the basis of each Owner's allocated interest in the Common Elements. Nothing contained in this subsection shall prohibit certain Common Expenses from being apportioned to a particular Lot or Lots as provided elsewhere in this Declaration.

Section 7.9. Payment of Assessments. Each Owner shall pay to the Association, in accordance with its By-Laws, such assessments as may be periodically made by the Association. Until the Association makes an assessment for Common Expenses, the Declarant shall pay all Common Expenses.

Section 7.10. Periodic Assessments. After any assessment has been made by the Association, assessments shall thereafter be made monthly or on such other periodic basis as the Executive Board shall determine, but no less frequently than annually, and shall be based on a budget adopted no less frequently than annually.

Section 7.11. Added Charges. The Association may impose charges for late payment of assessments, recover reasonable attorney's fees and other costs of collection and levy fines for violations of the Declaration, the By-Laws or the Rules and Regulations of the Association. All such charges shall be enforceable as assessments. Any past due Common Expense assessment or installment shall bear interest at the rate of eight percent (8%) per annum or at such greater rate as may be established by the Executive Board, but not exceeding twenty-one percent (21%) per annum.

Section 7.12. Collection of Assessments. The Association shall have the right to bring an action at law against the Owner personally obligated to pay any delinquent assessment or fines.

Section 7.13. Assessment Liens. The Association shall also have a statutory lien on any Lot for any assessment levied against that Lot or fines imposed against the Lot Owner. The amount of the lien shall include any fees, charges, late charges, attorney's fees, fines and interest. This Declaration constitutes record notice and perfection of the statutory lien. No further recordation of any claim of lien or assessment is required. The statutory lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within six (6) years after the full amount of the assessments become due. The Association's lien for assessments and enforcement rights in respect thereto shall be governed by the applicable provisions of the Act, as now in effect or hereafter amended.

Section 7.14. Budgets to be Approved by the Members. It shall be the duty of the Executive Board to formulate and propose a budget of expenses, not less frequently than annually. Within thirty (30) days after adoption of any proposed budget for the common interest community, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Lot Owners (members) and shall set a date for a meeting of the Lot Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all Lot Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Lot Owners must be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board.

Section 7.15. Rules and Regulations. In furtherance of the intent, purposes and provisions of this Declaration, rules and regulations may be adopted, amended or repealed from time to time by the Executive Board. All rules and regulations adopted by the Association shall be applied uniformly in a non-discriminatory manner. The Executive Board may also establish and enforce penalties and fines for the infraction of any rule or regulation, which fines shall be collectable as assessments in the manner provided above.

ARTICLE VIII- ARCHITECTURAL CONTROL

Section 8.1. Alterations. No structural alterations or additions to a townhome or Lot nor any alteration of the Common Elements shall be undertaken unless the complete plans and specifications have been first submitted to and approved in writing by the Executive Board. Upon the review of any plans,

specifications or submittals, the Executive Board may require that the Applicant(s) reimburse the Committee for any actual expense incurred with engineers, architects, attorneys or other professionals in reviewing such plans and specifications. The Executive Board shall not arbitrarily refuse to permit an Owner to make reasonable modifications to that Owner's Lot, as long as such modification is not materially detrimental or injurious to other Lots or the Common Elements. The Executive Board may impose special conditions or requirements in connection with any such alterations.

Section 8.2. Non-Liability. No review or approval by the Executive Board of any alteration or improvement shall be deemed approval of the alteration or improvement for compliance with building codes or other governmental laws and regulations, nor shall it be deemed approval for safety purposes.

Section 8.3. Failure To Act. Any decision of the Executive Board concerning an Owner's request to perform Lot alterations or improvements shall be made within ninety (90) days after receipt of all plans, specifications and submittals required by the Executive Board, unless such time period is extended by mutual agreement. The decision shall be in writing and if the decision does not approve the improvement proposed, the reason shall be stated. The decision shall be promptly transmitted to the Applicant at the address furnished by the Applicant. Any request for approval shall be deemed approved unless disapproval or a request for additional information is transmitted to the Applicant by the Executive Board within ninety (90) days after the date the Application and all information and materials required have been submitted.

Section 8.4. Diligence in Completing the Work. Following approval of any proposed improvement, the improvement shall be completed by the Owner as promptly and diligently as practicable in substantial conformance with the submittals made and in accordance with all conditions imposed by the Executive Board.

Section 8.5. Inspection. The Executive Board or its representative shall have the right to inspect the Lot and the work prior, during and after completion.

Section 8.6. Construction Activities. The Executive Board may promulgate Rules and Regulations concerning the construction activities associated with any such alterations or improvements.

ARTICLE IX - ALLOCATIONS

The undivided interest in the Common Elements shall be allocated among all the Lots created within the Property equally. Voting rights shall also be allocated equally among the Lots as elsewhere provided in this Declaration. Likewise, all Common Expenses shall be assessed equally, however, nothing contained in this Article shall prohibit certain Common Expenses from being apportioned to a particular Lot or Lots as provided elsewhere in this Declaration.

ARTICLE X - DECLARANT'S RESERVED DEVELOPMENT RIGHTS

Section 10.1. Rights Reserved. The Declarant hereby reserves, to the fullest extent permitted by law, the following development rights and the right to supplement and amend this Declaration in the exercise of all or any of the following development rights:

- (a) The right to construct and complete the Lots and Common Elements shown on the Plat in any sequence and order that the Declarant shall determine;
- (b) The right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities across any portion of the Property for the purpose of furnishing utilities and other services to buildings and improvements to be constructed on the Property;
- (c) The right to withdraw and grant easements and licenses to public utility companies and to convey improvements within those easements anywhere in the Community not occupied by buildings for the purposes mentioned;
- (d) The right to reconfigure all or any of the Lots with the approval of the City of Rifle;
- (e) The right to prepare, execute and record an Amendment or Amendments to this Declaration, by way of a Supplemental Declaration or otherwise, assigning or reassigning identifying numbers to each Lot created and describing the Common Elements thereby changed or created and to prepare, execute and record therewith, an additional, supplemental or amended Plat depicting and addressing the matters required by the Act or deemed proper by the Declarant in connection with any such amendment;

(f) To exercise the “Special Declarant Rights” defined in the Act, including the rights to construct and complete the improvements, to exercise any development right, including those expressly reserved in this Declaration, to maintain sales offices, management offices, model townhomes and signs advertising the Development, to use easements through the Common Elements for the purpose of making improvements within the Property and to appoint and to remove any officer of the Association or any Executive Board member during the period of Declarant controls herein set forth.

Section 10.2. Exercise of Development Rights. Any development right may be exercised with respect to different portions of the Property, at different times and in such sequence as the Declarant may determine. No assurances are made as to which portions of the Property may be subjected to the exercise of each development right, or in which order each development right may be exercised or applied to any portion of the Property. If any development right is exercised in any portion of the Property, that development right need not be exercised in all or any portion of the remainder of the Property. The exercise of development rights with respect to some portions of the Property will not obligate the Declarant to exercise any development rights as to other portions. No assurances are made by Declarant as to whether Declarant will exercise its development rights herein reserved or any of them or as to the order in which any portion of the Property may be developed.

Section 10.3. Reserved Construction Easement. Declarant reserves the right to perform warranty work, repairs and construction work in the Lots and Common Elements, to store materials in secure areas, and to control and have the right of access to work and make repairs until completion of the entire Community. All work may be performed by the Declarant without the consent or approval of the Executive Board or the Association. The Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Declarant's rights, whether arising under the Act or reserved in this Declaration. This easement and the reserved rights attendant thereto includes the right to convey access, utility and drainage easements to any special district, governmental authority, public utility or the State of Colorado.

Section 10.4. Promotional Activity of Declarant. The Declarant may maintain a sales office or management office within any Lot or Lots owned by the Declarant. Any Lot or Lots owned by Declarant may also be used as a model for

promotional purposes. Declarant reserves the right to post and maintain signs and displays in Lots owned by the Declarant and in the Common Elements in order to promote sales of Lots. Declarant also reserves the right to conduct general sales activities in a manner which will not unreasonably disturb the rights of Lot Owners.

Section 10.5. Removal of Declarant's Property. Declarant reserves the right to remove and retain all of its property and equipment used in the sales, management, construction and maintenance of the property whether or not the same have become fixtures.

Section 10.6. No Interference. Neither the Association nor any Lot Owner may take any action or adopt any rule that will interfere with or diminish any reserved rights of the Declarant, without the prior written consent of the Declarant.

Section 10.7. Location of Lots. The location of the buildings and the Lots and the identification of the Common Elements are not restricted or regulated other than by the building envelopes now or hereafter approved by the City of Rifle. The Declarant reserves the right to establish or change the building envelopes with the approval of the City of Rifle, provided that the Declarant shall have no right to alter the boundaries of any Lot which the Declarant does not own.

Section 10.8. Time Limit. The development rights reserved to the Declarant must be exercised within twenty-five (25) years from the date of this Declaration.

Section 10.9. Release or Assignment of Declarant's Rights. Declarant may release or transfer any or all the Declarant's rights reserved under this Article or elsewhere in this Declaration, but only by instrument acknowledged in the manner of a Deed and recorded in the records of the Clerk and Recorder of Garfield County, Colorado. Declarant may restrict or limit the exercise of any rights and interest so assigned. Any successor in interest to Declarant, in respect to any portion of the Declarant's rights hereunder, may further assign and transfer such rights and interests in like manner, but only to the extent expressly permitted in the assignment from the Declarant.

ARTICLE XI-DECLARANT'S RIGHTS TO CONTROL THE ASSOCIATION AND LIMITATIONS

Section 11.1. This Article Controls. The provisions of this Article shall control all inconsistent and conflicting provisions contained elsewhere in this Declaration or in the Bylaws of the Association.

Section 11.2. Period of Declarant Control. There shall be a period of Declarant control of the Association, during which a Declarant, or persons designated by the Declarant, may appoint and remove the officers of the Association and members of the Executive Board.

(a) The period of Declarant control shall terminate no later than the earlier of (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots that may be created in the Community to Lot Owners other than a Declarant; or (ii) two years after the last conveyance of a Lot by the Declarant in the ordinary course of business.

(b) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots that may be created to Lot Owners other than a Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Lot Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots that may be created to Lot Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board must be elected by Lot Owners other than the Declarant.

(c) Except as otherwise provided in C.R.S. §38-33.3-220(5), not later than the termination of any period of Declarant control, the Lot Owners shall elect an Executive Board of at least three members, at least a majority of whom must be Lot Owners other than the Declarant or designated representatives of Lot Owners other than the Declarant; and the Executive Board shall elect the officers and the Executive Board members and officers shall take office upon election.

(d) Notwithstanding any provision of this Declaration or the Bylaws to the contrary, following notice under C.R.S. § 38-33.3-308, the Lot Owners, by a vote of sixty-seven percent (67%) of all Lot Owners present and entitled to vote at a meeting of the Lot Owners at which a quorum is present may remove a member of the Executive Board with or without cause other than a member appointed by the Declarant.

Section 11.3. Voluntary Surrender. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant control set forth above. In that event, the Declarant may require that, for the duration of the period of Declarant control,



specified actions of the Association or Executive Board as described in a recorded instrument executed by the Declarant, be approved by the Declarant before becoming effective.

Section 11.4. Association's Records. Within sixty (60) days after termination of Declarant's control and the election of a new Executive Board by the members, the Declarant shall deliver to the Association all records and property of the Association held or controlled by the Declarant as prescribed by the Colorado Common Interest Ownership Act.

ARTICLE XII - USE RESTRICTIONS

Section 12.1. No Resubdivision. No further subdivision of any Lot shall be permitted.

Section 12.2. Leases. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation, By-Laws and duly promulgated Rules and Regulations of the Association, and that any failure by the tenant to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. No Owner shall be permitted to lease a dwelling unit for transient or hotel purposes; nor shall any Owner lease only a room or rooms which consist of less than the entire dwelling unit. Other than as provided in this Section, there is **no restriction on the right of any Owner to lease his property.**

Section 12.3. Animals. No animals of any kind shall be raised, bred or kept on the Property, except that **dogs and cats may be kept, provided that they are not kept, bred or maintained for any commercial purpose and that such pets are at all times under the control of their Owner, well-mannered and behaved; and provided further that, in no event shall any Owner(s) or occupant(s) of any Lot keep more than a total of two (2) such animals, in any combination, at any time.** Notwithstanding the foregoing, the Executive Board may promulgate rules and regulations concerning the keeping of dogs and cats within the Community, which are more restrictive than those limitations set forth above. By way of example and not by way of limitation, the Executive Board shall have the right to absolutely prohibit the keeping of dogs or cats, or to implement a plan of special pet assessment dues which shall be payable by any Owner who keeps a dog or cat upon the Property.

Section 12.4. Alterations. No fences, walls, decks, balconies or additions to any building or other structure shall be constructed or installed without the approval of the Executive Board, except to replace or repair the initial construction previously approved by the Executive Board.

Section 12.5. Signs. No advertising signs shall be placed or erected upon any portion of the Property nor shall any such signs be displayed from any window or doorway of any dwelling unit, provided that the prohibitions of this Section shall not apply to Declarant or to "For Sale" or "For Rent" signs advertising Lots in the Development.

Section 12.6. Antennas. No television or radio antennas or satellite dish of any kind shall be placed, allowed or maintained upon any portion of the improvements or upon the Property without the written approval of the Executive Board.

Section 12.7. Garbage and Trash. No refuse, garbage, trash, lumber, grass, shrub or tree clippings, plant waste, compost, metal, bulk materials, scrap or debris of any kind shall be kept, stored or allowed to accumulate on the Property, except in prescribed trash collection areas or dumpsters approved by the Executive Board.

Section 12.8. Clotheslines. No clotheslines shall be permitted on any part of the Property. No laundry or wash shall be dried or hung outside any dwelling unit.

Section 12.9. Parking. Street parking is intended for visitors and guests. Owners and their Lessees shall not utilize street parking for overnight resident parking, long-term parking or as vehicle storage.

Section 12.10. Fences. No fence shall be maintained or shall be erected on the Property without the prior approval of the Executive Board.

Section 12.11. Maintain Appearance. No improvements constructed upon any parcel shall be permitted to fall into disrepair and each and every such improvement shall at all times be kept in good condition and repair and adequately painted, stained or otherwise finished and maintained.

Section 12.12. Vehicle Repairs. No maintenance, servicing, repair, dismantling or repainting of any type of vehicle, boat, camper, trailer, machine or equipment may take place on the Property.

Section 12.13. Trailers, Campers, Recreational and Junk Vehicles. No boat, camper, snowmobile, four-wheeler, motorcycle (on or off supporting vehicles), trailer, tractor, truck, industrial or commercial vehicle (cab or trailer), towed trailer unit, disabled, junk or abandoned vehicles, motor home, mobile home, recreational vehicle or any vehicle, the primary purpose of which is recreational, sporting or commercial use, shall be parked or stored on the Property. For purposes of this covenant, any three-quarter ton or smaller vehicle commonly known as a pickup truck, shall not be deemed a commercial vehicle or truck.

Section 12.14. Prohibitions. No firearms shall be discharged within the boundaries of the Property. No noxious or offensive activity of any type shall be carried on upon the Property nor shall anything be done or permitted which may be or become a nuisance or danger to the Owners or occupants of the Property. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed upon the Property.

Section 12.15. No Hazardous Activities. No activities shall be conducted on the Property which are unsafe or hazardous or constitute a potential danger to any person or property. Without limiting the generality of the foregoing, no open fires shall be lighted or permitted upon any part of the Property.

Section 12.16. Underground Utilities. All extensions from the common trunk lines of all electrical, telephone, cable tv and other utility lines shall be accomplished utilizing underground construction and installation technique and shall not be carried on overhead poles nor above the surface of the ground.

ARTICLE XIII - INSURANCE

Section 13.1. Association to Maintain Insurance. Commencing not later than the time of the first conveyance of a Lot to a person other than the Declarant, the Association shall maintain to the extent reasonably available:

(a) Property insurance on the Common Elements for broad form covered causes of loss. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use, as the buildings on the Property, including, but not limited to vandalism and malicious mischief. The amount of insurance must be not less than the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies; provided that the casualty protection on the buildings and improvements maintained by the Association shall insure the improvement only to the interior bare walls as initially constructed and installed by the Declarant. It shall be the responsibility of each Owner to insure the finish of the interior walls and all cabinets, furnishings, fixtures, appliances, personal property, and other contents of his townhome. The named insured shall be the Association, individually, and as agent for the Owners and their Mortgagees, without naming them. Provisions shall be made for the issuance for mortgagee endorsements and memoranda of insurance to the Mortgagees of the Owners. Such insurance policy shall provide that payments by the insurer for losses shall be made to the Association or to an insurance trustee in the State of Colorado designated by the Association for that purpose. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of a Lot Owner because of negligent acts of the Association or other Lot Owners. The scope of coverage must include all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location, and use.

(b) Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements with coverage limits as deemed sufficient in the judgment of the Executive Board, but in no event less than \$1,000,000 per occurrence and \$2,000,000 aggregate, insuring the Executive Board, the Association, the management agent, if any, and their respective employees, agents, and all persons acting as agents. The Declarant shall be included as an additional insured in Declarant's capacity as a Lot Owner and board member. The Owners (Lot Owners) shall be included as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common

Elements. The insurance shall cover claims of one (1) or more insured parties against other insured parties.

Section 13.2. Non-Availability. If the insurance described above 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 prepaid, U.S. mail, to all Lot Owners.

Section 13.3. Additional Coverage Required. Pursuant to the Act, the Property Insurance and the Commercial General Liability Insurance required above, must provide that:

(a) Each Owner is an insured person under the policy with respect to liability arising out of such Lot Owner's interest in the Common Elements or membership in the Association;

(b) The insurer waives its rights to subrogation under the policy against any Lot Owner or member of his household;

(c) No act or omission by any Lot Owner, unless acting within the scope of such Lot Owner's authority on behalf of the Association, will void the policy or be condition to recovery under the policy; and

(d) If, at the time of a loss under the policy, there is other insurance in the name of a Lot Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 13.4. Adjustment of Property Loss. Any loss covered by the Property Insurance described above, must be adjusted with the Association, but shall be held, administered and applied in the manner provided by the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-313(5) - (9).

Section 13.5. Procedures; Deductibles; Assessments. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to real

property, it shall have the authority to assess negligent Lot Owners causing such loss or benefitting from such repair or restoration, all deductibles paid by the Association. In the event that more than one (1) Lot is damaged by a loss, the Association, in its reasonable discretion, may assess each Lot Owner a pro rata share of any deductible paid by the Association.

Section 13.6. Owner's Insurance. An insurance policy issued to the Association does not obviate the need for Lot Owners to obtain insurance for their own benefit.

Section 13.7. Officers and Directors. The Association shall keep and maintain Officers and Directors errors and omissions and personal liability coverage, with coverage limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, to protect the officers and directors from personal liability in relation to or arising out of their duties on behalf of the Association.

Section 13.8. Fidelity Bonds and Insurance. The Association shall obtain adequate fidelity bonds or insurance coverage to protect against dishonest acts of any Lot Owner, Executive Board member, Officer, employee or Manager of the Association handling or responsible for Association funds. Such fidelity bonds or insurance coverage shall not be less than the aggregate amount of two (2) months current assessments for the entire Property, plus reserves as calculated from the current budget of the Association, or \$50,000, whichever is greater. The Association may carry fidelity bonds or insurance in such greater amount as the Executive Board deems prudent.

Section 13.9. Managing Agent Insurance. The Association shall require any independent contractor employed for purposes of managing the Community to carry fidelity bonds or insurance for the benefit of the Association to the same extent as the Association or with such greater coverage limits as the Association or the Act may require, for the benefit of the Association and any such Manager shall maintain and submit evidence of such coverage to the Association.

Section 13.10. Worker's Compensation and Employer's Liability Insurance. The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 13.11. Other Insurance. The Association may also obtain insurance coverage against any such other risks of a similar or dissimilar nature, as deemed appropriate.

Section 13.12. Insurance Expense. The cost of all insurance which the Association is required or permitted to maintain, shall be assessed to the Lot Owners as a Common Expense.

Section 13.13. Annual Review. The Executive Board shall review the insurance coverage for the Association at least annually for the purpose of determining the amount of insurance required.

Section 13.14. Duty to Repair. Any portion of the Community for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless: the Community is terminated in accordance with the Act; the repair or replacement would be illegal; sixty-seven percent (67%) of the Lot Owners, including every Owner of a structure that will not be rebuilt, vote not to rebuild; or, prior to the conveyance of any Lot to a person other than the Declarant, the holder of a Deed of Trust or Mortgage on the damaged portion of the Community rightfully demands all or a substantial part of the insurance proceeds.

ARTICLE XIV - ASSESSMENT CERTIFICATES AND NOTICES

Section 14.1. Assessment Certificates. Upon request, the Association shall provide any Owner, prospective purchaser, Mortgagee or prospective Mortgagee, of any Lot in the Community a certificate in writing signed by an officer of the Association setting forth the amount of any assessments, interest or late charges due in connection with any specified Lot. A reasonable charge may be made by the Association for the issuance of such certificates.

Section 14.2. Notice of Assessment Liens. Upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, the Association shall furnish to a Lot Owner or his designee, or to a holder of a Security Interest, mortgage or deed of trust, or its designees, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's Lot. This statement shall be furnished within

fourteen (14) days after receipt of the request, and is binding on the Association, the Executive Board and every Lot Owner. If no statement is furnished to the Lot Owner or holder of the Security Interest, mortgage or deed of trust, or to his designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a lien upon the Lot for unpaid assessments which were due as of the date of the request.

ARTICLE XV - GENERAL PROVISIONS

Section 15.1. Notices to Owners. Notice to an Owner of matters effecting the Community by the Association or by another Owner, shall be sufficiently given if such notice is in writing and is delivered personally, by courier or private service delivery, or by deposit in the U.S. mail, postage prepaid, addressed to such Owner at the registered mailing address furnished by the Owner to the Association in accordance with the By-Laws. Such mailing shall be deemed adequate, whether mailed ordinary mail, certified mail or registered mail.

Section 15.2. Easement Rights. The Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging a Declarant's obligations or exercising Special Declarant Rights, whether arising under this Declaration or the Act.

Section 15.3. Covenants to Run with the Land. This Declaration shall run with the land and be a burden and a benefit to the Lots within the Community.

Section 15.4. Enforcement. The failure of any Owner to comply with the provisions of this Declaration or with the Articles of Incorporation, By-Laws or the duly promulgated Rules and Regulations of the Association, shall give rise to a cause of action in the Association, as well as any aggrieved Lot Owner for the recovery of damages or injunctive relief, or both. The failure of the Association or any Owner to enforce any such rights, shall in no event be deemed a waiver of the right to do so in the future.

Section 15.5. Amendments. The Declarant may amend the Declaration and any Plat to correct clerical, typographical or technical errors or to comply with the requirements, standards or guidelines of recognized secondary mortgage markets,

the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association or the Federal National Mortgage Association. The Declarant may also amend this Declaration in the exercise of Declarant's reserved development rights and as otherwise permitted by the Act. The Association may amend this Declaration with respect to those matters expressly permitted by the Act. Except as provided above, this Declaration may be amended only by the vote or agreement of Lot Owners representing at least sixty-seven percent (67%) of the Lots within the Community and by the recordation of a certified copy of the Resolution of Amendment, signed and acknowledged by the President and Secretary of the Association, recorded in the records of the Clerk and Recorder of Garfield County, Colorado.

Section 15.6. Termination of Declaration. This Declaration shall not be terminated except upon the written agreement of Owners representing not less than sixty-seven percent (67%) of the Lots within The Community, and must be evidenced by a Termination Agreement or ratifications thereof, in the same manner as a deed, by the requisite number of Lot Owners. The Termination Agreement must specify a date after which the agreement will be void unless it is recorded before that date. The Termination Agreement and all ratifications thereof must be recorded in Garfield County, Colorado, and shall be effective only upon recordation.

Section 15.7. Restoration. If at any time all Owners and all holders of first mortgages shall agree that the Community has become obsolete and shall approve a plan for its renovation or restoration, the Association shall promptly cause such renovation or restoration to be made according to such plan. All Owners shall be bound by the terms of such plan and the cost of the work shall be a Common Expense.

Section 15.8. Duration. This Declaration shall continue in effect until revoked or terminated in the manner provided above.

Section 15.9. Severability. If any clause or provision of this Declaration is determined to be illegal, invalid or unenforceable under present or future laws, all other terms and provisions hereof shall nevertheless remain in full force and effect.



IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions has been executed this 19th day of July, 2005.

DECLARANT: KLOMHAUS AND WALLER, INC.,
a Colorado corporation

By: Peter Waller
Secretary

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this 19th day of July, 2005, by Peter Waller, as Secretary of Kломhaus and Waller, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: 7-29-06

Charlotte Squires
Notary Public

