RECEPTION#: 3002815, at 10/7/2021 9:03:22 AM, 1 of 112
Recording: $568.00, Tina Peters, Mesa County, CO. CLERK AND RECORDER

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

REDLANDS 360

(Grand Junction, CO)

TABLE OF CONTENTS

PREAMBLE 1

DECLARATION OF COVENANTS 1

Chapter 1 2

Governing Documents 2

1.1 Scope and Applicability 2
1.2 Conflicts 3
1.3 Definitions 3
1.4 Interpretation of Certain References 3
1.5 Plat and Supplemental Plat 4

Chapter 2 4

Community Administration 4

2.1 The Declarant 4
2.2 The Association 5
2.3 The Board 5
2.4 The Owners 6
2.5 Builders 6
2.6 Neighborhood Associations 7
2.7 Mortgagees 7

Chapter 3 7

Community Structure and Organization 7

3.1 Designations of Properties Comprising the Community 7
3.2 Establishment of Election Districts 8
3.3 Service Areas 9

Chapter 4 10

Association Membership and Voting Rights 10

4.1 Membership 10
4.2 Voting 10
4.3 Opportunities for Community Interaction 11

TABLE OF CONTENTS

Chapter 5 ..... **12**

Association Finances **12**

5.1 Association Expenses 12
5.2 Budgeting for and Allocating Association Expenses 12
5.3 Special Assessments 14
5.4 Specific Assessments 15
5.5 Authority to Assess Owners; Time of Payment 15
5.6 Obligation for Assessments 17
5.7 Lien for Assessments 17
5.8 Exempt Property 18
5.9 Capitalization of Association 19
5.10 Use and Consumption Fees 19

Chapter 6 ..... **19**

Architecture, Landscaping, and Aesthetic Standards **19**

6.1 General 19
6.2 Design Review Authority 20
6.3 Guidelines and Procedures 21
6.4 No Waiver of Future Approvals 23
6.5 Variances 23
6.6 Limitation of Liability 23

Chapter 7 ..... **24**

Use and Conduct **24**

7.1 Use, Occupancy, and Transfer of Interests in Units 24
7.2 Rulemaking Authority and Procedures 29
7.3 Protection of Owners and Others 31
7.4 Owners' Acknowledgment and Notice to Purchasers 32

Chapter 8 ..... **32**

Maintenance, Repair, and Replacement **32**

8.1 Maintenance by Owners 32
8.2 Maintenance of Neighborhood Association Property and Property Within Service Areas 33
8.3 Responsibility for Repair and Replacement 33
8.4 Maintenance and Repair of Party Walls and Similar Structures 34

TABLE OF CONTENTS

Chapter 9 ..... **34**

Compliance and Enforcement **34**

9.1 Compliance 34
9.2 Remedies for Non-Compliance 35
9.3 Board Decision to Pursue Enforcement Action 37
9.4 Attorneys' Fees and Costs 37

Chapter 10 ..... **37**

Property Management **37**

10.1 Acceptance and Control of Association Property 37
10.2 Maintenance of Area of Common Responsibility 38
10.3 Discontinuation of Operation 39
10.4 Restoring Damaged Improvements 39
10.5 Relationships with Other Properties 40
10.6 Cooperation with Special District 40

Chapter 11 ..... **40**

Provision of Services **40**

11.1 Provision of Services to Units 40
11.2 Provision of Services to Service Areas 41
11.3 Community Technology 41

Chapter 12 ..... **41**

Expansion Rights **41**

12.1 Additional Rights Reserved to the Declarant, Withdrawal of Property 41
12.2 Governmental Interests 42
12.3 Marketing and Sales Activities 42
12.4 Right to Make Improvements, Replat 42
12.5 Right to Approve Changes in the Community Standards 43
12.6 Additional Covenants and Restrictions 43
12.7 Community Systems 43
12.8 Easement to Inspect and Right to Correct 43
12.9 Right to Transfer or Assign the Declarant's Rights 44
12.10 Special Declarant Rights 44
12.11 Termination of Rights 45

TABLE OF CONTENTS

Chapter 13 ..... **46**

Expansion of the Community **46**

13.1 Expansion by Declarant 46
13.2 Expansion by the Association 46
13.3 Additional Covenants and Easements 47
13.4 Effect of Filing a Supplemental Declaration 47
13.5 Condominium Conversions 47

Chapter 14 ..... **47**

Easements **47**

14.1 Easements in Common Area 47
14.2 Easements Over Private Streets for Access and Utilities 49
14.3 Easements for Utilities, Etc. 50
14.4 Easements to Serve Additional Property 51
14.5 Easements for Maintenance, Emergency, and Enforcement 51
14.6 Easements for Snow Removal and Stacking 51

Chapter 15 ..... **52**

Community Center **52**

15.1 General 52

Chapter 16 ..... **52**

Changes in the Common Area **52**

16.1 Assignment and Reassignment of Limited Common Area 52
16.2 Condemnation 52
16.3 Partition 53
16.4 Transfer, Partition or Dedication of Common Area 53

Chapter 17 ..... **54**

Disclosures and Waivers **54**

17.1 Facilities and Services Open to the Public 54
17.2 Waiver of Certain Liability 54
17.3 Safety and Security 55
17.4 Changes in the Community 56
17.5 Various Housing Types. 56

TABLE OF CONTENTS

17.6 View Impairment 56
17.7 Use and Consumption Fees 56
17.8 Notices and Disclaimers as to Community Systems 56
17.9 Notices and Disclaimers as to Community Center/Recreation Center 57
17.10 Landscaping, Soils and Environmental Matters 57
17.11 Disclosures, Disclaimers and Releases 59
17.12 Waiver 60
17.13 Limitation on Liability 60

Chapter 18 61

Rights of Lenders 61

18.1 Notices of Action 61
18.2 Other Provisions for First Lien Holders 61
18.3 No Priority 62
18.4 Failure of Mortgagee to Respond 62
18.5 Construction of Chapter 18 62

Chapter 19 63

Dispute Resolution and Limitation on Litigation 63

19.1 Resolution of Disputes Without Litigation 63
19.2 Dispute Resolution Procedures 66
19.3 Initiation of Litigation or Arbitration by Association 73

Chapter 20 75

Association Insurance 75

20.1 Required Coverages 75
20.2 Deductibles 77
20.3 Policy Requirements 77
20.4 Insurance Premiums 78

Chapter 21 79

Termination and Amendment of Declaration of Covenants, Conditions and Restrictions 79

21.1 Term and Termination 79
21.2 Amendment 79

RECEPTION#: 3002815, at 10/7/2021 9:03:22 AM, 7 of 112
Recording: $568.00, Tina Peters, Mesa County, CO. CLERK AND RECORDER

TABLE OF CONTENTS

21.3 Exhibits 80

INDEX TO DEFINED TERMS

Act 1
Approval 3
Area of Common Responsibility 8
Articles of Incorporation 2
Association 1
Base Assessment 13
Board 5
Board Resolutions 3
Bound Parties 62
Bound Party 62
Builders 6
By-Laws 2
Claim 63
Claimant 65
Common Area 7
Common Expenses 11
Community 1
Community Systems 41
Community-Wide Standard 4
Consent 3
Declarant 1
Declarant Affiliate 5
Declarant Control Period 5
Declaration 1, 2
Defect Claim 63
Design Review Committee or DRC 20
Development and Sale Period 5
Discretion 3
Election Districts 8, 11
Eligible Holder 60
Exempt Claims 63
Expansion Property 4, 91
Governing Documents 2
Guidelines 2
Guidelines 19
Improvements 19
Lease and Leasing 24
Limited Common Area 8
Maintenance 4
Maximum Units 7
Mortgage 7
Mortgagee 7
Neighborhood Association 7
Notice 65
Owner 6
Person 3
Plat 4
Recorded 4
Respondent 65
Reviewer 21
Service Area Assessment 13
Service Area Committee 10
Service Area Expenses 12
Service Areas 9
Special Assessments 14
Special District 39
Specific Assessments 14
Supplemental Declaration 2
Supplemental Plat 4
Termination of Mediation 70
Title Exceptions 4
Unfinished Unit 15
Units 7

TABLE OF EXHIBITS

Exhibit	Title	Page First Mentioned
A	Initial Property	Preamble
B	Plat	3
C	Title Exceptions	3
D	Expansion Property	4
E	Glossary – Defined Terms	3

RECEPTION#: 3002815, at 10/7/2021 9:03:22 AM, 10 of 112
Recording: $568.00, Tina Peters, Mesa County, CO. CLERK AND RECORDER

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR REDLANDS 360

PREAMBLE

This Declaration of Covenants, Conditions and Restrictions ("**Declaration**") establishes a governance structure and a flexible system of standards and procedures for the development, expansion, administration, maintenance, and preservation of the Community, a predominantly residential planned community located or to be located in the City of Grand Junction, Colorado, following annexation, which will primarily include residential and recreational together with a small commercial component. An integral part of the development plan is for the Redlands 360 Homeowners Association, Inc., a Colorado nonprofit corporation (the "**Association**"), to own, operate and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referenced in this Declaration.

DECLARATION OF COVENANTS

Redlands Three Sixty, LLC, a Colorado limited liability company, its successors and assigns (the "**Declarant**"), by executing and recording this Declaration, declares that the property described in Exhibit "A" and any additional property made subject to this Declaration in the future by amendment or supplement, shall constitute the "**Community**" as referred to in this Declaration. This Declaration shall run with the title to such property, shall govern the development and use of such property, and shall be binding upon the Declarant and the future owners of any portion of the property, their respective heirs, successors, successors-in-title, and assigns, and any other person or entity that now or hereafter has any legal, equitable, or beneficial interest in any portion of such property. This Declaration shall also be binding upon the Association, its successors and assigns.

This Declaration is prepared pursuant to the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, *et seq.* (the "**Act**"), and the common interest community established by this document is a phased, planned community as defined in the Act.

Chapter 1
GOVERNING DOCUMENTS

1.1 Scope and Applicability

The Community has been established and is administered pursuant to various documents that have a legal and binding effect on all owners and occupants of property in the Community, as well as on anyone else that may now or in the future have an interest in any portion of the property comprising the Community. Such documents, referred to in this Declaration as the "**Governing Documents**," include this Declaration and the other documents described in Table 1.1, as they may be amended. All owners and occupants, as well as their tenants, guests, and invitees, are required to comply with the Governing Documents.

GOVERNING DOCUMENTS	
Declaration: (recorded)	this Declaration of Covenants, Conditions and Restrictions for Redlands 360, as it may be amended and supplemented, which creates obligations that are binding upon the Association and all present and future owners of property in the Community
Supplemental Declaration: (recorded)	a recorded Supplemental Declaration, which may submit additional property to this Declaration, create easements over the property described in the Supplemental Declaration, impose additional or different obligations or restrictions on such property, designate special areas as described in Chapter 3, create additional Units and Common Areas, including, without limitation Limited Common Area, and assign use of specified Limited Common Area to additional Units, or any of the foregoing, among other things
Articles of Incorporation: (filed with the Colorado Secretary of State)	the Articles of Incorporation of Redlands 360 Homeowners Association, Inc., as they may be amended, which establish the Association as a nonprofit corporation under Colorado law
By-Laws: (Board adopts)	the By-Laws of Redlands 360 Homeowners Association, Inc. adopted by its Board, as they may be amended, which generally govern the Association's internal affairs, such as voting, elections, meetings, etc.
Guidelines: (Declarant adopts)	the design standards and architectural and aesthetic guidelines adopted pursuant to Chapter 6, as they may be amended, which govern new construction, including structures and other items on Units, and landscaping, and which also regulate

	modifications to Units, including improvements and landscaping, after initial construction or installation
Board Resolutions: (Board adopts)	the resolutions the Board adopts to establish rules, regulations, policies, and procedures for internal governance or any other matter as permitted by the Act

Table 1.1 - Governing Documents

1.2 Conflicts

If there are conflicts between any of the Governing Documents and mandatory provisions of applicable federal, state or local law or regulation, the mandatory provisions of such law or regulation shall control. If there are conflicts between any of the Governing Documents and any permissive or non-mandatory provisions of applicable federal, state or local law or regulation, the Governing Documents shall control. If there are conflicts between or among any of the Governing Documents, then the Declaration, the Articles, the By-Laws, the Guidelines, and the Board Resolutions (in that order) shall control.

If any court determines that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision in other instances.

1.3 Definitions

Capitalized terms used in the Governing Documents have the meaning described in the paragraph where they first appear in bold print. An index to defined terms and glossary of defined terms may be found at the end of this Declaration for convenience. All other terms used in the Governing Documents have their natural, commonly accepted definitions.

1.4 Interpretation of Certain References

Consent or Approval. All references in the Governing Documents to **"consent"** or **"approval"** shall refer to permission or approval, which unless otherwise expressly qualified in the specific provision, may be granted or withheld in the absolute and unqualified discretion of the Person whose consent or approval is required.

Discretion and Determination. All references in the Governing Documents to "**discretion**" or to the right to "**determine**" any matter shall refer to the sole and absolute power or right to decide or act on any basis.

Person. References in the Governing Documents to a "**Person**" or "**Persons**" shall refer to an individual, a corporation, a partnership, a limited liability company, or any other legal entity.

Recording. All references in the Governing Documents to a "recorded" legal instrument, or to recordation or the recording of a legal instrument, shall refer to an instrument filed or the filing of a legal instrument in the official records of Clerk and Recorder of Mesa County, Colorado, or such other place designated as the official location for filing documents affecting title to real estate in Mesa County, Colorado, in order to make them a matter of public record.

Community-Wide Standard. Where the Governing Documents require compliance with the "**Community-Wide Standard**," the standard to be applied is the highest of: (a) the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing in the Community; or (b) the minimum standards described in the Governing Documents. The Community-Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the discretion of the Board or the Reviewer (as defined in Chapter 6).

Maintenance. All references in this Declaration to "**maintenance**" shall refer to maintenance, repair, or replacement, as determined appropriate by the Board.

1.5 Plat and Supplemental Plat

A plat of the Community (the "**Plat**"), along with a list of encumbrances affecting such property (the "**Title Exceptions**") as required by § 38-33.3-209 of the Act are attached hereto as Exhibit "B" and Exhibit "C," respectively. A supplemental plat (a "**Supplemental Plat**") may be recorded from time to time to reflect changes in the Community (including, without limitation, changes in the boundary of the Community).

Chapter 2
COMMUNITY ADMINISTRATION

2.1 The Declarant

The Declarant has established the vision for the Community and, through the Governing Documents, has set forth the founding principles that will guide the Community during the initial period of development and sale and thereafter. The Declarant's proposed plan for development of the Community is described in the land use plan(s) for the Community approved by the City of Grand Junction, as the plan(s) may be supplemented and amended, which encompasses all of the property described in Exhibit "A" and all or a portion of the property described in Exhibit "D." The "**Expansion Property**" is the property described in Exhibit "D" and may be added to the Community pursuant to Section 13.1. However, the Declarant is not obligated to submit property described on Exhibit "D" as part of the Expansion Property to this Declaration. In addition, the Declarant may submit property to this Declaration that is not described on Exhibit "D" as part of the Expansion Property.

The Declarant has reserved various rights in the Governing Documents with respect to development and administration of the Community. The Declarant may exercise certain of these rights throughout the "**Development and Sale Period**," which is the period of time during which the Declarant or any "**Declarant Affiliate**" owns real property in the Community or has an unexpired option to expand the Community pursuant to Chapter 13. A "**Declarant Affiliate**" is any Person that controls, is controlled by, or is under common control with the Declarant, and any Person who is an owner, a member, a partner, or a shareholder of the Declarant.

The Declarant has reserved other rights that may be exercised only during the "**Declarant Control Period**," which is the period of time that the Declarant is entitled to appoint a majority of the members of the Association's board of directors ("**Board**"). The Declarant Control Period begins on the date of the Association's incorporation and expires as provided by the Act.

The Declarant has certain approval rights for a limited period as provided in the By-Laws after the termination of the Declarant Control Period, as provided in the By-Laws.

The Declarant may assign its status and rights as the Declarant under the Governing Documents to any person who takes title to any portion of the property described in Exhibit "A" or "D" for the purpose of development and/or sale and may collaterally assign such rights to its lenders as provided by law.

2.2 The Association

The Declarant has established the Association as the primary entity responsible for administering the Community in accordance with the Governing Documents. The Association may exercise all rights and powers that the Governing Documents and Colorado law expressly grant to it, as well as any rights and powers that may reasonably be implied under the Governing Documents. It may also take any action reasonably necessary to effectuate any such right or power, subject to the limitations set forth in the Articles and the other Governing Documents.

2.3 The Board

The Board shall serve the same role, rights and responsibilities as the board of directors of a nonprofit corporation pursuant to Colorado corporate law and as the "executive board" as defined by the Act. Members of the Board are sometimes referred to in the Governing Documents as "directors." The initial Board shall consist of three (3) directors, but may be expanded to no more than seven (7) or thereafter reduced to no less than (3), which changes in the number of members shall be made in accordance with the By-Laws. On most matters, the Association acts through the Board. However, in some instances the Governing Documents or applicable law limit the Board's ability to act without the approval of the Association's

members. Unless the Governing Documents or Colorado law specifically provide otherwise, the Board may exercise the Association's rights and powers without a vote of the membership.

The Board may institute, defend, settle, or intervene on behalf of the Association in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, as defined in Section 3.1, enforcement of the Governing Documents, or any other civil claim or action, except as limited in the Governing Documents and, in all events, in compliance with the provisions of Chapter 19. However, the Board has no legal duty to institute litigation or any other proceeding on behalf of or in the name of the Association or its members.

In exercising the Association's rights and powers, making decisions on the Association's behalf (including, without limitation, deciding whether to file a lawsuit or take other legal action under any circumstances) and conducting the Association's affairs, Board members and the Association's officers are required to comply with, and shall be judged by, the standards set forth in the By-Laws.

2.4 The Owners

Each Person who holds record title to a Unit, as defined in Section 3.1, is referred to in the Governing Documents as an "**Owner.**" However, a Person who holds title merely as security for the performance of an obligation (such as a lender holding a mortgage or similar security instrument) is not considered an "Owner." If a Unit is sold under a recorded contract of sale, and the contract specifically so states, the purchaser (rather than the holder of fee simple title) will be considered the Owner. If a Unit has more than one Owner, all co-Owners are jointly and severally obligated to perform the responsibilities of the Owner under the Governing Documents.

Every Owner has a responsibility to comply with the Governing Documents and uphold the community standards described in this Declaration. Each Owner also has an opportunity to participate in the administration of the Community through membership in the Association and through service to the Community in various committee and leadership roles, as described in Chapters 3 and 4 and in the By-Laws.

2.5 Builders

Much of the responsibility and credit for helping to create the Community rests with the "**Builders**" -- those Persons who purchase one or more unimproved lots or parcels of land within the Community for construction and sale of finished Units in the ordinary course of their business. The Builders have the same privileges and responsibilities as other Owners during the time that they own Units for construction and sale, including the privileges of membership in the Association. In addition, the Declarant may grant any of the rights it has reserved under the Governing Documents with respect to development, marketing, and sale of property in the Community to such Builders as it may designate in its discretion.

2.6 Neighborhood Associations

Portions of the Community may be developed under a condominium form of ownership or may have special requirements that lead the Declarant or a Builder to establish a separate condominium or community association to administer additional covenants applicable to that particular area ("**Neighborhood Association**"). The establishment of Neighborhood Associations shall be subject to the approval of the Declarant during the Development and Sale Period. After the Development and Sale Period, the establishment of Neighborhood Associations shall be subject to the approval of the Association. However, nothing in this Declaration requires the creation of a Neighborhood Association, and the jurisdiction of any Neighborhood Association shall be subordinate and subject to that of the Association.

2.7 Mortgagees

If a Unit is made subject to a mortgage or other form of security instrument affecting title to a Unit ("**Mortgage**"), then the holder or beneficiary of that Mortgage ("**Mortgagee**") also has an interest in the administration of the Community. The Governing Documents contain various provisions for the protection of Mortgagees, including those set forth in Chapter 17.

Chapter 3
COMMUNITY STRUCTURE AND ORGANIZATION

3.1 Designations of Properties Comprising the Community

Units. The Governing Documents refer to those parcels of land or defined physical spaces as shown on the Plat and any Supplemental Plat, Subdivision Plat or condominium map that are designated for independent legal ownership, use and occupancy in the Community as "**Units.**" The term "**Unit**" refers to the land, if any, which is part of the Unit, as well as to any structures or other improvements on the Unit. In the case of a building within a condominium or other structure containing multiple Units, including, without limitation, paired homes and duplexes, each dwelling shall be deemed to be a separate Unit. A parcel of land is considered a single Unit until a Subdivision Plat, survey, or condominium map is recorded subdividing it into more than one Unit. The term does not include Common Area, as defined below, common property of any Neighborhood Association, or property dedicated to the public. The Declarant reserves the right to create and develop within the Community, including upon the Expansion Property, as it may exist from time to time, one thousand eight hundred and fifty (1,850) Units within the Community ("**Maximum Units**"). Declarant shall have no obligation to develop the maximum number of Units or any particular number of Units within the Community.

Common Area. Any real or personal property and facilities that the Association owns or in which it otherwise holds possessory or use rights for the common use or benefit of the Community is referred to as "**Common Area.**" The Common Area also includes any property that the Association holds under a lease and any easements in favor of the Association. The

Common Area may include, but is not required to include, greenbelts, trails and paths, parks, club house or community center, pond, recreational facilities, sidewalks, retaining walls, fences, landscaping improvements, signs, picnic tables and related facilities, benches, chairs, light poles and other lighting improvements, drinking fountains, tot-lot or playground equipment, trash receptacles, planters and flower gardens, mail kiosks, Private Streets, Private Streets signs, and security booth, gate or fence, among other things.

Limited Common Area. Certain portions of the Common Area may be designated as "**Limited Common Area**" and assigned for the exclusive use or primary benefit of less than all Units. Limited Common Area might include such things as entry features, recreational facilities, landscaped medians and private cul-de-sacs, among other things.

The Declarant may designate property as Limited Common Area and assign it to particular Units on the recorded Plat, Supplemental Plat, Subdivision Plat or condominium map depicting such property, in the deed conveying such property to the Association, or in the Supplemental Declaration by which the property is submitted to the terms of this Declaration. At any time during the Development and Sale Period, the Declarant may assign use of the same Limited Common Area to additional Units in a Supplemental Declaration or other recorded instrument.

Area of Common Responsibility. All of the properties and facilities for which the Association has responsibility under the Governing Documents, or for which the Association otherwise agrees to assume responsibility, are collectively referred to in the Governing Documents as the "**Area of Common Responsibility**," regardless of who owns them. The Area of Common Responsibility includes all of the Common Area and may also include Units or portions of Units and property dedicated to the public, such as public rights-of-way. The initial Area of Common Responsibility is described in Chapter 10.

3.2 Establishment of Election Districts

The Declarant may at any time before the end of the Development and Sale Period, and in any event shall, not later than the end of the Development and Sale Period, establish "**Election Districts**" whereby each of the Board members are elected from an Election District, the exact boundaries of which shall be established by the Declarant. The Board may elect to revise the boundaries of the Election Districts or abolish the use of Election Districts pursuant to this Section 3.2. The number of Election Districts shall not exceed the number of directors; provided that the Declarant before the expiration of the Development and Sale Period and the Board thereafter may require that a certain number of directors be elected "at large." The Declarant before the expiration of the Development and Sale Period or the Board thereafter may adjust the boundaries of each Election District in its discretion, not more frequently than every four years. Subject to such requirement, the Declarant before the expiration of the Development and Sale Period and the Board thereafter may determine the boundaries of Election Districts in its discretion. If the Declarant before the expiration of the Development

and Sale Period or the Board thereafter establishes Election Districts, Owners of Units within each Election District shall have the right to elect such members of the Board as may be determined that shall represent such Election District and such Owners shall have no right to vote for the election of Directors to represent other Election Districts. Elections within Election Districts shall be held either by written ballot or at a meeting of the Owners within such Election District, as the Board may determine; provided, however, upon written petition signed by Owners holding at least 25% of the votes attributable to Units within the Election District, the election for such Election District shall be held at a meeting. If a meeting will be held for an election of a member of the Board, notice of such meeting shall be provided to all Owners within the Election District in the manner provided in the By-Laws. The presence, in person or by proxy, of Owners representing at least 20% of the total votes attributable to Units in the Election District shall constitute a quorum at any Election District meeting. If the Declarant establishes Election Districts and election of directors to represent Election Districts, the Declarant may at any time before the end of the Development and Sale Period abolish such system of election of directors and may later reinstate such system of election of directors at any time before the end of the Development and Sale Period. If, after the end of the Development and Sale Period, the Board establishes Election Districts and election of directors to represent Election Districts, the Board may at any time after the end of the Development and Sale Period abolish such system of election of directors and may later reinstate such system of election of Directors.

3.3 Service Areas

Units may be part of one or more "**Service Areas**" in which the Units share Limited Common Area or receive special benefits or services from the Association that it does not provide to all Units within the Community. As an illustration only, but without limiting the generality of this Section 3.3, a Service Area may consist of all the Units for which access is limited to an entry booth, gate or fence or may consist of all Units which some or all maintenance of the exterior of dwellings is to be provided by the Association. The Association may charge the Owners of Units within a Service Area a reasonable management fee for the administration of such benefits or services. A Unit may be assigned to more than one Service Area, depending on the number and types of special benefits or services it receives. A Service Area may be comprised of Units of more than one type and may include Units that are not contiguous.

The Declarant may initially designate Service Areas (by name or other identifying designation) and assign Units to a particular Service Area in Exhibit "A," in a Supplemental Declaration, or in a Board resolution. During the Development and Sale Period, the Declarant may unilaterally amend this Declaration or any Supplemental Declaration to change Service Area boundaries.

In addition, the Board may, by resolution, designate Service Areas and assign Units to them upon petition of Owners of at least 67% of the Units affected by the proposed designation pursuant to Section 11.2.

The Owners of Units within each Service Area may elect a "**Service Area Committee**" in accordance with the By-Laws to represent and act on behalf of the Owners with respect to the services and benefits that the Association provides to the Service Area. If the Owner of all of the Units within a Service Area is a Builder, that Builder may, with the consent of the Declarant, appoint the Declarant to fulfill the responsibilities of the Service Area Committee until the expiration of the Development and Sale Period. References to Service Areas in the Governing Documents shall also refer to such Service Area Committees, if appropriate from the context.

Chapter 4
ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.1 Membership

The Association shall have one class of membership, which is comprised of all Owners, including Builders, and the Declarant, among others. Every Owner is automatically a member of the Association. However, there shall be only one membership per Unit. Thus, if a Unit has more than one Owner, all co-Owners of the Unit shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth below and in the By-Laws.

If an Owner is a corporation, a partnership, a limited liability company, or other legal entity, its membership rights may be exercised by any officer, director, partner, member, manager, or trustee, or by an individual the Owner designates from time to time in writing to the Association's Secretary, except that only the individuals residing in the Unit shall be entitled to use any Common Area recreational facilities available for use by Owners.

4.2 Voting

Each Unit is assigned one equal undivided vote, subject to the limitations on voting set forth in this Declaration and the other Governing Documents. No vote shall be exercised for any property exempt from assessment under Section 5.8. No vote shall be exercised on behalf of any Unit if any assessment for such Unit is delinquent and past due for more than 60 days. Additionally, the voting rights of any Owner may be suspended by the Association, after notice and opportunity to be heard in accordance with the By-Laws, if any Owner is not in good standing as a result of any uncured default under the Governing Documents.

Owners shall be entitled to vote (i) for the election of members to the Board in accordance with this Declaration, (ii) veto of the budget described in Section 5.2(e), (iii)

matters referred to the Owners by the Board, and (iv) all other matters for which Owners are entitled to vote in accordance with applicable law.

If there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners holding a majority of the ownership interest in the Unit determine among themselves. Any co-Owner may cast the vote for the Unit and majority agreement shall be conclusively presumed unless another co-Owner of the Unit protests promptly to the President or other person presiding over the meeting or the balloting, in the case of a vote taken outside of a meeting. In the absence of majority agreement, the Unit's vote shall be suspended if two or more co-Owners seek to exercise it independently.

In any election of directors to the Board, if Election Districts have not been created in accordance with this Declaration or if the Board or the Declarant has decided to eliminate Election Districts in accordance with this Declaration, each Unit shall have the number of votes equal to the number of directors to be elected to the Board by such election; provided, however that only one vote may be cast with respect to the election of each director to be elected. If Election Districts exist, each Unit shall have one vote for each director to be elected to represent that Election District and, if the Board or the Declarant has determined that a specified number of directors shall be elected "at large," each Unit shall have the number of votes equal to the number of directors to be elected "at large"; provided, however, that only one vote may be cast with respect to the election of each director to be elected. Cumulative voting shall not be allowed in the election of directors to the Board or for any other purpose.

4.3 Opportunities for Community Interaction.

The Association may make use of computers, the Internet, and expanding technology to facilitate community interaction and encourage participation in Association activities. For example, the Association may sponsor community social media accounts, create and maintain a community intranet or Internet home page, maintain an "online" newsletter or bulletin board, and offer other technology-related services and opportunities for Owners and residents to interact and participate in Association-sponsored activities. To the extent not prohibited by Colorado law, and unless otherwise specifically prohibited in the Governing Documents, the Association may send notices by electronic means, hold Board or Association meetings and permit attendance and voting by electronic means, and send and collect assessment and other invoices by electronic means. The Association may adopt from time to time Board Resolutions requiring the Owners to supply the Association with appropriate addresses, user names, or other information for purposes of providing electronic notifications or communications.

Chapter 5
ASSOCIATION FINANCES

5.1 Association Expenses

(a) ***Common Expenses.*** Except as the Governing Documents otherwise specifically provide, all of the expenses that the Association incurs, or expects to incur, in connection with the ownership, maintenance, and operation of the Area of Common Responsibility, and otherwise for the general benefit of the Owners, are considered "**Common Expenses.**" Common Expenses include such operating reserves and reserves for repair and replacement of capital items within the Area of Common Responsibility as the Board finds necessary or appropriate.

The characterization of a particular expense as a "Common Expense" shall not preclude the Association from seeking reimbursement for, or a contribution toward, such expenses from other Persons who may be responsible for the expenses incurred or for sharing such expenses pursuant to this Declaration, any Supplemental Declaration, or any other recorded covenants or agreements (whether or not such agreements are recorded).

(b) ***Service Area Expenses.*** All expenses that the Association incurs or expects to incur in connection with the ownership, maintenance, and operation of Limited Common Area, or in providing other benefits and services to a Service Area, including any operating reserve or reserve for repair and replacement of capital items maintained for the benefit of the Service Area, are considered "**Service Area Expenses.**" Service Area Expenses may include a reasonable administrative charge in such amount as the Board deems appropriate, provided that any such administrative charge is applied at a uniform rate per Unit among all Service Areas receiving the same service.

5.2 Budgeting for and Allocating Association Expenses

(a) ***Preparation of Budget.*** Until the Association first levies assessments, the Declarant shall be responsible for all Common Expenses. Thereafter, assessments for Common Expenses shall be levied at least annually in accordance with this chapter.

At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year. In addition, the Board shall prepare a separate budget for each Service Area reflecting the estimated Service Area Expenses that the Association expects to incur for the benefit of such Service Area in the coming year.

The estimated expenses in each budget shall include, in addition to any operating reserves, a reasonable contribution to a reserve fund for repair and

replacement of any capital items to be maintained as a Common Expense or as a Service Area Expense of the Service Area for whom the budget is prepared, as applicable. In determining the amount of such reserve contribution, the Board may take into account the number and nature of replaceable assets, the expected useful life of each, the expected repair or replacement cost, and the contribution required to fund the projected needs by annual contributions over the useful life of the asset. In order to assist it in determining the amount of the reserves, the Board may, but is not obligated to, engage a third-party reserve specialist to help determine when capital items need to be replaced and to calculate their replacement cost over a period not to exceed thirty (30) years. Neither the Board nor any of its members shall have any liability whatsoever to Owners or to any other Persons on account of the fact that actual Common Expenses will vary from any budget of estimated Common Expenses.

Each budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units (including amounts to which the Association is entitled pursuant to any covenant or agreement to share costs), and the amount to be generated through the levy of Base Assessments and Service Area Assessments pursuant to subsections (b) and (c).

(b) ***Calculation of Base Assessments.*** The total budgeted Common Expenses, less any surplus in the Common Expense budget from prior years and any income anticipated from sources other than assessments against the Units, shall be allocated equally among all Units subject to assessment under Section 5.5 and levied as a "**Base Assessment**."

(c) ***Calculation of Service Area Assessments.*** The total Service Area Expenses budgeted for each Service Area, less any surplus in such Service Area budget from prior years, shall be allocated among all Units in the Service Area that are subject to assessment under Section 5.5 and levied as a "**Service Area Assessment**." Unless otherwise specified in any Supplemental Declaration applicable to a Service Area, Service Area Assessments shall be set at a uniform rate per Unit in the Service Area, except that any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures may be levied on each of the benefited Units in proportion to the benefit received, as the Board may reasonably determine.

All amounts the Association collects as Service Area Assessments shall be expended solely for the benefit of the Service Area for which they were collected and shall be accounted for separately from the Association's general funds.

(d) ***Declarant's Subsidy Option.*** The Declarant may, but shall not be obligated to, pay a subsidy to the Association, for any fiscal year, which may artificially

reduce the Base Assessment for the applicable fiscal year. Any such subsidy may be treated as a contribution to the Association, a payment of any assessment owed by the Declarant, an advance against future assessments due from the Declarant, a loan, or in any other appropriate manner in the Declarant's discretion. Payment of such subsidy in any year shall not obligate the Declarant to continue payment of such subsidy in future years unless otherwise provided in a separate written agreement. Notwithstanding the foregoing provisions of this Section 5.2(d), if the Declarant pays any subsidy to the Association and it is subsequently determined by a court or arbitrator having jurisdiction over the matter that the Declarant owes the Association any amount of assessments for any prior period, then the subsidy or subsidies previously paid by the Declarant to the Association shall be credited against the amounts owed by the Declarant, notwithstanding any previous characterization of such subsidy (*e.g.*, a contribution or an advance payment or a loan), except that in the case of a subsidy that the Declarant caused to be characterized as a loan, the amount of such subsidy that shall be credited against amounts owed by the Declarant shall be limited to the amounts of such loan that have not been previously repaid by the Association.

(e) ***Notice of Budget and Assessment; Right to Disapprove.*** The Board shall send a summary of each applicable budget, together with notice of the amount of the Base Assessment and any Service Area Assessment to be levied pursuant to such budgets and a notice setting the date of a meeting for the Owners to consider the budget, to each Owner within 90 days from the date the Board adopts the budget. Regardless of the presence or absence of a quorum, the Common Expense budget shall automatically become effective unless disapproved at the meeting by 75% of the Owners. Each Service Area budget shall automatically become effective unless disapproved at the meeting by Owners of at least 67% of the Units within the Service Area.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

(f) ***Budget Revisions.*** The Board may revise the budget for the Community and/or for any Service Area and adjust the Base Assessment or Service Area Assessments anytime during the year, subject to the same notice requirements and rights to disapprove set forth in subsection (e) above.

5.3 Special Assessments

The Association may levy "**Special Assessments**" to cover Common Expenses or Service Area Expenses that are non-routine, unanticipated, or in excess of those anticipated in the applicable budget for any reason. Except as otherwise specifically provided in this Declaration, any Special Assessment for Common Expenses shall become effective and shall

be allocated equally among all Units that will be subject to the Special Assessment unless the Owners of at least 67% of such Units disapprove at a meeting held within 30 days after the levy of the Special Assessment by the Board. Any Special Assessment for Service Area Expenses shall be allocated in the same manner as Service Area Assessments under Section 5.1(b) and shall become effective unless the Owners of at least 67% of the Units in the benefited Service Area disapprove at a meeting held within 30 days after the levy of the Special Assessment by the Board. In addition, during the Development and Sale Period, any Special Assessment shall also require the Declarant's written consent. Special Assessments shall be payable in such manner and at such times as the Board determines and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

5.4 Specific Assessments

The Association may levy "**Specific Assessments**" against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to the Unit upon request of the Owner pursuant to any menu of optional services the Association may offer (which might include the items identified in Section 11.1). Specific Assessments for optional services may be levied in advance of the provision of the requested service;

(b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents and costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; however, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this subsection (b); and

(c) to cover the Unit's pro rata share of any costs that the Association incurs in bringing the Service Area of which the Unit is a part into compliance with the provisions of the Governing Documents; however, the Board must give prior written notice to the Owners of Units in the Service Area and an opportunity for such Owners to be heard, in accordance with the By-Laws, before levying any such Specific Assessment.

5.5 Authority to Assess Owners; Time of Payment

The Declarant hereby establishes, and the Association is hereby authorized to levy, assessments as provided for in this chapter and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Unit on the first day of the month following the date on which the Declarant transferred title to the Unit. The first annual Base Assessment and Service Area Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

So long as any Unit within the Community consists of unimproved land or land upon which a building or dwelling is being constructed or has been completed, but is not permanently occupied or is being used as a model home, or land upon which a model home that is being used for sales and marketing purposes is being operated (each, an "**Unfinished Unit**"), Common Expenses shall be assessed exclusively to all Units in the Community that are not Unfinished Units, except to the extent expressly stated below in this Section 5.5 with respect to a portion of Common Expenses that will be assessed against Unfinished Units.

A Builder that owns an Unfinished Unit consisting of unimproved land or land upon which a dwelling is being constructed or upon which a dwelling has been completed but is not permanently occupied and is not being used as a model home does not receive the benefit of all or most of the Common Expenses incurred by the Association. For example, but without limitation, such a Builder would not receive the benefit of: (i) utility costs to light or otherwise utilize or operate Common Area; (ii) the cost of maintaining, repairing or replacing any structures or improvements (such as play equipment) that are Common Area; (iii) insurance covering Common Area; (iv) snow removal from sidewalks that are Common Area; and (v) landscape maintenance and replacement. Accordingly, such Builders shall be required to pay only 25% of the Base Assessment that would otherwise be applicable to such Unit and for all purposes such percentage is deemed to be a reasonable determination of the portion of Common Expenses that benefit such Unit and any Person challenging such percentage shall have the burden of proving that such percentage is not a reasonable determination of the portion of Common Expenses that benefit such Unit. Notwithstanding the foregoing, once a Builder transfers title to a completed dwelling constructed on the land of an Unfinished Unit, the Unit conveyed shall be subject to and the Owner of such Unit shall pay 100% of the Base Assessment from and at all times after the date of such conveyance in accordance with the terms of this Declaration.

A Builder that owns a Unit consisting of improved land upon which a model home that is used for sales and marketing purposes is being operated does not receive the benefit of all or most of the Common Expenses incurred by the Association, particularly because such model home is not permanently occupied. Accordingly, such Builders shall be required to pay only 35% of the Base Assessment that would otherwise be applicable to such Unit and for all purposes such percentage is deemed to be a reasonable determination of the portion of Common Expenses that benefit such Unit and any Person challenging such percentage shall have the burden of proving that such percentage is not a reasonable determination of the portion of Common Expenses that benefit such Unit. Notwithstanding the foregoing, once a Builder transfers title to a model home, the Unit conveyed shall be subject to and the Owner of such Unit shall pay 100% of the Base Assessment from and at all times after the date of such conveyance in accordance with the terms of this Declaration.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit. The Board may also impose special requirements for Owners with a history of delinquent

payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment and any Service Area Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

5.6 Obligation for Assessments

By accepting a deed or entering into a recorded contract to purchase any Unit, each Owner covenants and agrees to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of 21% per annum or such other rate as the Board may establish, subject to the limitations of Colorado law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

The Board's failure to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Service Area Assessments at the rate established for the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfall.

No Owner may exempt himself or herself from liability for assessments by non-use of Common Area, abandonment of his or her Unit, or non-use of services provided to all Units or to all Units within the Service Area to which the Unit is assigned. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, and with reasonable advance notice, the Association shall furnish to any Owner liable for any type of assessment a certificate signed by an Association officer or the Association's managing agent setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable preparation and processing fee for the issuance of such certificate.

5.7 Lien for Assessments

(a) ***Existence of Lien.*** In accordance with §38-33.3-316 of the Act, and subject to the limitations of any other applicable provisions of the Act or Colorado law,

the Association shall have a statutory lien against each Unit to secure payment of assessments, as well as interest, late charges (subject to the limitations of Colorado law), and costs of collection (including attorneys' fees and expenses). Such lien shall be superior to all other liens except as provided in §38-33.3-316 of the Act.

(b) ***Enforcement of Lien.*** The Association may foreclose its statutory lien in like manner as a mortgage on real estate. The Association may also bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; and (b) no assessment shall be levied on it. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same, in addition to pursuing any and all remedies allowed by law to enforce the lien. Any suit by the Association to recover unpaid assessments and other charges described in this Chapter 5 or to foreclose its statutory lien is an Exempt Claim and shall not be subject to the provisions of Chapter 19.

(c) ***Effect of Sale or Transfer.*** Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner of the foreclosed Unit shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 5.5, including such acquirer, its successors and assigns.

5.8 Exempt Property

The following property shall be exempt from payment of Base Assessments, Service Area Assessments, and Special Assessments:

(a) All Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility; and

(b) Any property dedicated to and accepted by any governmental authority or public utility; and

(c) Property owned by any Neighborhood Association for the common use and enjoyment of its members or owned by the members of a Neighborhood Association as tenants-in-common.

5.9 Capitalization of Association

The first Owner of each Unit other than the Declarant, a Declarant Affiliate or a Builder shall make a contribution to the working capital of the Association in an amount equal to one-fourth of the annual Base Assessment per Unit for that year. This amount shall be in addition to, not in lieu of, the annual Base Assessment and any Service Area Assessment levied on the Unit and shall not be considered an advance payment of such assessments. This amount shall be due and payable to the Association immediately upon transfer of title, for its use in covering initial start-up expenses, operating expenses and other expenses it incurs pursuant to the Governing Documents.

5.10 Use and Consumption Fees

The Board may charge use, consumption, and activity fees to any Person using Association services or facilities or participating in Association-sponsored activities. The Board may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (*e.g.*, Owners and non-Owners).

Chapter 6
ARCHITECTURE, LANDSCAPING, AND AESTHETIC STANDARDS

6.1 General

All site work, landscaping, structures, improvements, and other items initially placed on a Unit in a manner or location visible from outside of any structures on the Unit ("**Improvements**") are subject to standards for design and aesthetics adopted pursuant to this chapter ("**Guidelines** ") and to the approval procedures set forth in this chapter, except as this chapter or the Guidelines may otherwise specify. After the initial construction and installation of all site work, landscaping, structures and all other improvements regulated under the Guidelines are complete, alterations, additions and other improvements to the landscaping, structures, improvements and other items placed on a Unit in a manner or location visible from outside of any Improvements are subject to the Guidelines. Improvements shall include, but not be limited to, staking, clearing, excavation, grading and other site work; initial construction of any dwelling or accessory buildings; exterior alteration of existing improvements; installation or replacement of: mailboxes; basketball hoops; swing sets and similar sports and play equipment; garbage cans; antennas, satellite dishes and other apparatus for the transmission or reception of television, radio, satellite, or other similar signals of any kind; irrigation systems, sidewalks, parking areas or driveways; exterior lighting; awnings; hedges, walls, dog runs, animal pens, or fences of any kind; painting or other finish materials; artificial vegetation or sculpture; and planting or removal of landscaping materials. Notwithstanding the foregoing, regulation of antennas, satellite dishes, and any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind shall be in strict compliance with all federal laws and regulations.

No prior approval is necessary to repaint the exterior of existing structures using the most recently approved color scheme for such structures or to rebuild or restore any damaged structures in a manner consistent with the plans and specifications most recently approved for such structures. Generally, no approval is required for work done to the interior of a structure except as set forth in the Guidelines.

Approval under this chapter is not a substitute for any approvals or reviews required by the City of Grand Junction, Mesa County or any other municipality, governmental or quasi-governmental agency or entity having jurisdiction over architectural or construction matters.

This chapter shall not apply to the Declarant's design and construction activities or to the Association's activities during the Development and Sale Period.

Any suit by the Association, the Declarant, the Reviewer or an affected Owner that involves a dispute concerning the procedures for approval of Improvements under this Chapter 6 is an Exempt Claim, including, without limitation, any suit arising from the Reviewer's failure to approve a proposed Improvement. Any suit by the Association, the Declarant or an affected Owner to enforce the provisions of this Chapter 6, including, without limitation, any suit with respect to a violation of the Guidelines, is an Exempt Claim.

6.2 Design Review Authority

(a) ***Declarant***. The Declarant shall have exclusive authority to review and act upon all applications for review of proposed Improvements until the later of (i) the expiration of the Development and Sale Period, or (ii) such time as all Units planned for the property described in Exhibits "A" and "B" have been improved with buildings and conveyed to Owners other than the Declarant. The Declarant may designate one or more persons to act on its behalf in reviewing any application. In reviewing and acting upon any request for approval, the Declarant and its designee act solely in the Declarant's interest and owe no duty to any other Person.

From time to time, the Declarant may delegate any or all of its rights under this chapter to other Persons, committees appointed by Declarant, or the Design Review Committee created pursuant to Section 6.2(b). Any such delegation shall be in writing, shall specify the scope of responsibilities delegated, and shall be subject to (i) the Declarant's right to revoke such delegation at any time and reassume its prior control, and (ii) the Declarant's right to veto any decision by the Design Review Committee in its discretion. So long as the Declarant has any rights under this chapter, the authority of others to consider, approve or deny applications for proposed Improvements shall be limited to such matters as the Declarant specifically delegates.

(b) ***Design Review Committee***. Upon the Declarant's delegation of authority pursuant to Section 6.2(a), or upon expiration or termination of the Declarant's rights under this chapter, the Board shall appoint a Design Review

Committee ("**Design Review Committee**" or "**DRC**") to assume authority over matters related to the construction or alteration of Improvements, the Guidelines and related matters within the scope of the delegated authority or this chapter. The DRC shall consist of at least three, but not more than seven, persons who shall serve and may be removed and replaced in the Board's discretion. DRC members need not be Owners or representatives of Owners. The DRC may include architects, engineers, or similar professionals. The Association may compensate DRC members in such manner and amount, if any, as the Board may determine appropriate.

Until the earlier of expiration of the Declarant's rights under this chapter or the date upon which Declarant delegates all of its rights under this chapter, the DRC shall notify the Declarant in writing within three business days of any action (*i.e.*, approval, partial approval, or disapproval) it takes under this chapter. A copy of the application and any additional information the Declarant may require shall accompany the notice. The Declarant shall have 10 business days after receipt of such notice to veto any such action, in its discretion, by written notice to the DRC. Additionally, the Declarant may also relieve the DRC of its obligation to provide such notice to Declarant in its discretion.

(c) ***Reviewer.*** For purposes of this chapter, the Person having jurisdiction in a particular application shall be referred to as the "**Reviewer.**"

(d) ***Fees; Assistance.*** The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may also include reasonable costs incurred in having professionals review any application. The Board may include the compensation of such persons in the Association's annual operating budget.

6.3 Guidelines and Procedures

(a) ***Guidelines.*** The Declarant has prepared the initial Guidelines, which contain general provisions applicable to all of the Community as well as specific provisions that vary among uses, housing types, or locations within the Community. Without limiting the generality of the foregoing sentence, the Declarant may also modify or supplement the Guidelines with provisions that are specific to uses, lot sizes, housing types, or locations within the Community; all references in the Governing Documents to the Guidelines shall include any such guidelines that are specific to uses, lot sizes, housing types, or locations within the Community, as well as the guidelines that are applicable to all of the Community. The Guidelines are intended to provide guidance to Owners, architects, and contractors regarding matters of particular concern to the Reviewer. The Guidelines are not the exclusive basis for the Reviewer's decisions, and compliance with the Guidelines does not guarantee approval.

The Declarant shall have sole and full authority to amend the Guidelines for so long as it has review authority under Section 6.2(a). The Declarant's right to amend the Guidelines shall continue even if it delegates reviewing authority to the DRC, unless the Declarant also delegates the power to amend the Guidelines to the DRC. Upon expiration or delegation of the Declarant's right to amend, the DRC may amend the Guidelines with the Board's consent.

Amendments to the Guidelines shall apply prospectively only. They shall not require modifications to or removal of any structures or landscaping previously approved once the approved construction or modification has begun. However, any new work on such structures must comply with the Guidelines, as amended. There shall be no limitation on the scope of amendments to the Guidelines and such amendments may eliminate requirements previously imposed or otherwise make the Guidelines less restrictive.

The Reviewer shall make the Guidelines available to Owners and their architects and contractors upon request.

(b) ***Procedures.*** Unless the Guidelines provide otherwise, no activities within the scope of this chapter (as described in Section 6.1) may begin on any property within the Community until a written application is submitted to and approved in writing by the Reviewer. The application must be accompanied by plans and specifications and such other information as the Reviewer or the Guidelines require, including, without limitation site-specific grading plans, which plans may also require the approval of the City of Grand Junction and other governmental or quasi-governmental offices or agencies.

In reviewing each application, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that such determinations are inherently subjective and that opinions may vary as to the desirability and/or attractiveness of particular Improvements.

The Reviewer shall have the discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations shall not be subject to the procedures in Chapter 19 or judicial review so long as they are made in good faith and in accordance with required procedures set forth herein and in the Guidelines.

The Reviewer may exempt certain activities from the application and approval requirements of this chapter if such activities are undertaken in compliance with the Guidelines and the Community-Wide Standard.

6.4 No Waiver of Future Approvals

The people reviewing applications under this chapter will change from time to time, and opinions on aesthetic matters, as well as interpretation and application of the Guidelines, may vary. It may not always be possible to identify objectionable features until work is completed. In such cases, the Reviewer may elect not to require changes to objectionable features. However, the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans shall not constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

6.5 Variances

Variances from the building restrictions imposed by this Declaration may be granted as provided in the Guidelines.

6.6 Limitation of Liability

This chapter establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of the Community and they do not create any duty to act for the benefit of any Person. Review and approval of any application pursuant to this chapter and the Guidelines may be based purely on subjective aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that all structures are of comparable quality, value, size, or design, or are aesthetically pleasing or otherwise acceptable to other Owners.

The Declarant, its officers, directors, members, managers, employees and agents, the Association, its officers, directors, employees and agents, the Board, the Reviewer, any committee, any member of any of the foregoing and any other Reviewer shall not be liable for (a) soil conditions, drainage, or other general site work, including grading; (b) any defects in plans revised or approved hereunder; (c) any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not the Declarant has approved or featured such contractor as a Builder; or (d) any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Unit. Neither the Declarant, its officers, directors, members, managers, employees or agents, nor the Association, its officers, directors, employees or agents, the Board, the Reviewer, any committee, any member of any of the foregoing and any other Reviewer shall have any duty or obligation whatsoever to warn or advise any Owner that has requested approval pursuant to this chapter of any condition, physical, financial, or otherwise, that may exist on or with respect to or in connection with such Owner's Unit (including the land contained within such Unit) in connection with such Owner's request for approval, and all such duty and obligation, if any would otherwise exist, is hereby fully and forever irrevocably waived, released and discharged

in all respects. In all matters subject to this chapter, the Association shall defend and indemnify the Board, the DRC, any Reviewer, and the members, managers, shareholders, partners, officers, and directors of each, as provided in the By-Laws.

Chapter 7
USE AND CONDUCT

7.1 Use, Occupancy, and Transfer of Interests in Units

(a) ***Residential and Related Uses.*** Units may be used only for residential and related purposes, except as the Declarant may otherwise authorize with respect to construction, marketing, and sale activities of the Declarant and Builders it designates or as may be provided in the covenants applicable to any Neighborhood Association, which may provide for a wider range of uses. An activity shall be considered "related" to a residential use and thus permitted under this section only if conducted by a person or persons residing in the Unit and only if the activity:

(i) is not apparent or detectable by sight, sound, or smell from outside of a permitted structure;

(ii) complies with applicable zoning and other governmental requirements, including, without limitation, requirements for home occupation, if applicable;

(iii) does not involve regular visitation of the Unit by employees who do not reside in the Unit, clients, customers, suppliers, or other business invitees, or door-to-door solicitation within the Community; and

(iv) is consistent with the Community's overall character and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of others, as the Board may determine in its discretion.

"Business" as used in connection with uses related to residential use shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required. Upon request by the Association, any Person engaged in a business activity in a Unit shall provide the Association with a copy of all permits, licenses or certificates required by governmental agencies.

Leasing a Unit for residential or such other purposes as may be permitted by the covenants in any Neighborhood Association shall not be considered a "business" within the meaning of this subsection.

(b) ***Leasing.*** For purposes of this Declaration, the terms "**Lease**" and "**Leasing**" shall refer to the regular, exclusive occupancy of a Unit by any Person other than the Owner, for which the Owner receives any consideration or benefit.

All leases shall be in writing and shall disclose that the tenants and all occupants of the leased Unit are bound by and obligated to comply with the Governing Documents. However, the Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease.

For any Lease with a term in excess of 30 days, the Owner of the leased Unit shall notify the Board or the Association's managing agent of the lease and provide any additional information the Board may reasonably require within 10 days of the commencement of the Lease term. The Owner must give the tenant copies of the Governing Documents. In addition to, but consistent with this subsection, the Association or the Board may adopt resolutions governing leasing and subleasing, as further provided in subsection 7.3(f).

(c) ***Transfer of Title.*** Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The Person transferring title shall continue to be jointly and severally responsible with the Person accepting title for all obligations of the Owner, including assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title. The Owner desiring to sell or otherwise transfer title to his or her Unit shall comply with the all applicable provisions of federal, state and local law and regulation regarding disclosure to the buyer as it relates to the Community and shall deliver to the Association the buyer's signed acknowledgement that the Owner has made such disclosure as necessary.

(d) ***Subdivision and Combination of Units; Condominiums.*** No Person other than the Declarant and Builders whom the Declarant may authorize shall subdivide, including, without limitation, subdivision by the creation of a condominium regime, or change the boundary lines of any Unit or combine Units without the Board's prior written approval and the prior written approval of the Declarant during the Development and Sale Period. Any such action that the Board approves shall be effective only upon recording of a Subdivision Plat or other appropriate legal instrument reflecting the subdivision or new boundaries of the affected Unit(s). The Board's approval may set forth a determination of how combined Units shall be treated

for purposes of voting or assessment. In the absence of such a determination, adjacent Units owned by the same Owner shall continue to be treated as separate Units for purposes of voting and assessment, even though such Units may be improved with only a physical structure.

(e) ***Timesharing.*** No Unit shall be used for operation of a timesharing, fraction-sharing, interval estate, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, unless such program is established by the Declarant or with the Declarant's prior written approval.

(f) ***Vehicles and Garages.*** No automobile of any kind may be left upon any portion of the Community, except in a garage, if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. Any such vehicle not in a garage shall be considered a nuisance and may be removed from the Community. No motorized vehicles shall be permitted on pathways or unpaved Common Area except for public safety vehicles authorized by the Board.

Recreational vehicles of every kind and type shall be parked only in the garages, if any, serving the Units, except that recreational vehicles may be parked on Units that contain a land area equal to or greater than 1 ½ acre and, in such case, only on hard-surfaced areas on such Unit approved as provided in Chapter 6. The term "recreational vehicles," as used herein, shall include, without limitation, motor homes, mobile homes, boats, trailers, other towed vehicles, motorcycles, minibikes, scooters, go-carts, golf carts, campers, buses, commercial trucks and commercial vans. Any recreational vehicle parked or stored in violation of this provision in excess of seven days shall be considered a nuisance and may be removed from the Community. The Declarant and/or the Association may, but have no obligation to, designate certain parking areas within the Community for recreational vehicles subject to reasonable community regulations and fees, if any.

No vehicle of any type shall be parked on any unpaved surface of a Unit that is visible from any street or any other Unit, nor shall any vehicle be parked on the east side of Canyon Rim Trial.

Parking on any cul-de-sac street with a landscape island is restricted to the inside curb of the island. No vehicles, except for public safety vehicles temporarily parked, may be parked along the outside curb of any street with a cul-de-sac island.

All vehicles shall be subject to such reasonable community regulations as the Board may adopt. The Board may establish and levy fines and Specific Assessments for violation of such community regulations. The Association may also tow, at the expense of the Owner, any vehicle parked within the Community in violation of community regulations or any Governing Document.

(g) ***Signs.*** No sign of any kind shall be erected by an Owner or occupant without the prior written consent of the Board, except: (i) such signs as may be required by legal proceedings; (ii) not more than one professional security sign of such size deemed reasonable by the Board in its sole discretion; (iii) a sign in a size determined by the Board advertising the Unit upon which such sign is located is for sale; and (iv) political signs erected in accordance with the requirements of the Act.

Unless in compliance with this Section, no signs shall be posted or erected by any Owner or occupant within any portion of the Community, including the Common Area, any Unit, any structure or dwelling located on the Common Area or any Unit, if such sign would be visible from the exterior of such structure or dwelling as determined in the Board's sole discretion.

The Board reserves the right to restrict the number, size, color, lettering, design and placement of all signs, subject to applicable provisions, if any, of the Act. This provision shall not apply to entry, directional, or other signs installed by the Declarant.

(h) ***Lights and Overhead Utility Lines.*** Unless prior approval in writing is obtained from the Declarant or the DRC by the Owner or occupant, exterior lighting visible from the street shall not be permitted except for: (i) approved lighting as originally installed on a Unit; (ii) one approved decorative post light; (iii) pathway lighting; (iv) landscape and accent lighting; (v) street lights in conformity with an established street lighting program for the Community; (vi) seasonal decorative lights during the usual and common season; or (vii) front house illumination of model homes in compliance with the Guidelines. Overhead utility lines, including lines for cable television, shall not be permitted within the Community, except for temporary lines as required during construction and lines installed by or at the request of Declarant.

(i) ***Outdoor Play Equipment, etc.*** The Board shall have the power to adopt Community regulations that limit or prohibit outdoor play equipment and similar items. Without limiting the scope of such Community regulations, the regulations may limit the location of any such items. In all events, outdoor trampolines are prohibited in the Community.

(j) ***Artificial Turf.*** Lawn areas of Units may be a combination of sod, shrubs, trees, other landscape materials and xeriscape materials, as may be approved by the Reviewer upon application of the Owner. However, no artificial turf may be used on any Unit outside of the structure on such Unit, except that the DRC may, in its absolute discretion, approve the use of artificial turf in rear yards.

(k) ***Sight Distances at Intersections.*** All property located at street intersections or driveways shall be landscaped so as to permit safe sight across such areas and to comply with applicable requirements of the City of Grand Junction or any

other governmental or quasi-governmental agency having authority regarding visibility and site distances.

(l) ***Storage of Materials, Garbage, Dumping, Etc.*** All garbage cans shall be located or screened so as to be concealed from view of neighboring streets and property. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. There shall be no dumping of: grass clippings, leaves and other debris; rubbish, trash and garbage; petroleum products, fertilizers, and other potentially hazardous or toxic substances in any drainage ditch, stream or pond within the Community, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff.

No lumber, metals, bulk materials, refuse, trash and other similar materials shall be kept, stored, or allowed to accumulate outside the buildings on any Unit, except during the initial construction period of the improvements to the Unit and except for firewood that is stacked neatly, located in the rear yard of the Unit and is not visible from the street. In addition, during construction, the building materials on any Unit shall be placed and kept in an orderly fashion. Any Unit on which construction is in progress shall be policed prior to each weekend and during the weekend all materials shall be neatly stacked or placed and any trash or waste materials shall be removed.

(m) ***Garage Conversions***. No garage space shall be converted to living area without the prior written consent of the Board.

(n) ***Animals and Pets.*** No animals, livestock, or poultry of any kind may be raised, bred, kept or permitted on any Unit; provided, however, that a reasonable number of dogs, cats, and other usual and common household pets traditionally kept indoors, as determined by the Board from time to time whether by Board Resolution or otherwise, may be maintained and kept, but not bred for commercial purposes, within Units. No hoofed animals of any kind or size, and no stables or corrals for hoofed animals, shall be allowed within the Community. All pets shall be reasonably controlled by the owner whenever outside a structure and shall be kept in such a manner as to not become a nuisance by barking or other acts. The owners of the pet shall be responsible for all of the pet's actions and shall promptly clean up after the pet. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Community or to nearby property or destructive of wildlife, they shall be removed from the Community.

(o) ***Nuisance.*** It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any

substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property.

Each Owner shall maintain its Unit in a neat and orderly condition throughout initial construction of a dwelling and not allow trash and debris from its activities to be carried by the wind or otherwise scattered within the Community. Storage of construction materials on the Unit shall be subject to such conditions, rules, and regulations as may be set forth in the Guidelines. Each Owner shall keep roadways, easements, swales, and other portions of the Community clear of silt, construction materials and trash from its activities at all times. Trash and debris during initial construction of a dwelling shall be contained in standard size dumpsters or other appropriate receptacles and removed regularly from Units and shall not be buried or covered on the Unit. Owners shall remove trash and debris from the Unit and temporarily suspend construction activities on the Unit upon reasonable notice by Declarant in preparation for special events.

No noxious or offensive activity as determined by the Board through Board Resolution or otherwise shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community as determined in the sole discretion of the Board. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes or as approved by Declarant or the DRC shall be located, installed or maintained upon the exterior of any structure or elsewhere within any Unit unless required by law.

(p) ***Enforcement.*** Any suit by the Association to enforce any of the terms, provisions and restrictions set forth in this Chapter 7 is an Exempt Claim and shall not be subject to the provisions of Chapter 19 below.

7.2 Rulemaking Authority and Procedures

The Governing Documents establish a framework of covenants and conditions that govern the Community. Community regulations, if any, shall be adopted by the Board in accordance with the procedure described below in this Section 7.2.

The Association must be able to respond to unforeseen issues and changes affecting the Community. Therefore, the Board is authorized to change any of the community regulations it adopts in accordance with the following procedures, subject to the limitations set forth in Section 7.3.

(a) ***Board Authority.*** Subject to the notice requirements in subsection (b), the consent of the Declarant during the Development and Sale Period, and the Board's duty to exercise judgment and reasonableness on behalf of the Association and its members, the Board may adopt resolutions establishing community regulations, modifying existing community regulations or rescinding existing community regulations by majority vote of the directors at any Board meeting provided that the Owners do not disapprove of such resolutions in accordance with subsection (c).

(b) ***Notice.*** The Board shall send notice to all Owners concerning any proposal to adopt a community regulation(s) or to change or rescind an existing community regulation(s) at least 30 days prior to the meeting of the Board at which such action is to be considered. At any such meeting, the Owners shall have a reasonable opportunity to be heard before the proposed action is put to a vote and to exercise their disapproval rights granted in subsection (c).

This notice requirement does not apply to administrative and operating policies that the Board may adopt relating to Common Area, such as hours of operation of a recreational facility (if any), speed limits on private roads (if any), the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times, and fees for the use of a facility, notwithstanding that such policies may be published as part of the community regulations.

(c) ***Owners' Rights.*** At the meeting of the Board at which a resolution to adopt a new community regulation(s), to modify an existing community regulation(s), and/or to rescind an existing community regulation(s) is approved by majority vote of the directors at such Board meeting, such resolution shall automatically become effective, on the date described in subsection (d), regardless of the presence or absence of a quorum of the Owners, unless disapproved at the meeting by 75% of all Owners.

The disapproval rights of the Owners described in this subsection (c) do not apply to administrative and operating policies that the Board may adopt relating to Common Area, such as hours of operation of a recreational facility (if any), speed limits on private roads (if any), the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times, and fees for the use of a facility, notwithstanding that such policies may be published as part of the community regulations.

(d) ***Effective Date.*** A resolution proposing, modifying and/or rescinding a community regulation(s) adopted under this section shall take effect 10 days after the date of the Board meeting at which such resolution was considered.

(e) ***Conflicts.*** No action taken under this section shall have the effect of modifying or repealing the Guidelines, or any provision of this Declaration other than the community regulations. In the event of a conflict between the Guidelines and any

community regulation, the Guidelines shall control. In the event of a conflict between a community regulation and any provision of this Declaration, the Declaration shall control.

7.3 Protection of Owners and Others

Except as may be set forth in this Declaration (either initially or by amendment), all community regulations shall comply with the following provisions:

(a) ***Similar Treatment.*** Similarly situated Units shall be treated similarly; however, community regulations may vary by Neighborhood, Service Area, or housing type.

(b) ***Displays.*** Nothing in the community regulations shall prohibit an Owner or occupant from displaying political, religious, or holiday symbols and decorations on his or her Unit of the kinds normally displayed in single-family residential neighborhoods. However, the Association may adopt time, place, and manner restrictions with respect to signs, symbols, and displays visible from outside of structures on the Unit, including reasonable limitations on size and number.

(c) ***Household Composition.*** Nothing in the community regulations shall interfere with an Owner's freedom to determine household composition, except that the Association may impose and enforce reasonable occupancy limitations and conditions based on Unit size and facilities and its fair share use of the Common Area.

(d) ***Activities Within Dwellings.*** Nothing in the community regulations shall interfere with the activities carried on within a dwelling, except that the Association may prohibit activities not normally associated with residential property. It may also restrict or prohibit activities that create monetary costs for the Association or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions visible from outside the dwelling, or that are an unreasonable source of annoyance.

(e) ***Allocation of Burdens and Benefits.*** Nothing in the community regulations shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who are delinquent in paying assessments, abuse the Common Area, or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Chapter 5.

(f) ***Leasing and Transfer of Units.*** Nothing in the community regulations shall prohibit leasing or transfer of any Unit or require approval prior to leasing or transferring a Unit; however, the community regulations may require a minimum lease term of up to 12 months. Minimum lease terms may vary by Neighborhood, Service Area, or housing type. Community regulations may also require that Owners use Board-approved lease forms (or include specific lease terms), and may impose a reasonable review or administrative fee in connection with the Board's review of a lease. Community regulations shall not be inconsistent with the provisions of subsection 7.1(b).

(g) ***Abridging Existing Rights.*** Nothing in the community regulations shall require that an Owner dispose of personal property kept in or on a Unit in compliance with the community regulations in effect at the time such personal property was brought onto the Unit. This exemption shall apply only during the period of such Owner's ownership of the Unit and shall not apply to subsequent Owners who take title to the Unit after adoption of the regulation.

(h) ***Reasonable Rights to Develop.*** Nothing in the community regulations may interfere with the Declarant's, or any Builder's, ability to develop, market, and sell property in the Community.

(i) ***Interference with Easements.*** Nothing in the community regulations may interfere with the exercise of any easement.

7.4 Owners' Acknowledgment and Notice to Purchasers

By accepting a deed, each Owner acknowledges and agrees that the use, enjoyment, and marketability of his or her Unit is limited and affected by the community regulations, which may change from time to time. A copy of the current community regulations and all administrative policies are available from the Association upon request. The Association may charge a reasonable fee to cover its reproduction cost.

Chapter 8
MAINTENANCE, REPAIR, AND REPLACEMENT

8.1 Maintenance by Owners

Each Owner shall maintain his or her Unit, including all structures, landscaping, and other improvements comprising the Unit, in a manner consistent with the Governing Documents and the Community-Wide Standard, unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to this Declaration, any Supplemental Declaration, or by law. Regardless of whatever else may be provided in this Declaration, no Person whose property or action is subject to this Declaration, specifically including the Owners, the Association, or any Neighborhood Association, shall do or suffer to

be done anything that would modify, alter or change in any way the swales, berms, grades, or other drainage facilities required by any part of the design of the Community or any site-specific drainage plans approved for any part of the Community.

8.2 Maintenance of Neighborhood Association Property and Property Within Service Areas

A Neighborhood Association shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants adopted in accordance with Section 12.6.

The Association may assume maintenance responsibility for property in any Neighborhood Association, either upon designation of the Neighborhood Association as a Service Area pursuant to Section 3.3 or upon the Board's determination, pursuant to Chapter 9, that the level and quality of maintenance then being provided is not consistent with the Community-Wide Standard. The Association need not treat all similarly situated Neighborhood Associations the same. The Association may assume maintenance responsibility, or specific responsibilities (such as removal of snow from sidewalks or maintenance of painted areas on the exterior of dwellings), in a Service Area.

8.3 Responsibility for Repair and Replacement

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement necessary to maintain the property to a level consistent with the Community-Wide Standard.

Each Owner shall carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible, unless either a Neighborhood Association (if any) or the Association carries such insurance (which they may but are not obligated to do). If the Association assumes responsibility for insuring a Unit, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Unit and the Owner.

Within 90 days after any damage to or destruction of a structure on a Unit, the Owner shall promptly repair or reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved pursuant to Chapter 6 unless the Board, in its discretion, agrees to extend such period. Alternatively, the Owner shall clear the Unit of debris and maintain it in a neat and attractive landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs that insurance proceeds do not cover.

Additional recorded covenants applicable to any Neighborhood Association or Service Area may establish additional insurance requirements and more stringent standards for rebuilding or reconstructing structures on Units and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

This section shall apply to a Neighborhood Association with respect to common property of the Neighborhood Association in the same manner as if the Neighborhood Association was an Owner and the common property was a Unit.

8.4 Maintenance and Repair of Party Walls and Similar Structures

Except as may otherwise be provided by law, a written agreement between Owners of adjacent Units, or other recorded documents applicable to adjacent Units:

(a) Each wall, fence, driveway, or similar structure built as part of the original construction on the Units that serves and/or separates any two adjoining Units shall be considered a party structure. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who share the party structure.

(b) If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who shares the structure may restore it. All Owners that share the structure shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other Owners that share the party structure under any rule of law regarding liability for negligent or willful acts or omissions.

(c) The right to and the obligation of contribution for party walls and similar structures between Owners, as provided in this section, shall be appurtenant to the land and shall pass to such Owner's successor-in-title.

(d) To the extent not inconsistent with the provisions of this section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to any party structure. Any dispute concerning a party structure shall be subject to the provisions of Chapter 19.

Chapter 9
COMPLIANCE AND ENFORCEMENT

9.1 Compliance

Every Owner, occupant, and visitor to a Unit must comply with the Governing Documents and shall be subject to enforcement remedies for violations as described in this chapter. In addition, each Owner shall be responsible for, and may be sanctioned for, all

violations of the Governing Documents by the occupants, tenants, guests, or invitees to their Units, and for any damage to the Area of Common Responsibility that such Persons may cause.

9.2 Remedies for Non-Compliance

The Association, the Declarant and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents. In addition, the Board may impose sanctions for violation of the Governing Documents, including those sanctions listed below and any others described elsewhere in the Governing Documents.

(a) ***Sanctions Requiring Prior Notice and Hearing.*** After written notice and an opportunity for a hearing in accordance with the By-laws, the Board may:

(i) impose reasonable monetary fines, which shall constitute a lien upon the violator's Unit. In the event that any occupant, tenant, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine may, but need not, first be assessed against the violator; provided, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board;

(ii) suspend an Owner's right to vote (except that no hearing is required if the Owner is more than 60 days delinquent in paying any Base, Service Area or Special Assessment or other charge owed to the Association);

(iii) suspend any Person's right to use any Common Area facilities (A) for any period during which any charge against such Owner's Unit remains delinquent, and (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation (except that no hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed to the Association); provided, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(iv) suspend services the Association provides (except that no hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed to the Association);

(v) exercise self-help or take action to abate any violation of the Governing Documents in a non-emergency situation (including removing personal property that violates the Governing Documents);

(vi) preclude any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Chapter 6, including the Guidelines, from continuing or performing any further activities in the Community;

(vii) levy Specific Assessments to cover costs the Association incurs in bringing a Unit into compliance with the Community-Wide Standard or other requirements under the Governing Documents; and

(viii) record a notice of violation with respect to any Unit on which a violation exists.

(b) ***Other Sanctions.*** The Board may take the following actions to obtain compliance with the Governing Documents without prior notice or a hearing and without liability to any Person:

(i) exercise self-help or take action to abate a violation on a Unit in any situation which requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other persons or their property (specifically including, but not limited to, the towing of vehicles that are in violation of this Declaration or the other Governing Documents);

(ii) exercise self-help or take action to abate a violation on the Common Area under any circumstances;

(iii) require an Owner or a Neighborhood Association, at its own expense, to perform maintenance or to remove any structure or improvement on such Owner's Unit or on the Neighborhood Association's property, respectively, that is in violation of the Community-Wide Standard or other requirements under the Governing Documents and to restore the property to its previous condition;

(iv) enter the property and exercise self-help to remove or cure a violating condition if an Owner or Neighborhood Association fails to take action as required pursuant to subsection (iii) above within 10 days after receipt of written notice to do so, and any such entry shall not be deemed a trespass; and

(v) bring suit at law for monetary damages or in equity to stop or prevent any violation, or both.

(c) ***Additional Powers Relating to Neighborhood Associations.*** In addition to the foregoing sanctions, the Association shall have the power to require specific action to be taken by any Neighborhood Association in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefore.

A Neighborhood Association shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association

in the notice. If the Neighborhood Association fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood Association and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

9.3 Board Decision to Pursue Enforcement Action

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. A decision not to enforce a particular provision shall not prevent the Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction, or rule.

9.4 Attorneys' Fees and Costs

In any action to enforce the Governing Documents the prevailing party shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action. In any action with respect to any claim in which an Owner is alleged to have violated a provision of the Act or the Governing Documents, and in which the court finds that the Owner prevailed because the Owner did not commit the alleged violation, the Association shall be precluded from allocating to the Owner's account with the Association any of the Association's costs or attorney fees incurred in asserting or defending the claim.

Chapter 10
PROPERTY MANAGEMENT

10.1 Acceptance and Control of Association Property

(a) ***Transfers and Conveyances by Declarant.*** The Declarant and its designees may transfer or convey to the Association interests in real or personal property within or for the benefit of the Community, and the Association shall accept such transfers and conveyances. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real or personal property interests. If the Declarant or its designees transfers or conveys any unimproved property upon which the Declarant or its designee intends to install or construct improvements therein or thereon or that may be required by a governmental authority having jurisdiction to be installed or constructed therein or thereon, including, without limitation, landscaping improvements, fences, retaining walls, recreational facilities, a club house, picnic tables and related improvements, benches, paving, curb and gutters for Private Streets, street lighting, including light poles, signs, including street signs, mail kiosks, entry booths, gates or fences, the Declarant, for itself, its designees, successors and assigns, excepts, reserves and shall have a non-exclusive easement in, over, across and under the real property transferred or conveyed to the Association as may be necessary for the installation or construction of any such

improvements therein or thereon. No Common Area transferred or conveyed to the Association by the Declarant shall impose upon the Association any obligation to make monetary payments to the Declarant or any affiliate of the Declarant, including, but not limited to, any purchase price or rent.

(b) ***Management and Control.*** The Association is responsible for management, operation, and control of the Common Area, subject to any covenants set forth in the deed or other instrument transferring the property to the Association. The Association may enter into leases, licenses, or operating agreements with respect to portions of the Common Area, for payment or no payment, as the Board deems appropriate. The Association may permit use of Common Area facilities by persons other than Owners and occupants of Units and may charge use fees, in such amount as the Board may establish, for such use.

10.2 Maintenance of Area of Common Responsibility

The Association shall maintain the Area of Common Responsibility in accordance with the Community-Wide Standard. The Area of Common Responsibility includes, but is not limited to:

(a) the Common Area, including, without limitation, maintenance, repair, and replacement of, and snow removal from, any Private Streets, drainage improvements or infrastructure, including, without limitation, pipes, inlets, and detention/retention basins, the landscaping island in Canyon Rim Drive, and private parking areas, unless such maintenance, repair, replacement and/or snow removal is performed by a governmental or quasi-governmental entity, including, without limitation, a Special District;

(b) landscaping within public rights-of-way within or abutting the Community to the extent that responsible governmental authorities do not maintain it to the Community-Wide Standard, subject to any necessary governmental approvals, permits or permissions as may be required by federal, state or local law and regulation;

(c) such portions of any additional property as may be dictated by the Declarant, this Declaration, any Supplemental Declaration, or any covenant or agreement for maintenance entered into by, or otherwise binding on, the Association; and

(d) any property and facilities that the Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its members. The Declarant shall identify any such property and facilities by written notice to the Association, and they shall remain part of the Area of Common Responsibility until the Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may maintain other property it does not own, including, without limitation, Units, property dedicated to the public, or property owned or maintained by a Neighborhood Association, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property it does not own except to the extent that it has been negligent in performing its maintenance responsibilities.

10.3 Discontinuation of Operation

The Association shall maintain the Common Area facilities in continuous operation unless the Declarant, during the Development and Sale Period, and at least 75% of the Owners other than the Declarant, consent in writing to discontinue such operation. This section shall not apply to restrict the Board's ability to establish reasonable operating hours, which may vary by season, nor to preclude temporary closures or interruptions in operation as the Board may determine appropriate to perform maintenance or repairs.

10.4 Restoring Damaged Improvements

In the event of damage to or destruction of portions of the Area of Common Responsibility for which the Association has insurance responsibility, only the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially its condition prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes. The Board may elect to forego filing and adjusting any insurance claims.

The Association shall repair or reconstruct damaged Common Area improvements unless the Declarant, during the Development and Sale Period, and at least 75% of the Owners, decide within 60 days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information is available. No Mortgagee shall have the right to participate in determining whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Owners, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 19.4.

10.5 Relationships with Other Properties

The Association may contract with the owner of any neighboring property to provide for sharing of costs associated with (a) maintenance and operation of mutually beneficial properties or facilities, or (b) provision of mutually beneficial services.

10.6 Cooperation with Special District

The Association shall have the power, and is hereby authorized, to contract with and to cooperate with one or more special purpose unit(s) of local government created in accordance with Colorado law ("**Special District**"), in order to ensure that their respective responsibilities are discharged. The Association is further authorized to act on behalf of the Owners to ensure that the level of services provided by the Special District is consistent with the Community-Wide Standard. In addition, the Board may assign or delegate to any Special District, any of the functions that the Association is required or permitted to perform pursuant to this Declaration, including, without limitation, trash collection, and operation of a recreation center and/or community center, and design review services and covenant enforcement.

Chapter 11
PROVISION OF SERVICES

11.1 Provision of Services to Units

The Association may arrange for or provide services to Owners and their Units, directly or through contracts with the Declarant or other third parties, including, without limitation, a Special District. The Association may enter into bulk service agreements by which a particular service is provided to all Units, or it may offer various services at the option of each Owner, or both. By way of example and not limitation, such services might include such things as cable television, utilities, fire protection, security, trash collection, landscape maintenance, pest control, caretaker services and technology services.

Any Association contract for services may require individual Owners or occupants to execute separate agreements directly with the Persons providing components or services in order to gain access to or obtain specified services. Such contracts and agreements may contain terms and conditions that, if violated by the Owner or occupant of a Unit, may result in termination of services provided to such Unit. Any such termination shall not relieve the Owner of the continuing obligation to pay assessments for any portion of the charges for such service that are assessed against the Unit as a Common Expense or Service Area Expense pursuant to Chapter 5.

In its discretion, the Board may discontinue offering particular services and may modify or cancel existing contracts for services, subject to the contract terms and any provision that may exist elsewhere in the Governing Documents requiring the Association to provide such services.

11.2 Provision of Services to Service Areas

(a) ***Service Areas Designated by Declarant.*** The Association shall provide services to Units within any Service Area designated by the Declarant pursuant to Section 3.3 as required by the terms of any Supplemental Declaration applicable to the Service Area.

(b) ***Service Areas Designated by Board.*** In addition to Service Areas which the Declarant may designate pursuant to Section 3.3, any group of Owners may petition the Board to designate their Units as a Service Area for the purpose of receiving from the Association (i) special benefits or services which are not provided to all Units, or (ii) a higher level of service than the Association otherwise provides. Any such petition shall be signed by Owners of a majority of the Units within the proposed Service Area. Upon receipt of such petition, the Board shall investigate the terms upon which the requested benefits or services might be provided and notify the Owners in the proposed Service Area of such terms and the initial fees for providing the requested service, which may include a reasonable administrative charge. If Owners of at least 67% of the Units within the proposed Service Area approve the proposal in writing, the Board shall designate the Units as a Service Area and include the fees for such service as a line item in the Service Area budget pursuant to Section 5.2(c).

11.3 Community Technology.

Without limiting the generality of Sections 11.1 and 11.2, the Association is specifically authorized to provide, or to enter into contracts with other Persons to provide, central telecommunication receiving and distribution systems (*e.g.*, cable television, high speed data/Internet/intranet services, and security monitoring) and related components, including associated infrastructure, equipment, hardware, and software, to serve the Community ("**Community Systems**"). Any such contracts may provide for installation, operation, management, maintenance, and upgrades or modifications to the Community Systems as the Board determines appropriate. The Association shall have no obligation to utilize any particular provider(s). However, except for cause (as defined by written agreement with the provider) or as otherwise provided by the Act, the Association may not, without the Declarant's consent, terminate or refuse to renew any contract entered into during the Declarant Control Period.

Chapter 12
EXPANSION RIGHTS

12.1 Additional Rights Reserved to the Declarant, Withdrawal of Property

The Declarant reserves the unilateral right during the Development and Sale Period to amend this Declaration to withdraw any portion of the Community from the coverage of this Declaration whether originally described in Exhibit "A" or added by Supplemental

Declaration. For the purpose of this Section 12.1, each lot or tract identified as such on the Plat, any Supplemental Plat or Subdivision Plat is a separate portion of the Community that may be withdrawn by the Declarant pursuant to this Section 12.1, except that no lot or tract shall be withdrawn by Declarant after such lot or tract has been conveyed by Declarant to any Person other than an affiliate of Declarant or to a Builder. Each withdrawal, if any, may be affected by the Declarant recording a withdrawal document in the office of the Clerk and Recorder of the county in which such withdrawn property is located. A withdrawal as contained in this Section 12.1 constitutes a divestiture, withdrawal, and de-annexation of the withdrawn property from this Declaration so that after the date of recording a withdrawal document, the property so withdrawn shall not be part of the Community. Notice of any such withdrawal shall, if required by the City, be given to the City. Without limiting the generality of the foregoing, the conveyance by Declarant to a Person other than an affiliate of Declarant or to a Builder of any lot shall not in any manner affect, restrict or limit Declarant's right to withdraw an adjacent or nearby lot or tract. If the property withdrawn contains Units, such a withdrawal shall reduce the total number of votes in the Association equal to the number of Units withdrawn and shall, likewise, reduce the total number of Units subject to assessment.

12.2 Governmental Interests

During the Development and Sale Period, Declarant may designate and convey sites (or the right to use such sites) owned by the Declarant within the Community for fire and police, utility facilities, public schools and parks, streets, and other public or quasi-public facilities. The sites may include other property not owned by Declarant provided the owner of such other property consents.

12.3 Marketing and Sales Activities

Notwithstanding anything in the Governing Documents to the contrary, during the Development and Sale Period the Declarant and its designees or assigns may construct, use, and maintain upon portions of the Common Area and other property they own, such facilities and activities as, in the Declarant's opinion, may reasonably be required, convenient, or incidental to the construction or sale of Units. Such permitted facilities and activities may include business offices, signs, flags (whether hung from flag poles or attached to a structure), model homes, sales offices, holding or sponsoring special events, and exterior lighting features and/or displays. In addition, if reasonably required, convenient, or incidental to construction or sales activities, the Declarant and its employees, agents, and designees may park vehicles in designated parking areas.

12.4 Right to Make Improvements, Replat

During the Development and Sale Period, the Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area and to the Expansion Property as it deems appropriate.

In addition, during the Development and Sale Period, the Declarant may subdivide and/or replat property it owns, in conformance with the requirements, if any, of the City, and convert Units it owns into Common Area. Each such subdivision or replatting may change the number of Units in the Community. Such right includes the right to move any lot line(s) on Units for the purpose of accommodating Improvements which are, or may be, constructed.

12.5 Right to Approve Changes in the Community Standards

During the Development and Sale Period, no amendment to or modification of any community regulations or the Guidelines shall be effective without prior notice to and the written approval of the Declarant.

12.6 Additional Covenants and Restrictions

During the Development and Sale Period, no one other than the Declarant may record any additional covenants or restrictions affecting any portion of the Community without the Declarant's written consent. Any instrument recorded without the required consent shall be void and of no force and effect.

12.7 Community Systems

The Declarant reserves for itself, Declarant Affiliates, and their respective successors and assigns, a perpetual right and easement over all property in the Community to install and operate such Community Systems as the Declarant, in its discretion, deems appropriate to serve any portion of the Community. Such right shall include, without limitation, the Declarant's right to select and contract with companies licensed to provide telecommunications, cable television, and other Community Systems services in the region. The Declarant also has the right to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant government authority, if applicable.

Notwithstanding the above, there is no guarantee or representation that any particular Community System will be made available or, if made available, will be continued in service.

12.8 Easement to Inspect and Right to Correct

The Declarant reserves for itself, the Association, each Builder and others it may designate the right, but not the obligation, to inspect, monitor, test, redesign, and correct any structure, improvement, or condition that may exist on any portion of the property within the Community, including dwellings that are part of Units, and a perpetual nonexclusive easement of access throughout the Community to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner, and no entry into an enclosed structure shall be permitted without the Owner's agreement to the schedule for such entry; provided, however, that if the Owner refuses to agree to any

schedule proposed by the Declarant or a Builder or the Association, as may be applicable (after the Declarant, Builder or the Association has proposed at least three different schedules for such entry), then the Declarant, Builder or the Association, as may be applicable, shall determine the schedule for such entry and give such Owner at least seven (7) days' prior written notice of such schedule and, upon the giving of such notice, such schedule shall be final and binding upon such Owner and any right to challenge such schedule is hereby fully and irrevocably waived by such Owner. The person exercising this easement shall promptly repair, at such person's own expense, any damage he or she causes. Nothing in this section shall relieve an Owner of the responsibility for the maintenance and repair of his or her Unit.

12.9 Right to Transfer or Assign the Declarant's Rights

Any or all of the Declarant's rights and obligations set forth in this Declaration or the By-Laws, including, without limitation, any or all special declarant rights (as that term is defined in the Act) may be transferred in whole or in part to other Persons. However, such a transfer shall not reduce an obligation or enlarge a right beyond that which Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a recorded instrument the Declarant signs. The foregoing sentence shall not preclude the Declarant from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to the Declarant in this Declaration or the By-Laws where the Declarant does not intend to transfer such right in its entirety. In such case, it shall not be necessary to record any written assignment unless necessary to evidence the Declarant's consent to such exercise.

12.10 Special Declarant Rights

In addition to the other rights described in this chapter and elsewhere within this Declaration, the Declarant hereby reserves the following "special declarant rights" (as that term is defined in the Act):

(a) the right to complete any improvements indicated on any plats or maps recorded with or in connection with this Declaration or a Supplemental Declaration, recorded Subdivision Plats of portions of the Expansion Property, and development plans approved by the City of Grand Junction;

(b) the right to exercise any of the following rights:

(i) the right to expand the Community as provided in Chapter 13 by making additional property subject to this Declaration;

(ii) the right to create additional Units up to the number of Maximum Units;

(iii) the right to subdivide or combine Units it owns or to convert Units it owns into Common Area;

(iv) the right to withdraw from the Community any Unit or any portion of a Unit not yet conveyed by the Declarant, or any property that is subject to this Declaration but which is not a Unit and has not yet been conveyed by the Declarant, subject to such local government approvals as may be required;

(v) the right to reconfigure the boundaries of the Common Area;

(c) the right to maintain sales offices, management offices, and advertising signs on the property described in Exhibits "A," "B" and "D," as set forth in Section 12.3;

(d) the right of access over the Common Area for the purpose of making improvements within the property described in Exhibits "A" and "D";

(e) the right to merge or consolidate the Association with another common interest community of the same form of ownership; and

(f) the right to appoint and remove any director or officer of the Association during the Declarant Control Period as provided in the By-Laws.

The foregoing rights may be exercised with respect to different portions of the Community at different times. If a development right (as that term is defined in the Act) is exercised with respect to any portion of the Community, it need not be exercised with respect to all or any other portion of the Community. No assurances are made that any development rights will be exercised and no assurances are made as to the boundaries of the Community or with respect to the order in which such development rights may be exercised. In all events, all development rights expire at 11:59 p.m. on December 31, 2045. The special declarant rights shall be prior and superior to any other provisions of the Governing Documents. The special declarant rights may not, notwithstanding any other provision of this Declaration or the other Governing Documents, be modified, amended, limited, rescinded, terminated or affected by any amendment of this Declaration or the other Governing Documents without the Declarant's prior written consent.

12.11 Termination of Rights

The rights contained in this chapter shall not expire until the earlier of (a) expiration of the Development and Sale Period; or (b) the Declarant's recording of a written statement that all sales activity has ceased and Declarant has surrendered such rights, except that, in all events, the rights contained in this chapter expire at 11:59 p.m. on December 31, 2045.

Chapter 13
EXPANSION OF THE COMMUNITY

13.1 Expansion by Declarant

From time to time, the Declarant may submit to the terms of this Declaration all or any portion of the Expansion Property or any other property (to the extent permitted by the Act) by recording a Supplemental Declaration describing the additional property to be submitted. At the time this Declaration is recorded, the Expansion Property is not subject to the terms of this Declaration and, therefore, is not a part of the Community. The Declarant may record such a Supplemental Declaration without the consent of any Person except the owner of such property, if not the Declarant. The Supplemental Declaration shall comply with the requirements of the Act as may be applicable.

The Declarant's right to expand the Community under this section expires when all of the Expansion Property has been submitted to this Declaration or at 11:59 p.m. on December 31, 2045, whichever is earlier. Until then, the Declarant may, from time to time, transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibit "A" or "D." Any such transfer shall be described in a recorded instrument executed by the Declarant.

Nothing in this Declaration shall require the Declarant or any successor to submit additional property to this Declaration or to develop any of the Expansion Property in any manner whatsoever. Unless and until such property is submitted to the terms of this Declaration, it is not part of the Community and is not subject to the imposition or collection of any Base Assessments, Service Area Assessments, Special Assessments and/or Specific Assessments. Further, the Board shall have no authority to expend any Association funds on expenses for such property that has not been submitted to the terms of this Declaration, if such property is owned by the Declarant, except if the Board determines that there is a clear benefit to the Owners (such as, without limitation, the right to use property owned by the Declarant pursuant to an access easement in favor of the Owners or the Association) and there is also an express written agreement that requires the Association to operate, maintain, repair and/or insure such property or to pay the expenses or a specified portion of the expenses for operation, maintenance, repair and/or insuring of the property owned by the Declarant and not included in the Community

13.2 Expansion by the Association

The Association also may submit additional property to this Declaration by recording a Supplemental Declaration describing the additional property, subject to the requirements of the Act. Any Supplemental Declaration that the Association records must comply with the requirements of the Act and be approved by 67% of the Owners at a meeting duly called for such purpose and by the owner of the property to be submitted. In addition, during the Development and Sale Period, the Declarant's consent is required. The Association's

President and Secretary, the owner of the property, and the Declarant, if the Declarant's consent is required, shall sign the Supplemental Declaration.

13.3 Additional Covenants and Easements

Any Supplemental Declaration that the Declarant records may impose additional covenants and easements on the property described in such Supplemental Declaration, such as covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Service Area Assessments. Such provisions may be included in a Supplemental Declaration submitting new property to this Declaration or may be set forth in a separate Supplemental Declaration applicable to property previously submitted to this Declaration. If someone other than the Declarant owns the property, then the Supplemental Declaration must be signed by such owner evidencing such owner's consent. Any Supplemental Declaration may add to, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the property described in the Supplemental Declaration, in order to reflect the character and intended use of such property.

13.4 Effect of Filing a Supplemental Declaration

A Supplemental Declaration shall be effective upon recording unless otherwise specified in the Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property made subject to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

13.5 Condominium Conversions

Commercial property may be subjected to the provisions of this Declaration if the owner of the property converts such property to a condominium for residential purposes (*e.g.*, a residential apartment complex is converted to a residential condominium). The property may be subjected to this Declaration in the manner provided in this chapter. In addition, the Declarant's prior written consent shall be necessary during the Development and Sale Period.

Chapter 14
EASEMENTS

14.1 Easements in Common Area

The Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

(a) The Governing Documents and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) Certain Owners' rights to the exclusive use of those portions of the Common Area designated "Limited Common Area;" and

(d) The Board's right to:

(i) adopt resolutions regulating Common Area use and enjoyment, including regulations limiting the number of guests who may use the Common Area, and to charge use fees for such use;

(ii) suspend an Owner's right to use Common Area facilities;

(iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;

(v) rent any portion of any clubhouse or other Common Area recreational facilities on an exclusive or non-exclusive short-term basis to any Person;

(vi) permit use of any recreational facilities situated on the Common Area by the general public, which use may be subject to admission charges, membership fees, or other user fees established in the Board's discretion;

(vii) permit use of any Common Area facilities, at such charge or no charge as the Board may determine appropriate, for the purpose of offering and conducting classes or other activities for interested Owners and occupants, whether offered on a for profit or nonprofit basis; and permit use of any Common Area facilities by the general public, which use may be subject to admission charges or other user fees established in the Board's discretion;

(viii) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to any approval requirements set forth in the Governing Documents.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable Board regulation. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit for the period of the lease.

14.2 Easements Over Private Streets for Access and Utilities.

(a) ***Access Easement.*** The Declarant grants to each Owner of a Unit that is served by a Private Street, if any, a non-exclusive easement over and across all of the Private Streets for vehicular and pedestrian access, ingress and egress by such Owner and the occupants, tenants, guests and invitees of such Owner, and for parking by such Owner and occupants, tenants, guests and invitees, as may be reasonably necessary for use and enjoyment of the Owner's Unit, provided there is no hindrance or encroachment upon the rights of other Owners and their occupants, tenants, guests and invitees to the use and enjoyment of the other Owners' Units or upon the rights of the Association in and to the Private Streets or the performance by the Association of its duties and obligations with respect thereto. With respect to Owners of Units that are contained within a Service Area or a Neighborhood Association for which access is limited by a booth, gate or fence, the easement granted by this Section 14.2(a) shall be applicable only to those Private Streets located within such Service Area or Neighborhood Association and shall not be applicable to Private Streets, if any, located elsewhere in the Community.

(b) ***Utility Easement.*** The Declarant grants to each Owner of a Unit that is served by a Private Street, if any, a non-exclusive easement in, across, under and through the Private Streets, but only in the location where utilities and related facilities are originally installed by the Declarant or by a Builder or in such other location as may be designated in writing from time to time by the Association, for the purpose of installation, operation, maintenance, repair and replacement of underground utilities and related surface facilities necessary for the use, enjoyment and operation of the Owner's Unit, including, but not limited to, water lines, sanitary sewer lines, natural gas lines, electricity lines, telephone lines, cable television and other telecommunications lines, and all equipment and facilities incidental thereto, and for access, ingress and egress necessary for such installation, operation, maintenance, repair and replacement; provided that each such Owner shall comply with the requirements of the Association, including with respect to scheduling, before excavating, drilling or otherwise engaging in any construction in the Private Streets.

(c) ***Limitations.*** The easements granted in Sections 14.2(a) and (b) are and shall be subject to: (i) the Governing Documents and any other applicable covenants; (ii) any restrictions or limitations contained in any deed conveying Private Streets to the Association; (iii) the Board's right to adopt resolutions and policies regulating use and enjoyment of Private Streets, including, without limitation, regulations limiting the hours during which excavation, drilling or other construction work in any Private Street may be conducted, insurance required to be maintained by any contractor performing any such work, and obligations to restore such Private Street after such work has been completed; and (iv) the right of the Declarant or the Association to dedicate or transfer

Private Streets to a governmental or quasi-governmental authority, including, without limitation, a Special District.

14.3 Easements for Utilities, Etc.

(a) ***Installation and Maintenance.*** During the Development and Sale Period, the Declarant reserves for itself and grants to the Association and all utility providers, including, without limitation, the City of Grand Junction and any Special District, perpetual non-exclusive easements throughout the Community (but not through a structure), including, without limitation, Units (but not through a structure), Private Streets and all other Common Area, to the extent reasonably necessary to:

(i) install walls, fences, utilities and related infrastructure to serve the Community, other Community Systems, security and similar systems, and drainage systems;

(ii) install walkways, pathways and trails, street lights, and signage on property the Declarant or the Association owns or within or adjacent to a Private Street or within public rights-of-way or easements reserved for such purpose on the recorded Plat, any Supplemental Plat or Subdivision Plat;

(iii) inspect, maintain, repair, and replace the utilities, walls, fences, infrastructure, and other improvements described above; and

(iv) access and read utility meters.

Notwithstanding the above, the Declarant reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) ***Specific Easements.*** The Declarant also reserves the non-exclusive right and power to grant and record such specific easements consistent with Section 14.3(a) as it deems necessary to develop the property described in Exhibits "A" and "D." The location of the specific easement shall be subject to the written approval of the Owner or owner of the burdened property, which approval shall not unreasonably be withheld, delayed, or conditioned.

(c) ***Minimal Interference.*** All work associated with the exercise of the easements described in subsections (a) and (b) of this section shall be performed so as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to the condition existing prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with

the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

14.4 Easements to Serve Additional Property

The Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and Mortgagees, an easement over the Common Area, including, without limitation, Private Streets, for the purposes of enjoyment, use, access, and development of the Expansion Property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. The Person exercising such easement rights shall be responsible for the repair of any damage caused to the Common Area as a result of their actions in connection with development of such property.

14.5 Easements for Maintenance, Emergency, and Enforcement

By this Declaration, the Declarant grants to the Association easements over the Community as necessary to enable the Association to fulfill its maintenance responsibilities under Section 8.2 and its enforcement rights under Section 9.2. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance, to inspect for compliance with the Governing Documents, and to enforce the Governing Documents. Any member of the Board and its duly authorized agents and assignees and all emergency personnel in the performance of their duties may exercise such right. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

14.6 Easements for Snow Removal and Stacking

Declarant hereby reserves for itself and its successors, any Builders, the City of Grand Junction and any other municipal entity and any Special District charged with the responsibility to conduct snow removal activities a perpetual, nonexclusive easement over and across Units, the Common Area, and the common property of any Neighborhood Association for the purpose of conducting snow removal activities within the Community. Such activities may include, but not be limited to, the use of snow plows, distribution of traction material (*e.g.*, sand), and depositing accumulated snow onto Units to a distance of 25 feet from any lot line. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from the exercise of this easement: Declarant; the Association or the Owners (in their capacities as such); any Builder or contractor (in their capacities as such); or any officer, director, manager, member, shareholder or owner thereof.

Chapter 15
COMMUNITY CENTER

15.1 General

Subject to the provisions of Section 17.10, the Declarant may construct a community center or recreation center for use by Owners and their guests as well as third parties or members of the public.

Chapter 16
CHANGES IN THE COMMON AREA

16.1 Assignment and Reassignment of Limited Common Area.

The Board may designate a portion of the Common Area as Limited Common Area, and may reassign Limited Common Area, upon approval of the Board and a majority of the Owners, including a majority of the Owners of Units to which the Limited Common Area is proposed to be assigned or reassigned. During the Development and Sale Period, any such assignment or reassignment shall also require the Declarant's written consent.

Subject to Declarant's right under Section 3.1, upon approval of a majority of Owners of Units to which any Limited Common Area is assigned, the Association may permit Owners of other Units to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Service Area Expenses attributable to such Limited Common Area.

16.2 Condemnation

If any part of the Common Area is taken by any authority having the power of condemnation or eminent domain, or conveyed by the Association in lieu of and under threat of condemnation with such approval as may be required under Section 15.4, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking the Declarant, during the Development and Sale Period, and at least 75% of the Owners shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 10.4 regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore any improvements on the Common Area, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be treated in the same manner as proceeds from the sale of Common Area under Section 15.4.

16.3 Partition

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action to partition any portion of the Common Area without the written consent of all Owners and Mortgagees. This section shall not prohibit the Board from acquiring and disposing of tangible personal property or from acquiring and disposing of real property that may or may not be subject to this Declaration, with such approval as may be required under Section 15.4.

16.4 Transfer, Partition or Dedication of Common Area

The Association may dedicate portions of the Common Area to Mesa County, Colorado, the City of Grand Junction, or to any other local, state, or federal governmental or quasi-governmental entity, may subject Common Area to a security interest, or may transfer or convey Common Area as follows:

(a) Except as may otherwise be specifically provided in this Declaration, the Common Area shall not be judicially partitioned or subdivided into Units, nor shall the ownership of the Common Area be otherwise divided or made subject to a security interest after conveyance to the Association, except upon the approval of 67% of the votes held by the Owners other than the Declarant, and the consent of Declarant during the Development and Sale Period; except that, in lieu of the 67% approval mentioned above, 75% of Owners of Units to which any Limited Common Area is allocated must agree in order to convey the Limited Common Area or subject it to a security interest. Any such transfer, partition, or encumbrance shall be further subject to §38-33.3-312 of the Act. This section shall not prevent the Association from granting easements with respect to the Common Area as otherwise permitted in this Declaration and the Act.

(b) The Association shall have the authority, subject to approval of 67% of the votes held by the Owners other than the Declarant, and the consent of Declarant, during the Development and Sale Period, to transfer portions of the Common Area and improvements thereon to appropriate governmental entities or tax-exempt organizations for the maintenance, operation and preservation thereof; provided, that any such transfer shall not deprive the Association and the Owners of the rights and benefits of the Association and the Owners as provided in this Declaration, and such Common Area shall otherwise be subject to the provisions of this Declaration.

(c) The proceeds from the sale or mortgaging of Common Area other than Limited Common Area shall be an asset of the Association to be used as the Board determines. The proceeds from the sale or mortgaging of Limited Common Area shall be disbursed in the manner approved by 75% of the Owners of Units to which the Limited Common Area is assigned at the time such sale or mortgage is authorized.

Chapter 17
DISCLOSURES AND WAIVERS

17.1 Facilities and Services Open to the Public

Certain facilities and areas within the Community, including Common Area, may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example: greenbelts, trails and paths, parks, and other neighborhood spots conducive to gathering and interaction; roads; sidewalks; and medians. The Declarant may designate such facilities and areas as open to the public at the time the Declarant makes them a part of the Area of Common Responsibility, or the Board may so designate at any time thereafter.

17.2 Waiver of Certain Liability

Use by Owners and their occupants, tenants, guests and invitees of the Common Area involves certain inherent risks. In particular, but without limitation, use of a club house, cooking facilities (whether indoor or outdoor), ponds and other water features, recreational facilities and trails involves risks. These risks are likely to be higher when children and/or seniors are involved. Owners shall warn their occupants, tenants, guests and invitees of such risks and specifically of the provisions of this Section 17.2. By making use of the Common Area, Owners and their occupants, tenants, guests and invitees;

(a) assume all such risks;

(b) acknowledge that they have read and understand the provisions of this Section 17.2;

(c) agree that the Declarant, all Builders and the Association, and their respective shareholders, partners, officers, directors, members, managers, employees and agents, shall have no obligation whatsoever to provide any warning of such risks, including, without limitation, posting any warning at any Common Area, other than this Section 17.2; provided, however, that the posting of a warning at any Common Area shall in no way limit, modify, restrict or affect the provisions of this Section 17.2;

(d) shall be deemed to have waived all rights any of them may at any time have against the Declarant, all Builders, and the Association, and the shareholders, partners, officers, directors, members, managers, employees and agents of any of them, for any and all claims, damages, losses, demands, liabilities, obligations, actions, or

causes of action, in any way directly or indirectly arising out of or in connection with the use of any Common Area, except only that such waiver shall not apply to claims arising solely from the negligent maintenance or repair of any Common Area by any of the foregoing if such person is obligated to perform such maintenance or repair by the terms of this Declaration or any Supplemental Declaration. Without limiting the foregoing, such waiver shall apply to claims (i) that any or all of the foregoing persons failed to provide an adequate warning of the risks of using the Common Area or any particular portion of the Common Area: (ii) of improper or negligent design or construction of the Common Area or any particular portion of the Common Area.

17.3 Safety and Security

Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Community. The Association may, but shall not be obligated to, maintain or support certain activities within the Community designed to promote or enhance the level of safety or security that each person provides for himself or herself and his or her property. However, neither the Association nor the Declarant shall in any way be considered insurers or guarantors of safety or security within the Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

Without limiting the generality of the foregoing, in the event that Declarant or the Association or a Builder causes a security booth, gate or fence to be constructed on or about any portion of the Community or operates a controlled access entrance to any portion of the Community, such actions shall not be deemed under any circumstances as an undertaking by Declarant or the Association or the Builder to guarantee the safety and security of Owners and their occupants, tenants, guests, or invitees to their Units or the security of the property of such persons. Declarant and the Association and the Builder disclaim all responsibility to ensure the security and safety of persons and property within the Community and no person shall be entitled to rely upon such security booth, gate or fence constructed on any portion of the Community as a guarantee of safety and security.

No representation or warranty is made that any systems or measures, including security monitoring systems or any mechanism or system for limiting access to the Community, cannot be compromised or circumvented or that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing any tenants and other occupants of such Owner's Unit, that the Association, its Board and committees, and the Declarant are not insurers or guarantors of security or safety and that each Person within the Community assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

17.4 Changes in the Community

Each Owner acknowledges that the Community is a master planned community, the development of which is likely to extend over many years, and agrees that neither the Association nor any Neighborhood Association shall engage in, or use Association funds to support any protest, challenge, or other form of objection to (a) changes in uses or density of property within the Community, or (b) changes in the Expansion Property as it relates to property outside the Community, without the Declarant's prior written consent.

17.5 Various Housing Types.

Each Owner acknowledges and understands that various types, styles, densities and prices of housing may be within the Community, including, without limitation, paired homes, duplexes, townhomes, patio homes, single family attached homes, single family detached homes, custom homes and apartment complexes, single story structures and multiple story structures.

17.6 View Impairment

Neither the Declarant, the Association, nor any Builder guarantee or represent that any view over and across the Units or any open space within the Community will be preserved without impairment. The Declarant, Declarant Affiliates, Builders and the Association shall have no obligation to relocate, prune, or thin trees or other landscaping except to maintain the Community-Wide Standard or as otherwise required under a separate written covenant or agreement. The Association (with respect to the Common Area) has the right to add trees and other landscaping from time to time, subject to applicable law. There shall be no express or implied easements for view purposes or for the passage of light and air.

17.7 Use and Consumption Fees

Each Special District may charge use, consumption, and activity fees to any Person using Special District services or facilities, or participating in Special District-sponsored activities. Each Special District may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (*e.g.*, Owners and non-Owners).

17.8 Notices and Disclaimers as to Community Systems

Each Owner acknowledges that interruptions in cable television and other Community Systems and services will occur from time to time. The Declarant, Declarant Affiliates, or any of their respective successors or assigns shall not be liable for, and no Community System or service user shall be entitled to refund, rebate, discount, or offset in applicable fees for, any interruption in Community Systems and services, regardless of whether or not such interruption is caused by reasons within the service provider's control.

17.9 Notices and Disclaimers as to Community Center/Recreation Center

The Declarant has expressed its intention to construct a community center or recreation center that would be available for use by Owners and their guests as well as third parties or members of the public. However, there is no guarantee that the Declarant will construct a community center or recreation center. In addition, if the Declarant does proceed with the construction of a community center or recreation center, there is no guarantee of the time when the Declarant may commence such construction or of when such construction may be completed. There is also no guarantee with respect to any aspect or attribute of such community center or recreation center, including, without limitation, its size, location, design, configuration, facilities, features or suitability for any particular purpose. By acceptance of a deed to a Unit, each Owner hereby releases, waives, and discharges the Declarant from any obligation whatsoever with respect to a community center or recreation center, including, without limitation, any obligation to construct a community center or recreation center.

17.10 Landscaping, Soils and Environmental Matters

(a) THE ASSOCIATION SHALL MAINTAIN THE AREA OF COMMON RESPONSIBILITY IN SUCH A FASHION THAT THE SOIL SURROUNDING THE FOUNDATIONS OF THE BUILDINGS AND OTHER IMPROVEMENTS SHALL NOT BECOME SO IMPREGNATED WITH WATER THAT THEY CAUSE EXPANSION OF OR SHIFTING OF THE SOILS SUPPORTING THE IMPROVEMENTS OR OTHER DAMAGE TO THE IMPROVEMENTS AND DO NOT IMPEDE THE PROPER FUNCTIONING DRAINAGE, LANDSCAPING, OR SPRINKLER SYSTEMS AS ORIGINALLY INSTALLED. SUCH MAINTENANCE SHALL INCLUDE, WHERE NECESSARY, THE REMOVAL OR REPLACEMENT OF IMPROPERLY FUNCTIONING DRAINAGE OR IRRIGATION SYSTEM ELEMENTS AND SHALL ALSO INCLUDE PREVENTING PONDING AND REGRADING AND RESURFACING WHERE NECESSARY TO PROVIDE FOR ADEQUATE DRAINAGE AND PREVENTING ANY CHANGES IN DRAINAGE IN SUCH A WAY AS TO ENDANGER THE STRUCTURAL INTEGRITY OR THE STABILITY OF ANY OF THE LANDSCAPING, WALKWAYS, WALKS, DRAINAGE OR IRRIGATION SYSTEMS, OR THE OTHER IMPROVEMENTS UPON THE PROPERTY. THE ASSOCIATION AND THE OWNERS SHALL INDEMNIFY DECLARANT FROM ANY LIABILITY, CLAIMS AND EXPENSES, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, RESULTING FROM ANY BREACH OF THIS PROVISION.

(b) THE OWNERS ACKNOWLEDGE AND UNDERSTAND THAT SOIL, ECOLOGICAL AND/OR ENVIRONMENTAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, RADON GAS, HAZARDOUS OR TOXIC SUBSTANCES, MAY AFFECT THIS PROPERTY AND THAT DECLARANT DOES NOT WARRANT AND INSTEAD AFFIRMATIVELY DISCLAIMS ANY

LIABILITY FOR ANY EXISTING OR FUTURE SOIL, ECOLOGICAL OR ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY, AND THAT THE SOIL IN THE COLORADO AREA CONTAINS CLAY AND OTHER SUBSTANCES WHICH MAY CAUSE IT TO SWELL OR COLLAPSE WHEN WET AND SO CAN CAUSE EARTH MOVEMENT AROUND A RESIDENCE'S FOUNDATION; THE OWNERS ACCEPT THE SOIL CONDITIONS, THE FOUNDATIONS AND THE RESIDENCES SO INSTALLED WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS.

(c) THE U.S. ENVIRONMENTAL PROTECTION AGENCY ("EPA") STATES THAT EXPOSURE TO ELEVATED LEVELS OF RADON GAS CAN BE INJURIOUS. ANY TEST TO MEASURE THE LEVEL OF RADON GAS CAN ONLY SHOW THE LEVEL AT A PARTICULAR TIME UNDER THE CIRCUMSTANCES OCCURRING AT THE TIME OF TESTING. DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS ARE NOT QUALIFIED TO MEASURE RADON GAS OR TO EVALUATE ALL ASPECTS OF THIS COMPLEX AREA OF CONCERN. PRIOR OR SUBSEQUENT TO CLOSING OF THE OWNER'S PURCHASE OF A LOT AND/OR RESIDENCE, THE OWNER MAY WISH TO TEST FOR THE PRESENCE OF RADON GAS AND TO PURCHASE OR INSTALL DEVICES THAT MAY BE RECOMMENDED BY QUALIFIED RADON SPECIALISTS. DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS, EXPRESSLY DISCLAIM AND THE OWNER AND THE ASSOCIATION AGREE TO WAIVE AND RELEASE DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS, FROM ANY CLAIM OF LIABILITY OR RESPONSIBILITY WITH RESPECT TO RADON GAS AND RELATED MATTERS AND TO HOLD HARMLESS FROM ANY CLAIMS OR LIABILITY AGAINST DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS OR ASSIGNS WITH RESPECT TO RADON GAS AND RELATED MATTERS.

(d) FIBERGLASS INSULATION (ALSO KNOWN AS GLASS WOOL) IS COMMONLY USED FOR INSULATION OF HOMES, FIBERGLASS IN VARIOUS THICKNESSES AND VALUES IS USED IN THE AREAS OF WALLS, FLOOR TO CEILING, ASSEMBLIES AND CEILING TO ROOF ASSEMBLIES OF HOMES TO PREVENT MOVEMENT OF HEAT AND TO REDUCE NOISE. THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PRODUCED A REPORT THAT LISTS GLASS WOOL AS A SUBSTANCE "WHICH MAY BE REASONABLY ANTICIPATED TO BE A CARCINOGEN," BUT THAT REPORT MERELY IDENTIFIES SUBSTANCES SELECTED FOR FURTHER STUDY BECAUSE OF POTENTIAL RISK. THE LISTING OF A SUBSTANCE IN THE REPORT IS NOT AN ASSESSMENT THAT THERE IS A CASUAL CONNECTION BETWEEN GLASS WOOL AND ILLNESS. THE OWNERS AND THE ASSOCIATION ACKNOWLEDGE THAT FIBERGLASS IS USED IN THE

RESIDENCES, AND WAIVE ANY CLAIMS AGAINST DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS, ARISING AS A RESULT OF THE USE OF FIBERGLASS INSULATION, AND AGREE TO HOLD DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS HARMLESS FROM ANY CLAIM OR LIABILITY RESULTING FROM THE EXISTENCE OF FIBERGLASS INSULATION IN THE RESIDENCES.

(e) THE ASSOCIATION AND THE OWNERS AGREE TO DO NOTHING WHICH WOULD CHANGE THE GRADING OR LANDSCAPING SO AS TO CAUSE OR PERMIT POOR DRAINAGE OR OTHER DAMAGE TO THE RESIDENCES, TO ACCEPT THE SOIL CONDITIONS, LANDSCAPING, INSULATION, RADON, ECOLOGICAL AND ENVIRONMENTAL CONDITIONS, WHICH NOW OR HEREAFTER EXIST ON THE PROPERTY, AND TO RELEASE AND INDEMNIFY DECLARANT FROM ANY LOSS, DAMAGE AND EXPENSE RESULTING FROM ANY OF THE FOREGOING.

17.11 Disclosures, Disclaimers and Releases

NO REPRESENTATION, PROMISE OR WARRANTY, HAS BEEN MADE BY DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS, REGARDING THE INVESTMENT POTENTIAL OF THE UNITS, ANY ECONOMIC BENEFIT TO THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, TO BE DERIVED FROM THE MANAGERIAL OR OTHER EFFORTS OF DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS, OR ANY OTHER THIRD PARTY DESIGNATED OR ARRANGED BY DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS, RELATED TO THE OWNERSHIP OR RENTAL OF THE UNITS, OR REGARDING THE CONTINUED EXISTENCE OF ANY VIEW FROM THE UNITS. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, UNDERSTAND THAT DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS, ARE UNDER NO OBLIGATION WITH RESPECT TO FUTURE PLANS, ZONING OR DEVELOPMENT OF ADDITIONAL PROPERTY IN THE AREA. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, UNDERSTAND THAT THE SIZES AND TYPE OF RESIDENCES MAY CHANGE AT THE SOLE DISCRETION OF DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS, AND THAT THE SALES PRICES MAY DECREASE OR INCREASE AT THE SOLE DISCRETION OF DECLARANT.

BY ACQUIRING TITLE TO A LOT, THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS COVENANT AND AGREE THAT EXCEPT FOR ANY WRITTEN LIMITED WARRANTY, DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY NATURE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO THE FITNESS, WORKMANLIKE

CONSTRUCTION, MERCHANTABILITY, DESIGN, CONDITION, QUALITY, OR HABITABILITY OF THE RESIDENCES, THE PROPERTY, OR ANY IMPROVEMENTS RELATED THERETO OR ANY ELECTRICAL, PLUMBING, HEATING, GAS, WATER, SEWER, STRUCTURAL COMPONENTS, OR OTHER MECHANICAL OR UTILITY SYSTEMS OR COMPONENTS OR APPLIANCES OR FIXTURES RELATED THERETO. THE OWNERS AND THE ASSOCIATION ACCEPT THE FOREGOING DISCLAIMER OF WARRANTIES AND WAIVE, RELEASE AND INDEMNIFY DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS FROM ALL CLAIMS RELATED THERETO, TOGETHER WITH ANY CLAIMS FOR BODILY INJURY, PROPERTY DAMAGE AND INCIDENTAL OR CONSEQUENTIAL DAMAGES MADE BY ANY PERSON OR PARTY.

THE OWNERS, THEIRS HEIRS, SUCCESSORS AND ASSIGNS AND THE ASSOCIATION COVENANT AND AGREE THAT DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS SHALL NOT BE LIABLE FOR CLAIMS RELATING TO THE RESIDENCES, UNITS OR TO THE PROPERTY AS TO ANY DEFECT IN WORKMANSHIP OR IN ANY MATERIAL USED IN CONSTRUCTION UNLESS OTHERWISE PROVIDED IN A SPECIFIC WRITTEN LIMITED WARRANTY SIGNED BY DECLARANT, THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS AND THE ASSOCIATION, EXPRESSLY WAIVE AND RELEASE ALL RIGHTS TO SUE FOR A DEFECT IN CONSTRUCTION OF THE RESIDENCES, UNITS OR THE PROPERTY AND SHALL RELY SOLELY ON THE OWNER'S OWN INSPECTION AND EXAMINATION OF THE RESIDENCES, UNITS AND PROPERTY AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS COVENANT AND AGREE THAT THE SALES PRICES OF THE RESIDENCES AND/OR UNITS ARE BASED IN PART UPON THE RELEASES, WAIVERS AND INDEMNITY CONTAINED IN THIS SECTION AND THE OTHER PROVISIONS OF THE DECLARATION.

17.12 Waiver

By acceptance of a deed to a Unit, each Owner hereby releases, waives, and discharges the Declarant, each Builder, the Special Districts, and the DRC, and their respective officers, directors, members, partners, agents and employees, heirs, personal representatives, successors and assigns, from all losses, claims, liabilities, costs, expenses, and damages, arising directly or indirectly from any hazards, disclosures or risks set forth in this Declaration, including those contained in Sections 17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.8, 17.9, 17.10, and 17.11.

17.13 Limitation on Liability

The Declarant, any Builder, the Association, the Board, and the DRC, and their respective directors, officers, shareholders, members, managers, partners, agents or

employees, shall not be liable to any Person for any action or for any failure to act arising out of this Declaration and the Guidelines, if any, unless the action or failure to act was not in good faith and was done or withheld with malice. References in this Declaration to the Special Districts do not constitute any waiver of the immunities and limitations to which each Special District is entitled as a matter of law, including the Colorado Governmental Immunity Act, §24-10-101, *et seq.*, C.R.S., as amended. The release and waiver set forth in Section 17.12 (Waiver) shall apply to this Section. This limitation is addition to, and not in place of, the non-liability for design review in Chapter 6.

Chapter 18
RIGHTS OF LENDERS

The following provisions are for the benefit of holders, insurers, and guarantors of first Mortgages on Units in the Community. The provisions of this chapter apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

18.1 Notices of Action

An institutional holder, insurer, or guarantor of a first Mortgage that provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates), thereby becoming an "**Eligible Holder**", will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss that affects a material portion of the Community or that affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by the Owner of a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Unit or the Owner or occupant that is not cured within 60 days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action that would require the consent of a specified percentage of Eligible Holders.

18.2 Other Provisions for First Lien Holders

To the extent not inconsistent with Colorado law, if a condominium has been established in the Community, then:

(a) Any restoration or repair of the Community after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless approval is obtained of the Eligible Holders of first Mortgages on Units to which more than 50% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated, in addition to the approval required by Sections 21.1 and 10.4, respectively.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Units to which more than 50% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(c) Any election to terminate the Association under other circumstances shall require (i) the consent of 67% of the votes held by the Owners and of the Declarant, so long as it owns any land subject to this Declaration, and (ii) the approval of the Eligible Holders of first Mortgages on Units to which at least 67% of the votes of Units subject to a Mortgage are allocated.

18.3 No Priority

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

18.4 Failure of Mortgagee to Respond

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

18.5 Construction of Chapter 18

Nothing contained in this chapter shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, the By-Laws, or Colorado law for any of the acts set out in this chapter.

Chapter 19
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

19.1 Resolution of Disputes Without Litigation

(a) ***Bound Parties.*** The Declarant, all Builders, the Association and members of its committees, and their respective officers, directors, members, managers, partners, employees and agents, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this chapter (collectively, "**Bound Parties**" and individually, a "**Bound Party**"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving them without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees to resolve all Claims by using the procedures in this Chapter 19 and not by litigation, and each Bound Party agrees not to file suit in any court with respect to a Claim. If a Bound Party commences any action in a court of law or equity against any person or organization that is not a Bound Party, such Bound Party shall nevertheless be required to comply with the provisions of this Chapter 19 with respect to any Claim it wishes to assert against a Bound Party, even if such Claim is the same or substantially the same, or arises from the same or similar facts, as the claim against the non-Bound Party. Each Bound Party agrees that the procedures in this Chapter 19 are and shall be the sole and exclusive remedy that each Bound Party shall have for any Claim. The provisions of this Chapter 19 shall be deemed a contract between and among all Bound Parties, as well as covenants and equitable servitudes that run with all land located within the Community. **DECLARANT, ALL BUILDERS, THE ASSOCIATION, THE DRC AND, BY ACCEPTANCE OF A DEED OR OTHER INSTRUMENT OF CONVEYANCE FOR A UNIT, EACH OWNER AGREE TO HAVE ANY AND ALL CLAIMS RESOLVED IN ACCORDANCE WITH THE PROVISIONS OF THIS CHAPTER 19, WAIVE THEIR RESPECTIVE RIGHTS TO PURSUE ANY CLAIM IN ANY MANNER OTHER THAN AS PROVIDED IN THIS CHAPTER 19, AND ACKNOWLEDGE THAT, BY AGREEING TO RESOLVE CLAIMS AS PROVIDED IN THIS CHAPTER 19, THEY ARE GIVING UP THEIR RESPECTIVE RIGHTS TO HAVE SUCH CLAIMS TRIED BEFORE A COURT OR JURY.**

(b) ***Claims.*** As used in this chapter, the term "**Claim**" shall refer to any claim, grievance, or dispute arising out of or relating to:

(i) the interpretation, application, or enforcement of the Governing Documents;

(ii) the rights, obligations, and duties of any Bound Party under the Governing Documents;

(iii) the physical condition and/or the design and/or construction of Improvements within the Community, including, without limitation, any and all dwellings and other Improvements on Units, and any and all Common Areas; except that disputes concerning the procedures for approval of Improvements under Chapter 6 shall not be subject to review by a court or arbitrator and shall not be subject to this chapter. Any Claim described in this Section 19.1(b)(iii) is referred to below as a "**Defect Claim**;" or

(iv) any warranties, promises, representations, statements, or other communications made by or on behalf of any Bound Party.

(c) ***Exempt Claims.*** The following suits ("**Exempt Claims**") shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 19.2:

(i) any suit by the Association to collect assessments or other amounts due from any Owner or to foreclose any lien to collect such assessments or other amounts;

(ii) any suit or action by the Association that involves the protest of real property taxes;

(iii) any suit by the Association to challenge condemnation proceedings;

(iv) any suit by the Association, the Declarant, the Reviewer or an affected Owner that involves a dispute concerning the procedures for approval of Improvements under Chapter 6, including, without limitation, any suit arising from the Reviewer's failure to approve a proposed Improvement;

(v) any suit between or among Owners, which does not include the Association, Declarant and/or any Builder as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Governing Documents;

(vi) any suit or dispute between an Owner and a Builder arising out of or relating to an agreement of purchase and sale of a Unit or the design and/or construction of a dwelling on a Unit where the Owner and Builder have agreed to submit the suit or dispute to other dispute resolution procedures;

(vii) any suit by the Association, the Declarant or an affected Owner to enforce the provisions of Chapter 6, including, without limitation, any suit with respect to a violation of the Guidelines;

(viii) any suit by the Association, the Declarant or an affected Owner to enforce the provisions of Chapter 7;

(ix) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of this Declaration (relating to creation and maintenance of community standards);

(x) any suit to compel mediation or arbitration of a Claim or to enforce any award or decision of an arbitration conducted in accordance with this Chapter 19;

(xi) any suit to enforce a settlement agreement reached through negotiation or mediation pursuant to this Chapter 19; and

(xii) any dispute in which a necessary party to the dispute is not a Bound Party and has not agreed to submit to the procedures set forth in Section 19.2.

(d) ***Amendment.*** This Section 19.1 shall not be amended unless such amendment is approved by a vote of Owners entitled to cast 75% of the total votes in the Association (or such lesser percentage as may be the maximum permitted by the Act) and by 75% of all first Mortgagees (or such lesser percentage as may be permitted by the Act) and by the Declarant; provided that, approval by first Mortgagees shall not be required if such requirement is contrary to mandatory provisions, if any, of applicable law. Any amendment to this Section 19.1 shall not apply to Claims based on alleged acts or omissions or circumstances that predate the recording of the amendment.

(e) ***Reformation.*** All Bound Parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving Claims. Accordingly, they recognize that one of the essential purposes of this Declaration is to provide for the submission of all Claims to mediation and final and binding arbitration. Therefore, if any court concludes that any provision of this Chapter 19 is void, voidable or otherwise unenforceable, all Bound Parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the express desire of the Bound Parties that the merits of all Claims be resolved only by mediation and final and binding arbitration and, to the greatest extent possible and permitted by law, in accordance with the principles, limitations, procedures and provisions set forth in this Chapter 19.

19.2 Dispute Resolution Procedures

(a) ***Notice.*** The Bound Party asserting a Claim ("**Claimant**") against another Bound Party ("**Respondent**") shall give written notice ("**Notice**") by mail or personal delivery to each Respondent and to the Board, and if the Claim is a Defect Claim involving a Unit, then to the First Mortgagee, if any, with a lien against such Unit, and if the Claim is a Defect Claim involving any Common Area, then to all first Mortgagees, stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(ii) if the Claim is a Defect Claim, (A) a list of all alleged design and/or construction defects or other physical conditions that are the subject of the Defect claim and a detailed description thereof specifying the type and location of such defects or conditions (identified by the specific room or room where the alleged defects or conditions exist if contained within a structure or identified on a plat plan or map where the defects or conditions exist outside a structure, in either case with a legend that identifies the type of defect), (B) a description of the damages claimed to have been caused by the alleged defects or conditions, and (C) a list of the Persons involved and a description of the Respondent's role in the Defect Claim;

(iii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iv) the Claimant's proposed resolution or remedy; and

(v) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

(b) ***Negotiation.*** The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. The Board may appoint a representative to assist the parties in negotiating a resolution of the Claim if a written request, accompanied with a copy of the Notice, is submitted to the Board by either Claimant or Respondent.

(c) ***Right to Inspect.*** If the Claim is a Defect Claim, the Claimant shall permit each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Unit (including the Claimant's dwelling), or, if the Association is the Claimant, the Association shall allow each Respondent, its employees, agents, contractors and consultants to enter each Common Area that is the subject of the Claim, in either case at reasonable times, to permit each Respondent to inspect the matters identified in the Defect Claim. Declarant hereby reserves for itself, and grants to the

Association and each Respondent, an easement to enter upon Claimant's Unit (including the dwelling thereon) and any Common Area for the purposes of making inspections pursuant to this Section 19.2(c). Each Respondent shall make reasonable efforts to schedule convenient times with the Claimant for such inspections, but the Claimant's refusal to schedule such times shall not relieve the Claimant of its obligations set forth in this Section 19.2(c). If the Claimant refuses to allow each Respondent, its employees, agents, contractors and consultants to enter the Claimant's dwelling and lot (or the applicable Common Area if the Association is the Claimant) in order to make such inspections, the Claimant shall be deemed to be in breach of its obligations set forth in this Section 19.2(c) and shall be liable to each Respondent that has been denied access, and each such Respondent shall be entitled to recover from the Claimant, liquidated damages in the amount of $100.00 per day for each day after the Claimant's receipt of the Respondent's written request for access to the Unit or Common Area, as may be applicable, until the Claimant provides such access; provided that the amount of liquidated damages shall increase by five percent (5%) on each anniversary of the date upon which this Declaration is recorded (for example, but without limitation, on the first anniversary of the date upon which this Declaration is recorded, the amount of liquidated damages required by this Section 19.2(c) shall be $105.00 per day). Liquidated damages provided in this Section 19.2(c) are separate from and independent of liquidated damages provided in Section 19.2(d) and a Respondent that is in breach of its obligations under each Section will be liable for liquidated damages under each Section. By acquiring ownership of any real property located within the Community, each Owner and the Association acknowledge and agree that the actual damages to a Respondent arising from a Claimant's breach of its obligations set forth in this Section 19.2(c) would be extremely difficult and impractical to ascertain, including, without limitation, loss of reputation and goodwill, and that the liquidated damage amount referenced in the preceding sentence is a fair and reasonable estimate thereof. If the Association makes a Defect Claim on behalf of one or more Owners with respect to the Units of those Owners (and nothing in this Declaration creates an authority for the Association to do so), or if any Owner or other Person makes a Defect Claim in the nature of a derivative action on behalf of the Association, then the Person making such Defect Claim shall be required to provide access to each Unit that is the subject of the Defect Claim and all of the provisions of this Section 19.2(c) shall apply to such Person and such Defect Claim.

(d) ***Right to Remedy.*** If the Claim is a Defect Claim, if a Respondent informs the Claimant in writing that the Respondent intends to repair, redesign, remedy or otherwise cure one or more matters described in the Claim, the Claimant shall provide access to its Unit including the dwelling on the Unit, or the applicable Common Area if the Association is the Claimant, to such Respondent, its employees, agents, contractors and consultants for the purpose of making such repair, redesign, remedy or cure. Declarant hereby reserves for itself, and grants to the Association and each Respondent, an easement to enter upon Claimant's Unit (including the dwelling

thereon) for the purposes of making any repair, redesign, remedy or cure pursuant to this Section 19.2(d). The Respondent shall make reasonable efforts to schedule convenient times with the Claimant for the performance of such work, but the Claimant's refusal to schedule such times shall not relieve the Claimant of its obligations set forth in this Section 19.2(d). The Claimant agrees that each Respondent has an absolute right to attempt to repair, remedy or otherwise cure one or more matters described in the Claim. The Claimant further agrees that nothing contained in this Section 19.2(d) creates any obligation upon any Respondent to attempt to repair, remedy or otherwise cure any matters described in the Claim and each Respondent's obligations in that respect are limited to those obligations, if any, imposed by any written express warranty separately provided to the Claimant (and which, by its terms, may not run to the benefit of succeeding owners of the property) and by applicable law. If the Claimant refuses to allow each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Unit, including the dwelling on the Unit, or applicable Common Area if the Association is the Claimant, in order to perform such work, the Claimant shall be deemed to be in breach of its obligations set forth in this Section 19.2(d) and shall be liable to such Respondent, and such Respondent shall be entitled to recover from the Claimant, liquidated damages in the amount of $100.00 per day for each day after the Claimant's receipt of the Respondent's written notice that it intends to repair, remedy or otherwise cure one or more matters described in the Claim until the Claimant provides such access; provided that the amount of liquidated damages shall increase by five percent (5%) on each anniversary of the date upon which this Declaration is recorded (for example, but without limitation, on the first anniversary of the date upon which this Declaration is recorded, the amount of liquidated damages required by this Section 19.2(d) shall be $105.00 per day). Liquidated damages provided in this Section 19.2(d) are separate from and independent of liquidated damages provided in Section 19.2(c) and a Respondent that is in breach of its obligations under each Section will be liable for liquidated damages under each Section. By acquiring ownership of any real property located within the Community, each Owner and the Association acknowledges and agrees that the actual damages to a Respondent arising from a Claimant's breach of its obligations set forth in this Section 19.2(d) would be extremely difficult and impractical to ascertain, including, without limitation, loss of reputation and goodwill, and that the liquidated damage amount referenced in the preceding sentence is a fair and reasonable estimate thereof. If the Association makes a Defect Claim on behalf of one or more Owners with respect to the Units of those Owners (and nothing in this Declaration creates an authority for the Association to do so), or if any Owner or other Person makes a Defect Claim in the nature of a derivative action on behalf of the Association, then the Person making such Defect Claim shall be required to provide access to each Unit that is the subject of the Defect Claim and all of the provisions of this Section 19.2(d) shall apply to such Person and such Defect Claim.

(e) ***Mediation.*** If the parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or within any other agreed upon period), the Claimant shall have 30 additional days to submit the Claim to mediation with a Dispute Resolution Service in the Grand Junction area, which shall be designated by the Association if the Association is not a party to the Claim. Each Bound Party shall present the mediator with a written summary of the Claim.

RECEPTION#: 3002815, at 10/7/2021 9:03:22 AM, 79 of 112
Recording: $568.00, Tina Peters, Mesa County, CO. CLERK AND RECORDER

DISPUTE RESOLUTION TIMELINE

Claim Between Bound Parties

Day 1 — Written Notice of Claim

- Factual Basis
- Legal Basis
- Propose a resolution
- Propose a meeting
- Send copy to Board
- Defect Claim:
  - List and Location Damages
  - List of Persons
  - Right to Inspect
  - Right to Remedy

Day 2-30 — Negotiations

- Good faith effort
- Parties meet in person
- May request Board assistance

Day 31-60 — Request Mediation

- Claimant must submit claim
- Mediator assigned by Association or independent agency
- If Claim is not submitted, it is waived

Day 61-90+ — Mediation

- Agency supplies rules
- Fee split between parties
- Written summary from each side
- Supervised negotiation
- Contractual settlement
- Termination of mediation

Day 90+ — Arbitration

- Notice to Arbitrate – within 20 days after Termination of Mediation
- Single arbitrator
- Fees split between parties
- Hearing
- Decision (within 14 days after hearing)
- If arbitration is not commenced within 20 days after Termination of Mediation, Claim is waived

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant on account of such Claim.

If the parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (a "**Termination of Mediation**") indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to commence binding arbitration on the Claim, pursuant to and as provided in Section 19.2(g).

Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall pay an equal share of the mediator's fees.

(f) ***Settlement.*** Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to comply again with the procedures set forth in this section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

(g) ***Arbitration.*** After receiving a Termination of Mediation, if the Claimant wants to pursue the Claim and the Claim is not otherwise barred as provided elsewhere in this Chapter 19, the Claimant shall initiate final, binding arbitration of the Claim under the auspices of a Dispute Resolution Service (which does not necessarily have to be the same Dispute Resolution Service that provided mediation with respect to the Claim), and the Claimant shall provide to the Respondent a "Notice of Intent to Arbitrate," all within twenty (20) days after the Termination of Mediation. If the Claimant does not initiate final, binding arbitration of the Claim and provide a Notice of Intent to Arbitrate to the Respondent within twenty (20) days after the Termination of Mediation, then the Claimant shall be deemed to have waived the Claim, and that Respondent shall be relieved of any and all liability to the Claimant on account of such Claim. The term "Party" when used in this Section 19.2(g) shall mean a party to an arbitration proceeding to resolve a Claim and the term "Parties" shall mean all the parties to such arbitration proceeding. The following arbitration procedures shall govern each Claim submitted to arbitration:

(i) The arbitration shall be presided over by a single arbitrator.

(ii) The arbitrator must be a person qualified to consider and resolve the Claim with the appropriate industry and/or legal experience.

(iii) No Person shall serve as the arbitrator where that Person has any financial or personal interest in the arbitration or any family, social or significant professional acquaintance with any Party to the arbitration. Any Person designated as an arbitrator shall immediately disclose in writing to all Parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the arbitration ("Arbitrator Disclosure"). If any Party objects to the service of any arbitrator with fourteen (14) days after receipt of the Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner as the initial arbitrator was selected.

(iv) The arbitrator shall have the exclusive authority to, and shall, determine all issues about whether a Claim is covered by this Chapter 19. Notwithstanding anything herein to the contrary (including, but not limited to, Section 19.2(g)(viii) below), if a Party contests the validity or scope of arbitration in court, the arbitrator or the court shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Party.

(v) The arbitrator shall hold at least one (1) hearing in which the Parties, their attorneys and expert consultants may participate. The arbitrator shall fix the date, time and place for the hearing. The arbitrator is not required to hold more than one (1) hearing. The arbitration proceedings shall be conducted in Mesa County, Colorado unless the Parties otherwise agree.

(vi) No formal discovery shall be conducted without an order of the arbitrator or express written agreement of all Parties.

(vii) Unless directed by the arbitrator, there shall be no post hearing briefs.

(viii) The arbitration award shall address each specific Claim to be resolved in the arbitration, provide a summary of the reasons therefore and the relief granted, and be rendered no later than fourteen (14) days after the close of the hearing, unless otherwise agreed by the Parties. The arbitration award shall be in writing and shall be signed by the arbitrator.

(ix) The arbitrator shall apply the substantive law of Colorado and may award injunctive relief or any other remedy available in Colorado but shall not have the power to award punitive damages, consequential damages, exemplary damages, treble damages, indirect or incidental damages, attorneys' fees, expert's fees and/or costs to the prevailing Party. Each Party is responsible

for any fees and costs incurred by that Party, including, without limitation, the fees and costs of its attorneys, consultants and experts. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court of competent jurisdiction.

(x) The Parties shall pay their pro rata share of all arbitration fees and costs, including, without limitation, the costs for the arbitrator.

(xi) With respect to a Defect Claim, the arbitrator shall have authority to establish reasonable terms regarding inspections, destructive testing and retention of independent consultants and may require that the results of any such inspections and testing and the reports of independent consultants be submitted to the arbitrator and to the other Parties, whether or not the Party that ordered such inspections or testing or engaged the consultant intends to present such results or reports to the arbitrator as evidence.

(xii) Except as may be required by law or for confirmation of an arbitration award, neither a Party nor an arbitrator may disclose the existence or contents of any arbitration without the prior written consent of all Parties to the arbitration.

(h) ***Amendment.*** This Section 19.2 shall not be amended unless such amendment is approved by a vote of Owners entitled to cast 75% of the total votes in the Association (or such lesser percentage as may be the maximum permitted by the Act) and by 75% of all first Mortgagees (or such lesser percentage as may be permitted by the Act) and by the Declarant; provided that, approval by first Mortgagees shall not be required if such requirement is contrary to mandatory provisions, if any, of applicable law. Any amendment to this Section 19.2 shall not apply to Claims based on alleged acts or omissions or circumstances that predate the recording of the amendment.

19.3 Initiation of Litigation or Arbitration by Association

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any litigation (if the foregoing alternative dispute resolution procedures are not applicable) or arbitration proceeding, or engage any attorney to initiate any litigation or arbitration or to advise the Board and/or the Association, with respect to doing so unless first approved by: (a) the Board; and (b) the affirmative vote of Owners entitled to cast 75% of the total votes in the Association (or such lower percentage, if any, that may be expressly specified in the Act as the maximum that may be required as condition to initiation by the Association of litigation or arbitration proceedings), except that only the approval of the Board and not the approval of Owners shall be required for actions or proceedings:

(a) That are initiated by the Board and assert only Exempt Claims and not any Claims that are subject to the procedures set forth in this Chapter 19; or

(b) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

If a Claim alleges that any Improvements, including dwelling(s), located within the Community, suffer from construction and/or design defects, the following additional requirements must be satisfied before such a Claim may be submitted to arbitration: (a) if the Claim relates to Improvements, including dwellings, on one or more Units, the prior written approval of the Owner of each such Unit and the first Mortgagee, if any, on each such Unit must be obtained; (b) if the Claim relates generally to Improvements on the Common Area, the prior written approval of at least 75% of all first Mortgagees must be obtained. In addition, if the Claim is a Defect Claim, the Association shall not initiate any litigation (if the foregoing alternative dispute resolution procedures are not applicable) or arbitration proceeding unless and until it has obtained the written consent of all first Mortgagees holding liens against each Unit that is the subject of the Defect Claim, and if the Defect Claim involves any Common Areas, the written consent of 75% of all first Mortgagees. The Board and the Association have no authority or jurisdiction whatsoever to initiate any litigation or arbitration without first obtaining all of the requisite approvals and consents required by this Section 19.3 and any litigation or arbitration initiated without such approvals and consents shall be dismissed by the court or arbitrator, as applicable, who shall award the defendant(s) in such action reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal. Notwithstanding the requirements in this paragraph to obtain the consent of first Mortgagees under certain circumstances, if any, with respect to a particular circumstance, such requirement is contrary to mandatory provisions, if any, of applicable law, then such consent shall not be required in such circumstance.

Prior to commencing any action or proceeding that requires approval of Owners and first Mortgagees as provided in this section, the Board shall mail or deliver written notice that such action or proceeding is being considered to each Owner at the last known address described in the Association's records and to each First Mortgagee referred to in the immediately preceding paragraph. The notice shall state a general description of (i) the nature of the action and the relief sought, including a statement of the Claim and the Respondent's response to the Claim, including any settlement offer; (ii) the expenses and fees that the Board anticipates will be incurred in prosecuting the action, including, without limitation, any amounts that may be payable to the Association's attorneys if the Board or the Association decides to settle or withdraw the Claim without the consent, or against the advice of, the Association's attorneys; (iii) the name of the attorney(s) that the Board proposes to engage, the terms of the proposed engagement and a copy of any proposed engagement letter; (iv) an estimate of the time that will be necessary to pursue the Claim to resolution; (v) the potential impact of the Claim and the litigation or arbitration of the Claim on the ability of the Owners to sell their Units; (vi) the potential impact of the Claim and the litigation or arbitration of the

Claim on the ability of the Owners to obtain a new loan or refinance an existing loan secured by their Units; and (vii) a statement advising the Owners of their duty to disclose the Claim to prospective purchasers and current and prospective mortgagees of their Units. Such written statement shall also be sent to the Respondent at least ten (10) days before the meeting of Owners at which the possible initiation of litigation or arbitration will be considered and the Respondent shall have the right to attend and make a presentation at such meeting. The Association shall hold a meeting of the Owners to consider such litigation or arbitration no sooner than ten (10) days following the Association providing the written statement described in this paragraph.

In addition, if a Claim alleges that any dwelling or other Improvements on a Unit suffer from construction and/or design defects, the Claimant shall promptly disclose the Claim and its details to his/her prospective purchasers and current and prospective Mortgagees.

Notwithstanding any other provision of this Chapter 19 or this Declaration, arbitration with respect to a Claim must be initiated within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings in a court based on such Claim would be barred by the applicable statute of limitations or statute of repose, except that any claim based on breach of a written express warranty must be made within the time specified in the express warranty document. If any Claim is not timely submitted to arbitration, or if the Claimant fails to appear and participate in good faith for the arbitration proceeding when scheduled, then the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant on account of any such Claim.

This Section 19.3 shall not be amended unless such amendment is approved by a vote of Owners entitled to cast 75% of the total votes in the Association (or such lesser percentage as may be the maximum permitted by the Act) and by 75% of all first Mortgagees (or such lesser percentage as may be permitted by the Act) and by the Declarant; provided that, approval by first Mortgagees shall not be required if such requirement is contrary to mandatory provisions, if any, of applicable law. Any amendment to this Section 19.3 shall not apply to Claims based on alleged acts or omissions or circumstances that predate the recording of the amendment.

Chapter 20
ASSOCIATION INSURANCE

20.1 Required Coverages

The Association shall obtain and maintain in effect the following insurance coverage, if reasonably available, or if not reasonably available, the most nearly equivalent coverage as is reasonably available:

(a) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on

(i) the Common Area;

(ii) other portions of the Area of Common Responsibility, to the extent that the Association has responsibility for repair or replacement in the event of a casualty; and

(iii) any Service Area, to the extent specified or authorized by any applicable Supplemental Declaration.

If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The limits of Association property insurance policies shall be sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes.

In addition, if a Supplemental Declaration so specifies, the Association shall obtain and maintain property insurance on the insurable improvements within a Service Area, which insurance shall comply with the above requirements;

(b) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its members for damage or injury caused by the negligence or other tortious conduct of the Association or any of its members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage shall have a limit of at least $2,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage. Such coverage may be provided through a combination of primary and umbrella policies. However, if additional coverage and higher limits are available at reasonable cost that a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(c) Workers compensation insurance and employer's liability insurance, if and to the extent required by law;

(d) Directors and officers liability coverage; and

(e) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-fourth of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Grand Junction area. In the exercise of its business judgment, the Board may obtain additional insurance coverage and higher limits than this section requires.

20.2 Deductibles

The Association's policies may contain a reasonable deductible, which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 19.1. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Service Area Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

20.3 Policy Requirements

All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Owner.

To the extent available at reasonable cost and terms, all Association insurance shall:

(a) be written with a company authorized to do business in Colorado that satisfies the requirements of Fannie Mae, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(b) be written in the name of the Association as trustee for the benefited parties. All policies shall be for the benefit of the Association and its members, except that policies on Limited Common Area shall be for the benefit of the Owners of Units within the Service Area to which the Limited Common Area is assigned and their Mortgagees, as their interests may appear;

(c) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(d) contain an inflation guard endorsement;

(e) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(f) provide that each Owner is an insured person with respect to liability arising out of such Owner's status as a member of the Association;

(g) provide a waiver of subrogation against any Owner or household member of an Owner; and

(h) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any act or omission of one or more Owners, unless acting on the Association's behalf within the scope of their authority, or on account of any curable defect or violation, without prior written demand to the Association and allowance of a reasonable time to cure the defect or violation.

In addition, the Board shall use reasonable efforts to secure insurance policies that list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's directors, officers, employees, and manager;

(j) a waiver of the insurer's right to repair and reconstruct instead of paying cash;

(k) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(l) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(m) a cross liability provision; and

(n) a provision vesting in the Board exclusive authority to adjust losses, except to the extent applicable law permits an Owner to file a claim to the same extent, and with the same effect, as if the Owner were an additional named insured. However, Mortgagees having an interest in such losses may not be precluded from participating in the settlement negotiations, if any, related to the loss.

20.4 Insurance Premiums

Premiums for all Association insurance shall be a Common Expense, except that premiums for property insurance on particular Units, or Limited Common Area assigned to particular Units, may be assessed against such Units as a Specific Assessment or a Service Area Assessment (as those terms are defined in Chapter 5), unless the Board reasonably determines that other treatment of the premiums is more appropriate.

Chapter 21
TERMINATION AND AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

21.1 Term and Termination

This Declaration shall have perpetual duration, unless terminated in the manner provided in the Act by agreement of Owners representing at least 80% of the total votes in the Association and the written consent of the Declarant during the Development and Sale Period. If Colorado law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration automatically shall be extended at the expiration of such period for successive periods of 20 years each, unless terminated by agreement of the Owners representing at least 80% of the total votes in the Association in the manner provided in the Act.

This section shall not permit termination of any easement created in this Declaration without the written consent of the holder of such easement.

21.2 Amendment

(a) ***Corrections.*** Notwithstanding anything to the contrary contained in this Declaration, this Declaration may be amended in whole or in part, at any time, by the Declarant without the consent or approval of any other Owner or any other Person, in order to correct clerical, typographical, or technical errors, or to clarify this Declaration or any provision hereof. The Declarant's right of amendment set forth in the preceding sentence shall terminate upon termination of the Development and Sale Period.

(b) ***Satisfaction of Mortgage Market.*** Notwithstanding anything to the contrary contained in this Declaration, this Declaration may be amended in whole or in part, at any time, by the Declarant without the consent or approval of any other Owner or any other Person, in order to comply with the requirements, standards, or guidelines of the Government National Mortgage Association, Fannie Mae (formerly the Federal National Mortgage Association), the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, including the Federal Housing Administration, the Veterans Administration, or any other governmental or quasi-governmental agency, or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities. The Declarant's right of amendment set forth in the preceding sentence shall terminate upon termination of the Development and Sale Period.

(c) ***Other Amendments.*** Except in cases of amendments that may be executed unilaterally by Declarant during the Development and Sale Period in the exercise of its development rights under this Declaration, or amendments executed by Declarant or the Association as authorized in the Act, this Declaration may be amended

only by the affirmative vote or written consent, or any combination thereof, of at least 67% of the votes held by the Owners, and the consent of Declarant during the Development and Sale Period and, with respect to an amendment that would, pursuant to this Declaration, require the consent of a specified percentage of Eligible Holders, the written consent of the specified percentage of Eligible Holders.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Amendments to this Declaration shall be executed by the President or the Vice President of the Association and shall contain a recitation and certification that the requisite number of votes were obtained. Any amendment shall be effective upon recordation unless a later effective date is specified in the amendment.

No amendment may remove, revoke, limit, condition, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege. Without limiting the foregoing, the rights and privileges referred to in the immediately preceding sentence include, without limitation, any provision of this Declaration that states that Declarant has or has reserved or is granted or given a right, any provision of this Declaration that states that a particular action requires the approval or consent of the Declarant, and any provision of this Declaration that states that the Declarant may veto a particular action and, in all events, including, without limitation, Sections 18.1, 18.2, 18.3, 20.1, and 20.2. In addition, the approval requirements set forth in Chapter 17 shall be met if applicable.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any procedural challenge to an amendment must be made within six months of its recordation, or such amendment shall be presumed to have been validly adopted, except only with respect to an amendment as to which the Act provides that a procedural challenge to such amendment must be made within one year of its recordation, as to which the one year deadline shall be applicable. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

21.3 Exhibits

Exhibits "A", "B", "C" and "D" are incorporated by this reference, and this chapter shall govern amendment of those exhibits.

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made by Redlands Three Sixty, LLC, a Colorado limited liability company, as Declarant, and in witness thereof, it has executed this Declaration this 24 day of Sept, 2021.

DECLARANT:

Redlands Three Sixty, LLC,
a Colorado limited liability company

By: La Plata Communities, Inc., a Colorado Corporation, its Manager

By: B. Douglas Quimby
B. Douglas Quimby, President

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 24 day of Sept, 2021, by B. Douglas Quimby as President of La Plata Communities, Inc., a Colorado corporation and the Manager of Redlands Three Sixty, LLC, a Colorado limited liability company, on behalf of such company.

Witness my hand and official seal.
My Commission expires: 03/06/2023

CANDICE ELAINE WAUNEKA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20194008489
MY COMMISSION EXPIRES MARCH 6, 2023

Notary Public

(Seal)

EXHIBIT "A"

Land Initially Submitted

1. Lots 1 through 22, inclusive, Canyon Rim 360 Subdivision Filing Number One, in the City of Grand Junction, Mesa County, Colorado.

2. Tracts A, B, C, D, E and F, Canyon Rim 360 Subdivision Filing Number One, in the City of Grand Junction, Mesa County, Colorado.

Neighborhood Designation: The property described above is located within the Neighborhood known as "Neighborhood #1."

Each of Lots 1 through 22, inclusive, and each of Tracts A, B, C, D, E and F are a separate portion of the Community and Declarant may exercise its development rights, including the right to withdraw property from the Community, independently and separately with respect to each such separate portion of the Community.

EXHIBIT "B"

Plat

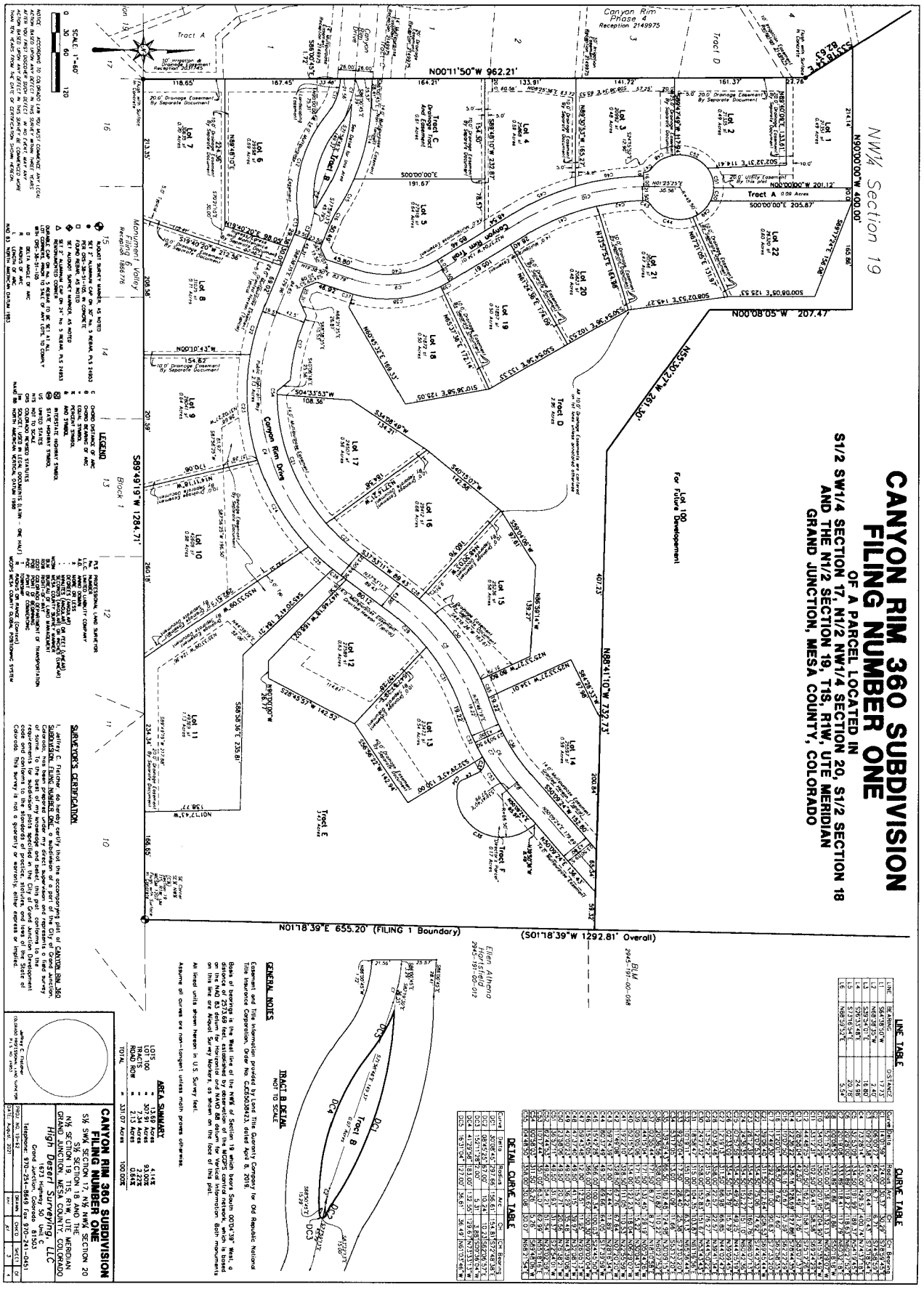

CANYON RIM 360 SUBDIVISION
FILING NUMBER ONE
OF A PARCEL LOCATED IN
S1/2 SW1/4 SECTION 17, N1/2 NW1/4 SECTION 20, S1/2 SECTION 18
AND THE N1/2 SECTION 19, T1S, R1W, UTE MERIDIAN
GRAND JUNCTION, MESA COUNTY, COLORADO
NW¼ Section 19
N00°11'50"W 962.21'
N00°08'05"W 207.47'
N89°41'10"W 732.73'
N01°18'39"E 655.20' (FILING 1 Boundary)
(S01°18'39"W 1292.81' Overall)
S89°49'19"W 1284.71'
Canyon Rim Drive
Tract A
Tract B
Tract C
Tract D
Tract E
Tract F
For Future Development
Lot 100
Monument Valley Residential Addition
Canyon Rim Phase 4 Reception 2149975
Ellen Athena Horstfield 2945-191-00-012
BLM 2945-191-00-068
SURVEYOR'S CERTIFICATION
GENERAL NOTES
TRACT B DETAIL
NOT TO SCALE
LEGEND
LINE TABLE
CURVE TABLE
DETAIL CURVE TABLE
AREA SUMMARY
LOTS = 13.59 Acres 4.14%
TRACTS = 307.91 Acres 93.00%
ROAD ROW = 7.13 Acres 2.86%
TOTAL = 331.07 Acres 100.00%
CANYON RIM 360 SUBDIVISION
FILING NUMBER ONE
S½ SW¼ SECTION 17, N½ NW¼ SECTION 20
N½ SECTION 19, T1S, R1W, UTE MERIDIAN
GRAND JUNCTION, MESA COUNTY, COLORADO
High Desert Surveying, LLC
1673 Highway 50 Unit C
Grand Junction, Colorado 81503
Telephone: 970-254-8845 Fax: 970-241-0451
Jeffrey C. Thacker
COLORADO P.L.S. No. 38497
DATE: August 2021
SHEET 1 OF 3

EXHIBIT "C"

Title Exceptions

1. Any facts, rights, interests, or claims thereof, not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.

2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date of the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.

6. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

7. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.

8. RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENTS RECORDED NOVEMBER 8, 1912 IN BOOK 163 AT PAGE **266** UNDER RECEPTION NO. **109800** (AFFECTS LOTS 2, 3 AND 4 OF SAID SECTION 18), AND AUGUST 14, 1916 IN BOOK 163 AT PAGE **588** UNDER RECEPTION NO. **132795** (AFFECTS NW¼ NE¼, S½ NE¼, AND SE¼ NW¼ OF SAID SECTION 18).

9. RIGHT OF WAY FOR THE REDLANDS WATER AND POWER COMPANY PIPELINE AND SECOND LIFT CANAL AND RIGHTS INCIDENTAL THERETO, AS SET FORTH IN INSTRUMENT RECORDED NOVEMBER 18, 1940 IN BOOK 274 AT PAGE **541** UNDER RECEPTION NO. **376242**.

10. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF EASEMENT, GRANTED TO UTE WATER CONSERVANCY DISTRICT FOR A WATER TRANSMISSION AND/OR DISTRIBUTION LINE OR SYSTEM AND RIGHTS INCIDENTAL THERETO, RECORDED NOVEMBER 12, 1981 IN BOOK 1342 AT PAGE **381** UNDER RECEPTION NO. **1274246**.

11. EASEMENTS, CONDITIONS, COVENANTS, RESTRICTIONS, RESERVATIONS AND NOTES ON THE PLAT OF PUMPHOUSE SUBDIVSION RECORDED DECEMBER 19, 1996 UNDER RECEPTION NO. **1782382**.

12. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF EASEMENT, GRANTED TO LIBERTY BAPTIST CHURCH OF GRAND JUNCTION, LTD., A COLORADO NONPROFIT CORPORATION, FOR IRRIGATION PURPOSES AND RIGHTS INCIDENTAL THERETO, RECORDED DECEMBER 2, 1997 IN BOOK 2381 AT PAGE **684** UNDER RECEPTION NO. **1822809**.

13. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF NOTICE OF RIGHTS-OFWAY OF THE REDLANDS WATER AND POWER COMPANY, OR ITS PREDECESSORS, RECORDED MARCH 4, 1999 IN BOOK 2558 AT PAGE **544** UNDER RECEPTION NO. **1891356**.

14. (THIS ITEM WAS INTENTIONALLY DELETED)

15. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF GRANT OF PUBLIC TRAILS EASEMENT, IN FAVOR OF THE CITY OF GRAND JUNCTION, RECORDED NOVEMBER 25, 2003 IN BOOK 3536 AT PAGE **259** UNDER RECEPTION NO. **2161618**.

16. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR THE OPERATION, MAINTENANCE, CONSTRUCTION AND RE-CONSTRUCTION OF THE REDLANDS WATER AND POWER COMPANY SECOND LIFT CANAL, AS RESERVED IN INSTRUMENT RECORDED JANUARY 12, 2006 IN BOOK 4075 AT PAGE **92** UNDER RECEPTION NO. **2296333**.

17. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF THE FOLLOWING CONTRACTS TO PURCHASE PROPERTY, EACH SPECIFYING AN UNDIVIDED ONE PERCENT (1%) INTEREST IN LOT 2 OF PUMPHOUSE SUBDIVISION:

A) BY AND BETWEEN GRAND JUNCTION LAND COMPANY, LLC, A COLORADO LIMITED LIABILITY COMPANY, AND MICHAEL MAPLE, RECORDED JULY 23, 2020 UNDER RECEPTION NO. **2934401**;

B) BY AND BETWEEN GRAND JUNCTION LAND COMPANY, LLC, A COLORADO LIMITED LIABILITY COMPANY, AND JANE A. QUIMBY, RECORDED JULY 23, 2020 UNDER RECEPTION NO. **2934402**;

C) BY AND BETWEEN GRAND JUNCTION LAND COMPANY, LLC, A COLORADO LIMITED LIABILITY COMPANY, AND MICHAEL G. RUEBENSON, RECORDED JULY 23, 2020 UNDER RECEPTION NO. **2934403**;

D) BY AND BETWEEN GRAND JUNCTION LAND COMPANY, LLC, A COLORADO LIMITED LIABILITY COMPANY, AND DONALD B. GRAVETTE, RECORDED JULY 23, 2020 UNDER RECEPTION NO. **2934404**;

E) BY AND BETWEEN GRAND JUNCTION LAND COMPANY, LLC, A COLORADO LIMITED LIABILITY COMPANY, AND BROR D. QUIMBY, RECORDED JULY 23, 2020 UNDER RECEPTION NO. **2934405**.

18. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF ORDER AND DECREE TO CREATE DISTRICT, THE ORGANIZATION OF: REDLANDS 360 METROPOLITAN DISTRICT NO. 1, RECORDED DECEMBER 21, 2020, UNDER RECEPTION NO. **2958240**.

19. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF ORDER AND DECREE TO CREATE DISTRICT, THE ORGANIZATION OF: REDLANDS 360 METROPOLITAN DISTRICT NO. 9, RECORDED DECEMBER 21, 2020, UNDER RECEPTION NO. **2958242**.

20. THE RIGHT OF THE PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM SHOULD THE SAME BE FOUND TO INTERSECT SAID PREMISES AS RESERVED IN UNITED STATES PATENT RECORDED SEPTEMBER 29, 1910 IN BOOK 163 AT PAGE **32** UNDER RECEPTION NO. **94240** (AFFECTS E½ SW¼ AND SW¼ SW¼ OF SAID SECTION 17; SE¼ SE¼ OF SAID SECTION 18).

21. RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENTS RECORDED SEPTEMBER 29, 1910 IN BOOK 163 AT PAGE **32** UNDER RECEPTION NO. **94240** (AFFECTS E½ SW¼ AND SW¼ SW¼ OF SAID SECTION 17; SE¼ SE¼ OF SAID SECTION 18), MAY 22, 1911 IN BOOK 163 AT PAGE **70** UNDER RECEPTION NO. **99261** (AFFECTS SE¼ SW¼ AND SW¼ SE¼ OF SAID SECTION 18; AND N½ NE¼ OF SAID SECTION 19), NOVEMBER 6, 1911 IN BOOK 163 AT PAGE **134** UNDER RECEPTION NO. **102321** (AFFECTS NE¼NE¼ SAID SEC. 18), JANUARY 24, 1913 IN BOOK 163 AT PAGE **298** UNDER RECEPTION NO. **111473** (AFFECTS N½ NW¼ OF SAID SECTION 20), AUGUST 21, 1913 IN BOOK 163 AT PAGE **356** UNDER RECEPTION NO. **115359** (AFFECTS NE¼ NW¼ OF SAID SECTION 18), MAY 2, 1914 IN BOOK 163 AT PAGE **424** UNDER RECEPTION NO. **119988** (AFFECTS NW¼ SW¼ OF SAID SECTION 17; NE¼ SW¼ AND N½ SE¼ OF SAID SECTION 18),]3 22, 1915 IN BOOK 163 AT PAGE **494** UNDER RECEPTION NO. **124903** (AFFECTS LOTS 1, 2 AND 3 AND E½ NW¼ OF SAID SECTION 19), AND AUGUST 14, 1916 IN BOOK 163 AT PAGE **588** UNDER RECEPTION NO. **132795** (AFFECTS NW¼ NE¼, S½ NE¼ AND SE¼ NW¼ SAID SECTION 18).

22. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR PURPOSES PERTINENT TO THE OPERATIONS OF REDLANDS WATER & POWER COMPANY, AS SET FORTH IN INSTRUMENT RECORDED MAY 21, 1956 IN BOOK 685 AT PAGE **301** UNDER RECEPTION NO. **668855**.

23. ONE-HALF OF ALL ROYALTY PAYMENTS RECEIVED FROM THE SALE OF ALL OIL AND GAS PRODUCED AND SAVED FROM THAT PORTION OF THE SUBJECT PROPERTY LYING WITHIN S½SW¼ OF SAID SECTION 17 AND THE SE¼SE¼ OF SAID SECTION 18, AS RESERVED BY CARL S. SIGMON AND CORA ELIZABETH SIGMON IN DEED RECORDED JANUARY 29, 1960 UNDER RECEPTION NO. **761001**, AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

24. RIGHTS OF SURFACE ENTRY AND ANY OTHER INCIDENTAL RIGHTS USED, CLAIMED OR ASSERTED UNDER ANY MINERAL RESERVATION, LEASE OR CONVEYANCE AFFECTING THE LANDS HEREIN.

25. RESTRICTIVE COVENANTS, WHICH DO NOT CONTAIN A FORFEITURE OR REVERTER CLAUSE, BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY, OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW, AS CONTAINED IN INSTRUMENT RECORDED OCTOBER 05, 1961 IN BOOK 811 AT PAGE **585** UNDER RECEPTION NO. **801203**. AMENDMENT WAS RECORDED DECEMBER 11, 1961 IN BOOK 816 AT PAGE **18** UNDER RECEPTION NO. **805475**. (AFFECTS SE¼ SW¼ OF SAID SECTION 17)

26. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF EASEMENT, FOR A WATER TRANSMISSION AND/OR DISTRIBUTION LINE OR SYSTEM, GRANTED TO UTE WATER CONSERVANCY DISTRICT, RECORDED JULY 19, 1963 IN BOOK 851 AT PAGE **241** UNDER RECEPTION NO. **844646**.

27. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR A WATER TRANSMISSION AND/OR DISTRIBUTION LINE OR SYSTEM AND RIGHTS INCIDENTAL THERETO, GRANTED TO UTE WATER CONSERVANCY DISTRICT, AS SET FORTH IN INSTRUMENT RECORDED JULY 19, 1963 IN BOOK 851 AT PAGE **243** UNDER RECEPTION NO. **844647**.

28. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR A WATER TRANSMISSION AND/OR DISTRIBUTION LINE OR SYSTEM AND RIGHTS INCIDENTAL THERETO, GRANTED TO UTE WATER CONSERVANCY DISTRICT, AS SET FORTH IN INSTRUMENT RECORDED JULY 19, 1963 IN BOOK 851 AT PAGE **279** UNDER RECEPTION NO. **844665**.

29. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR A WATER TRANSMISSION AND/OR DISTRIBUTION LINE OR SYSTEM AND RIGHTS INCIDENTAL THERETO, GRANTED TO UTE WATER CONSERVANCY DISTRICT, AS SET FORTH IN INSTRUMENT RECORDED JULY 19, 1963 IN BOOK 851 AT PAGE **295** UNDER RECEPTION NO. **844673**.

30. RIGHT OF WAY FOR SOUTH BROADWAY, AS DISCLOSED IN THE RECORDS OF THE MESA COUNTY ASSESSOR'S OFFICE.

31. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF A RIGHT OF WAY FOR FLUME AND RIGHTS INCIDENTAL THERETO, AND ALSO WEST ½ OF A CIRCLE WITH A RADIUS OF 50 FEET, AS RESERVED TO THE REDLANDS WATER & POWER COMPANY IN INSTRUMENT RECORDED OCTOBER 21, 1969 IN BOOK 940 AT PAGE **197** UNDER RECEPTION NO. **978834**.

32. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF EASEMENTS 20 FEET IN WIDTH LYING ADJACENT TO CENTERLINES OF FIRST AND SECOND LIFT CANALS, AS SET FORTH IN INSTRUMENTS RECORDED NOVEMBER 21, 1978 IN BOOK 1175 AT PAGE **192** UNDER RECEPTION NO. **1177137** AND FEBRUARY 13, 1981 IN BOOK 1297 AT PAGE **938** UNDER RECEPTION NO. **1248158**.

33. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF RIGHTS OF WAY FOR COUNTY ROAD ALONG THE EAST LINE OF THE SUBJECT PROPERTY AND THROUGH THE NORTHEAST PART OF SAID S½NE¼ OF SAID SECTION 18, AND RIGHTS INCIDENTAL THERETO, AS SET FORTH IN INSTRUMENTS RECORDED NOVEMBER 21, 1978 IN BOOK 1175 AT PAGE **192** UNDER RECEPTION NO. **1177137** AND FEBRUARY 13, 1981 IN BOOK 1297 AT PAGE **938** UNDER RECEPTION NO. **1248158**.

34. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF RIGHTS OF WAY FOR THE FIRST AND SECOND LIFT CANALS OF THE REDLANDS WATER AND POWER COMPANY, AS SET FORTH IN INSTRUMENT RECORDED NOVEMBER 21, 1978 IN BOOK 1175 AT PAGE **192** UNDER RECEPTION NO. **1177137**.

35. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF A PERPETUAL EASEMENT 15 FEET ON EACH SIDE OF THE CENTERLINE ACROSS THE SUBJECT PROPERTY, AS EVIDENCED BY INSTRUMENT RECORDED NOVEMBER 21, 1978 IN BOOK 1175 AT PAGE **192** UNDER RECEPTION NO. **1177137**.

36. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR UTILITIES AND RIGHT OF WAY ACROSS A PORTION OF THE SUBJECT PROPERTY, AS SET FORTH IN INSTRUMENTS RECORDED NOVEMBER 21, 1978 IN BOOK 1175 AT PAGE **205** UNDER RECEPTION NO. **1177140** AND FEBRUARY 13, 1981 IN BOOK 1297 AT PAGE **938** UNDER RECEPTION NO. **1248158**.

37. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR ACCESS AND RIGHTS INCIDENTAL THERETO, 20 FEET IN WIDTH EXTENDING FROM WATER STORAGE TANK TO THE SOUTH LINE OF EASTER HILL DRIVE, AS SET FORTH IN INSTRUMENTS RECORDED NOVEMBER 21, 1978 IN BOOK 1175 AT PAGE **205** UNDER RECEPTION NO. **1177140** AND FEBRUARY 13, 1981 IN BOOK 1297 AT PAGE **938** UNDER RECEPTION NO. **1248158**.

38. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR POWER LINE AND POWER POLES 15 FEET ON EACH SIDE OF THE PUBLIC SERVICE COMPANY OF COLORADO POWER LINE PRESENTLY INSTALLED FOR DELIVERING POWER TO PUMP HOUSE, AND RIGHTS INCIDENTAL THERETO, AS EVIDENCED BY INSTRUMENTS RECORDED NOVEMBER 21, 1978 IN BOOK 1175 AT PAGE **205** UNDER RECEPTION NO. **1177140** AND FEBRUARY 13, 1981 IN BOOK 1297 AT PAGE **938** UNDER RECEPTION NO. **1248158**.

39. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR PIPELINE, PUMP, PUMP HOUSE AND WATER STORAGE TANK, AND RIGHTS INCIDENTAL THERETO, AS SET FORTH IN INSTRUMENTS RECORDED NOVEMBER 21, 1978 IN BOOK 1175 AT PAGE **205** UNDER RECEPTION NO. **1177140** AND FEBRUARY 13, 1981 IN BOOK 1297 AT PAGE **938** UNDER RECEPTION NO. **1248158**.

40. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR PUBLIC SERVICE COMPANY OF COLORADO POWER LINE PRESENTLY INSTALLED FOR DELIVERING POWER TO PUMP HOUSE, AND RIGHTS INCIDENTAL THERETO, AS EVIDENCED BY INSTRUMENTS RECORDED NOVEMBER 21, 1978 IN BOOK 1175 AT PAGE **205** UNDER RECEPTION NO. **1177140** AND FEBRUARY 13, 1981 IN BOOK 1297 AT PAGE **938** UNDER RECEPTION NO. **1248158**.

41. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF A 45 FOOT EASEMENT FOR THE CONSTRUCTION AND INSTALLATION OF A SANITARY SEWER LINE AND RIGHTS INCIDENTAL THERETO, AS SET FORTH IN INSTRUMENT RECORDED FEBRUARY 13, 1981 IN BOOK 1297 AT PAGE **938** UNDER RECEPTION NO. **1248158**.

42. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR A WATER TRANSMISSION AND/OR DISTRIBUTION LINE OR SYSTEM AND RIGHTS INCIDENTAL THERETO, GRANTED TO UTE WATER CONSERVANCY DISTRICT, AS SET FORTH IN INSTRUMENT RECORDED JANUARY 4, 1982 IN BOOK 1350 AT PAGE **599** UNDER RECEPTION NO. **1279079**.

43. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF NOTICE OF RIGHTS-OFWAY OF THE REDLANDS WATER AND POWER COMPANY, OR ITS PREDECESSORS, RECORDED MARCH 4, 1999 IN BOOK 2558 AT PAGE **544** UNDER RECEPTION NO. **1891356**.

44. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF OF DEED OF EASEMENT DATED DECEMBER 22, 2000, BY AND BETWEEN DYNAMIC INVESTMENTS, INC., A COLORADO LIMITED LIABILITY COMPANY AND NTCH-COLORADO, INC., A COLORADO CORPORATION, RECORDED MAY 7, 2001 IN BOOK 2846 AT PAGE **353** UNDER RECEPTION NO. **1995008**.

45. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF AN EASEMENT FOR UTILITY LINES, AND RIGHTS INCIDENTAL THERETO, GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO, AS SET FORTH IN INSTRUMENT RECORDED MAY 8, 2001 IN BOOK 2846 AT PAGE **938** UNDER RECEPTION NO. **1995204**.

46. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF THE FOLLOWING ITEMS, AS SET FORTH IN WARRANTY DEED RECORDED MAY 8, 2001 IN BOOK 2846 AT PAGE **939** UNDER RECEPTION NO. **1995205**: SURVEY OF THE PROPERTY BY THOMPSON-LANGFORD CORPORATION DATED MAY 4, 2001; RIGHT OF WAY FOR COLUMBUS WASH; AGREEMENT TO GRANT EASEMENT BETWEEN GRANTOR AND NTCH DATED DECEMBER 22, 2000; AND AGREEMENT BETWEEN GRANTOR AND THE CITY OF GRAND JUNCTION, A MUNICIPAL CORPORATION,STATE OF COLORADO, DATED FEBRUARY 5, 1992.

47. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF LAND USE AGREEMENT BY AND BETWEEN GRAND JUNCTION LAND COMPANY, LLC, AND WESTSTAR BANK, RECORDED MAY 8, 2001 IN BOOK 2846 AT PAGE **953** UNDER RECEPTION NO. **1995208**.

48. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF ACCESS AND UTILITY EASEMENT AGREEMENT, IN FAVOR OF NTCH-COLORADO, INC., RECORDED JUNE 12, 2001 IN BOOK 2867 AT PAGE **108** UNDER RECEPTION NO. **2000517**.

49. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF PUBLIC SERVICE COMPANY OF COLORADO EASEMENT GRANTING AN EASEMENT FOR UTILITY LINES AND RIGHTS INCIDENTAL THERETO TO PUBLIC SERVICE COMPANY OF COLORADO, AS SET FORTH IN INSTRUMENT RECORDED JANUARY 8, 2002 IN BOOK 2999 AT PAGE **108** UNDER RECEPTION NO. **2034821**.

50. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF THOSE FACILITIES AND EASEMENTS, AND RIGHTS INCIDENTAL THERETO, RESERVED IN SPECIAL WARRANTY DEED RECORDED NOVEMBER 25, 2003 IN BOOK 3536 AT PAGE **270** UNDER RECEPTION NO. **2161619**.

51. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF MESA COUNTY, COLORADO GRANT OF SANITARY SEWER EASEMENT AND AGREEMENT, RECORDED APRIL 10, 2008 IN BOOK 4642 AT PAGE **439** UNDER RECEPTION NO. **2433584**.

52. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF PUBLIC SERVICE COMPANY OF COLORADO EASEMENT, RECORDED SEPTEMBER 20, 2012 IN BOOK 5361 AT PAGE **365** UNDER RECEPTION NO. **2626184**.

53. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF PUBLIC SERVICE COMPANY OF COLORADO EASEMENT, RECORDED SEPTEMBER 20, 2012 IN BOOK 5361 AT PAGE **371** UNDER RECEPTION NO. **2626186**.

54. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF UNRECORDED TOWER SUBLEASE AGREEMENT, BY AND BETWEEN SBT TOWERS, LLC AND COLORADO RSA NO. 3 LIMITED PARTNERSHIP D/B/A VERIZON WIRELESS, AS DISCLOSED IN MEMORANDUM OF TOWER SUBLEASE AGREEMENT RECORDED JULY 29, 2014 IN BOOK 5625 AT PAGE **913** UNDER RECEPTION NO. **2697273**.

55. TERMS, CONDITIONS, STIPULATIONS, OBLIGATIONS AND PROVISIONS OF GRANT OF EASEMENT BY AND BETWEEN GRAND JUNCTION LAND COMPANY, LLC AND UTE WATER CONSERVANCY DISTRICT, RECORDED JUNE 16, 2015 IN BOOK 5737 AT PAGE **626** UNDER RECEPTION NO. **2727493**.

56. NOTWITHSTANDING THE INSURING CLAUSES OF THE POLICY, THE COMPANY DOES NOT INSURE AGAINST LOSS OR DAMAGE BY REASON OF A LACK OF A RIGHT OF ACCESS TO AND FROM THE LAND.

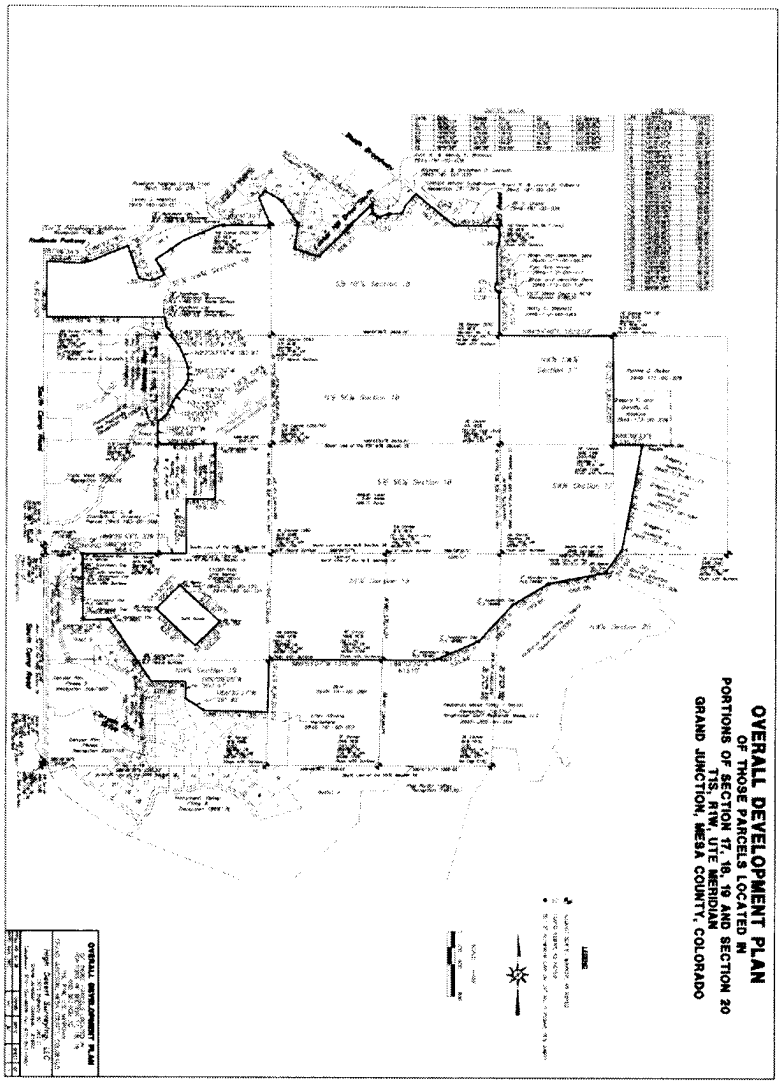
57. EASEMENTS, CONDITIONS, COVENANTS, RESTRICTIONS, RESERVATIONS AND NOTES ON THE PLAT OF CANYON RIM 360 SUBDIVISION, FILING NUMBER ONE TO BE RECORDED.

58. RESTRICTIVE COVENANTS, WHICH DO NOT CONTAIN A FORFEITURE OR REVERTER CLAUSE, BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY, OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW, AS CONTAINED IN THIS DECLARATION.

59. ANY OTHER RIGHTS, BURDENS, ENCUMBRANCES, EASEMENTS OR OTHER INTERESTS, APPURTENANT OR PERSONAL, ARISING IN LAW, OR IN EQUITY, WHETHER OR NOT FULLY DEFINED, ADJUDICATED OR RESOLVED THAT MAY BE ATTACHED TO THE PROPERTY, INCLUDING THE LOTS OR PARTS OF THE LOTS WHICH APPEAR OF RECORD OR MAY BE DISCOVERED BY DILIGENT INVESTIGATION IN LIGHT OF OBSERVABLE CONDITIONS AT THE PROPERTY OR OF WHICH ANY PERSON MAY HAVE LEGAL NOTICE OR KNOWLEDGE, INCLUDING, WITHOUT LIMITATION ACTUAL, CONSTRUCTIVE, RECORD, OR INQUIRY NOTICE OR KNOWLEDGE. OWNERS AND POTENTIAL OWNERS OF LOTS ARE CAUTIONED TO DILIGENTLY REVIEW AVAILABLE DOCUMENTS AND ENGAGE APPROPRIATE LEGAL OR OTHER COUNSEL OF THEIR CHOOSING TO FULLY INVESTIGATE, EVALUATE, AND UNDERSTAND THE RIGHTS, BURDENS, ENCUMBRANCES, EASEMENTS AND OTHER INTERESTS AS MAY AFFECT THEIR LOT EITHER BEFORE PURCHASING OR AFTERWARDS.

EXHIBIT "D"

Land Subject to Annexation



OVERALL DEVELOPMENT PLAN DESCRIPTION

That property located in the South Half of the Southwest Quarter (S½ SW¼), Section 17, the South Half of the Southeast Quarter (S½ SE¼) and the Southeast Quarter of the Southwest Quarter (SE¼ SW¼) Section 18, the North Half (N½) Section 19, and the North Half of the Northwest Quarter (N½ NW¼) Section 20 Township 1 South, Range 1 West of the Ute Meridian in Mesa County, Colorado and being more particularly described as follows:

Commencing at the Northwest corner of Section 19, T1S, R1W of the Ute Meridian from whence the West Quarter corner of said Section 19 bears South 00°04'39" West, a distance of 2573.69 feet for a basis of bearings, with all bearings contained herein relative thereto; thence North 89°39'47" East, a distance of 450.11 feet to the POINT OF BEGINNING; thence North 89°39'47" East, a distance of 868.47 feet, along the North line of the Northwest Quarter (NW¼) of said Section 19 to the Southwest corner of said SE¼ SW¼ said Section 18; thence North 89°29'43" East, a distance of 329.77 feet, along the South line of said SE¼ SW¼ Section 18; thence North 00°15'59" West, a distance of 662.03 feet; thence North 89°41'59" East, a distance of 329.40 feet; thence North 00°16'28" West, a distance of 660.27 feet,to a point on the North line of the SE¼ SW¼ Section 18, being the South line of Lot 100, Renaissance360 Subdivision as shown on plat recorded at Reception 2946938, Mesa County records; thence South89°46'40" West, a distance of 658.33 feet, along said North line of the SE¼ SW¼ Section 18 and the South line of said Lot 100, to a point on the West line of said Lot 100; thence along said West line of said Lot 100 the following twelve (12) courses: (1)North 00°24'51" West, a distance of 285.96 feet; (2)with a non-tangent curve turning to the left, having a delta angle of 30°52'17", a radius of 77.50 feet, an arc length of 41.76 feet, and a chord length of 41.25 feet, with a chord bearing of North 69°39'40" East; (3)with a compound curve turning to the left, having a delta angle of 30°08'20", a radius of 290.00 feet, an arc length of 152.55 feet, and a chord length of 150.79 feet, with a chord bearing of North 39°09'21" East; (4)North 24°05'11" East, a distance of 130.34 feet; (5)North 34°48'45" East, a distance of 110.25 feet; (6) North 37°36'44" East, a distance of 114.02 feet; (7)with a curve turning to the left, having a delta angle of 40°09'23", a radius of 170.00 feet, an arc length of 119.15 feet, and a chord length of 116.72 feet, with a chord bearing of North 17°32'03" East; (8)North 02°32'39" West, a distance of 52.29 feet; (9)with a curve turning to the left, having a delta angle of 19°47'40", a radius of 370.00 feet, an arc length of 127.83 feet, and a chord length of 127.19 feet, with a chord bearing of North 12°26'29" West; (10)North 22°20'19" West, a distance of 187.87 feet; (11)North 36°43'30" West, a distance of 67.29 feet; (12)North 39°27'10" West, a distance of 114.39 feet, to a point on the North line of said Lot 100; thence North89°52'08" East, a distance of 38.92feet, along the North line of said Lot 100, the North line of the NE¼ SW¼ Section 18 to a point on the East line of Renaissance in the Redlands Filing Two, per plat recorded at Reception 2039893; thence along said boundary the following two (2) courses: (1) North 39°27'43" West, a distance of 133.53 feet; (2) North 09°06'43" West, a distance of 113.12 feet, to the Southeast corner of Lot 2, Pumphouse Subdivision, per plat recorded at Reception 1782382; thence around the boundary of said Lot 2 the following ten (10) courses: (1) South 89°52'09" West, a distance of 1361.48 feet; (2) North 00°16'59" West, a distance of 667.90 feet; (3) South 87°06'34" East, a distance of 333.05 feet; (4) with a curve turning to the left having a delta angle of 26°51'09", a radius of 490.00 feet, an arc length of 229.65 feet, and a chord length of 227.55 feet, with a chord bearing of North 79°27'52" East; (5) North 66°02'18" East, a distance of 414.13 feet; (6) South 18°14'16" East, a distance of 415.79 feet; (7) South 79°14'55" East, a distance of 131.06 feet; (8) North 79°00'50" East, a distance of 57.12 feet; (9) North 62°45'41" East, a distance of 89.59 feet; (10)North 56°56'28" East, a distance of 42.67 feet; thence North 31°31'43" West, a distance of 209.49 feet; thence North 55°01'17" East, a distance of 403.97 feet; thence North 65°29'17" East, a distance of 441.63 feet; thence North 89°41'30" East, a distance of 598.76 feet; thence North 22°25'30" West, a distance of 361.81 feet, to a point on the Southeasterly line of Ed Case Subdivision per plat recorded at Reception 2388150; thence around the boundary of said subdivision the

following two (2) courses: (1) North 48°35'22" East, a distance of 56.08 feet; (2) North 24°41'25" East, a distance of 55.53 feet, to the Southwesterly corner of South Easter Hill Subdivision per plat recorded at Reception 739054; thence around the boundary of said subdivision the following eight (8) courses: (1) South 58°30'37" East, a distance of 245.49 feet; (2) South 32°21'14" East, a distance of 329.00 feet; (3) South 05°17'46" West, a distance of 68.10 feet; (4) South 06°47'46" West, a distance of 230.30 feet; (5) South 68°22'14" East, a distance of 165.00 feet; (6) South 74°40'14" East, a distance of 130.10 feet; (7) North 44°01'46" East, a distance of 866.20 feet; (8) North 40°25'46" East, a distance of 38.18 feet; thence South 07°38'46" West, a distance of 85.86 feet; thence South 23°05'14" East, a distance of 64.50 feet; thence South 67°04'14" East, a distance of 64.03 feet; thence North 72°42'46" East, a distance of 112.51 feet; thence North 85°44'46" East, a distance of 152.14 feet; thence North 21°20'46" East, a distance of 102.82 feet; thence North 40°25'46" East, a distance of 185.00 feet, to the Southerly right-of-way line for South Broadway; thence South 49°34'14" East, a distance of 593.16 feet, along said Southerly right-of-way line to a point of intersection with the North line of the South Half of the Northeast Quarter (S½ NE¼) said Section 18; thence North 89°54'46" East, a distance of 511.24 feet, along said North line of said S½ NE¼ said Section 18; thence South 00°02'28" East, a distance of 236.55 feet, along the East line of said S½ NE¼ said Section 18; thence North 80°35'59" West, a distance of 25.34 feet, to the Westerly right-of-way line of 23 Road per Reception 978831; thence along said Westerly right-of-way line of 23 Road the following four (4) courses: (1) South 00°02'28" East, a distance of 466.74 feet; (2) with a non-tangent curve turning to the left, having a delta angle of 119°52'19", a radius of 50.00 feet, an arc length of 104.61 feet, and a chord length of 86.55 feet, with a chord bearing of South 00°02'28" East; (3) South 00°02'28" East, a distance of 6.73 feet; (4) North 89°57'32" East, a distance of 25.00 feet and returning to said East line of said S½ NE¼ Section 18; thence South 00°02'28" East, a distance of 527.44 feet, along said East line of said S½ NE¼ Section 18; thence North 89°54'40" East, a distance of 1322.02 feet, along the North line of the Northwest Quarter of the Southwest Quarter (NW¼ SW¼) of Section 17; thence South 00°22'09" East, a distance of 1321.29 feet, along the East line of said NW¼ SW¼ of Section 17; thence South 89°39'32" East, a distance of 335.37 feet, along the North line of the SE¼ SW¼ Section 17 to a point on the Westerly line of Redlands Mesa Filing One Replat, as described in plat recorded at Reception 2103247; thence along said Westerly and the most Westerly North line of said Redlands Mesa Filing One Replat the following seven (7) courses: (1) South 10°24'29" West, a distance of 1286.90 feet; (2) South 34°09'59" West, a distance of 342.69 feet; (3) South 78°09'38" West, a distance of 666.98 feet; (4) South 58°17'54" West, a distance of 495.65 feet;(5) South 41°56'09" West, a distance of 592.59 feet; (6) South 65°22'56" West, a distance of 535.66 feet; (7) South 89°53'20" West, a distance of 613.10 feet; thence South 89°53'07" West, a distance of 1310.96 feet, along the North line of the SW¼ NE¼ said Section 19; thence South 01°18'39" West, a distance of 637.61feet, along the West line of the SW¼ NE¼ said Section 19to the Northeast Corner of proposed Canyon rim 360 Subdivision; thence along the North line of said proposed Canyon Rim 360 Subdivision the following four (4) courses:(1)North 88°41'10"West, a distance of 732.73feet; (2) North 55°30'27"West a distance of 261.30 feet; (3) North 00°08'05"West a distance of 207.47 feet; (4) North 90°00'00West a distance of 400.00 feet to a point on the East line of Canyon Rim Phase 4, as per recorded plat at Reception 2149975;thence North 33°18'34" West, a distance of 890.33 feet along the Easterly boundary of said Canyon Tim Phase 4feet; along the Easterly boundary of said Canyon Rim Phase 4 and the Easterly boundary of Canyon Rim Phase 3, as per recorded plat at Reception 2098545; thence South 89°36'16" West, a distance of 300.81 feet, continuing along the Easterly boundary of Canyon Rim Phase 3; thence North 00°20'39" West, a distance of 799.28 feet, continuing along the Easterly boundary of Canyon Rim Phase 3 to the POINT OF BEGINNING.

Said parcel containing an area of 605.97acres, as herein described SUBJECT to that parcel as described in Reception 1228040, Mesa County records containing 5.84 acres, leaving an overall parcel area of 600.13acres.

This land is not presently subject to the terms of the Declaration and is not a part of the Community and there is no assurance that any or all of this land will be made subject to the terms of the Declaration and therefore become a part of the Community.

NOTE TO CLERK AND TITLE EXAMINERS:

This Declaration is not intended to create an encumbrance on title to the property described in this Exhibit "D." Such title may be encumbered only with the consent of the owner by filing a Supplemental Declaration.

EXHIBIT E

Glossary — Defined Terms

Act	Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, *et seq.*
Approval	Approval shall refer to permission or approval, which unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person whose consent or approval is required
Area of Common Responsibility	All of the properties and facilities for which the Association has responsibility under the Governing Documents, or for which the Association otherwise agrees to assume responsibility, are collectively referred to in the Governing Documents as the "Area of Common Responsibility," regardless of who owns them. The Area of Common Responsibility includes all of the Common Area and may also include Units or portions of Units and property dedicated to the public, such as public rights-of-way. The initial Area of Common Responsibility is described in Chapter 10
Articles of Incorporation	The Articles of Incorporation of Redlands 360 Homeowners Association, Inc., as they may be amended, which establish the Association as a nonprofit corporation under Colorado law
Association	Redlands 360 Homeowners Association, Inc., a Colorado nonprofit corporation
Base Assessment	The total budgeted Common Expenses, less any surplus in the Common Expense budget from prior years and any income anticipated from sources other than assessments against the Units, which, except as provided in Section 5.5, shall be allocated equally among all Units subject to assessment under Section 5.5 and levied as a "Base Assessment"
Board	The Association's board of directors
Board Resolutions	The resolutions the Board adopts to establish rules, policies, and procedures for internal governance and Association activities and to regulate the operation and use of property which the Association owns or controls

Bound Parties	The Declarant, all Builders, the Association and members of its committees, and their respective officers, directors, members, managers, partners, employees and agents, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to Chapter 19
Builders	Those Persons who purchase one or more unimproved lots or parcels of land within the Community for construction of homes for sale in the ordinary course of their business
By-Laws	The By-Laws of Redlands 360 Homeowners Association, Inc. adopted by its Board, as they may be amended, which govern the Association's internal affairs, such as voting, elections, meetings, etc.
Claim	Claim shall refer to any claim, grievance, or dispute arising out of or relating to: (i) the interpretation, application, or enforcement of the Governing Documents; (ii) the rights, obligations, and duties of any Bound Party under the Governing Documents; (iii) the physical condition and/or the design and/or construction of Improvements within the Community, including, without limitation, any and all dwellings and other Improvements on Units, and any and all Common Areas; except that disputes concerning the procedures for approval of Improvements under Chapter 6 shall not be subject to review by a court or arbitrator and shall not be subject to Chapter 19. Any Claim described in this clause (iii) is referred to as a "**Defect Claim**;" (iv) any warranties, promises, representations, statements, or other communications made by or on behalf of any Bound Party. The following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 19.2: (i) any suit by the Association to collect assessments or other amounts due from any Owner or to foreclose any lien to collect such assessments or other amounts; (ii) any suit or action by the Association that involves the protest of real property taxes; (iii) any suit by the Association to challenge condemnation proceedings;

(iv) any suit by the Association, the Declarant, the Reviewer or an affected Owner that involves a dispute concerning the procedures for approval of Improvements under Chapter 6, including, without limitation, any suit arising from the Reviewer's failure to approve a proposed Improvement;

(v) any suit between or among Owners, which does not include Declarant and/or any Builder as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Governing Documents;

(vi) any suit or dispute between an Owner and a Builder arising out of or relating to an agreement of purchase and sale of a Unit or the design and/or construction of a dwelling on a Unit where the Owner and Builder have agreed to submit the suit or dispute to other dispute resolution procedures;

(vii) any suit by the Association, the Declarant or an affected Owner to enforce the provisions of Chapter 6, including, without limitation, any suit with respect to a violation of the Guidelines;

(viii) any suit by the Association, the Declarant or an affected Owner to enforce the provisions of Chapter 7;

(ix) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of this Declaration (relating to creation and maintenance of community standards);

(x) any suit to compel mediation or arbitration of a Claim or to enforce any award or decision of an arbitration conducted in accordance with Chapter 19;

(xi) any suit to enforce a settlement agreement reached through negotiation or mediation pursuant to Chapter 19; and

(xii) any dispute in which a party to the dispute is not a Bound Party and has not agreed to submit to the procedures set forth in Section 19.2.

Claimant — The Bound Party asserting a Claim against Respondent

Common Area — Any real or personal property and facilities that the Association owns or in which it otherwise holds possessory or use rights for the common use or benefit of more than one Unit is referred to as "Common Area." The Common Area also includes any property that the Association holds under a lease and any easements in favor of the Association

Common Expenses	Except as the Governing Documents otherwise specifically provide, all of the expenses that the Association incurs, or expects to incur, in connection with the ownership, maintenance, and operation of the Area of Common Responsibility, and otherwise for the general benefit of the Owners, are considered "Common Expenses." Common Expenses include such operating reserves and reserves for repair and replacement of capital items within the Area of Common Responsibility as the Board finds necessary or appropriate
Community	The property described in Exhibit "A" and any additional property made subject to this Declaration in the future by amendment or Supplemental Declaration, shall constitute the "Community" as referred to in this Declaration
Community Systems	Central telecommunication receiving and distribution systems (*e.g.*, cable television, high speed data/Internet/intranet services, and security monitoring) and related components, including associated infrastructure, equipment, hardware, and software, to serve the Community
Community-Wide Standard	The standard to be applied is the highest of: (a) the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing in the Community, or (b) the minimum standards described in the Governing Documents. The Community-Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the discretion of the Board or the Reviewer (as defined in Chapter 6)
Consent	Consent shall refer to permission or approval, which unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person whose consent or approval is required
Declarant	Redlands Three Sixty, LLC., a Colorado limited liability company, its successors and assigns
Declarant Affiliate	Any Person that controls, is controlled by, or is under common control with the Declarant, and any Person who is an owner, a member, a manager, a partner, or a shareholder of the Declarant
Declarant Control Period	The period of time that the Declarant is entitled to appoint a majority of the members of the Association's board of directors

Declaration	This Declaration of Covenants, Conditions and Restrictions for Redlands 360, which creates obligations that are binding upon the Association and all present and future owners of property in the Community
Defect Claim	Any claim, grievance, or dispute arising out of or relating to the physical condition and/or the design and/or construction of Improvements within the Community, including, without limitation, any and all dwellings and other Improvements on Units, and any and all Common Areas; except that disputes concerning the procedures for approval of Improvements under Chapter 6 shall not be subject to review by a court or arbitrator and shall not be subject to Chapter 19
Design Review Committee or DRC	Board appointed committee to assume jurisdiction over matters within the scope of the delegated authority or those matters for which the DRC is responsible in accordance with Chapter 6. The DRC shall consist of at least three, but not more than seven, persons who shall serve and may be removed and replaced in the Board's discretion
Development and Sale Period	The period of time during which the Declarant or any "Declarant Affiliate" owns real property in the Community or has an unexpired option to expand the Community pursuant to Chapter 13
Dispute Resolution Service	An organization that is not controlled by or affiliated with Declarant, the Association or any or all Owners (except that an Owner or a family member of an Owner may be employed by an Dispute Resolution Service) and which provides, and has experience in providing, Dispute Resolution Services in Mesa County, Colorado. Without intending to be an exhaustive list of Dispute Resolution Services, the following organizations are considered to be Dispute Resolution Services: the American Arbitration Association, the Judicial Arbiter Group and JAMS, Inc.
Special Districts	Any metropolitan or special district having jurisdiction in any portion of the Community.
Eligible Holder	An institutional holder, insurer, or guarantor of a first Mortgage that provides the Association with a written request in satisfaction of Section 18.1

Exempt Claims

(i) any suit by the Association to collect assessments or other amounts due from any Owner or to foreclose any lien to collect such assessments or other amounts;

(ii) any suit or action by the Association that involves the protest of real property taxes;

(iii) any suit by the Association to challenge condemnation proceedings;

(iv) any suit by the Association, the Declarant, the Reviewer or an affected Owner that involves a dispute concerning the procedures for approval of Improvements under Chapter 6, including, without limitation, any suit arising from the Reviewer's failure to approve a proposed Improvement;

(v) any suit between or among Owners, which does not include Declarant and/or any Builder as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Governing Documents;

(vi) any suit or dispute between an Owner and a Builder arising out of or relating to an agreement of purchase and sale of a Unit or the design and/or construction of a dwelling on a Unit where the Owner and Builder have agreed to submit the suit or dispute to other dispute resolution procedures;

(vii) any suit by the Association, the Declarant or an affected Owner to enforce the provisions of Chapter 6, including, without limitation, any suit with respect to a violation of the Guidelines;

(viii) any suit by the Association, the Declarant or an affected Owner to enforce the provisions of Chapter 7;

(ix) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of this Declaration (relating to creation and maintenance of community standards);

(x) any suit to compel mediation or arbitration of a Claim or to enforce any award or decision of an arbitration conducted in accordance with Chapter 19;

(xi) any suit to enforce a settlement agreement reached through negotiation or mediation pursuant to Chapter 19; and

(xii) any dispute in which a party to the dispute is not a Bound Party and has not agreed to submit to the procedures set forth in Section 19.2.

Expansion Property	The property described on Exhibit "D." The Expansion Property may be added to the Community pursuant to Section 13.1. At the time of the recordation of this Declaration, none of the Expansion Property is part of the Community and there is no assurance given that the Expansion Property or any part of the Expansion Property will in the future become a part of the Community.
Governing Documents	The documents, referred to in this Declaration as the "Governing Documents," including this Declaration and the other documents described in Table 1.1, as they may be amended
Guidelines	The design standards and architectural and aesthetic guidelines adopted pursuant to Chapter 6, as they may be amended, which regulate new construction, including structures and other items that are part of Units, and which also regulate modifications to Units, including improvements and landscaping, after initial construction or installation.
Improvements	All site work, landscaping, structures, and other items placed on a Unit in a manner or location visible from outside of any structures on the Unit
Lease and Leasing	Lease and Leasing shall refer to the regular, exclusive occupancy of a Unit by any Person other than the Owner, for which the Owner receives any consideration or benefit
Limited Common Area	Certain portions of the Common Area may be designated as "Limited Common Area" and assigned for the exclusive use or primary benefit of less than all Units. Limited Common Area might include such things as entry features, recreational facilities, lakes, and landscaped medians and cul-de-sacs, among other things
Maintenance	Maintenance shall refer to maintenance, repair, or replacement, as determined appropriate by the Board
Maximum Units	The creation and development of up to, and including, one thousand eight hundred and fifty (1,850) Units within the Community
Mortgage	A mortgage or other form of security instrument affecting title to a Unit
Mortgagee	The holder or beneficiary of a mortgage or other form of security instrument affecting title to a Unit
Notice	Written notice by mail or personal delivery to each Respondent and to the Board

Owner	Each Person who holds record title to a Unit
Person	An individual, a corporation, a partnership, a limited liability company, or any other legal entity
Plat	The plat of the Community which, in conjunction with the Title Exceptions, satisfies the requirements set forth in C.R.S. § 38-33-209.
Private Streets	Those portions of the Community that, as of a particular time, are intended for use as streets and are not maintained by any governmental or quasi-governmental entity, including a Special District, which shall include all paving, curbs, gutters, and sidewalks. Such portions of the Community may be described or designated as Private Streets in a Supplemental Declaration, or on a Plat or a supplement to the Plat, or in another Recorded instrument executed or consented to by the Declarant; provided, however, that in any case where the Declarant is, at the time a particular Private Street is designated, not the owner of such Private Street, the Recorded instrument in which such Private Street is designated, in order to be effective, shall also be required to be executed or consented to by the owner(s) of such Private Street. Private Streets constitute Common Areas.
Recorded	An instrument filed or the filing of a legal instrument in the official records of Mesa County, or such other place designated as the official location for filing documents affecting title to real estate in Mesa County in order to make them a matter of public record
Respondent	A Bound Party against whom Claimant is asserting a Claim
Reviewer	The Person having jurisdiction in a particular case
Service Area Assessment	The total Service Area Expenses budgeted for each Service Area, less any surplus in such Service Area budget from prior years, shall be allocated among all Units in the Service Area that are subject to assessment under Section 5.4 and levied as a "Service Area Assessment"
Service Area Committee	A committee elected by the Owners of Units within each Service Area in accordance with the By-Laws to represent and act on behalf of the Owners with respect to the services and benefits that the Association provides to the Service Area

Service Area Expenses	All expenses that the Association incurs or expects to incur in connection with the ownership, maintenance, and operation of Limited Common Area, or in providing other benefits and services to a Service Area, including any operating reserve or reserve for repair and replacement of capital items maintained for the benefit of the Service Area
Service Areas	One or more "Service Areas" in which the Units share Limited Common Area or receive special benefits or services from the Association that it does not provide to all Units within the Community. A Service Area may be comprised of Units of more than one housing type and may include Units that are not contiguous
Special Assessments	Assessments to cover Common Expenses or Service Area Expenses that are non-routine, unanticipated, or in excess of those anticipated in the applicable budget
Specific Assessments	Assessments against a particular Unit as follows: (a) to cover the costs, including overhead and administrative costs, of providing services to the Unit upon request of the Owner pursuant to any menu of optional services the Association may offer (which might include the items identified in Section 11.1). Specific Assessments for optional services may be levied in advance of the provision of the requested service; (b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; however, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment; and (c) to cover the Unit's pro rata share of any costs that the Association incurs in bringing the Service Area of which the Unit is a part into compliance with the provisions of the Governing Documents; however, the Board must give prior written notice to the Owners of Units in the Service Area and an opportunity for such Owners to be heard, in accordance with the By-Laws, before levying any such assessment
Subdivision Plat	A drawing, plat, survey, map or condominium map or other instrument required and approved by the City of Grand Junction as a condition to the City's approval of a subdivision of land.

Supplemental Declaration	A recorded Supplemental Declaration to this Declaration, which may submit additional property to this Declaration, create easements over the property described in the Supplemental Declaration, impose additional obligations or restrictions on such property, designate special areas as described in Chapter 3, assign use of specified Limited Common Area to additional Units, or any of the foregoing
Supplemental Plat	A supplemental Plat which may be recorded from time to time to reflect changes in the boundaries of the Community as reflected in the Plat or a prior Supplemental Plat
Termination of Mediation	A written notice issued by a mediator pursuant to Chapter 19 that the parties to a Claim are at an impasse and unable to resolve their dispute through mediation.
Title Exceptions	A list of encumbrances affecting the property described in the Plat.
Unfinished Units	A Unit that consists of unimproved land or land upon which a dwelling is being constructed or land upon which a dwelling has been completed but is not permanently occupied or land upon which a model home that is being used for sales and marketing purposes is being operated.
Units	Homes and home sites in the Community. A Unit is a portion of the Community depicted as a separately identified lot on a recorded Plat or a separately identified condominium unit on a recorded condominium map, which may be independently owned and conveyed and is zoned or otherwise intended for development, use, and occupancy as a residence for a single family. The term "Unit" refers to the land, if any, which is part of the Unit, as well as to any structures or other improvements on the Unit. In the case of a building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate Unit. A parcel of land is considered a single Unit until a Plat or condominium map, or amendment to either, is recorded subdividing it into more than one Unit. Such Plat or condominium map, or amendment, is not intended to, and may not, satisfy requirements of the City of Grand Junction with respect to such subdivision.