

Indexing notes:

Index in:

- Grantee's index under "Ralston Terrace Townhomes" and "Ralston Terrace" (the names of the Community) and "Ralston Terrace Community Association, Inc." (the name of the Association)
- Grantor's index under "Ralston Terrace, LLC" and the names of each person executing this declaration

Declaration for Ralston Terrace Townhomes

A planned Community subject to the Colorado Common Interest Ownership Act

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**Declaration
for
Ralston Terrace Townhomes**
a Planned Community subject to the Colorado Common Interest Ownership Act

This Declaration is made by Ralston Terrace, LLC, a Colorado Limited Liability Company (the "Declarant").

Recitals:

A. Declarant is the owner of certain real property located in Jefferson County, State of Colorado, described as set forth in *Exhibit A* attached and by reference made a part of this Declaration.

B. The Declarant desires to create a planned residential Community on the real property described in *Exhibit A* in which portions of the real property are designated for residential use (as provided for in this Declaration) and in which portions may be designated as Common Elements and/or as Limited Common Elements.

C. The purposes of the Declarant and of this Declaration include, but are not limited to the following:

- to create the planned community known as Ralston Terrace Townhomes, which Community is also known as Ralston Terrace
- to preserve and enhance the values of the Lots in the Community
- to serve the purposes set forth in this Declaration and other Governing Documents of the Community.

D. The Declarant has caused the "Ralston Terrace Community Association, Inc.," a Colorado nonprofit corporation ("Association"), to be incorporated under the laws of the State of Colorado for the purpose of exercising the functions as set forth in this Declaration and as to which each Owner is a member.

ARTICLE 1. SUBMISSION / DEFINED TERMS

Section 1.1 Submission of Real Estate.

(a) Declarant submits the real property described in *Exhibit A*, together with all exceptions to title described in *Exhibit B*, including easements, rights, and appurtenances and the improvements erected or to be erected (collectively, the "Real Estate") to the terms and conditions of this Declaration.

(b) The Declarant declares that:

- (i) all of the Real Estate is held or sold, and conveyed subject to the easements, restrictions, covenants, and conditions in this Declaration;
- (ii) this Declaration is made for the purpose of protecting the value and desirability of the Real Estate;
- (iii) this Declaration is made to be subject to CCIOA;
- (iv) this Declaration runs with the Real Estate;
- (v) this Declaration is binding on all parties having any right, title or interest in the Real Estate, their heirs, legal representatives, successors, and assigns; and
- (vi) this Declaration inures to the benefit and burden of each Owner.

Section 1.2 Community Is Subject to CCIOA. The Community is subject to all of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq., as may be amended.

Section 1.3 Defined Terms. Each capitalized term in this Declaration has the meaning specified or used in this Declaration, as defined below, or as the context provides or requires otherwise.

(a) **Allocated Interests.** The Common Expense liability and votes in the Community / Association allocated to each Lot pursuant to the terms of this Declaration and as initially set forth in *Exhibit C*. The Allocated Interests for each Lot is a fraction, the numerator of which is one and the denominator of which is the total number of all Lots in the Community. Each Lot is allocated one vote in the Association.

(b) **Articles of Incorporation.** The Articles of Incorporation for the Association filed with the Colorado Secretary of State, as the same may be amended from time to time.

(c) **Assessment(s).** Common Expense Assessments and any other assessment as allowed or provided for by this Declaration and under the limited lien priority provisions of CCIOA.

(d) **Association.** Ralston Terrace Community Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

(e) **Building(s).** The residential buildings constructed or to be constructed by the Declarant to include the Dwelling Units.

(f) **Bylaws.** The Bylaws of the Association, as amended from time to time.

(g) **CCIOA or Act.** The Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq., as it may be amended from time to time. The Act applies as provided for

by this Declaration.

(h) Common Elements or Common Areas. The Real Estate, if any, owned by the Association within the Community and any easements for the benefit of the Association. The Common Elements exclude the Dwelling Units.

(i) Common Expense Assessment. These terms include the following items levied against a particular Owner or Lot: the Owner's Allocated Interest in the Common Expenses; late charges, attorneys' fees, fines, and interest charged by the Association at the rate as determined by the Executive Board; charges against a particular Owner and the Lot for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation of the Governing Documents by the Owner or Related Users ("Individual Purpose Assessment"); charges levied against an Owner pursuant to the Declaration due to Owner's negligence or misconduct ("Default Assessment"); and any sums permitted by the Governing Documents to be assessed against a particular Owner or Lot.

(j) Common Expenses. As used in this Declaration, this term includes all charges levied by and for the benefit of the Association pursuant to the Governing Documents, including, but not limited to: annual costs and expenses of the Association resulting from owning, leasing, using, maintaining, or otherwise controlling any real or personal property, or sharing in the costs of operating any part of the Community, the Common Elements, Dwelling Unit Exteriors; expenses incurred by the Association pursuant to this Declaration in amounts determined by the Executive Board of the Association; and as and if budgeted to fund reserves.

(k) Community. Ralston Terrace Townhomes, also sometimes known as Ralston Terrace, the Community created by this Declaration.

(l) Declaration. Collective term for all promises, restrictions, reservations, conditions, terms, easements, and rights-of-way specifically set forth or referenced in this Declaration and set forth in the Governing Documents, as the same may be adopted and amended from time to time and including any maps or plats recorded in connection with the Community. Each and every covenant is to be given the same force and effect at law or equity without regard to which Governing Document in which it is set forth.

(m) Declarant. The Declarant named in this Declaration and/or any successor and/or assignee designated by written notice or assignment executed by a Declarant and by the transferee and recorded (to the extent any rights or powers of the Declarant are transferred or assigned to such transferee).

(n) Dwelling Unit Exterior. All exterior surfaces including exterior siding, stucco, brick, wood siding, roofs, roofing surfaces and shingles and roof lining, gutters, downspouts, drain spouts, front patio, balconies and deck areas (if any), sidewalks and concrete on a Lot. Dwelling Unit Exterior includes items specifically allocated to an Owner to replace and improve, or to maintain, repair, replace and improve, including all structural components of a Dwelling Unit, foundations, windows, doors, Roll Up Doors, garage doors, sliding glass doors, entry doors (including all exterior portions), trim around the perimeter of doors and windows, exterior screen and glass surfaces, external vents and flues and any Improvements added by

Owner.

(o) Dwelling Unit, Unit, Lot or Home. The lot, house, patio home or townhome constructed on a Lot that shares a Party Wall with part of another home and is part of a Building and/or a physical portion of the Community designed for separate ownership shown as a lot on the Plat or Map.

(p) Development Rights or Special Declarant Rights. The rights of a declarant under CCIOA, whether expressly stated in this Declaration or not, and the rights of either Declarant under this Declaration, including control of the Board of the Association.

(q) Excluded Claim(s). Any claim in a civil action, lawsuit or arbitration (other than the arbitration allowed for in this Declaration) related to construction or design of the Dwelling Units, the Dwelling Unit Exteriors, Dwelling Unit Interiors, grading, landscape, the Common Elements, drainage within the Community or any Improvements constructed or designed by Declarant or the following persons: a contractor, subcontractor, developer, builder, architect, engineer or inspector, or any of these affiliates of their persons or persons responsible for any part of the construction or design of a Dwelling Unit or the Community, including officers, directors, shareholders, members, managers, employees or servants of these persons. Excluded Claim also includes any claims against the Declarant or its affiliates or agents or employees of Declarant or its affiliates.

(r) Executive Board, Board of Directors or Board. Collectively, these terms refer to the body designated in this Declaration to act on behalf of the Association within the limits set forth in this Declaration.

(s) First Mortgagee. A bank, savings and loan association, insurance company, real estate mortgage investment trust, pension fund, an agency of the United States Government (including "VA" or "FHA"), mortgage banker, the Federal National Mortgage Association ("FNMA"), the Federal Dwelling Unit Loan Mortgage Corporation ("FHLMC") or any other lender generally recognized as an institutional lender, or the Declarant, holding a First Mortgage or deed of trust encumbering a Lot or Lots, or any insurer or guarantor of a First Mortgage.

(t) Governing Documents. Collective reference to those documents which govern the operation of the Community and the Association, including: (i) the Articles of Incorporation, (ii) the Bylaws, (iii) the Rules, regulations, governance policies (if any) and procedures, (iv) the Plat and any Maps, and (v) this Declaration, as one or more of the same may be amended from time to time.

(u) Improvements. Any change to the Dwelling Unit Exterior, window treatments, change visible from the exterior of a Home or landscaping desired to be installed by an Owner (not the Declarant) subsequent to this Declaration, including as installed within or upon all or a portion of a Lot. Color and option selections by the first buyer from the Declarant are approved.

(v) Map. That certain map for the Community as may be prepared and

recorded by the Declarant in the real property records for Jefferson County, Colorado, as the same may be amended from time to time. The "notes" on the various sheets comprising any Map are incorporated by this reference and are fully enforceable as though set forth in this Declaration.

(w) Mortgage. Any mortgage instrument, deed of trust, or other security instrument duly recorded in the records of the office of the Clerk and Recorder of Jefferson County creating a lien on any Lot, together with each and every collateral obligation secured by such instrument. Mortgage includes reverse mortgages and private money mortgages. A "First Mortgage" is a Mortgage having priority of record over all other recorded liens except the Common Expense Assessment lien of the Association (as allowed under parts of CCIOA made applicable in this Declaration, to allow for limited lien priority of the Association as allowed for under that Act) and governmental liens (made superior by other state statutes).

(x) Owner. Any individual, group of individuals, or entity that holds fee title to a Lot, including the Declarant.

(y) Party Walls. Each wall built as a part of the original construction of most of the Dwelling Units and placed on or about the horizontal boundary line between two Lots. To the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions apply.

(z) Period of Declarant Control. The period of time commencing on the date of recordation of this Declaration and expiring on the earlier of: 60 days after conveyance of 75% of the maximum number of Units that the Declarant may create (as allowed under this Declaration) to Owners other than the Declarant, two years after the last conveyance of a unit by the Declarant in the ordinary course of business, two years after any right to add new units was last exercised, or as surrendered, in writing, by the Declarant.

(aa) Plat or Plats. That certain subdivision plat or plats for all or any part of the Real Estate recorded in the real property records for Jefferson County, Colorado, as the same may be amended from time to time. The "notes" on the various sheets comprising a Plat are incorporated by this reference and are fully enforceable as though set forth in this Declaration.

(bb) Real Estate. The property described in *Exhibit A*, together with all easements, rights, and appurtenances and the improvements erected or to be erected on the Real Estate, together with all easements, rights, and appurtenances. The Real Estate is subject to Declarant's Development Rights and Special Declarant Rights as provided for in this Declaration. All exceptions to title to which the Community is subject to as of the date of this Declaration are recited in *Exhibit B*.

(cc) Related User. Any person who resides with an Owner within a Dwelling Unit; is a guest or invitee of an Owner; is an occupant or tenant of a Lot; and any family member, guest, invitee or cohabitant.

(dd) Roll Up Door. A door that opens vertically, overhead, and in a guided track, and may be located as a garage door or between the living area and the patio, or both.

(ee) Rules. All rules, regulations, policies, and regulations, including by way of example only, use restrictions, governance policies, enforcement procedures and any community garden or garden club rules, guidelines or requirements enacted by the Executive Board pursuant to this Declaration, the Bylaws and as allowed by law.

ARTICLE 2. DESCRIPTION OF REAL ESTATE, LOTS AND COMMON ELEMENTS

Section 2.1 Description and Type. The Community is a planned residential community located in Jefferson County, State of Colorado. The Real Estate of the Community is described in *Exhibit A*. All exceptions to title to which the Community is presently subject are recited in *Exhibit B*. In addition, the Community may be subject to other easements or licenses granted pursuant to the Governing Documents, or granted or allowed by authority in any recorded document or established under this Declaration.

Section 2.2 Number of Lots. The initial number of Lots is 49. The maximum number of Lots is 80.

Section 2.3 Identification of Lots / Lot Descriptions. Every contract for sale, and every deed, lease, Mortgage, or other another legal instrument may legally describe a Lot by its identifying number as shown on the Plat.

Section 2.4 Initial Common and/or Limited Common Elements

(a) The initial Common Elements are set forth in *Exhibit D*.

(b) Common Elements may be added or modified, as allowed under this Declaration. See also *Exhibit E*.

(c) There are no Initial Limited Common Elements. See *Exhibit F*.

(d) Limited Common Elements may be added or modified, as allowed under this Declaration. See also *Exhibit G* and other provisions of this Declaration.

(e) Until added, areas that may become Common Elements will be maintained by the Declarant.

(f) Upon such determination by the Declarant, Common Elements may be deeded to and owned by the Association. The Association, by the terms of this Declaration, agrees to accept and then to maintain the Common Elements as deeded, and as otherwise provided for in this Declaration.

(g) Once deeded to the Association, the Declarant or a Builder has the right to perform maintenance on Common Elements, if it desires. This maintenance may extend through any warranty periods provided by vendors to the Declarant or Builder on landscape or

other Improvements made to the Common Elements.

(h) The Common Elements may be regulated by the Association, including the determination of the Board to use the Common Elements in manners deemed by the Board to be consistent with the purposes of this Declaration (as set forth in this Declaration).

(i) Portions of the Common Elements may be designated by Declarant or a Builder as part of a Property or as a Limited Common Element to a Property. Portions of Properties not yet conveyed by Declarant or a Builder to a third-party owner may become Common Elements or Limited Common Elements, pursuant to rights reserved elsewhere in this Declaration.

(j) Easements for access are established across the areas that may become Common Elements, which easements are for the benefit of the Owners. Once the areas that may become Common Elements are constructed or improved by the Declarant and in use by the Owners, those areas are to be covered by the general liability insurance maintained by the Association as provided elsewhere in this Declaration.

(k) Improvements to the Common or Limited Common Elements, if any, may be changed, from time to time, by the Declarant or by the Executive Board of the Association, pursuant to the provisions in this Declaration.

Section 2.5 Radon Notice and Disclaimer. Owners acknowledge that Declarant and this Declaration disclose that radon gas contamination is a naturally-occurring threat throughout the Rocky Mountain region and that potential radon contamination in a Home can be mitigated through modifications to a Home. By acquiring a Lot, each Owner acknowledges they have assumed all risk for any potential radon contamination and that, should radon contamination be discovered by an Owner or resident at any time, it is the Owner or resident's sole obligation to correct the radon contamination. The Declarant and the Association have made no investigation to determine whether the Home is affected by radon. Each Owner and resident acknowledges that neither the Declarant or the Association have made any representations or warranties, express or implied, concerning the presence or absence of radon within any Home or the soils beneath or adjacent to any Home. Each Owner releases the Declarant and the Association from any and all liabilities and claims with respect to radon gas.

Section 2.6 Concrete Finishes.

(a) Each Owner acknowledges and accepts that there may be concrete finishes on improvements of or serving a Home and that those areas, as constructed with concrete, will settle and crack.

(b) When natural materials like concrete are used, natural variability, not uniformity, is to be expected as the surface of the concrete matures. Each Owner and the Association waives and releases Declarant from variability in concrete finishes.

(c) Declarant and the Association are not responsible for and do not warranty interior or exterior concrete, including, but not limited to, cracking, discoloration, spalling,

settlement, heaving and/or movement.

(d) Declarant does not warrant any damage to the Real Estate in the event that proper maintenance is not performed, including the use of ice melting materials (which is not recommended) used on any part of the Real Estate.

Section 2.7 Roll Up Door Disclaimers. Each Owner and the Association acknowledge the unique nature of the Roll Up Doors of each Home. Declarant has disclaimed the adequacy of performance of the Roll Up Doors in weather, cold, rain, wind, condensation, mechanical part failure, seals and all other aspects of these unique doors. As elsewhere provided for in this Declaration, Owners are responsible for all aspects of the Roll Up Doors to their Home. Each Owner and the Association has released and releases Declarant and the Association from any claims related to Roll Up Doors.

Section 2.8 COVID Disclosure; Assumption of Risk and Indemnity.

(a) In response to the Coronavirus Disease 2019 (COVID-19) pandemic, the Association may close or limit use of certain common facilities.

(b) Due to the contagious nature of COVID-19 and the risk of person-to-person transmission of the disease including through breath, physical contact, or from contact with stable surfaces, the Association is not a guarantor of safety for everyone.

(c) The Declarant and the Association have disclosed that exposure to COVID-19 may cause illness, personal injury, permanent disability, or death, and that use of the facilities could increase the risk of contracting COVID-19.

(d) With full understanding of the contagious nature and potential health consequences of COVID-19, each Owner, on behalf of any spouse, partner or significant other, and on behalf of minor child/children, voluntarily and knowingly assume the risk of COVID-19 exposure or infection that may result in the Community.

(e) In consideration of using Common Elements and residing in the community, each Owner, on behalf of any spouse, partner or significant other, and on behalf of minor child/children, agrees to the fullest extent permitted by law to forever release, waive, indemnify, defend and hold harmless the Declarant and the Association, their members, officers, directors, volunteers, agents, contractors and employees (collectively the "Released Parties") from any and all claims, demands and causes of action which an Owner (or their spouse, partner or significant other, and on behalf of minor child/children) might otherwise have or be entitled to assert as a result of or related to any COVID-19-related injury or illness sustained in connection with the use of the Common Elements and residing in the Community. Each Owner agrees to indemnify, defend and hold harmless the Released Parties from any and all claims brought by third parties arising out of the Owner's acts, errors, or omissions and the acts, errors or omissions of their spouse, partner or significant other, and on behalf of minor child/children.

ARTICLE 3. THE ASSOCIATION

Section 3.1 Membership. Every person who is an Owner of a fee interest in any Lot which is subject to this Declaration is a member of the Association. Membership is appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot is the sole qualification for such membership. Where more than one person holds an interest in any Lot, all such persons are members. Members may be of such classes as provided for in the Bylaws.

Section 3.2 General Purposes, Powers, Authority and Restrictions on and of the Association.

(a) The Association, acting solely through its Executive Board, is to perform functions and manage the Community, including its business affairs, as provided in the Governing Documents so as to protect the value and desirability of the Lots and the Community and to further the interests of the Owners and Related Users.

(b) Any purchaser of a Lot is deemed to have assented to, ratified and approved this Declaration and the terms of this Declaration.

(c) The Association has all power necessary or desirable to effectuate the purposes of the Community and the purposes of the Association.

(d) The Association is governed by the Governing Documents and other applicable laws.

(e) The Executive Board may, by written resolution, delegate authority to a manager, managing agent or bookkeeper for the Association, provided no such delegation relieves the Board of final responsibility.

(f) The Association may not commence an arbitration on an Excluded Claim without first complying with the terms of other provisions of this Declaration.

(g) The Association may not sue on an Excluded Claim.

Section 3.3 Association Services and/or Utilities.

(a) The Association may provide services and utilities to the Units and/or Owners and Related Users or residents as it determines.

(b) Water and sewer utilities may initially be provided by the Association to the Owners and residents by one or more meters or facilities allocated by local government to the Association.

Section 3.4 Association Accounting, Reserve Funds and Surplus.

(a) The Association is to keep books and financials as is typical for HOAs.

(b) The Association may establish a reserve fund for the maintenance, repair and replacement of those items the Association is required to maintain. The Association is not required by this Declaration to establish a reserve fund.

(c) Reserve funds may be funded through the monthly payments of the annual Common Expense Assessments or through other Assessments.

(d) Any surplus funds derived from Assessments may be transferred to the reserve fund. Or, a surplus may be used for Association operations. The choice may be made in the Executive Board's sole discretion. By acceptance of a deed to their Lot, each Owner directs the Executive Board to make this determination periodically, as the Executive Board determines.

Section 3.5 Association Agreements. Any agreement for professional management of or bookkeeping for the Community or any contract providing for services of the Declarant may not exceed 1 year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon 30 days' written notice. The Association is not bound either directly or indirectly to contracts or leases (including management contracts) entered into during the Period of Declarant Control unless the Association is provided with a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time after at least 30 days' notice to the other party to the contract.

Section 3.6 Promulgation of Rules.

(a) Subject to the terms of this Declaration, the Executive Board may adopt, amend, repeal and enforce Rules and impose fines for violations of the Governing Documents.

(b) The Executive Board may proceed with Rules as it deems desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, and the Lots in accordance with the following:

(i) The Rules are to be reasonable and uniformly applied.

(ii) Copies of the currently effective Rules must be made available to each Owner upon request.

(iii) Each Owner must comply with the Rules and see that Related Users comply with the Rules.

(iv) The Rules have the same force and effect as if they were stated in full in this Declaration.

(v) In the event of conflict between the Rules and this Declaration, this Declaration prevails, but only to the extent that such rule or regulation invalidates a specific provision in this Declaration.

Section 3.7 Open Meetings of the Association and Executive Board.

(a) All meetings of the Association and the Executive Board are open to every Owner, or to any person designated by an Owner in writing as the Owner's representative.

(b) All Owners or designated representatives so desiring are permitted to attend, listen and speak at an appropriate time during the deliberations and proceedings.

(c) The Executive Board may place reasonable time restrictions on those persons speaking during the meeting but must permit an Owner or a designated representative to speak before the Executive Board takes formal action on an item under discussion, in addition to any other opportunities to speak.

(d) The Executive Board may provide for a reasonable number of persons to speak on each side of an issue.

(e) Upon the final resolution of any matter for which the Executive Board receives legal advice or that concerns pending or contemplated litigation, the Executive Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate.

Section 3.8 Governance Policies. The Association is to adopt and maintain Governance Policies, to guide governance and operation of the Community and the Association and as required by CCIOA. The Governance Policies may be a part of the Rules.

Section 3.9 Indemnification. To the full extent permitted by law, all officers, members of the Executive Board and committee members of the Association shall be and are indemnified by the Owners and the Association. This indemnification extends to all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer or member of the Executive Board or committee member, or any settlements. This indemnification applies whether or not they hold such position at the time such expenses are incurred. In the event such person is adjudged guilty of willful misfeasance or malfeasance in the performance of their duties, this indemnification will then no longer apply and such person is to reimburse the Association.

Section 3.10 Appointment / Removal of Officers / Board Members during the Period of Declarant Control. The Declarant has the power and authority, pursuant to this Declaration and the other Governing Documents, to appoint and remove officers and members of the Executive Board. This authority extends through the Period of Declarant Control.

Section 3.11 Initial Owner Elections of Board Members. Initial or subsequent Owners will elect an Owner-controlled Board as allowed for under a state statute known as the Colorado Common Interest Ownership Act. That statute and this Declaration allow for a Period of Declarant Control. Subsequent to transition of control, Board positions are to be filled by vote of the Owners and as allowed for in the Bylaws.

Section 3.12 Declarant May Relinquish Rights. At any time prior to the end of the Period of Declarant Control, the Declarant may relinquish the right to appoint and remove Executive Board members as may require certain specific actions of the Executive Board to be approved by the Declarant.

ARTICLE 4. EASEMENTS

Section 4.1 Easement for Utilities.

(a) Each and every Lot is subject to an easement upon each Lot for installing, replacing, repairing, and maintaining air conditioning units, irrigation, sewer, drainage, electricity, cable, dish or satellite antenna and/or other utility lines/utilities and for any fence on a Lot boundary.

(b) Utilities serving any Lot, Lots, or Common Elements may pass through another Lot, which is burdened with this easement.

(c) By virtue of these easements, it is expressly permissible for the Declarant or the Association or the utility companies or municipalities supplying such utility service to erect and maintain the necessary equipment within the Real Estate and to affix, repair and maintain equipment, water and sewer pipes, gas, electric and telephone wires, circuits, conduits and meters.

(d) These easements and related obligations and duties are appurtenant to and pass with title to each Lot.

(e) Declarant has the reserved right to establish easements to serve the Community of the Real Estate or the properties described in *Exhibit A*. In this regard, any easements given of the Declarant subsequent to this Declaration or any Plat being recorded are confirmed and expressly included in the Community and made subject to this Declaration.

Section 4.2 Easement for Encroachments. If any portion of a Lot or Home encroaches upon any Common Element or adjoining Lot, a valid easement for such encroachment and for the maintenance of same shall and does exist. Similarly, if any portion of the Common Elements encroaches upon a Lot, a valid easement for the encroachment and for the maintenance of same shall and does exist. Such encroachments and easements are not considered or determined to be encumbrances either on the Common Elements or any Lots affected. Further, such easements are deemed to run with the land upon which the improvements may be found.

Section 4.3 Easements for the Association and Each Owner. Each Lot is subject to an easement in favor of the Declarant or Association (including its agents, employees and contractors) and to the adjacent Owner, to allow for their performance of obligations under this Declaration or under any of the other Governing Documents.

Section 4.4 Emergency Easements. A nonexclusive easement for ingress and egress is granted to all police, sheriff, fire protection, ambulance, and other similar emergency

agencies or persons, now or subsequently servicing the Community, to enter upon any part of the Community in the performance of their duties.

Section 4.5 Perimeter Easements. Easements are given by all Owners to the Declarant and to the Association for the placement or existence of any perimeter fences and/or walls, if any, and for any boundary improvements. These easements include the right and easement, but not the obligation, of the Association to maintain either the perimeter wall on a Lot or any boundary line improvement or wall.

Section 4.6 Warranty, Repair and Construction Easement. The Declarant and its assignees have the right to perform warranty work, repairs and complete construction on a Lot, after conveyance to an Owner, after notice and with reasonable coordination with the Owner or Related User. This includes the right to control such work and repairs, along with a right of access, until completion. These rights of Declarant are not to be construed as development rights or special declarant rights or other rights allowed for under CCIOA, but rather as rights independent of CCIOA, based on common law.

Section 4.7 Owners' Easements of Enjoyment.

(a) Every Owner has a right and easement for access to their Lot by this Declaration and through the Association.

(b) Every Owner also has the right and easement of enjoyment in and to the Common Elements of this Community.

(c) These easements are appurtenant to and pass with the title to every Lot, subject to the following provisions:

(i) The right of the Association to promulgate and publish Rules with which each Owner and their Related Users must strictly comply.

(ii) The right of the Association to suspend the voting rights for any period during which any Assessment against their Lot remains unpaid, and for a period not to exceed 60 days for any infraction of the Rules.

(iii) The right, power and authority of the Association to grant any easement, right-of-way, license, lease, dedication, transfer or conveyance or grant of any similar interest affecting the Common Elements, to the extent permitted by the Governing Documents.

(iv) The right of the Association to close or limit the use of the Common Elements while maintaining, repairing and making replacements.

(v) The rights of the Association as set forth in this Declaration and other governing documents for the Community.

(vi) The obligation of the Association to maintain general liability insurance on areas that may become Common Elements after those areas are improved by the Declarant and in use by the Owners.

Section 4.8 Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Elements to Related Users.

ARTICLE 5. MAINTENANCE

Section 5.1 Scope of Association Maintenance.

(a) The Executive Board of the Association determines the specifications, scope, extent, nature and parameters of the Association's maintenance responsibilities.

(b) The Executive Board of the Association may also approve and establish a maintenance and/or insurance chart for the Community to specify maintenance and insurance responsibilities and allocations.

Section 5.2 Association's Maintenance and Other Responsibilities.

(a) The Association has sole control over and assumes the cost of maintenance of the Dwelling Unit Exteriors, limited to roofing and painting. Replacement and improvement of Dwelling Unit Exteriors is allocated to each individual Owner.

(b) The Association is responsible for maintenance, repair, replacement and improvement of the Common Elements, including, but not limited to, private roads, private streets, curbs, drainage, common area lighting, retaining walls, all landscaping located on the Lots, the sidewalk between the property lines of certain Lots up to the back of the curb of public dedicated streets, including any so-called tree-lawn area. Sidewalk maintenance includes snow clearing by the Association.

(c) The Association is also responsible for maintaining general liability insurance on the areas used by Owners for access and areas that may become Common Elements after those areas are improved by the Declarant.

(d) The Declarant is to provide the Association with a written manual on maintenance, repair, replacement and improvement of drainage, for which the Association has responsibility.

(e) The Association will maintain and be responsible for trash and other services as may be provided by the Association, as allowed by this Declaration or as determined by the Board.

(f) The Association will maintain all pipes, lines, ducts, electrical conduits or other apparatus serving more than one Lot or which pass through or on another Home or Lot.

(g) The Association may supplement the list of items to be maintained by the

Association by resolution or by a maintenance and insurance chart adopted by the Board.

(h) Declarant has no responsibility for any actions of the Association or its decisions once Declarant relinquishes control to a Board of Directors elected by Owners.

(i) The Association has full responsibility to ensure proper maintenance policies are in place and are implemented.

Section 5.3 Owner Maintenance and Other Responsibilities.

(a) Excluding Dwelling Unit Exterior maintenance (which is allocated to the Association as provided for above for roofing and painting), Owners are responsible for the maintenance, repair, replacement and improvement of the Dwelling Unit located on their Lot, including replacement and improvement of Dwelling Exteriors and the interior of the Home.

(b) Owners are also specifically responsible for maintenance, repair, replacement and improvement of the following items on their Lot, including parts of a Home or improvements serving a Home that may encroach or protrude from their Lot onto the Common Elements: Dwelling Unit interiors, all structural components of a Dwelling Unit, foundations, windows, screens, window wells, doors, garage doors, Roll Up Doors, sliding glass doors, entry doors (including all exterior portions), trim around the perimeter of doors and windows, exterior screen and glass surfaces, external vents and flues, lights and bulbs, decorative metal, downspouts, any Improvements added by Owner and cleaning of their patio, steps, any balconies or decks and shared Party Walls and part fences.

(c) Owners are responsible for the Party Wall on their Lot, if any, in conjunction with the other Lot Owner that shares that Party Wall.

(d) Owners are recommended to have the Roll Up Doors maintained, repaired, replaced and improved by professional third-party contractors.

(e) Owners acknowledge the unique nature of the Roll Up Doors to a Home and the disclaimer provided by the Declarant. Declarant has disclaimed and does restate its disclaimer as to the performance of Roll Up Doors in weather, cold, rain, wind, condensation, mechanical part failure, seals and all other aspects of these unique doors. Risks associated with the Roll Up Doors are assumed by each Owner and resident. Each Owner releases the Declarant and the Association from any claims related to these Roll Up Doors.

(f) Owners are responsible for all utilities, lines and facilities that serve their Dwelling Unit, including, but not limited to, water and sewer, from the point where the utility only serves their Lot/Dwelling Unit.

(g) Owners are responsible for maintenance, repair, replacement and improvement of any solar panels on the Dwelling Unit Exteriors (installation of which is subject to architectural approval by the Board).

(h) Owners must maintain adequate drainage across and through their Lot, if

any. If not adequately maintained, the Association may perform such maintenance as it deems necessary to achieve positive drainage.

(i) Each Lot and Dwelling Unit on a Lot must at all times be kept well maintained, in good repair, and replacement, and in a clean, sightly, and wholesome condition.

(j) Trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials are not permitted to remain exposed upon within any Dwelling Unit so that the same are visible from any neighboring Lot or any street, except as necessary during a period of construction.

(k) The Association and its agents have the authority to enter, replace, maintain, repair and clean up Lots which do not conform to the provisions of this section, and to charge and collect from the Owner of that Lot all reasonable costs as an Assessment, after not less than 2 notices, each allowing the Owner 30 days to comply.

(l) The Association may supplement the list of items to be maintained by Owners by resolution or by a maintenance and insurance chart adopted by the Executive Board.

(m) Owners are not responsible for maintenance of the Common Elements.

Section 5.4 Party Wall Maintenance and Covenants.

(a) The cost of maintenance, repair, alteration, improvement and replacement of each Party Wall (including exterior walls and fences, if any) is to be shared equally by the Owners of the Lots adjoining such Party Wall.

(b) The right of an Owner to contribution from another Owner pursuant to this Declaration is appurtenant to the land and such rights and obligations pass to the Owners' successors in title.

(c) If a Party Wall is destroyed or damaged by fire or other casualty, the Association (if it receives insurance proceeds or if it determines) has sole control over the Party Wall. If the Association does not exercise control over a repair and notifies the Owners, then any Owner whose Lot adjoins such Party Wall may repair or restore it, and the other Owner is to immediately, upon receipt of written demand, pay their portion of such costs to the Owner making such restoration or repair.

(d) Regardless of the above terms and provisions, an Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements or damaged in any manner, will bear the whole cost of furnishing the necessary protection against such elements or of making the necessary repairs or restoration.

(e) Party Walls may not be penetrated for speaker installation, TV installation (TVs may be mounted on a bracket to a Party Wall) or in a manner larger than appropriate to hang a normal or reasonable size picture, painting, etc.

(f) Penetrations for loud speakers or other similar or dissimilar improvements are prohibited. Speakers are prohibited from being installed or maintained in the Party Walls.

ARTICLE 6. COVENANT FOR ASSESSMENTS

Section 6.1 Creation of Association Lien and Personal Obligation to Pay Assessments.

(a) Each Owner is deemed to covenant and agree, by acceptance of a deed to a Lot, whether or not it is so expressed in any such deed or other conveyance, to pay to the Association Assessments, including Common Expense Assessments, pursuant to the Governing Documents.

(b) Assessments are the personal obligation of the Owner of each Lot at the time when the Assessment or other charges became due.

(c) The Assessments are a charge on each Lot and are a continuing lien upon the Lot against which each such Assessment is made.

(d) If any Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due.

(e) The personal obligation to pay any past-due sums does not pass to a successor in title, unless expressly assumed by them.

(f) No Owner may become exempt from liability for payment of the Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Lot against which the Assessments are made.

(g) All Assessments are to be payable in the amounts specified in the levy, and no offsets or reduction are permitted by any reason including, without limitation, any claim that the Association or the Executive Board is not properly exercising its duties and powers under this Declaration.

Section 6.2 Declarant Assessment Exemption. Until a certificate of occupancy is issued for the initial Dwelling Unit on a Lot, the Lot is exempt from Assessments of the Association based on benefits provided through assessments. The Declarant is obligated, during any period of time Assessments are not imposed on any Lot, to fund any operating deficit of the Association. The Declarant is to fund those deficits upon invoice from the Association. Such invoice is deemed as an Assessment of the Association, against all Lots then owned by the Declarant, collectable and enforceable under the terms of this Declaration.

Section 6.3 Purpose of Common Expense Assessments. In addition to such other purposes as set forth in other parts of this Declaration, Common Expense Assessments are to be used for the purposes of promoting the health, safety, and welfare of Owners and Related Users, and in particular:

- (a) To enforce all provisions of the Governing Documents;
- (b) To exercise all rights and powers and to discharge all duties and obligations pursuant to the Governing Documents;
- (c) To discharge all expenses incurred by the Association in the alteration, enhancement, construction, reconstruction, repair, maintenance or replacement of the Common Elements and the Dwelling Unit Exteriors, as well as public improvements or easements for which the Association has responsibility;
- (d) To discharge all expenses incurred by the Association in the alteration, maintenance, repair and replacement of any property the Association may elect to so alter, maintain, repair or replace pursuant to the Governing Documents; and
- (e) To fund any operating deficit or reserves the Association deems necessary to meet its financial obligations.

Section 6.4 Apportionment of Common Expenses.

- (a) Except as provided below and elsewhere in this Declaration, all Common Expense Assessments are to be assessed against all Lots in an amount equal to the then-current annual estimated expenses (including reserves) of the Association multiplied by the Allocated Interest of each such Lot.
- (b) If any Assessment for utilities of the Association are based on use (for example, for water and/or sewer), to the extent the Association has private sub-meters for these utilities, those Assessments may be based on the sub-metering of the Association.
- (c) Common Expenses for services provided by the Association to an individual Lot or at the request of the Owner may be assessed against that Lot (Individual Purpose Assessment).
- (d) Any Common Expense for property insurance on Lots, as may be provided by the Association, may be assessed in proportion to risk.
- (e) Fees, charges, taxes, impositions, late charges, fines, attorneys' fees, collection costs and interest charged by the Association against an Owner are enforceable as Common Expense Assessments.

Section 6.5 Default Assessments. In the event that the need for maintenance, repair, or replacement of the Common Elements, any portion of the Common Elements, or any other portion of the Community is caused by or in any way results from the negligent or willful act or failure to act, or the misconduct of an Owner or an Owner's Related User, then the expenses, costs, and fees incurred by the Association for such maintenance, repair, or replacement are the personal obligation of such Owner. This obligation is considered a "Default Assessment," collectible as an Assessment.

Section 6.6 Annual Assessment / Commencement of Common Expense Assessments.

(a) The Common Expense Assessment is to be made on an annual basis against all Lots based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such Assessment year.

(b) Assessments for metered utilities (as water and/or sewer utilities may be sub-metered) or for insurance (based on allocated risks) may be approved without a budget, but rather, based on metered use or allocated risk.

(c) The budget is to be submitted to the Owners, pursuant to this Declaration and the Governing Documents, including the Bylaws.

(d) A budget proposed by the Executive Board is deemed adopted unless vetoed by the vote of at least 75% of the Lot Owners.

(e) Assessments are payable in monthly installments, or, as the Executive Board determines.

(f) Assessments begin at the first closing on the conveyance of a Lot to an initial Owner.

(g) The omission or failure of the Executive Board to levy the Assessment for any period is not deemed a waiver, modification or a release of the Owners from their obligation to pay.

Section 6.7 Special Assessments. The Association may at any time, from time to time, determine, levy and assess a special Assessment applicable to that particular assessment year provided that the Association complies with the budget process set forth in this Declaration and the other Governing Documents.

Section 6.8 Lien Priorities.

(a) The Assessment lien of the Association is prior to all other liens and encumbrances on a Lot, except: liens and encumbrances recorded before the recordation of this Declaration; a First Mortgage on the Lot (except as allowed by CCIOA with regard to the Association's limited lien priority); and liens for real estate taxes and other governmental assessments or charges against the Lot.

(b) This section does not affect the priority of mechanics or material-men's liens.

(c) The lien of the Association under this Article is not subject to the provisions of any homestead exemption as allowed by state or federal law.

(d) Sale or transfer of any Lot does not affect the lien for Assessments except that the sale or transfer of any Lot pursuant to foreclosure of any First Mortgage or any proceeding in lieu of foreclosure, including deed in lieu of foreclosure, or cancellation or forfeiture, only extinguishes the lien of Assessment as and if provided by applicable law. No such sale, transfer, foreclosure, or any proceeding in lieu of foreclosure, including deed in lieu of foreclosure, nor cancellation or forfeiture relieves any Owner from continuing liability for any Assessment charges subsequently becoming due nor from the lien.

Section 6.9 Effect of Non-Payment of Assessments. Any Assessment provided for in this Declaration, or any installment, which is not fully paid within ten days after the due date bears interest at the rate of interest specified in the collection policy as then in effect, as adopted by the Executive Board. The Association may also assess a monthly late charge. Failure to make payment within 60 days of the due date may cause the total amount of such Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Executive Board. Further, the Association may bring a lawsuit against any Owner obligated to pay overdue Assessment(s), or monthly or other installments, and may also proceed to foreclose its lien against such Owner's Lot. A lawsuit by the Association against an Owner to recover a money judgment for unpaid Assessments, or any monthly or other installment, may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien. The Association's costs of suit, expenses and reasonable attorneys' fees incurred simply by virtue of the failure of the Owner to timely pay Assessments when due, including attorneys' fees and costs for consultation and for preparing and recording any lien notice, and the Association's costs of suit, expenses and reasonable attorneys' fees incurred for any such action and/or foreclosure proceedings, must be included as part of the delinquent Assessment, must be taxed by the court as a part of the costs of such action or foreclosure proceedings, and are to be recoverable by the Association from such Owner obligated to pay the same and from the proceeds of the foreclosure sale of such Owner's Lot. Foreclosure by the Association of its lien, whether completed or commenced but not completed, is not deemed to estop or otherwise preclude the Association from subsequently foreclosing or commencing an action to foreclose its lien for any subsequent Assessments, or monthly or other installments, which are not fully paid when due. The Association has the power and right to bid on or purchase any Lot at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, and cast the votes appurtenant to such Lot, and to convey or otherwise deal with the same. Any grantee of a Lot (excluding the Association) is jointly and severally liable with the grantor for all unpaid Assessments against the Lot which were assessed prior to the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee. The rights of the Association are expressly subordinate to the rights of any First Mortgagee as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent provided for in this Declaration.

Section 6.10 No Waiver or Abandonment. No Owner may be exempt from liability for payment of the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Lot against which the Assessments are made.

Section 6.11 This Declaration Is Notice of Association Lien Rights. Recording of the Declaration constitutes record notice and perfection of the lien for Assessments. No further recordation is required. However, the Executive Board may prepare and record in the real

property records of Jefferson County, Colorado, a written notice setting forth the then amount of unpaid indebtedness, the name of the Owner, and a description of the Lot.

Section 6.12 Fees at Closing. The Association requires each Owner of a Lot (other than the Declarant) to make a non-refundable, pro-rated payment to the Association for the month within which the closing occurs, as well as a full assessment payment for the month after closing. The Association also requires payment of 2 months of Assessments as working capital at closing. Monies paid as working capital need not be separately accounted for on the Association's financed statements as they are deemed expended by the Association for the use and benefit of the Association. These monies may be separately accounted for by the Association on the account of each Owner. Payment of working capital does not relieve an Owner from making regular payments of Assessments as the same become due. Owners also are to pay transfer fees, record change fees and other fees charged by the Association or its managing agent for a closing or refinance.

ARTICLE 7. RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Section 7.1 Use Restrictions.

(a) Initial use restrictions applicable to the Real Estate are set forth in this Declaration.

(b) The strict application of the following limitations and restrictions in any specific case may be modified or waived, in whole or in part, by the Executive Board or by an appropriate committee (as appointed by the Executive Board) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or must be contained in written guidelines or rules.

(c) The Executive Board has absolute authority to promulgate Rules and resolutions for restrictions on use, occupancy or alienation which are not contrary to restrictions or other limitations contained within this Declaration.

(d) It is expected that Rules will govern the operations of the Community, the Owners and the Association in greater detail than the covenants in this Declaration. A specific provision of a Rule is invalid only to the extent that its strict application would contradict a specific provision in this Declaration.

(e) The Executive Board may establish and enforce penalties for infractions.

(f) Owners are responsible for fines assessed against their Related Users.

(g) All monetary penalties enforced pursuant to this Declaration or the Rules are collectible as Common Expense Assessments.

Section 7.2 Use, Occupancy, Covenants and Use Protection. Lots within the Community may be used only for residential purposes and purposes allowed by the local zoning codes and permits and as allowed for under restrictions in this Declaration. Use of Lots for

primarily residential uses may not be unreasonably regulated or governed by the Association.

Section 7.3 Initial One-Year Restriction on Subsequent Sale of Lots Conveyed by a Declarant to an Initial Owner.

(a) Until one year after the deed from a Declarant to an initial buyer/Owner, that Owner's right to re-sale and/or convey their Lot is restricted. This covenant and restriction is a part of the purpose and objective of the Community and this Declaration to provide for an initial period of ownership by the initial buyers from the Declarant without resale or conveyance of the Lots.

(b) One year after the deed from a Declarant to an initial buyer/Owner, there are no restrictions on re-sale or conveyance of a Lot.

(c) Any Lot on which there is a model Home, and which Lot may be conveyed by a Declarant to a third party, is exempt for the initial one-year restriction on re-sale and/or conveyance of that Lot.

(d) Lots are not subject to any right of first refusal or similar restriction.

Section 7.4 Owners' Acknowledgment. All Owners and Related Users are given notice that use of each Lot is limited by provisions of each of the Governing Documents. All Owners and Related Users acknowledge that the Governing Documents may be amended, expanded and otherwise modified from time to time. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of their Lot is affected by this provision and that all restrictions upon the use and occupancy of a Lot may change from time to time.

Section 7.5 Rights of Owners under the Restrictions, Covenants of This Declaration and Rules. The Executive Board may not adopt any restriction or Rule on use, alteration or occupancy in violation of the following provisions:

(a) **Equal Treatment.** Similarly situated Owners and Related Users must be treated similarly.

(b) **Speech/Political Signs.** The rights of Owners or Related Users to display political signs and symbols in or on their Lots of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods must not be abridged. Consistent with the Act, the Owners and Related Users are allowed to display one political sign 45 days before an election and 7 days after the election, subject further to the Association's rules and regulations. The Association may adopt (as allowed by statute and law) reasonable size, time, place, and manner restrictions for the purpose of minimizing damage, disturbance, clutter, and unpleasant aesthetics.

(c) **Religious and Holiday Displays.** The rights of Owners and Related Users to display religious and holiday signs, symbols, and decorations normally displayed in residences located in single-family residential neighborhoods must not be abridged. The

Association may restrict these seasonal displays for the winter from the week before Thanksgiving to the week of New Year's Day. The Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage, disturbance, clutter and unpleasant aesthetics.

(d) Activities within Dwelling Units. No Rule may interfere with the activities carried on within the confines of Dwelling Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners; that create a danger to the health or safety of occupants of other Lots; that generate excessive noise, odor or traffic; that create unsightly conditions or conditions otherwise disallowed by this Declaration which are visible outside the Lot; that block the views from other Lots; or that create an unreasonable source of annoyance.

Section 7.6 Restrictions on Exterior Improvements and Landscaping. No Improvements to a Lot, the Dwelling Unit Exterior, or to windows, doors, the Roll Up Doors or trim may be constructed, erected, placed or installed within the Community unless they are approved by the Declarant, up until December 31, 2035. After that date, this right is deemed transferred to the Association (if not transferred earlier by the Declarant). The Declarant or the Association (within the timeframe provided) may establish written guidelines for modifications proposed by Owners.

Section 7.7 Disclaimers. Declarant has disclosed that the Community that includes the Homes is subject to construction of initial Homes. Owners acknowledge the inconveniences associated with initial construction, including dust, construction noise, and related issues, as well as the density of the greater community. These inconveniences include those from construction labor personnel, storage, port-a-potties, construction debris, parking of construction personnel, and more.

Section 7.8 Restrictions on Fences and Similar Structures. Fences or similar structures may not be constructed or maintained on a Lot without written approval as required under this Declaration.

Section 7.9 Hot Tub Restrictions. Hot tubs or similar facilities may not be constructed or maintained on a Lot without written approval as required in this Declaration.

Section 7.10 Restriction on Signs, Advertising and Devices.

(a) No sign, poster, billboard, advertising device, banners, balloons, streamers or display of any kind may be erected or maintained anywhere within the Community except as provided by express state or federal law, in this Declaration, and any Rules of the Association.

(b) An Owner may display no more than one real estate "For Sale" or "For Rent" sign, provided they otherwise comply with the Rules, or as may be approved in writing by the Association through the Executive Board. An Owner may not post the one allowed real estate sign anywhere other than in a window in the interior of that Owner's Home.

Section 7.11 Pet Covenants and Restrictions.

(a) Owners may keep pets which are common, bona fide household pets, so long as such pets are of the type, number, or combinations allowed by the city or applicable government authority and by Rules adopted by the Association.

(b) Pets may not be bred or kept for any commercial purpose or kept in such number or in such manner as to be unreasonable or to create a nuisance to any resident.

(c) The Association may adopt reasonable Rules designed to minimize damage and disturbance to other Owners and occupants, including Rules requiring waste removal, leash controls noise controls and more.

(d) Nothing in this section of the Declaration prevents the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance, which includes excessive barking or pet noises, in the Executive Board's sole discretion.

(e) An Owner's right to keep household pets is coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Association as a result of such pets, and any such costs and damages are subject to all of the Association's rights with respect to the collection and enforcement of assessments as provided in this Declaration.

(f) Dogs may not be kept on a patio or enclosed outdoor area serving a Home if the dogs are excessively barking or otherwise creating a nuisance to neighboring Units.

(g) Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outside a Dwelling Unit.

(h) Feces left by pets upon a Lot, the Common Elements, or any other area must be removed promptly by the owner of the pet or the person responsible for the pet. If the pet is staying at the property of an Owner, and the owner of the pet does not promptly remove the feces, the Owner of that Lot is the person responsible.

(i) The Executive Board may require any pet that, in the Board's opinion, endangers the health of any Owner or occupant or creates a nuisance or unreasonable disturbance be permanently removed from the Dwelling Unit and the Community upon 10 days' written notice. If the Owner or occupant fails to comply with such notice, the Board may remove the pet and/or obtain a court order requiring the Owner or occupant to do so.

(j) Any Owner or occupant or guest who keeps or maintains any pet in a Dwelling Unit or within the Community is deemed to have agreed to indemnify and hold the Association, its directors, Officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within a Dwelling Unit or in the Community.

(k) Any increase or extraordinary landscape maintenance expenses incurred by the Association as a result of pets maintained on any Lot or within in any Dwelling Unit may, in the discretion of the Association, be assessed to the Owners of those Lots or the Lot of an Owner (as the person responsible for the pet, as provided by this Declaration) or as the Executive Board may determine. These costs can be assessed by the Association, with the action of the Board, as the Board determines in its reasonable discretion.

(l) The Association has all remedies available under the Act and by law related to any violation of these pet covenants and restrictions.

Section 7.12 Restriction on Further Subdivision. No Lot upon which a Dwelling Unit has been constructed may be further subdivided or separated into smaller Lots by any Owner. No portion consisting of less than all of any Lot, or any easement or other interest in this Declaration, may be conveyed or transferred by an Owner without conveyance of the Lot. This covenant does not prohibit deeds of correction, deeds to resolve boundary line disputes, and similar corrective instruments.

Section 7.13 Vehicular Parking, Garages, Storage, RVs and Repairs.

(a) Vehicular parking and use of private drives and alleys within the community is subject to the control of the Association.

(b) Parking in alleys (which are planned to become Common Elements of the Association) or in fire lanes (as designated by the Association or as designated by local government or a local fire protection authority) is not permitted. Driveway aprons on a Lot, if any, and the garage of each Dwelling Unit are restricted to use as access.

(c) Garages must be used or available for use for at least two cars or six motorcycles, or any combination in number of cars and motorcycles provided by the Rules and Regulations.

(d) Garages are primarily for parking of vehicles and/or motorcycles that the garage has been designed to include.

(e) Storage is not permitted in garages (to the extent the parking of the number of vehicles for which the garage is designated would be precluded). Vehicle and/or motorcycle parking space in each garage must be preserved.

(f) No activity such as, but not limited to cleaning, washing, waxing, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicle, trailer or boat may be performed or conducted within the Community, except within any enclosed garage.

(g) RVs, boats, trailers, ATVs and similar vehicles may not be parked in a garage but are allowed to be temporarily parked (for up to 48 hours -- one time per week), in space available, if any, within the Community. The Association may adopt a more stringent rule on the amount of time allowed for temporary parking.

(h) The Rules of the Association may further govern the types of vehicles that may be parked or stored within the Community.

Section 7.14 Prohibitions on Increased Costs, Damage, Nuisance and Noise. Without the prior written consent of the Executive Board, nothing may be done or kept in a Dwelling Unit or any part of a Lot that would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

Section 7.15 Nuisance Covenants and Restriction. An Owner or Related User may not conduct activities within a Dwelling Unit or use a Dwelling Unit in a manner that interferes with or causes disruption to the use and quiet enjoyment of another resident or Related User.

Section 7.16 Noise Covenants and Restrictions. No Owner or Related User, may use or allow the use of the Dwelling Unit or the Common Elements in any manner which creates unreasonable noise between the hours of 10:00 p.m. and 7:00 a.m. which can be heard by persons in another Dwelling Unit. As to the level of noise that is objectionable, that is in the Executive Board's sole discretion. No Owner or Related User may unreasonably interfere with the rights, comfort or convenience of any other Owner of their Dwelling Unit.

Section 7.17 Noxious and Other Activities.

(a) Noxious, destructive, offensive or unsanitary activity is not allowed to be carried out in a Dwelling Unit or within the Community.

(b) Marijuana use will be permitted under state law (which state law allows the Association to regulate marijuana) but may be restricted under laws.

(c) No Owner or Related User may use or allow the use of a Dwelling Unit or any portion of the Community at any time, in any way, which may endanger the health or property of other occupants, unreasonably annoy, disturb or cause embarrassment or discomfort to other Owners or Related Users, or, in the Executive Board's discretion, constitute a nuisance.

(d) Smoking of any kind, including vaping, is prohibited on patios, balconies, deck areas (if any), and the Common Elements.

(e) By Rules adopted by the Board, the covenants and restrictions in this section may be further expanded and clarified, including rules related to smoking of any kind.

(f) The intention of this section provision is to grant the Association and aggrieved persons a right of redress for actions, activities or conduct which unreasonably disturbs or impairs the peaceful and safe enjoyment of the Dwelling Units and of the Community.

(g) Specific unauthorized and unreasonable annoyances or disturbances include, and are not limited to the following:

(i) any fighting, screaming, shouting, excessively loud talking, whistling, playing of music or television, raucous behavior or insobriety either outside of a Dwelling Unit at any time, or within a Dwelling Unit, if such conduct can be heard in the normal course of activities in any other Dwelling Unit(s);

(ii) the use of any TV, stereo, alarm, equipment, or device, mechanical or otherwise, which creates or produces excessively loud sounds or any vibrations either outside of a Dwelling Unit at any time or within a Dwelling Unit, if such sounds can be heard or vibrations felt in the normal course of activities in any other Dwelling Unit(s);

(iii) any threatening or intimidating conduct towards any resident, guest or pet of or at a Dwelling Unit or in the Community;

(iv) any conduct which, in the Executive Board's reasonable discretion, creates any danger or risk of injury to others or damage to property of a Dwelling Unit or within the Community or which creates any threat to health or safety of any other resident;

(v) any excessively loud play activities either outside of a Dwelling Unit at any time or within a Dwelling Unit if such conduct can be heard in the normal course of activities in any other Dwelling Unit(s);

(vi) any conduct which creates any noxious or offensive odor either outside of a Dwelling Unit at any time or within a Dwelling Unit, if such odors can be detected in the normal course of activities in any other Dwelling Unit(s);

(vii) any incessant or excessive pet noises, including dog barking, if such conduct can be heard in the normal course of activities in any other Dwelling Unit(s) with the windows and doors of the Dwelling Unit closed;

(viii) any construction or similar activities in a Dwelling Unit that can be heard in other Dwelling Units between the hours of 7:00 p.m. and 7:00 a.m.; or

(ix) any similar action or activity outside of a Dwelling Unit or within the Community, or which occurs inside a Dwelling Unit but which interferes with the peaceful use and enjoyment of other Dwelling Units or the Common Elements by any other Owner or occupant.

Section 7.18 Covenants and Restrictions on Marijuana Use, Growing and Distribution.

(a) By Rule adopted by the Board, residents may be precluded from the growth or cultivation of marijuana for personal use by the resident or for use by anyone else. This Rule is expressly allowed to regulate activity and use inside a Dwelling Unit due to the pungent odor of growing marijuana and the migration of that odor to neighboring Dwelling Units.

(b) No Lot or Dwelling Unit may be used for the production of hash oil, whether for personal use or distribution. Other marijuana-infused products or edibles may not be

produced in the Lot or Dwelling Unit except for personal use, provided the use otherwise complies with the Governing Documents and Colorado law.

(c) No Owner or Related User may use a Lot or any portion of a Dwelling Unit for the purpose of distributing, marketing, or promoting any business or other promotion related to marijuana.

(d) It is expressly permissible for Owners and Related Users to work for a business that is involved in the growing, distribution, marketing or promotion of marijuana.

(e) The covenants and restrictions in this section may be further expanded and clarified by the Board through Rules.

(f) Owners will be responsible for any costs or damages resulting from a violation of this section.

Section 7.19 Easements Protected. No Owner or Related User may do any work which, in the Executive Board's reasonable opinion, would impair any easement or other interest in a Lot, without prior written consent of the Executive Board.

Section 7.20 No Waste. No damage to or waste of a Dwelling Unit, the Dwelling Unit Exterior, the Common Elements, or any part of the Common Elements is permitted by any Owner or Related User. Each Owner and Related User indemnifies and holds the Association and the others harmless against all loss to the Association or others resulting from any such damage or waste caused by such Owner or Related Users.

Section 7.21 No Restrictions on Mortgaging of a Lot. No Rule may impose any restriction on the right of the Owners to mortgage or otherwise encumber their Lot. Nor is there any requirement for the use of a specific lending institution or particular type of lender.

Section 7.22 Use of Common Elements. There are no obstructions of the Common Elements allowed, nor may anything be kept or stored on any part of the Common Elements without the prior written approval of the Executive Board, or others with rights in those areas.

Section 7.23 Failure to Maintain.

(a) If the Executive Board determines that any Owner has failed or refused to discharge properly their obligation with regard to the maintenance, repair, or replacement of items for which he or she is responsible under this Declaration, then the Association may give the Owner at least 2 written notices of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's sole cost and expense, allowing the Owner 30 days to comply.

(b) The notice must set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Executive Board.

(c) If the Executive Board determines that an emergency exists, the Owner

has 10 days (or such shorter time as the Board may determine), within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within 10 days.

(d) If the Executive Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demands given by the Association as provided in this Declaration, then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs are to be added to and become a part of the Assessment to which such Owner is subject, becoming the personal obligation of the Owner. A lien against the Dwelling Unit secures these charges and costs, which are collectable as provided in this Declaration for the collection of assessments.

Section 7.24 Rubbish, Trash, and Garbage. All rubbish, trash, and garbage must be regularly removed from each Dwelling Unit and is not allowed to accumulate in a Dwelling Unit or on a Lot. No garbage or trash may be placed outside the Dwelling Unit, temporarily or otherwise, except in trash cans located in any trash enclosure or designated area. Rubbish, trash, and garbage must be disposed of in appropriate sealed bags and either placed in the trash cans or proper receptacles designated by the Executive Board for collection, and only at times to allow for timely collection by a contractor, or must be removed from the Community.

Section 7.25 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions must be enclosed within an approved structure.

Section 7.26 Window Coverings. The windows facing the courtyards or patios may or may not have window coverings. If window coverings are installed, they must be consistent and used uniformly with like types and colors. The side of the window covering which can be seen from the outside of the building shall be a light color (white, off-white, grey, beige, or a natural wood stain appearance as determined by the Rules) and compliment the colors on the exterior of the building. No reflective materials, sheet, towels, newspapers or other paper material, flags or banners, or any other material that is not a standard window treatment is permitted. A window may be temporarily covered with an alternative material without violating this section, so long as the temporary material is removed within 15 days.

Section 7.27 Courtyard Furniture and Storage Restrictions. Courtyard and patio areas of Dwelling Units may not be used as storage areas. Courtyards may have patio/outdoor furniture and other similar furnishings, provided the furniture is compliable and suitable to the aesthetics and tastes of the Community as determined by the Board of Directors. Pets may not be left unattended in courtyard areas.

Section 7.28 Grilling Restrictions. Grilling is limited to gas or electric grills. The Association may also establish Rules and regulations related to grilling.

Section 7.29 Antennas and Satellite Dishes.

(a) No satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation may be erected, used or maintained on any portion of the Community, including on a Lot or Home;

provided, however, that the Association shall have the right to erect, construct and maintain these devices.

(b) The following restrictions and covenants apply to all Lot Owners and residents:

(i) No transmission antenna of any kind may be erected anywhere in the Community, including the Lots, without written approval of the Board of Directors.

(ii) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one meter in diameter shall be placed, allowed or maintained upon a Lot.

(iii) DBS and MMDS satellite dishes or antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association, both as may be amended from time to time. Such items shall be installed in the least conspicuous location available on the Lot that permits reception of an acceptable signal. These items may be precluded if the Association allows for a master antenna for a building or for the entire site.

(iv) If an individual antenna or dish or similar device is installed by an Owner or resident, the Owner is responsible for maintaining that installation and all resulting maintenance due to that installation.

(v) If a Lot is transferred which includes a satellite dish or antenna, the grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Declaration, the Bylaws and the rules and regulations regarding satellite dishes and antennas, including, but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna.

Section 7.30 Solar Panels or Similar Installations. Solar panels or similar installations may be made with written approval of the Board of Directors or Committee (if established) as elsewhere provided in this Declaration and as allowed by local government. An agreement may be required by the Association, addressing ongoing maintenance, repair, replacement and improvement reallocations.

Section 7.31 Reasonable Rights to Develop. No Rule by the Association or Executive Board may unreasonably impede the Declarant's right to develop in accordance with the Plat, any Map and this Declaration.

Section 7.32 Individual Owner Rights of Enforcement. Nothing in this Declaration may be construed to affect the rights of an aggrieved Owner to proceed individually against a violator of this Declaration for relief from interference with their property or personal rights. The Executive Board may, in its discretion, require aggrieved individuals to seek redress personally for interference with their personal property rights before the Association intervenes and commences enforcement action. No claim for any loss, damage or otherwise exists by an

aggrieved Owner or occupant against the Association for failure to enforce the provisions of this Declaration if the aggrieved Owner or occupant has not personally pursued all available remedies against the violator for redress provided under Colorado law and complied with dispute resolution Governance Policies of the Association.

Section 7.33 Declarant's Exemption and Uses. It is expressly permissible for the Declarant, its assigns, employees and agents to perform such construction activities and to maintain upon portions of the Community such facilities as deemed incidental by Declarant to the construction and sale of Lots and the development of the Community. This includes exemption from the covenants and restrictions in this Article and also, without limiting the generality of the foregoing, the maintenance of temporary business offices, construction trailers or offices, storage areas, trash bins, portable toilets, construction yards and equipment, any and all signs of any kind, flags, banners, model Dwelling Units, temporary sales offices, parking areas, lighting facilities and similar or dissimilar uses.

ARTICLE 8. ARCHITECTURAL APPROVAL

Section 8.1 Approval of Improvements Required; Restrictions and Requirements. The approval of the Board (or any Architectural or Design Review Committee as established by the Board) is required for any Improvement to the Dwelling Unit Exterior or visible from the exterior of a Home.

Section 8.2 Submissions of Plans.

(a) Prior to commencement of work to accomplish any proposed Improvement to Property, the person proposing to make that Improvement to Property ("Applicant") shall submit to the Board or Committee (if established by the Board) all documentation required under this Declaration and under any adopted Design Guidelines.

(b) The Board or Committee may require submission of additional plans, specifications, or other information prior to approving or disapproving the proposed Improvement to Property.

(c) Until receipt of all required materials in connection with the proposed Improvement to Property, the Board or Committee may postpone review of any materials submitted for approval. If the Board or Committee requires submission of additional plans, specifications, or other information, the Board or Committee is to provide written notice to the Applicant.

Section 8.3 Criteria for Approval.

(a) The Board or Committee shall exercise its reasonable judgment to determine whether the proposed improvements, construction, alterations or landscaping conform to and harmonize with the existing surroundings, residences, landscaping and structures.

(b) Actions taken by the Board or Committee on matters coming before it are

to be in good faith and not arbitrary or capricious.

(c) The standards for approval include, but are not limited to:

(i) conformity and harmony of exterior appearances of structures with neighboring structures, including design compatibility and scale;

(ii) color and materials to be used;

(iii) effective location and impact on nearby Lots;

(iv) relation to the Community;

(v) preservation of aesthetic beauty and conformity with the specifications and purposes generally set out in this Declaration and in the Design Guidelines; and

(vi) any other matter deemed to be aesthetically relevant or appropriate.

Section 8.4 Design Guidelines. The Board or Committee may, from time to time, issue, revise, and reissue guidelines (the "Design Guidelines") to be applicable to all subsequent Improvements.

Section 8.5 Design Standards and Procedures. The Board or Committee may, from time to time, issue, revise, and reissue standards or rules ("Design Standards") relating to the procedures, materials to be submitted, and fees in connection with the approval of any proposed Improvement to Property.

Section 8.6 Design Review Fee. The Board or Committee may, in the Design Standards, provide for the payment or deposit of a fee to accompany each request for approval of any proposed Improvement.

Section 8.7 Decision of Committee. No Improvements may be made without the Board or Committee's approval. Approval is not given by lapse of any time frame. Approval is only given by affirmative action of the Board or Committee.

Section 8.8 Prosecution of Work After Approval. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished promptly and diligently and in complete conformity with the description of the proposed Improvement to Property and any other materials submitted to the Board or Committee in connection with the proposed Improvement to Property and with any conditions imposed by the Board or Committee. Approved modification construction must be completed within 4 months after the date of commencement, unless a longer period is approved by the Board or Committee. If a modification to existing construction is not commenced within one year of approval, the approval granted shall automatically lapse.

Section 8.9 Inspection of Work. The Board or Committee, or its duly authorized representative, has the right to inspect any Improvement to Property prior to or after completion.

Section 8.10 Notice of Noncompliance. If, as a result of inspections or otherwise, the Board or Committee determines that work has been done without obtaining approval of the Board or Committee, or was not performed in accordance with the terms of the approved application, or was not completed within the required time frame, the Board or Committee may notify the Owner in writing of the noncompliance specifying the particulars of the noncompliance.

Section 8.11 Correction of Noncompliance.

(a) The Owner or Applicant must remedy the noncompliance within 30 days after notification by the Board or Committee; provided, however, if a timely appeal to the Board was submitted by the Applicant, the noncompliance may be remedied within 45 days after denial of the appeal.

(b) If the Owner fails to cure the noncompliance within that period, the Association or the Board or Committee may, at its option, record a Notice of Noncompliance against the Lot(s) on which the noncompliance exists, may enter upon that Lot(s) and remove the non-complying Improvement to Property, and/or may otherwise remedy the noncompliance and the Applicant shall reimburse the Association, upon demand, for all expenses incurred. If those expenses are not promptly repaid by the Applicant or Owner to the Association, the Board may levy a Specific Assessment against the Owner of the Lot for those costs and expenses. The right of the Association or the Board or Committee to remedy or remove any noncompliance shall be in addition to all other rights and remedies which the Association and the Board or Committee may have at law, in equity, or under this Declaration. The Applicant and Owner of the Lot has no claim for damages or otherwise on account of the entry upon the property and removal of the non-complying Improvement to Property.

Section 8.12 No Implied Waiver or Estoppel. No action or failure to act by the Board or Committee or by the Board of Directors shall constitute a waiver or estoppel with respect to future action by the Board or Committee or the Board of Directors with respect to any Improvement to Property. Specifically, the approval of the Board or Committee of any Improvement to Property shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar Improvement to Property or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement to Property.

Section 8.13 Committee Power to Grant Variances. The Board or Committee may authorize variances from compliance with any of the provisions of the requirements in this Article or the Design Guidelines, including restrictions upon height, size, floor area, or placement of structures, or similar restrictions, when circumstances like topography, natural obstructions, hardship, or aesthetic or environmental conditions may require or allow.

Section 8.14 Meetings of Committee. The Board or Committee may meet from time to time as necessary to perform its duties. The Board or Committee may, from time to time, by resolution in writing adopted by a majority of the members, designate a Committee

Representative (who may but need not be one of its members) to take any action or perform any duties for or on behalf of the Board or Committee, except the granting of approval of any Improvement to Property, determination of non-compliance, and granting of variances. The authorized action taken by the committee representative represented within that representative's authority constitutes action of the Board or Committee.

Section 8.15 Non-Liability of Committee Action. No liability may be imposed on the Board or Committee, any member of the Board or Committee, any Committee Representative, the Association, or any member of the Board of Directors for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Board or Committee unless due to the willful misconduct of the party held liable. Owners requesting the Improvement are responsible for any safety concerns, structural or otherwise, that the Improvement may raise. Owners are also responsible for verifying the Improvement meets any and all building codes or other governmental laws or regulations. Members of the Board or Committee shall be indemnified by the Association to the same extent as the Board of Directors of the Association, as set forth in the Articles of Incorporation or Bylaws of the Association.

ARTICLE 9. INSURANCE / CONDEMNATION

Section 9.1 Association's Property Insurance on the Common Elements. The Association will obtain and maintain at all times, as a Common Expense, property insurance on the Common Elements, as the Common Elements are completed.

Section 9.2 Association's Property Insurance on the Homes. The Association will obtain and maintain at all times, as a Common Expense, property insurance on the Homes as follows:

(a) The Association's property insurance policy will initially be an "original construction" or "single entity" policy that will rebuild the structure of a Home and the Improvements installed by the Declarant. This insurance policy includes the interior finished surfaces of perimeter and partition walls, floors, and ceilings within a Home (i.e., cabinets, paint, paneling, tile, carpet and any floor covering as installed by the Declarant). The Association's policy also includes Party Walls, non-load-bearing walls, lighting accessories, and any other property installed by the Declarant. The Association's policy includes appliances 'built-in' by the Declarant. This insurance policy excludes appliances that are movable and may be relocated and also excludes Improvements and betterments to Homes made by Owners.

(b) The Association, by action of the Board of Directors, has the right to decrease or increase the level of coverage under its policy from the standard outlined above. This change may be made by written Executive Board resolution to the so-called "bare walls" or "all in" coverage. If the level of coverage is changed, the Association will make such information available to all Owners, Related Users and residents by posting the information on the Association's website, if any, and or by written correspondence to the Owners. Owners are then to share that correspondence with Related Users and any residents of their Home.

(c) The Association will use reasonable efforts to secure a blanket hazard insurance policy providing "special form" coverage in an amount equal to full replacement cost,

before application of deductibles. If "special form" coverage is not reasonably available at reasonable cost, the Association must obtain, at a minimum, broad form covered causes of loss, in like amounts.

(d) All property insurance purchased by the Association will run to the benefit of the Association, the Executive Board, officers, all agents and employees of the Association, the Owners and their respective Mortgagees, and all other persons entitled to occupy any Home as their interests may appear.

(e) All insurance coverage for the Association will be written in the name of the Association as first named insured and each of the Owners as additional insureds.

Section 9.3 Owners' Additional Insurance Covenants and Requirements – HO-6 Policies.

(a) Every Home Owner is obligated to obtain and maintain at all times insurance covering those portions of their Home to the extent not insured by policies maintained by the Association, including any deductible on the Association's policies. These Owner insurance policies are commonly known or referred to as HO-6 policies.

(b) Each Owner is also responsible for insuring all betterments and Improvements to their Home subsequently added by the Owner or as previously added by the Owner's predecessors-in-title (other than the Declarant).

(c) The Association maintains property insurance that includes the builder's original construction (unless the Association increases or decreases that coverage as allowed for in other provisions of this Declaration). Owners must still purchase and maintain their own property insurance as provided by this Declaration.

(d) If the Association ever maintains a "bare walls" property insurance policy, Owners are obligated to maintain their own insurance to cover items excluded under the Association's "bare wall" policy, and including, but not limited to, finished surfaces (of walls, floors and ceilings), flooring, cabinetry, fixtures and appliances, betterments and improvements.

(e) If the Association ever maintains "all-in" property insurance, Owners must still maintain their own property insurance, covering deductibles and exclusions from the Association's policy and liability within their Home.

(f) Each Owner is also responsible for obtaining insurance covering their personal property and coverage for liability arising within the Home and on or within any of the Limited Common Elements.

(g) The Association has no liability for the failure of any Owner to maintain required insurance.

(h) Upon request by the Executive Board, each Owner must furnish a copy of such insurance policy or policies to the Association.

Section 9.4 Renter's Additional Insurance Covenants and Requirements – HO-4 Policies.

(a) Renters or lessees of a Home are obligated to obtain and maintain at all times insurance covering those portions of their Home to the extent not insured by policies maintained by the Association or their Owner. These renter insurance policies are commonly known as HO-4 policies.

(b) Each renter or lessee is responsible for obtaining insurance covering their personal property and coverage for liability arising within the Home and on or within any of the Limited Common Elements.

(c) The Association has no liability for the failure of any renter or lessee to maintain required insurance.

(d) Upon request by the Executive Board, each renter or lessee must furnish a copy of such insurance policy or policies to the Association.

Section 9.5 Owner's Right to Review Association Insurance Policies. The Association will make a copy of its insurance policies available for review by Owners and to allow Owners to assess their personal insurance needs. Each Owner has the right to obtain additional coverage at their own expense.

Section 9.6 Other Insurance to Be Carried by the Association.

(a) The Association must obtain and maintain in full force and effect at all times certain other insurance as set forth in this Declaration.

(b) All such insurance must be obtained, to the extent possible, from responsible companies duly authorized and licensed to do insurance business in the State of Colorado, and must:

(i) Provide for a waiver of subrogation by the insurer as to claims against the Association, members of the Executive Board, officers, employees, agents and Owners.

(ii) Contain a severability of interest clause that the insurance cannot be canceled, invalidated or suspended because of the negligent or intentional acts of the Association, its officers, members of the Executive Board, employees and agents.

(iii) Provide that the policy of insurance may not be terminated, canceled or substantially modified with no less than 30 days' prior written notice to the Association.

(c) Any insurance policy may contain such deductible provisions as the Association deems consistent with good business practice, consistent with the requirements of any institutional First Mortgagees.

(d) Any loss falling within the deductible portion of a policy must be borne by the Owner of the property damaged or the party suffering the loss.

(e) The cost and expense of all insurance obtained by the Association must be paid for out of Association funds collected by Assessments and otherwise as provided in this Declaration.

(f) The Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it may deem appropriate with respect to the Association responsibilities and duties.

Section 9.7 Liability Insurance of the Association. The Association must obtain adequate comprehensive policy of public liability and property damage liability insurance covering the areas used by Owners, including Common Elements and such areas that may become Common Elements (once those areas are improved by the Declarant and have been in use by Owners or residents). This policy is to be in such limits as the Executive Board may from time to time determine, but not in any amount less than \$1,000,000.

Section 9.8 Fidelity Insurance of the Association. The Association must obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, members of the Executive Board, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association. This includes persons who serve the Association with or without compensation. The fidelity coverage or bonds must comply with applicable law and also should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, members of the Executive Board, trustees and employees.

Section 9.9 Worker's Compensation and Employer's Liability Insurance of the Association. The Association must 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 subsequently be required by law.

Section 9.10 Officers' and Directors' Professional Liability Insurance of the Association. The Association must obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association. This policy must cover former board members and officers, and monetary and non-monetary claims.

Section 9.11 Insurance Premiums of the Association. Except as assessed in proportion to risk, as permitted under the terms of this Declaration, insurance premiums for the above-provided insurance are a Common Expense to be included as a part of the annual Assessments levied by the Association.

Section 9.12 Managing Agent or Bookkeeper Insurance. The manager, managing agent or bookkeeper, if any, must be adequately insured for the benefit of the Association and must maintain and submit evidence of such coverage to the Association.

Section 9.13 Waiver of Claims against the Association. As to all policies of insurance maintained by or for the benefit of the Association and Owners, the Association and the Owners waive and release all claims against one another, the Executive Board and the Declarant to the extent of the insurance proceeds available, whether or not the insurance damage or injury is caused by the negligence of or breach of any agreement by and of said persons.

Section 9.14 Annual Insurance Review of Insurance of the Association. The Executive Board may review the insurance carried by and on behalf of the Association at least annually, for the purpose of determining the amount of insurance required.

Section 9.15 Adjustments by the Association. Any loss covered by an insurance policy described above must be adjusted by the Association, and the insurance proceeds for that loss must be payable to the Association, and not to any Institutional First Mortgagee or other such holder of a First Mortgage. The Association will hold any insurance proceeds in trust for the Association, Owners and Institutional First Mortgagees or other holders of First Mortgages as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Association, Owners and Institutional First Mortgagees or other holders of First Mortgages are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored. The Rules may include 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 has the authority to assess negligent Owners causing such loss or benefitting from such repair or restoration all deductibles paid by the Association. In the event that more than one Lot is damaged by a loss, the Association in its reasonable discretion may assess each Owner a pro rata share of any deductible paid by the Association.

Section 9.16 Duty to Repair of the Association and of Owners for Covered Property Losses. 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 or Owner, at the Owner's option on whether the repair is done by the Association or the Owner, except as provided in this Declaration or the Governing Documents.

Section 9.17 Condemnation and Hazard Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Owners, the distribution must be as the parties with interests and rights are determined or allocated by record.

ARTICLE 10. ALTERNATIVE DISPUTE RESOLUTION – EXCLUDED CLAIMS

Section 10.1 Purpose / Scope of Alternative Dispute Resolution. One of the purposes of this Declaration is to establish a harmonious Community including the prompt, efficient, fair and non-belligerent resolution of any construction or design dispute. Accordingly, any construction, design controversy or other claim against the Declarant or its affiliates or agents or employees of its affiliates (an Excluded Claim) arising out of or relating to Dwelling Unit Exteriors, the Dwelling Units, Common Elements or related to the Community must be

resolved as set forth in this Article.

Section 10.2 Warranty Standards. The standards for warranty services of Declarant are as published by the Declarant for the Dwelling Unit and the Common Elements. The Declarant has disclosed to Owners that these standards are customary industry standards. Warranty coverage, under the limited warranty provided by Declarant, does not extend to drainage, soil erosion, landscaping, retaining walls, cracks in concrete patios or sidewalks, sound transmission, condensation, color variations, noise from duct work and other exceptions and limitations of the warranty of the standards.

Section 10.3 Direct Communication. The parties to the disagreement over an Excluded Claim must set forth their respective positions in any dispute in correspondence. Each party must respond within 21 days after receipt of a letter from the other until agreement is reached. If an agreement is not reached, the next section of this Declaration applies.

Section 10.4 Mediation. If an Excluded Claim cannot be resolved through direct communication of the parties, either party may request appointment of a neutral and properly credentialed mediator. The parties must participate in the mediation in good faith until the dispute is resolved, for a period not to exceed 90 days, with the consent of all parties. The cost of the mediation must be divided equally among the parties. If a mediation does not resolve the Excluded Claim, the next sections of this Declaration apply.

Section 10.5 Pre-Conditions to Arbitrations by the Association or Any Owner.

(a) The Association or any Owner must comply and continue to comply with the conditions and provisions of any city ordinance limiting or setting forth procedures for claims against Declarant.

(b) The Association or any Owner may proceed with communication and mediation as allowed for under this Article without a vote of Owners holding at least 90% of the votes, as long as the Association or any Owner is in compliance with the provisions of this Declaration.

(c) On an Excluded Claim, the Association, if the Association complies with the terms of this Article, has the power to commence and maintain an arbitration, as may be deemed appropriate by the Executive Board only if approved by Owners holding at least 90% of the votes in the Association.

(i) In making its recommendation to the Owners to bring an arbitration on an Excluded Claim, the Executive Board is to exercise its reasonable judgment. The Executive Board must consider, without limitation, the likelihood of success, the impact such action may have upon the market values of Lots or other portions of the Community, the cost of pursuing the arbitration including attorneys' fees and expert fees, the resources of the Association and whether a special assessment or depletion of reserves will be required in connection with pursuit of those claims or as a result after those claims have been pursued.

(ii) The Executive Board must prepare a written analysis of the risks and benefits to the Owners of commencing and maintaining an arbitration on an Excluded Claim.

(iii) The Executive Board must deliver a copy of that written analysis to each of the Owners at least 7 days prior to the date scheduled for the meeting of Owners or prior to any vote on proceeding with arbitration on an Excluded Claim.

(iv) The Association may not bring an arbitration or any other legal action on an Excluded Claim even with amendment of this Declaration, without compliance with the terms of this Article (un-amended).

(v) The Association may not commence or maintain an arbitration on any Excluded Claim unless the commencement and maintenance has first been recommended by the Executive Board and is also approved by Owners holding at least 90% of the votes in the Association.

Section 10.6 Arbitration Process and Procedures.

(a) If the Excluded Claim cannot be resolved through mediation, such dispute must be decided by mandatory and binding arbitration in accordance with the rules of the American Arbitration Association ("AAA") currently in effect.

(b) If the mandatory and binding arbitration of this Declaration is determined to be unenforceable by any court of competent jurisdiction, then, in those events, all Excluded Claims must still be decided by mandatory and binding arbitration in accordance with the rules of the AAA currently in effect.

(c) The following procedures apply to arbitration:

(i) Demand for arbitration must be filed in writing with the other party and with the AAA.

(ii) A demand for arbitration must be made within 30 days after the dispute in question has arisen and failed to be resolved by mediation.

(iii) In no event may the demand for arbitration be made after the date when the institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

(iv) No arbitration arising out of or relating to this Declaration may include, by consolidation, joinder or any other manner, an additional person or entity not subject to the Declaration, except that the Declarant, at its sole election and in its sole discretion, may by consolidation, joinder or any other manner, include contractors, subcontractors or other parties involved in the construction and/or planning of the Community.

(v) The arbitrator to hear the Excluded Claim may be jointly selected by the parties. If the parties cannot agree within 30 days, the parties shall select the arbitrator they desire. Then, those arbitrators shall, amongst them, select the arbitrator to hear the Excluded Claim.

(d) The provision of this Article to arbitrate, or the Declarant's election to arbitrate, or the Declarant's determination to include any additional person or entity not subject to this Declaration in an arbitration are specifically enforceable in accordance with applicable law with any court having jurisdiction.

(e) The award rendered by the arbitrator or arbitrators is final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction.

(f) All filing fees and AAA costs associated with the arbitration itself must be paid for by the party who files the notice of arbitration.

Section 10.7 Lawsuits by the Association or Any Owner Are Precluded.

(a) The Association may not commence or maintain a lawsuit on any Excluded Claim as these claims are subject to the arbitration provisions of this article and the agreements of initial Owners entered into with the Declarant.

(b) Owners may not bring a lawsuit on an Excluded Claim, as these claims are subject to the arbitration agreement as initial Owners have entered into with the Declarant and are also subject to the provisions of this article.

Section 10.8 Subsequent Owners. The provisions of this Article are binding on all subsequent Owners (those who did not purchase a Lot from the Declarant).

Section 10.9 Sole Remedy; Waiver of Judicial Rights. Subject to the Declarant's election rights set forth in this Declaration, and the remedies available for Excluded Claims, the Declarant, the Association, and each Owner expressly consent to the substance and procedures established in this Article as their sole and exclusive remedy. Each of these parties also expressly waive any right they may have to seek resolution of any Excluded Claim contemplated by this Article in any court. Each of these parties also waive any right to trial by a jury. If a dispute involves the Declarant, an Owner or the Association, no person may file a memorandum of *lis pendens* or similar instrument that would encumber or create a lien upon Lots or the land owned by the Declarant, an Owner or the Association.

Section 10.10 Binding Nature; Applicable Law. The consideration of the parties to be bound by the provisions of this Article of this Declaration is not only the waiver of access to determination by a court (as applicable) and by a jury, but also the waiver of any rights to appeal the arbitration finding other than for the reasons available under Colorado law. A judgment upon an award rendered by the arbitrator may be entered in any court having jurisdiction.

Section 10.11 Location. All alternative dispute resolution proceedings under this Article must be held in the greater Denver Metropolitan area in the State of Colorado, unless otherwise

mutually agreed by the parties.

Section 10.12 Payment of Expenses under This Article. Beyond filing fees and AAA costs associated with the arbitration (those costs being the obligation of the party who files the notice of arbitration), each party is responsible for their own costs, expenses, experts and attorney fees in the mediation and arbitration.

Section 10.13 Amendment of This Article. The provisions of this Article may only be amended with the consent of the Declarant until December 31, 2035. This reservation is a reserved Development Right of the Declarant under this Declaration and also CCIOA.

ARTICLE 11. AMENDMENT AND TERMINATION

Section 11.1 Amendment of Declaration by Owners. Subject to provisions elsewhere contained in this Declaration requiring the consent of others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be changed or repealed, and any such provision added to this Declaration, at any time and from time to time, upon approval of the Executive Board and at least 67% of the votes in the Association.

Section 11.2 Technical, Clerical, Typographical or Clarification Amendment. If the Declarant determines that any amendments to this Declaration or to the Plat or Map are necessary in order to make non-material changes, such as for the correction of a technical, clerical or typographical error or clarification of a statement, then, subject to the following sentence of this section, the Declarant has the right and power to make and execute any such amendment without obtaining the approval of any Owners. Each such amendment of this Declaration must be made, if at all, by the Declarant prior to December 31, 2035.

Section 11.3 Amendment Required by Mortgage Agencies. Prior to December 31, 2035, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration which the FHA, VA, FHLMC, GNMA, FNMA or any similar entity authorized to insure, guarantee, make or purchase Mortgage loans requires to be amended or repealed may be amended or repealed by the Declarant. After that date, those types of amendments maybe made by the Board of Directors or the Association. Any such amendment or repeal will be effective upon the recordation in the office of the Clerk and Recorder of Jefferson County, State of Colorado, of a certificate, setting forth the amendment or repeal in full.

Section 11.4 Recording of Amendments. To be effective, all amendments to or termination of this Declaration must be recorded in the office of the Clerk and Recorder of Jefferson County, Colorado, and must contain evidence or a recital of approval. One method of satisfying the requirements of this section is the recordation of a certificate of the Secretary of the Association, certifying that Owners representing the requisite percentage of the Lots have given their notarized written consent to the amendment. The Secretary must further certify that originals of such written consent by Owners along with the recorded amendment are in the corporate records of the Association and available for inspection. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded.

Section 11.5 Approval Required for Certain Amendments. No amendment may change the formulas for determining Allocated Interests as set forth in this Declaration in the absence of the approval of the Owners holding at least 90% of the votes in the Association.

Section 11.6 Required Consent of Declarant to Amendment. Any proposed amendment or repeal of any provision of this Declaration reserving rights of the Declarant, or for the benefit of the Declarant, or its assignees, is not effective unless the Declarant and its assignees, if any, have given written consent to such amendment or repeal. That consent may be evidenced by the execution by the Declarant or its assignees of any certificate of amendment or repeal. The foregoing requirement for consent to any amendment or repeal terminates on December 31, 2035. Rights of Declarant, as provided for in this Declaration, are not to be construed as development rights or special declarant rights or other rights allowed for under CCIOA, but rather, as rights independent of CCIOA, based on common law.

Section 11.7 Association Certification. Amendments to the Declaration required by this Article to be recorded by the Association are to be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association. In the event of an amendment to the Declaration by the Owners, the Association may record the amendment with a certificate from the Association executed by any officer designated for that purpose or, in the absence of the designation, by the president, which the requisite number of Owners have consented to the amendment.

Section 11.8 Expenses. All expenses associated with preparing and recording an amendment to the Declaration are the sole responsibility of the Association as a Common Expense or by the applicable Owner.

Section 11.9 Termination. The Community may be terminated upon an affirmative vote of the Owners holding 90% of the Allocated Interests.

ARTICLE 12. GENERAL PROVISIONS

Section 12.1 Enforcement. The Association or an Owner or Owners of any of the Lots may enforce the Covenants by proceedings at law or in equity against any person or persons, either to recover damages for such violation, including reasonable attorneys' fees incurred in enforcing the Covenants, or to restrain such violation or attempted violation. Failure of the Association or of any Owner to enforce any covenant or restriction in this Declaration is not and shall in no event be deemed a waiver of the right to do so subsequently. Disputes which do not involve payment of sums and charges due to the Association, upon approval of both the Owner(s) and the Executive Board, may be submitted to binding arbitration.

Section 12.2 Right to Pay Taxes and Insurance Premiums. Any institutional First Mortgagee or other holder of a First Mortgage is entitled to pay any taxes or other charges which are in default and which may or have become a lien against a Lot.

Section 12.3 Severability. Each of the provisions of this Declaration is deemed independent and severable. If any provision of this Declaration or the application of this

Declaration to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of this Declaration which can be given effect without the invalid provisions or applications.

Section 12.4 Term of Declaration. The provisions of this Declaration (and all covenants) run with and bind the Real Estate in perpetuity, unless amended or terminated as allowed for in this Declaration.

Section 12.5 Interpretation. The provisions of this Declaration are to be liberally construed to effectuate their purposes of creating a uniform plan for the development of the Lots and of promoting and effectuating the fundamental concepts as set forth in the recitals of this Declaration. This Declaration is to be construed and governed under the laws of the State of Colorado.

Section 12.6 Singular Includes the Plural. Unless the context otherwise requires, the singular includes the plural, and the plural includes the singular, and each gender referral is deemed to include the masculine, feminine and neuter.

Section 12.7 Captions. All captions and titles used in this Declaration are intended and used solely for convenience of reference and ease of use of this Declaration. Captions and titles used in this Declaration do not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article of this Declaration.

ARTICLE 13. DEVELOPMENT RIGHTS OF DECLARANT

Section 13.1 Development Rights and Special Declarant Rights. The Declarant reserves, through 20 years after the recording of this Declaration, the following Development Rights and Special Declarant Rights:

(a) the right to withdraw all or any part of the real property described in *Exhibit A*, provided no part of a Building or Lots with a Dwelling Unit constructed have been conveyed by Declarant to an Owner. Once a Lot has a Dwelling Unit constructed on it and is a part of a Building, then no part of the Lots that comprise that Building may be withdrawn. Otherwise, all Lots are subject to Declarant's withdrawal rights.

(b) the right to annex any withdrawn real estate or real estate adjacent to the Community, in the vicinity of the Community or across a public or private street from the Community or within the City in which the Real Estate is located (provided the Owner consents). See also Exhibit H;

(c) the right to re-designate, change, modify or amend any Building designations and grouping of Lots to or within a Building;

(d) the right to change the allocated interests initially set forth in *Exhibit C* as and if Lots are withdrawn or added;

(e) the right to establish a common interest community, exempt from or

subject to CCIOA, on any withdrawn Lots;

(f) the right to subject the Real Estate and the Community to a master declaration with such terms, conditions, reservations and restrictions as Declarant determines;

(g) the right to relocate boundaries between adjoining Units owned by the Declarant, enlarge Units, reduce the areas that may become Common Elements (as those areas are set forth in *Exhibits, D, E, F and/or G*), reduce the size of Units, subdivide Units owned by Declarant or complete or make improvements, as the same may be indicated on Maps or Plats filed of record;

(h) the right to enlarge or reduce the Common Elements and to create additional Units;

(i) the right to modify or alter the fences and the location of the fenced areas;

(j) the right to add property adjacent to the Real Estate, with the consent of that Owner of that Real Estate and additional unspecified Real Estate according to the provisions of this Declaration subject to the limitations set forth in this Declaration and/or the Act;

(k) the right to amend the Declaration to add unspecified Real Estate in accordance with the provisions of this Declaration or the Act;

(l) the right to exercise any additional reserved right created by any other provision of this Declaration;

(m) the right to amend the use restrictions included in this Declaration, together with the right to add new use restrictions;

(n) the right to amend the Declaration in connection with the exercise of any Development Right;

(o) the right to amend zoning of the Real Estate, provided uses of Owners are preserved.

(p) the right to appoint or remove any officer of the Association or any Director during the Period of Declarant Control;

(q) the right to make amendments to this Declaration or the other Governing Documents to meet or comply with any requirements of any lender to an Owner;

(r) the right to amend the Maps or Plats in connection with the exercise of any Development Right;

(s) the right to make amendments to the Declaration, Bylaws or Articles of Incorporation to meet or comply with any requirement of FHA or VA;

(t) the right to use and to permit others to use easements through the areas that may become Common Elements (as set forth in *Exhibits, D, E, F and/or G*) and also the Common Elements, once and if deeded to the Association, as may be reasonably necessary;

(u) the rights reserved to Declarant, for itself, its successors and assigns, shall expire as set forth above, unless (i) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Board may impose on the subsequent exercise of the expansion rights by Declarant; (ii) extended as allowed by law; or (iii) terminated by written instrument executed by the Declarant, recorded in the real property records of Jefferson County;

(v) the right to unilaterally amend zoning for all or any part of the Real Estate, provided that existing uses of Owners are maintained; and/or

(w) any rights allowed the Declarant under CCIOA.

Section 13.2 Additional Reserved Rights. In addition to the rights set forth above, Declarant also reserves the following additional rights:

(a) Sales and Offices. The right to maintain mobile and other sales offices, parking lots, management offices and models on Units of the Declarant.

(b) Signs. The right to maintain signs and advertising at the Community and to advertise the Community or other communities developed or managed by or affiliated with Declarant.

(c) Construction Easement. Declarant, and its assignees, expressly reserves to itself the right to perform warranty work, repairs, and construction work, and to store materials in secure areas, in Units and in Common Elements, and the future right to control such work and repairs and the right of access thereto, until completion. All work may be performed without the consent or approval of any Owner or holder of a security interest. Declarant and its assignees have such an easement through the Common Elements as may be reasonably necessary for exercising reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Property.

(d) Use Agreements. The rights to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance and regulation of parking and/or recreational facilities and/or Common Elements, which may or may not be a part of the Community.

(e) Access Easement. Declarant and its successors and assigns shall have an access easement to and from any real property accessible through the Community.

(f) Other Rights. The right to exercise any additional reserved right created by any other provision of this Declaration or by the Act.

Section 13.3 Rights Transferrable / Rights Transferred. Any rights created or reserved under this Article or the Act for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred recorded in the real property records of the Jefferson County. Such instrument shall be executed by the transferor Declarant and the transferee. The rights transferred may then be exercised in compliance with the requirements of C.R.S. § 38-33.3-210 and C.R.S. § 38-33.3-209(6) without the consent of the Association, any Owners or any holders of a security interest in a Unit. Any rights created or reserved under this Article or the Act for the benefit of Declarant may also be transferred to the Association by an instrument describing the rights transferred recorded in the real property records of the Jefferson County. Such instrument shall be executed by the transferor Declarant and the Association as transferee. The rights transferred may then be exercised by the Association in compliance with the requirements of C.R.S. § 38-33.3-210 and C.R.S. § 38-33.3-209(6) with the consent of the appropriate Owner(s) or any holders of a security interests in the Units.

Section 13.4 No Further Authorizations Needed. Except as set forth in this Declaration, the consent of Owners or holders of security interests shall not be required for exercise of any reserved rights, and Declarant or its assignees may proceed without limitation at its sole option. Declarant or its assignees may exercise any reserved rights on all or any portion of the property in whatever order determined. Declarant or its assignees shall not be obligated to exercise any reserved rights or to expand the Community beyond the number of Units initially submitted.

Section 13.5 Amendment of the Declaration or Map. If Declarant or its assignees elect to exercise any reserved rights, that party shall comply with the Act.

Section 13.6 Interpretation. Recording of amendments to the Declaration and the Plat or Plats pursuant to reserved rights in this Declaration shall automatically effectuate the terms and provisions of that amendment. Further, such amendment shall automatically: (a) vest in each existing Owner the reallocated Allocated Interests appurtenant to their Unit; and (b) vest in each existing security interest a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Unit. Further, upon the recording of an amendment to the Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Community as expanded and to any Additional Improvements, and the same shall be added to and become a part of the Community for all purposes. All conveyances of Units after such amendment is recorded shall be effective to transfer rights in all Common Elements, whether or not reference is made to any Amendment of the Declaration or Plat. Reference to the Declaration and Plat in any instrument shall be deemed to include all Amendments to the Declaration and the Plat without specific reference thereto.

Section 13.7 Construction. Subsequent to the initial Real Estate and improvements made subject to this Declaration, any additional buildings, structures and types of improvements to be placed on the Real Estate or any part thereof may be of such quality and type as the persons developing the same may determine, and those Improvements need not be of the same quality or type as the Improvements previously constructed on the Real Estate, nor of the same size, style or configuration. The improvements may be located anywhere in the Common Elements of the Community, the same being reserved for future development, or on the additional Real Estate as may be added or as shown on the Plat.

Section 13.8 Termination of Reserved Rights. The rights reserved to Declarant, for itself, its successors and assigns, shall expire as set forth above or in the Act, unless:

(a) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Board may impose on the subsequent exercise of the expansion rights by Declarant;

(b) extended as allowed by law; or

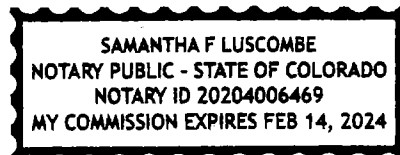
(c) terminated by written instrument executed by the Declarant, recorded in the records of the Clerk and Recorder of the Jefferson County, State of Colorado.

Declarant:

Ralston Terrace, LLC


Manager and Authorized Agent

STATE OF Colorado)
CITY AND COUNTY OF Arapahoe) ss.



The foregoing instrument was acknowledged before me this 5th day of May, 2021, by William Lyons, as Manager and authorized agent of Ralston Terrace, LLC.

Witness my hand and official seal. My commission expires: 2.14.24

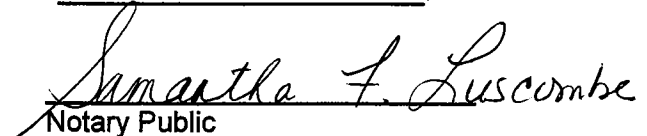

Notary Public

Exhibit A – Description of the Real Estate

Lots 1-37, inclusive,
Ralston Terrace Subdivision,
County of Jefferson,
State of Colorado, and

Lots 1-12, inclusive,
Ralston Terrace Phase II,
County of Jefferson,
State of Colorado

Exhibit B – Exceptions to Title as to the Ralston Terrace Townhomes Community

1. Instrument recorded June 22, 1962, in book 1489 at page 295 and amendment recorded October 23, 1967, in book 1975 at page 664 and amendment recorded September 10, 2020, under Reception No. 2020114261.
2. Instrument recorded December 6, 1967, in book 1985 at page 324.
3. Instrument recorded December 1, 1982, under Reception No. 82083996.
4. Agreement recorded January 13, 1984, under Reception No. 84004440 and as amended in instrument recorded November 29, 1984, under Reception No. 84110795.
5. Plat recorded January 13, 1984, under Reception No. 84004441.
6. Instrument recorded March 30, 1984, under Reception No. 84028479.
7. Plat recorded July 10, 1997, under Reception No. F0441920.
8. Ordinance No. 3848 recorded December 18, 2003, under Reception No. F1928467.
9. Plat recorded November 12, 2004, under Reception No. F2126827.
10. Survey recorded February 9, 2006, under Reception No. 2006017060.
11. Plats, as defined in the Declaration.
12. The Declaration.
13. Notice related to Ralston Terrace.
14. Other documents of record.

Exhibit C – Allocated Interests

	Address	Lot	Plat	Common Expense Allocation	Vote Allocation
1	TBD	1	Ralston Terrace Subdivision	1/49	1
2	TBD	2	Ralston Terrace Subdivision	1/49	1
3	TBD	3	Ralston Terrace Subdivision	1/49	1
4	TBD	4	Ralston Terrace Subdivision	1/49	1
5	TBD	5	Ralston Terrace Subdivision	1/49	1
6	TBD	6	Ralston Terrace Subdivision	1/49	1
7	TBD	7	Ralston Terrace Subdivision	1/49	1
8	TBD	8	Ralston Terrace Subdivision	1/49	1
9	TBD	9	Ralston Terrace Subdivision	1/49	1
10	TBD	10	Ralston Terrace Subdivision	1/49	1
11	TBD	11	Ralston Terrace Subdivision	1/49	1
12	TBD	12	Ralston Terrace Subdivision	1/49	1
13	TBD	13	Ralston Terrace Subdivision	1/49	1
14	TBD	14	Ralston Terrace Subdivision	1/49	1
15	TBD	15	Ralston Terrace Subdivision	1/49	1
16	TBD	16	Ralston Terrace Subdivision	1/49	1
17	TBD	17	Ralston Terrace Subdivision	1/49	1
18	TBD	18	Ralston Terrace Subdivision	1/49	1
19	TBD	19	Ralston Terrace Subdivision	1/49	1
20	TBD	20	Ralston Terrace Subdivision	1/49	1
21	TBD	21	Ralston Terrace Subdivision	1/49	1
22	TBD	22	Ralston Terrace Subdivision	1/49	1
23	TBD	23	Ralston Terrace Subdivision	1/49	1
24	TBD	24	Ralston Terrace Subdivision	1/49	1
25	TBD	25	Ralston Terrace Subdivision	1/49	1
26	TBD	26	Ralston Terrace Subdivision	1/49	1
27	TBD	27	Ralston Terrace Subdivision	1/49	1
28	TBD	28	Ralston Terrace Subdivision	1/49	1
29	TBD	29	Ralston Terrace Subdivision	1/49	1
30	TBD	30	Ralston Terrace Subdivision	1/49	1
31	TBD	31	Ralston Terrace Subdivision	1/49	1
32	TBD	32	Ralston Terrace Subdivision	1/49	1
33	TBD	33	Ralston Terrace Subdivision	1/49	1
34	TBD	34	Ralston Terrace Subdivision	1/49	1
35	TBD	35	Ralston Terrace Subdivision	1/49	1
36	TBD	36	Ralston Terrace Subdivision	1/49	1

	Address	Lot	Plat	Common Expense Allocation	Vote Allocation
37	TBD	37	Ralston Terrace Subdivision	1/49	1
38	TBD	1	Ralston Terrace Phase II	1/49	1
39	TBD	2	Ralston Terrace Phase II	1/49	1
40	TBD	3	Ralston Terrace Phase II	1/49	1
41	TBD	4	Ralston Terrace Phase II	1/49	1
42	TBD	5	Ralston Terrace Phase II	1/49	1
43	TBD	6	Ralston Terrace Phase II	1/49	1
44	TBD	7	Ralston Terrace Phase II	1/49	1
45	TBD	8	Ralston Terrace Phase II	1/49	1
46	TBD	9	Ralston Terrace Phase II	1/49	1
47	TBD	10	Ralston Terrace Phase II	1/49	1
48	TBD	11	Ralston Terrace Phase II	1/49	1
49	TBD	12	Ralston Terrace Phase II	1/49	1
Total	49	49		1.00	49

Exhibit D – Common Elements

Tract A,
Ralston Terrace Subdivision,
County of Jefferson,
State of Colorado

Tract A, Ralston Terrace Phase II,
County of Jefferson,
State of Colorado

Exhibit E – Real Property That May Become Common Elements

Any real property adjacent to the Community that the owner of that property conveys to the Association or consents to the conversion of that property to be a part of the Common Elements.

Exhibit F – Limited Common Elements

None.

Exhibit G – Real Property That May Become Limited Common Elements

All or any part of Tract A,
Ralston Terrace Subdivision,
County of Jefferson,
State of Colorado; and/or

All or any part of Tract A,
Ralston Terrace Phase II,
County of Jefferson,
State of Colorado; and/or

Any real property adjacent to the Community that the owner of that property conveys to the Association and the Declarant, the Association, or that owner consents to the conversion of that property to be a Limited Common Element.

Exhibit H – Annexable Property

Any real estate adjacent to the Community, in the vicinity of the Community or across a public or private street from the Community or within the City in which the Real Estate is located - provided the owner of that property consents to the annexation.

Lender Consent

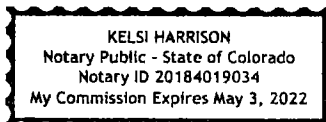
This Lender Consent is made by the undersigned as a "Lender" with a loan secured by a deed of trust on the property described in the Declaration. Lender is the beneficiary under a deed of trust and other loan documents, which deed of trust is recorded or will be recorded in the real property records of Jefferson County, State of Colorado (the "Deed of Trust"). For good and valuable consideration, the receipt and sufficiency of which is acknowledged, Lender consents to the Declaration.

[Signature]

By: [Signature]
Name: David Johnson
Title: SVP - Relationship Manager

STATE OF Colorado)
COUNTY OF Wray) ss.

The foregoing instrument was acknowledged before me on the 3 day of May, 2021 by David Johnson, SVP of Independent Bank



[Signature]
Notary Public in and for the State of Colorado

Notary Name Printed:
Kelsi Harrison

My Commission Expires: 5/3/2022