



ROXBOROUGH RIDGE

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
ROXBOROUGH VILLAGE FILING NO. 15
HOMEOWNERS ASSOCIATION, INC.**

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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
ROXBOROUGH VILLAGE FILING NO. 15**

TABLE OF CONTENTS

ARTICLE 1

GENERAL

1.1 Common Interest Community..... 2

1.2 Purposes of Declaration 2

1.3 Declaration..... 2

ARTICLE 2

DEFINITIONS

2.1 Act..... 2

2.2 Administrative Functions..... 2

2.3 Annexable Property 2

2.4 Approved Builder 2

2.5 Articles of Incorporation..... 2

2.6 Assessment..... 2

2.7 Association..... 3

2.8 Association Properties 3

2.9 Board of Directors 3

2.10 Budget..... 3

2.11 Bylaws 3

2.12 Common Area..... 3

2.13 Common Assessment..... 3

2.14 Common Interest Community..... 3

2.15 County..... 3

2.16 CTL/Thompson Report..... 3

2.17 Declaration..... 3

2.18 Declarant..... 4

2.19 Deed of Trust 4

2.20 Design Review Committee 4

2.21 Improvement..... 4

2.22 Improvement to Property 4

2.23 Leases..... 4

2.24 Lot..... 4

2.25 Maintenance Funds 4

2.26 Member 4

2.27 Membership Interest 5

2.28 Metro District..... 5

2.29 Mortgage 5

2.30 Mortgagee 5

2.31 Mortgagor 5

2.32 No-disturbance-Area..... 5

2.33 Notice and Hearing 5

2.34 Notice of Completion..... 5

2.35 Owner..... 5

2.36 Permitted Exceptions 5

2.37 Person 5

2.38 Planned Community 5

2.39 Plat 6

2.40 Property..... 6

2.41 Record or Recorded 6

2.42 Reimbursement Assessment 6

2.43 Rules and Regulations 6

2.44 Special Assessment..... 6

2.45 Standard Building Plans..... 6

2.46 Supplemental Declaration..... 6

2.47 Supplemental Plat 6

ARTICLE 3

GENERAL RESTRICTIONS APPLICABLE TO COMMON INTEREST COMMUNITY

3.1 Maintenance of Common Interest Community..... 7

3.2 Property Uses..... 7

3.3	Construction Type.....	7
3.4	No Noxious or Offensive Activity	7
3.5	Annoying Sounds or Odors.....	7
3.6	No Hazardous Activities	8
3.7	No Unsightliness.....	8
3.8	Holiday Decorations and Lights	8
3.9	Weeds.....	8
3.10	No Structures in No-disturbance Area.....	8
3.11	Restrictions on Garbage and Trash	8
3.12	Animals	9
3.13	No Temporary Structures.....	9
3.14	Landscaping Requirement	9
3.15	Restriction on Antennae, Pipes Utility Lines and Transmitters.....	9
3.16	Restrictions on Signs and Advertising.....	10
3.17	Restrictions on Mining or Drilling.....	10
3.18	Maintenance of Drainage.....	10
3.19	Maintenance of Soils and Slope Stability	11
3.20	Compliance with Insurance Requirements	11
3.21	Compliance with Laws	11
3.22	Further Subdivision of Lots	11
3.23	Restrictions on Sewage Disposal System	11
3.24	Restrictions on Water Systems	11
3.25	Restoration in the Event of Damage or Destruction	11
3.26	Storage	12
3.27	Vehicle Repairs.....	12
3.28	Storage of Gasoline and Explosives Etc	12
3.29	Trailers Campers and Junk Vehicles.....	12
3.30	Fences Prohibited.....	12
3.31	Air Conditioning and Heating Equipment	12
3.32	No Overnight On-Street Parking	13
3.33	Basketball Hoops	13
3.34	Play Equipment.....	13
3.35	Swimming Pools/Hot Tubs.....	13

3.36 Dog House/Runs 13

3.37 Owner's Right to Lease Lot 13

ARTICLE 4

ARCHITECTURAL APPROVAL

4.1 Approval of Improvements Required 14

4.2 Improvement to Property Defined 14

4.3 Membership of Committee 14

4.4 Address of Design Review Committee..... 14

4.5 Submission of Plans..... 14

4.6 Criteria for Approval 15

4.7 Design Standards 15

4.8 Design Review Fee 15

4.9 Decision of Committee 15

4.10 Failure of Committee to Act on Plans..... 16

4.11 Prosecution of Work After Approval..... 16

4.12 Notice of Completion..... 16

4.13 Inspection of Work 16

4.14 Notice of Noncompliance 16

4.15 Failure of Committee to Act After Completion..... 16

4.16 Appeal to Board of Directors of Finding of Noncompliance..... 17

4.17 Correction of Noncompliance..... 17

4.18 No Implied Waiver or Estoppel 17

4.19 Committee Power to Grant Variances 17

4.20 Meetings of Committee 18

4.21 Records of Actions..... 18

4.22 Estoppel Certificates 18

4.23 Nonliability of Committee Action 18

4.24 Construction Period 18

ARTICLE 5

ASSOCIATION PROPERTIES

5.1 Member's Rights of Use and Enjoyment Generally..... 19

5.2 Right of Association to Regulate Use..... 19

5.3 No Partition of Association Properties 19

5.4 Liability of Owners for Damage by Member 19

5.5 Association Duties if Damage Destruction or Required Improvements 19

5.6 Association Powers in the Event of Condemnation..... 20

5.7 Title to Association Properties on Dissolution of Association 20

5.8 Maintenance and Ownership of Common Areas and Association Properties 20

ARTICLE 6

DECLARANT'S RIGHTS AND RESERVATIONS

6.1 Period of Declarant's Rights and Reservations 20

6.2 Right to Construct Additional Improvements on Association Properties 21

6.3 Approved Builders 21

6.4 Declarant's Rights to Use Association Properties in the Promotion and Marketing of Common Interest Community..... 21

6.5 Declarant's Rights to Complete Development of Common Interest Community 22

6.6 Exemption of Declarant from Design Review Committee 22

6.7 Declarant's Approval of Conveyances or Changes in Use of Association Properties 23

6.8 Declarant's Rights to Grant and Create Easements..... 23

6.9 Declarant's Rights to Convey Additional Property to Association 23

6.10 Annexation of Additional Properties 23

6.11 Withdrawal of Annexed Property 25

6.12 Conversion of Common Areas to Lots 25

6.13 Combination or Subdivision of Lots..... 25

6.14 Expansion of Permitted Property Uses 25

6.15 Assignment or Transfer of Declarant's Rights 26

ARTICLE 7

ASSOCIATION OPERATION

7.1 Association..... 26

7.2 Association Board of Directors..... 26

7.3 Membership in Association 26

7.4 Voting Rights of Members..... 27

7.5 Determination of Member Voting Percentages 27

7.6 Delivery of Document 27

7.7 Dissolution of Association..... 28

ARTICLE 8

DUTIES AND POWERS OF ASSOCIATION

8.1 General Duties and Powers of Association..... 29
8.2 Duty to Accept Property and Facilities Transferred by Declarant..... 29
8.3 Duty to Manage and Care for Association Properties..... 29
8.4 Duty to Pay Taxes..... 29
8.5 Duty to Maintain Casualty Insurance 30
8.6 Duty to Maintain Liability Insurance..... 30
8.7 General Provisions Respecting Insurance..... 30
8.8 Fidelity Bonds Required/Segregation of Funds 31
8.9 Other Insurance and Bonds..... 31
8.10 Duty to Prepare Budgets 31
8.11 Duty to Levy and Collect Assessments 31
8.12 Duty to Keep Association Record..... 31
8.13 Duties with Respect to Design Review Committee Approvals 31
8.14 Power to Acquire Property and Construct Improvements 32
8.15 Power to Adopt Rules and Regulations 32
8.16 Power to Enforce Declaration and Rules and Regulations 32
8.17 Power to Grant Easements..... 33
8.18 Easement for Encroachments..... 3
8.19 Power to Convey and Dedicate Property to Governmental Agencies 33
8.20 Power to Borrow Money and Mortgage Property..... 33
8.21 Power to Engage Employees 33
8.22 General Corporate Powers 34
8.23 Powers Provided by Law 34

ARTICLE 9

ASSESSMENTS BUDGETS AND FUNDS

9.1 Maintenance Funds To Be Established..... 34
9.2 Establishment of Other Funds..... 34
9.3 Deposit of Common Assessments to Maintenance Funds 34
9.4 Other Deposits to Maintenance Funds..... 34

9.5 Disbursements from Maintenance Funds..... 35

9.6 Authority for Disbursements..... 35

9.7 Common Assessments 35

9.8 Apportionment of Common Assessments 35

9.9 Assessment Deposit 36

9.10 Funding of Reserve Funds 36

9.11 Supplemental Common Assessments 36

9.12 Annual Budgets..... 36

9.13 Commencement of Common Assessments..... 37

9.14 Payment of Assessment 37

9.15 Failure to Fix Assessment..... 37

9.16 Special Assessments for Capital Expenditures 37

9.17 Reimbursement Assessments..... 38

9.18 Late Charges and Interest..... 38

9.19 Surplus Funds 38

9.20 Notice of Default and Acceleration of Assessments..... 38

9.21 Remedies to Enforce Assessments..... 38

9.22 Lawsuit to Enforce Assessments 38

9.23 Lien to Enforce Assessments 39

9.24 Estoppel Certificates 39

9.25 No Offsets 39

ARTICLE 10

MISCELLANEOUS

10.1 Term of Declaration..... 39

10.2 Amendment of Declaration by Declarant 40

10.3 Amendment of Declaration by Members..... 40

10.4 Amendment to Terminate Declaration..... 41

10.5 Amendment of Articles and Bylaws 41

10.6 Special Rights of First Mortgagees..... 41

10.7 Priority of First Mortgage Over Assessments..... 41

10.8 Association Right to Mortgage Information..... 41

10.9 Notices 41

10.10 Persons Entitled To Enforce Declaration..... 42

10.11 Violations Constitute a Nuisance..... 42

10.12 Enforcement of Self-Help 42

10.13 Violations of Law 42

10.14 Remedies Cumulative 42

10.15 Costs and Attorneys' Fees 42

10.16 Limitation on Liability 42

10.17 Liberal Interpretation 42

10.18 Governing Law 43

10.19 Colorado Common Interest Ownership Act..... 43

10.20 Severability 43

10.21 Number and Gender..... 43

10.22 Captions for Convenience..... 43

10.23 Mergers or Consolidations..... 43

10.24 Exhibits Incorporated..... 43

10.25 Disclaimer Regarding Safety 43

10.26 No Representations or Warranties 44

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
ROXBOROUGH VILLAGE FILING NO. 15**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made as of this _____ day of _____, 1999, by Roxborough Village East, LLC, a Colorado limited liability company ("Declarant").

ARTICLE 1

GENERAL

1.1 Common Interest Community. Declarant is the owner of that certain parcel of land located in the County of Douglas, Colorado, more particularly described on Exhibit A attached hereto, which is defined in this Declaration as the "Property." Declarant intends to develop the Property, subject to the Permitted Exceptions as a high quality, Planned Community of single family detached residential homes with a maximum of Sixty-Eight (68) Lots, in accordance with the terms and provisions of the Colorado Common Interest Ownership Act.

1.2 Purposes of Declaration. This Declaration is executed (a) in furtherance of a common and general plan for the development of the Common Interest Community, as hereinafter defined; (b) to protect and enhance the quality, value, aesthetic, desirability and attractiveness of the Common Interest Community; (c) to provide for an Association as a vehicle to hold, maintain, care for and manage Association Properties, including internal landscaped areas which will benefit all Owners of Lots; (d) to define the duties, powers and rights of the Association; (e) to define certain duties, powers and rights of Owners of Lots within the Common Interest Community; (f) to provide for the protection of certain undeveloped areas; and (g) to comply with and effectuate the terms and provisions of the Act.

1.3 Declaration. Declarant, for itself, its successors and assigns, hereby declares that the Property, and all property which becomes subject to this Declaration in the manner hereinafter provided from the date the same becomes subject to this Declaration, shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration. The provisions of this Declaration are intended to and shall run with the land and, until their expiration in accordance with the terms hereof, shall bind, be a charge upon and inure to the mutual benefit of; (a) the Property and all property which becomes part of the Common Interest Community; (b) Declarant and its successors and assigns; (c) the Association and its successors and assigns; and (d) all Persons having or acquiring any right, title or interest in the Property or in any property which becomes part of the Common Interest Community, or any Improvement thereon, and their heirs, personal representatives, successors or assigns. This Declaration shall be Recorded in every county in which any portion of the Common Interest

Community is located and shall be indexed in the grantee's index in the name of Roxborough Village East, LLC, a Colorado limited liability company and the Association and in the Grantor's Index in the name of each person or entity executing this Declaration.

ARTICLE 2

DEFINITIONS

Unless otherwise expressly provided herein, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified.

2.1 Act. "Act" shall mean the Colorado Common Interest Ownership Act as provided in C.R.S. § 38-33.3-101, et seq., as the same may be amended from time to time.

2.2 Administrative Functions. "Administrative Functions" shall mean all functions of the Association as are necessary and proper under this Declaration and the Act and shall include, without limitation, providing management and administration of the Association; providing architectural review services under Article 4 hereof; incurring reasonable attorney's fees and accountants' fees; obtaining errors and omissions insurance for officers, directors and agents of the Association; obtaining fidelity bonds for any Person handling funds of the Association; paying taxes levied against the Association Properties; incurring filing fees, recording costs, and bookkeeping fees; obtaining and maintaining offices and office furniture and equipment; and performing such other reasonable and ordinary administration tasks associated with operating the Association.

2.3 Annexable Property. "Annexable Property" shall mean that real property more particularly described on Exhibit B attached hereto and which may be annexed to, and made a part of the Common Interest Community as more particularly provided herein.

2.4 Approved Builder. "Approved Builder" shall mean and refer to the Owner of a Lot located within the Common Interest Community who (a) acquires such Lot from Declarant for the purpose of constructing a residential dwelling unit for resale to the general public; (b) has submitted to, and obtained approval of, Standard Building Plans for such residential dwelling units from the Design Review Committee; and (c) has been designated in writing as an "Approved Builder" by Declarant. In accordance with the provisions of Article 4 hereof, the designation of any Owner of a Lot as an Approved Builder shall be in Declarant's sole and absolute discretion.

2.5 Articles of Incorporation. "Articles of Incorporation" shall mean the Articles of Incorporation of the Roxborough Village Filing No. 15 Homeowners Association which have been or will be filed in the office of the Secretary of State of the State of Colorado, as the same may be amended from time to time.

2.6 Assessment. "Assessment" shall mean a Common Assessment, Special Assessment, or a Reimbursement Assessment.

2.7 Association. "Association" shall mean the Roxborough Village Filing No. 15 Homeowners Association, Inc., a Colorado non-profit corporation, its successors and assigns.

2.8 Association Properties. "Association Properties" shall mean all real and personal property: (a) now or hereafter owned by the Association; (b) with respect to which the Association holds an easement or license for the use, care, or maintenance thereof; (c) which is owned by the County or District but with respect to which the Association is responsible for care and maintenance; or (d) for which the Association has a right or duty to maintain and which it held for the common use and enjoyment of the Members as provided herein, or for such other purposes as may be permitted by this Declaration. Without limiting the generality of the foregoing, Association Properties shall include the subdivision underdrain system and interceptor drain, if any.

2.9 Board of Directors. "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

2.10 Budget. "Budget" shall mean a written, itemized estimate of the income to be derived and the expenses to be incurred by the Association in performing its functions under this Declaration and prepared pursuant to Article 9 of this Declaration.

2.11 Bylaws. "Bylaws" shall mean the Bylaws of the Association which have been or will be adopted by the Board of Directors of the Association, as the same may be amended from time to time.

2.12 Common Area "Common Area" shall mean any portions of the Common Interest Community designated on Exhibit C attached hereto and incorporated herein, or on the Plat or any Supplemental Plat as "Open Space" and which is owned or maintained by the County, Metro District or the Association for the common use and enjoyment of the members, including but not limited to, gardens, drainage areas, retention ponds, rights-of-way or other open or landscaped space and easements for the use and benefit of the Owners.

2.13 Common Assessment. "Common Assessment" shall mean the assessments levied against each Owner hereunder and made for the purpose of paying the annual costs of operating the Association, including expenses incurred by the Association in connection with the performance of any Administrative Functions.

2.14 Common Interest Community. "Common Interest Community" shall mean the real property which is described on Exhibit A attached hereto and all other real property which is made subject to the terms and provisions of this Declaration.

2.15 County. "County" shall mean Douglas County, Colorado.

2.16 CTL/Thompson Report. "CTL/Thompson Report" shall mean the CTL/Thompson, Inc. Geologic and Preliminary Geotechnical Investigation for the Property, which is dated April 1, 1998.

2.17 Declaration. "Declaration" shall mean this instrument as it may be amended or supplemented from time to time.

2.18 Declarant. "Declarant" shall mean Roxborough Village East, LLC, a Colorado limited liability company, its successors and assigns. A Person shall be deemed to be a

“successor and assign” of Roxborough Village East, LLC, as Declarant, only if specifically designated in a duly Recorded instrument as a successor or assign of Declarant under this Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Declaration which are specifically designated in the written instrument. However, a successor to Declarant by consolidation or merger shall automatically be deemed a successor or assign of Declarant as Declarant under this Declaration.

2.19 Deed of Trust. “Deed of Trust” shall mean a Mortgage.

2.20 Design Review Committee. “Design Review Committee” shall mean the Committee provided for in Article 4 of this Declaration.

2.21 Improvement. “Improvement” shall mean all structures and improvements located upon or made to a Lot and any appurtenances thereto of every type or kind, including, but not limited to, buildings, outbuildings, swimming pools, patio covers, awnings, the painting of any exterior surfaces of any visible structure, roofing, trash containers, mail boxes, satellite dishes, additions, walkways, outdoor sculptures or artwork, sprinkler pipes, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, solar equipment, exterior air conditioning and water softener fixtures.

2.22 Improvement to Property. “Improvement to Property” shall mean any change, alteration, or addition to any Lot or property located within the Common Interest Community. “Improvement to Property” is more particularly defined in Article 4 of this Declaration.

2.23 Leases. “Leases” shall mean and refer to any agreement for the leasing or rental of a Lot, or any dwelling unit located thereon and shall specifically include, without limitation, a month-to-month rental.

2.24 Lot. “Lot” shall mean a physical portion of the Common Interest Community which is designated for separate ownership or occupancy and the boundaries of which are depicted upon the Plat or any Supplemental Plat. For the purposes of conforming the terms and provisions of this Declaration to the terms and provisions of the Act, the term “Lot” shall be analogous to the term “Unit” as that term is defined in the Act. The term Lot shall not include: (a) any property owned by a public body; or (b) Association Properties.

2.25 Maintenance Funds. “Maintenance Funds” shall mean the accounts into which the Board shall deposit monies paid to the Association and from which disbursements shall be made in the performance of the functions of the Association pursuant to Article 8 hereof.

2.26 Member. “Member” shall mean the Person or, if more than one, all Persons collectively, who constitute the Owner of a Lot.

2.27 Membership Interest. “Membership Interest” shall mean each Member’s voting percentage with respect to Association matters which shall be equal to a fraction, the numerator of which shall be the number of Lots owned by such Member in the Common Interest Community and the denominator of which shall be the total number of Lots in the Common Interest Community.

2.28 Metro District. "Metro District" shall mean the Roxborough Village Metro District

2.29 Mortgage. "Mortgage" shall mean any mortgage or deed of trust or other such instrument given voluntarily by the Owner of a Lot, which encumbers such Lot to secure the performance of an obligation or the payment of a debt and which is required to be released upon performance of the obligation or payment of the debt. The term "Deed of Trust" when used herein shall be synonymous with the term "Mortgage."

2.30 Mortgagee. "Mortgagee" shall mean a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgage.

2.31 Mortgagor. - "Mortgagor" shall mean the Person who mortgages his or its property to another (i.e., the maker or grantor of a Mortgage). The term "Mortgagor" shall include a trustor or grantor under a Deed of Trust.

2.32 No-disturbance-Area. "No-disturbance Area" shall mean the sections of Lots 40 and 41 and Lots 1 through 14, inclusive, as depicted on the Plat, which are to remain undisturbed.

2.33 Notice and Hearing. "Notice and Hearing" shall mean a written notice and public hearing before the Board of Directors or a tribunal appointed by the Board, as may be provided in the Bylaws, in the manner provided by the Bylaws.

2.34 Notice of Completion. "Notice of Completion" shall mean written notice to the Design Review Committee of the completion of any Improvement to Property pursuant to Article 4 of this Declaration.

2.35 Owner. "Owner" shall mean the Person, including Declarant, or, if more than one, all Persons collectively, who hold fee simple title to a Lot, including sellers under executory contracts of sale and excluding buyers thereunder.

2.36 Permitted Exceptions. "Permitted Exceptions" shall mean all encumbrances, liens, restrictions, easements and other items of record which affect the Common Interest Community and which are more particularly described on Exhibit D attached hereto.

2.37 Person. "Person" shall mean a natural person, a corporation, a partnership, a limited liability company or any other entity permitted to hold title to real property pursuant to Colorado law.

2.38 Planned Community. "Planned Community" shall have the same meaning as set forth in the Act.

2.39 Plat. "Plat" shall mean and include the land survey plat which depicts all or a portion of the Common Interest Community and which further depicts and locates thereon the location of Lots, Common Areas and such other items as may be required by the Act. The Plat, and the terms and provisions thereof, are hereby incorporated herein by reference. The term

"Plat" shall also include all amendments thereto and such other Supplemental Plats recorded by the Declarant for the purposes of annexing real property to the Common Interest Community.

2.40 Property. "Property" shall mean the real property more particularly described on Exhibit A attached hereto.

2.41 Record or Recorded. "Record" or "Recorded" shall mean the filing for record of any document in the office of the Clerk and Recorder of the County.

2.42 Reimbursement Assessment. "Reimbursement Assessment" shall mean a charge against a particular Owner and such Owner's Lot for the purpose of reimbursing the Association for expenditures and other costs and expenses incurred by the Association which arise from or are related to any actions or violation of the Declaration or the Rules and Regulations by an Owner, together with late charges and interest thereon as more fully provided for herein.

2.43 Rules and Regulations. "Rules and Regulations" shall mean rules and regulations adopted by the Board of Directors.

2.44 Special Assessment. "Special Assessment" shall mean a charge against each Owner and such Owner's Lot representing a portion of the costs of the Association for the purpose of funding major capital repairs, maintenance, replacements and Improvements pursuant to the Section of this Declaration entitled "Special Assessments for Capital Expenditures."

2.45 Standard Building Plans. "Standard Building Plans" shall mean those Plans, as defined in Section 4.5 hereof, which have been submitted to the Design Review Committee by an Approved Builder and which have been approved by the Design Review Committee for the use of constructing two or more residential dwelling units within the Community Area.

2.46 Supplemental Declaration. "Supplemental Declaration" shall mean a written instrument, substantially in the form attached hereto as Exhibit E, containing covenants, conditions, restrictions, reservations, easements or equitable servitudes or any combination thereof and which is recorded in conjunction with the annexation of additional real property to the Common Interest Community.

2.47 Supplemental Plat. "Supplemental Plat" shall mean and include any land survey plat which is Recorded by Declarant for the purpose of annexing the real property described thereon to the Common Interest Community.

ARTICLE 3

GENERAL RESTRICTIONS APPLICABLE TO COMMON INTEREST COMMUNITY

All real property within the Common Interest Community shall be held, used, and enjoyed subject to the following limitations and restrictions and subject to the rights and reservations of Declarant set forth in this Declaration. The strict application of the following limitations and restrictions in any specific case may be modified or waived in whole or in part by the Board of Directors of the Association or, at the Board's discretion, the Design Review Committee if such strict application would be unreasonably or

unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated by the Design Review Committee. Violation of any provision of this Article by an Owner shall permit the Association to immediately enter upon the Lot of such Owner to cure such violation or otherwise cause compliance with such provision without the prior written consent of such Owner or without prior written notice to such Owner; provided, however, that there shall be no entry into the interior of an Improvement intended for human occupancy without the consent of the Owner thereof unless a clear emergency exists. The Association shall be entitled to levy a Reimbursement Assessment for any cost or expense, including attorneys' fees, incurred by the Association, in conjunction with the violation of the terms and provisions of this Article 3 by any Owner.

3.1 Maintenance of Common Interest Community. No property within the Common Interest Community shall be permitted to fall into disrepair and all property within the Common Interest Community, including any Improvements, shall be kept and maintained in a clean, attractive, and slightly condition. Maintenance, repair, and upkeep of each Lot shall be the responsibility of the Owner of the Lot. Maintenance, repair, and upkeep of Association Properties shall be the responsibility of the Association as more particularly provided herein; provided, however, that the maintenance, repair and upkeep of the underdrain system shall be the responsibility of the Declarant for a period of one (1) year after the recordation of this Declaration.

3.2 Property Uses. All Lots shall be used for private residential purposes. No dwelling unit erected or maintained within Common Interest Community shall be used or occupied for any purpose other than for a single-family detached residence. Notwithstanding the foregoing, business activities associated with the sale of Lots or residences constructed thereon shall be allowed. In addition, in-home businesses not involving the servicing of customers or employees shall be allowed, provided such activities are conducted solely within the residence and do not create or result in any unreasonable, unwarranted, or unlawful use or interference with public rights, including, but not limited to, unreasonable or unwarranted use or interference with public streets, rights-of-way, or sidewalks, or in any other offensive or noxious activities.

3.3 Construction Type. All construction shall be new. No building previously used at another location nor any building or structure originally constructed as a mobile dwelling or structure may be moved onto a Lot, except as expressly hereinafter provided for temporary buildings.

3.4 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any property within the Common Interest Community, nor shall anything be done or placed thereon which is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to others.

3.5 Annoying Sounds or Odors. No sound or odor shall be emitted from any property within the Common Interest Community which is noxious or unreasonably offensive to others. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, other than security devices used exclusively for security purposes, shall be located or used on any property except with the prior written approval of the Design Review Committee.

3.6 No Hazardous Activities. No activity shall be conducted on, and no Improvement shall be constructed on, any property within the Common Interest Community which is or might be unsafe or hazardous to any Person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property within the Common Interest Community and no open fires shall be lighted or permitted on any property within the Common Interest Community except in a contained barbecue unit while attended and in use for cooking purposes or within an interior or exterior fireplace designed to prevent the dispersal of burning embers.

3.7 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects, and conditions shall be enclosed within a structure, including snow removal equipment, trash containers and garden or maintenance equipment, except when in actual use.

3.8 Holiday Decorations and Lights. All exterior holiday decorations and lights utilized as seasonal displays must be removed and properly stored in a timely manner following the conclusion of the holiday, but, in no case later than forty-five (45) days following the expiration of the holiday.

3.9 Weeds. All yards and open spaces and the entire area of every Lot on which no Improvement has been constructed, except native nonlandscaped areas, shall be kept mowed to a maximum height of 6 inches. In addition, each Lot shall be kept free from brush or other growth or trash which, in the reasonable opinion of the Design Review Committee, is unsightly or causes undue danger of fire.

3.10 No Structures in No-disturbance Area. No structures or other Improvements, or landscaping of any kind shall be installed in that portion of any of Lots 40, 41 and Lots 1 through 14, inclusive, which is located within any No-disturbance Area as specified on the Plat, which No-disturbance Areas shall remain in their current undeveloped and unimproved condition. No person shall disturb the wildlife in such No-disturbance Areas.

3.11 Restrictions on Garbage and Trash. No refuse, garbage, trash, lumber, grass, shrub, tree clippings, plant waste, compost, metal, bulk materials, scrap, or debris of any kind shall be kept, stored, or allowed to accumulate on any Lot except within an enclosed structure or unless appropriately screened from view, provided that all household refuse shall be kept at all times in a covered container or otherwise protected from wind and wild animals (including without limitation bears, mountain lions, raccoons and other animals native to the area) which covered containers may be placed outside at such times as may be necessary to permit garbage or trash pick-up. Members shall be required to use the garbage removal service designated by and contracted with the Association and shall pay for such garbage removal through the monthly Common Assessments.

3.12 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, kept or boarded on the Property, except that the Owner of each Lot may keep a reasonable number of dogs, cats, fish, birds or other domestic animals which are common household pets so long as such pet(s) is/are (i). not kept for any commercial purpose; (ii) kept confined or under restraint at all times and adequately protected from wild animals, including without limitation bears, mountain lions, rattlesnakes, and other animals native to the area; and (iii) not kept in

such number or permitted to act in such manner as to create a nuisance. Notwithstanding anything to the contrary contained in the foregoing, the Board shall have, and is hereby granted, the right and authority to determine in its sole discretion that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance, or that any Owner is otherwise in violation of this Section; and to take such action or actions as it deems necessary to correct any such violation. It is expressly understood that any Owner's right to keep household pets is coupled with a responsibility for such pets and accordingly, each Owner of a household pet is financially responsible and liable for any damage caused by such pet. By purchasing a Lot in the Common Interest Community, each Owner also acknowledges and accepts that the Common Interest Community is located in prime habitat for wildlife, and therefore shall be prohibited from feeding, watering or otherwise attracting to the Common Interest Community any of such wildlife excepting only birds.

3.13 No Temporary Structures. No tent, shack, temporary structure, or temporary building shall be placed upon any property within the Common Interest Community except with the prior written consent of the Design Review Committee.

3.14 Landscaping Requirement. At the time of, or as soon as reasonably possible following, the construction of Improvements on a Lot, but in any event no later than 6 months or one growing season after substantial completion of Improvements upon a Lot, such Lot subject to the restrictions in Section 3.10 above, shall be suitably landscaped as set forth in the Design Standards, as hereinafter defined. All such landscaping shall be subject to the approval of the County pursuant to a no fee landscaping permit, which landscaping permit requirement will allow the County to review the impact of the landscape design on the established drainage pattern and soils requirements. All such landscaping shall also be subject to the approval of the Design Review Committee in accordance with the provisions of Article 4 hereof. Thereafter all grass, shrubs and trees shall be kept and maintained in an attractive, healthy, live and growing condition; provided, however, native areas may remain nonlandscaped. All dead or diseased grass areas, shrubs and trees shall be promptly removed and replaced with suitable replacement landscaping. Declarant and/or the Association may require that all Owners use biodegradable and environmentally sensitive lawn and garden fertilizers, pesticides and herbicides. Declarant and/or the Association may also adopt certain rules and regulations as may be deemed necessary and appropriate to maintain adequate soil conditions and implement the soil recommendations outlined in the CTL/Thompson Report.

3.15 Restriction on Antennae, Pipes Utility Lines and Transmitters. Pipes for water, gas, sewer, drainage or other purposes, all wires, poles, aerials, antennae, satellite dishes and other facilities for the transmission or reception of audio or visual signals or electricity, and all utility meters or other utility facilities shall be kept and maintained, to the extent reasonably possible, underground or within an enclosed structure. No exterior radio antenna, television antenna, or other antenna of any type shall be erected or maintained within the Common Interest Community except as may be approved by the Design Review Committee or as follows. With the approval of the Design Review Committee, a master antenna or cable television antenna may, but need not, be provided for use of all Owners or a group of Owners, and Declarant may grant easements for such purposes. No electronic or radio transmitters of any kind other than garage door openers or cordless telephones shall be operated in or on any structure or within

any Lot. Notwithstanding the foregoing, neither the restrictions nor the requirements of this Section shall apply to those antenna (which may include some satellite dishes and other devices) that are specifically covered by the Telecommunications Act of 1996, as amended from time to time. As to antenna which are specifically covered by the Telecommunications Act of 1996, as amended, the Subassociation shall be empowered to adopt rules and regulations governing the types of antenna that are permissible hereunder, and to the extent permitted by the Telecommunications Act of 1996, as amended, establishing reasonable, non-discriminatory restrictions relating to appearance, safety, location and maintenance.

3.16 Restrictions on Signs and Advertising. No sign, including political signs, poster, billboard, advertising device, or display of any kind shall be erected or maintained anywhere within the Common Interest Community so as to be evident to public view, except: (a) signs as may be approved in writing by the Design Review Committee; (b) one sign, of a size and design approved by the Design Review Committee, indicating the Lot is protected by a security system or service (c) if required by law, signs indicating that a legal proceeding or action affecting the Lot has been or will be commenced; or (d) signs, posters, billboards or any other type of advertising device or display erected by Declarant incidental to the development, construction, promotion, marketing or sales of Lots within the Common - Interest Community. A sign advertising a Lot for sale or for lease may be placed on a Lot; provided, however, that standards relating to dimensions, color, style, and location of such sign shall be determined from time to time by the Design Review Committee. *(note – paragraph clarified to comply with state law via Policy statement)*

3.17 Restrictions on Mining or Drilling. No property within the Common Interest Community shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel or earth.

3.18 Maintenance of Drainage. There shall be no interference with the established drainage pattern over any property within the Common Interest Community except as approved in writing by the Design Review Committee. Approval shall not be granted unless provision is made for adequate alternate drainage. The "established drainage pattern" shall mean the drainage pattern, as depicted on Exhibits F and G, which exists at the time the overall grading of any property is completed and shall include any established drainage pattern shown on any plans approved by the Design Review Committee. The established drainage pattern may include the drainage pattern: (a) from Association Properties over any Lot; (b) from any Lot over the Association Properties; (c) from any property owned by the County or other Persons over any Lot; (d) from any Lot over property owned by the County or other Persons; or (e) from any Lot over another Lot.

3.19 Maintenance of Soils and Slope Stability. This site lies within the proposed Steeply Dipping Bedrock Overlay Zone. Special construction techniques, as outlined in the CTL/Thompson Report will be required. These techniques may increase the cost construction significantly and may not guarantee against damage from area geology. The existing natural or graded slopes and drainage systems have been designed considering soil conditions at each lot. Slope easements (no disturbance areas) have been set aside to limit development in potentially sensitive areas. Changes to slopes that may adversely affect stability should be avoided. Any proposed modification of natural or graded slopes, including changes to loading, drainage,

vegetation, irrigation, grading (cuts or fills) or retaining walls should be reviewed by a registered professional engineer experienced in slope stability evaluation. Internal and global stability of slopes should be considered by the engineer.

3.20 Compliance with Insurance Requirements. Except as may be approved in writing by the Board of Directors, nothing shall be done or kept on property within the Common Interest Community which may result in a material increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Association.

3.21 Compliance with Laws. Nothing shall be done or kept on any property within the Common Interest Community in violation of any law, ordinance, rule or regulation of any governmental authority having jurisdiction over the Common Interest Community.

3.22 Further Subdivision of Lots. The Owner of a Lot shall not further subdivide that Lot.

3.23 Restrictions on Sewage Disposal System. No cesspool, septic tank or other sewage disposal system shall be installed within the Common Interest Community without the prior written consent of the Design Review Committee. Any sewage disposal system installed for property within the Common Interest Community shall be subject to all applicable laws, rules and regulations of any governmental authority having jurisdiction over the Common Interest Community.

3.24 Restrictions on Water Systems. No individual water supply system shall be installed or maintained for any property within the Common Interest Community unless such system is approved in writing by the Design Review Committee and is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water and sanitation district or other governmental authority having jurisdiction.

3.25 Restoration in the Event of Damage or Destruction. In the event of the damage or destruction of any Improvement on any Lot, the Owner thereof shall cause the damaged or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Design Review Committee, or the Owner shall cause the damaged or destroyed Improvement to be demolished and the Lot to be suitably landscaped, subject to the approval of the Design Review Committee, so as to present a pleasing and attractive appearance.

3.26 Storage. No building materials shall be stored on any Lot except temporarily during continuous construction of an Improvement.

3.27 Vehicle Repairs. No maintenance, servicing, repair, dismantling or repainting of any type of vehicle, boat, machine or device may be carried on except within a completely enclosed structure which screens the sight and sound of such activity from the street and from other Lots.

3.28 Storage of Gasoline and Explosives Etc No Lot shall be used for the storage of explosives, gasoline or other volatile and/or incendiary materials or devices. Gasoline or fuel

for an Owner's lawn mower, snow blower and the like may be maintained on an incidental basis on the Lot in an amount not to exceed five (5) gallons.

3.29 Trailers Campers and Junk Vehicles. No boat, camper (on or off supporting vehicles), trailer, tractor, truck, industrial or commercial vehicle (both cabs or trailers), towed trailer unit, motorcycle, disabled, junk, or abandoned vehicles, motor home, mobile home, recreational vehicle, or any other vehicle, the primary purpose of which is recreational, sporting or commercial use (collectively "Recreational Vehicles"), shall be parked or stored in, on, or about any Lot or street within the Common Interest Community except within the attached garage or unless such vehicles are concealed from view and approved by the Design Review Committee. For the purposes of this covenant, a 3/4-ton or smaller vehicle commonly known as a pickup truck shall not be deemed a commercial vehicle or truck. The Association shall have the right to enter an Owner's Lot to remove and store, at such Owner's expense, vehicles in violation of this Section. An Owner shall be entitled to 14 days written notice prior to such action by the Association. As more fully provided herein, the Board of Directors shall be empowered to enact additional rules and regulations pertaining to the use, parking and storage of Recreational Vehicles within the Common Interest Community.

3.30 Fences Prohibited. No fences shall be constructed along or adjacent to the boundary or Lot line of any Lot or within or adjacent to any No-disturbance Area. Privacy fences, security fences, and fences for screening purposes shall also be approved by the Design Review Committee unless in conformance with standard design specifications previously approved by the Design Review Committee. No fences will be placed or extend beyond the building envelope established by the Declarant. Fencing along the rear of Lots 62 through 68 shall be non-opaque in nature and no greater than five (5) feet in height. *(note - additional paragraph restrictions in Design Criteria Guidelines and via Policy statement)*

3.31 Air Conditioning and Heating Equipment. No heating, air conditioning or refrigeration equipment shall be placed, allowed or maintained anywhere other than on the ground; provided, however, that solar units meeting all governmental guidelines for residential uses may be located on the roof of a residential unit if (a) such solar unit is built into and made an integral part of the roof flashing or the structure of any house constructed on such Lot; and (b) such solar unit is specifically approved by the Design Review Committee in accordance with Article 4 below.

3.32 No Overnight On-Street Parking. The Owner of each Lot in the Common Interest Community shall not cause or permit the vehicles of such Owner, or of any family member, guest or invitee of such Owner, to be parked overnight on any public street adjacent to or within the vicinity of such Owner's Lot. In the event that any vehicle is parked overnight on any public street within the Common Interest Community, the Association shall have the right to tow such vehicle at the sole cost and expense of the Owner of such vehicle. In the event any vehicle towed hereunder belongs to an Owner of a Lot or an immediate family member, guest or invitee thereof, the Owner of the Lot shall be obligated to indemnify the Association for any and all costs and expenses incurred by the Association in connection with such towing and the Association shall be entitled to levy a Reimbursement Assessment against such Owner to collect such amounts. *(note - paragraph clarified by Policy statement to comply with state law)*

3.33 Basketball Hoops. Basketball hoops shall only be allowed in front Lot areas if. (i) the backboard is installed on a separate free-standing post or pole and is set perpendicular to the street (except posts may be set parallel to the street on side-load lots); (ii) is portable and can be removed from the driveway; or (iii) as otherwise approved by the Design Review Committee. No basketball backboards shall be attached to the garage or set facing the street. *(note - additional paragraph restrictions in Design Criteria Guidelines and via Policy statement)*

3.34 Play Equipment. Play equipment may be erected within a fenced or screened area. Such play equipment shall be of an appropriate scale and constructed of approved material and of an approved color. Play equipment utilizing natural materials (wood vs. metal) is preferred. *(note - additional paragraph restrictions in Design Criteria Guidelines.)*

3.35 Swimming Pools/Hot Tubs. Any swimming pools, spas, hot tubs, jacuzzis, and the like shall be screened from view of adjacent Lots and rights of way by screening materials and methods approved by the Design Review Committee. *(note - additional paragraph restrictions in Design Criteria Guidelines.)*

3.36 Dog House/Runs. Dog houses, shelters and runs shall be allowed on residential Lots and shall be completely screened from view of adjacent public and private property and streets and shall be built from materials compatible with the residential Improvements installed on the Lot. In addition, reasonable efforts shall be taken to make such doghouses/shelters bear proof. *(note - additional paragraph restrictions in Design Criteria Guidelines.)*

3.37 Owner's Right to Lease Lot. All Owners shall have the right to lease such Owner's Lot provided that: (a) all Leases shall be in writing; (b) all Leases shall be for a Lot with a completed residence thereon; (c) all leases shall be for a minimum term of one month; (d) all Leases shall provide that the terms of the Lease and the lessee's occupancy of the Lot shall be subject to this Declaration, the rules and regulations of the Association and that any failure by the lessee to comply with any of the aforesaid documents in any respect shall be a default under such Lease; and (e) such Owner shall notify the Association immediately upon the leasing of such Lot and register with the Association both the name(s) of the tenant(s) and new mailing information for notices to be sent by the Association directly to such Owner.

ARTICLE 4

ARCHITECTURAL APPROVAL

4.1 Approval of Improvements Required. The approval of the Design Review Committee shall be required for any Improvement to Property on any Lot except: (a) for any Improvement to Property made by Declarant; (b) where approval is not reasonably required to carry out the purposes of this Declaration; and (c) where prior approval of Improvements to Property may be waived or certain improvements to Property may be exempted in writing or under written guidelines or rules promulgated by the Design Review Committee; and (d) for any Improvements previously approved by Declarant.

4.2 Improvement to Property Defined. "Improvement to Property" requiring approval of the Design Review Committee shall mean and include, without limitation: (a) the construction, installation, erection or expansion of any building, structure or other Improvement, including utility facilities and fences; (b) the removal, demolition or destruction, by voluntary action, of any building, structure, landscaping, trees or other Improvement; (c) the grading, excavation, filling, or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; and (d) any change or alteration of any previously approved Improvement to Property including any change of exterior appearance, color, or texture.

4.3 Membership of Committee. The Design Review Committee shall consist of three (3) members, all of whom shall be appointed by the Board of Directors. Members of the Design Review Committee appointed by the Board of Directors may be removed at any time by the Board and shall serve for such term as may be designated by the Board or until resignation or removal by the Board. The Board of Directors may at any time and from time to time change the authorized number of members of the Design Review Committee but the number of members of the Design Review Committee shall not be less than three (3).

4.4 Address of Design Review Committee. The address of the Design Review Committee shall be at the principal office of the Association.

4.5 Submission of Plans. Prior to commencement of work to accomplish any proposed Improvement to Property, the Person proposing to make such Improvement to Property ("Applicant") shall submit to the Design Review Committee at its offices such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications and samples of materials and colors as the Design Review Committee shall request showing the nature, kind, shape, height, width, color, materials and location of the proposed Improvement to Property (the "Plans"). The Applicant shall be entitled to receive a receipt for the Plans from the Design Review Committee or its authorized agent. The Design Review Committee may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed Improvement to Property. Until receipt by the Design Review Committee of all required materials in connection with the proposed Improvement to Property, the Design Review Committee may postpone review of any materials submitted for approval. Notwithstanding the foregoing, Approved Builders shall be entitled to commence the construction of Improvements to Property without obtaining the approval of the Design Review Committee as provided herein if such Improvements are constructed in accordance with Standard Building Plans; provided that no material changes or modifications shall be made to such Standard Building Plans without the prior written approval of the Design Review Committee.

4.6 Criteria for Approval. The Design Review Committee shall approve any proposed Improvement to Property only if it deems in its reasonable discretion that: (a) the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Common Interest Community as a whole; (b) the appearance of the proposed Improvement to Property will be in harmony with the surrounding areas of the Common Interest Community; (c) the Improvement to Property will not detract from the beauty, wholesomeness and attractiveness of the Common Interest Community or the enjoyment thereof

by Owners; (d) the upkeep and maintenance of the proposed Improvement to Property will not become a burden on the Association; and (e) the proposed Improvement to Property does not affect the drainage plan for the Common Interest Community or any portion thereof. The Design Review Committee may condition its approval of any proposed Improvement to Property upon the making of such changes therein as the Design Review Committee may deem appropriate.

4.7 Design Standards. The Design Review Committee may issue standards or rules ("Design Standards") relating to the procedures, materials to be submitted, fees and additional factors which will be taken into consideration in connection with the approval of any proposed improvement to Property. The Design Standards may specify circumstances under which the strict application of limitations or restrictions under this Declaration will be waived or deemed waived in whole or in part because strict application of such limitations or restrictions would be unreasonable or unduly harsh under the circumstances. The Design Standards may waive the requirement for approval of certain Improvements to Property or exempt certain Improvements to Property from the requirement for approval, if such approval is not reasonably required to carry out the purposes of this Declaration.

4.8 Design Review Fee. The Design Review Committee may, through the Design Standards or otherwise, provide for the payment of a fee to accompany each request for approval of any proposed improvement to Property. The Design Review Committee may provide that the amount of such fee shall be uniform for similar types of proposed Improvements to Property or that the fee shall be determined in any other reasonable manner including the estimated cost of the proposed Improvement to Property.

4.9 Decision of Committee. Any decision of the Design Review Committee shall be made within thirty (30) days after receipt by the Design Review Committee of all materials required by the Design Review Committee, unless such time period is extended by mutual agreement. The decision shall be in writing and if the decision is not to approve a proposed Improvement to Property, the reasons therefore shall be stated. The decision of the Design Review Committee shall be promptly transmitted to the Applicant at the address furnished by the Applicant to- the Design Review Committee.

4.10 Failure of Committee to Act on Plans. Any request for approval of a proposed Improvement to Property shall be deemed approved unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Design Review Committee within thirty (30) days after the date of receipt by the Design Review Committee of all required materials.

4.11 Prosecution of Work After Approval. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in complete conformity with: (a) the description of the proposed Improvement to Property (b) any materials submitted to the Design Review Committee in connection with the proposed Improvement to Property; and (c) any conditions imposed by the Design Review Committee. Failure to complete the proposed Improvement to Property within eighteen (18) months after the date of approval or such shorter period as specified in writing by the Design Review Committee, or to complete the Improvement to

Property in accordance with the description and materials furnished to, and the conditions imposed by, the Design Review Committee, shall constitute noncompliance with the requirements for approval of Improvements to Property.

4.12 Notice of Completion. Upon completion of the Improvement to Property, the Applicant may give written Notice of Completion to the Design Review Committee. Until the date of receipt of such Notice of Completion, the Design Review Committee shall not be deemed to have notice of completion of such Improvement to Property.

4.13 Inspection of Work. The Design Review Committee or its duly authorized representative shall have the right to inspect any Improvement to Property prior to or after completion; provided that the right of inspection shall terminate thirty (30) days after the Design Review Committee shall have received a Notice of Completion from Applicant.

4.14 Notice of Noncompliance. If, as a result of inspections or otherwise, the Design Review Committee finds that any Improvement to Property has been done without obtaining the approval of the Design Review Committee or was not done in complete conformity with the description and materials furnished to, and any conditions imposed by, the Design Review Committee, the Design Review Committee or Association representative shall notify the Applicant in writing of the noncompliance, which notice shall be given, in any event, within thirty (30) days after the Design Review Committee receives a Notice of Completion from the Applicant. The notice shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

4.15 Failure of Committee to Act After Completion. If, for any reason other than the Applicant's act or neglect, the Design Review Committee fails to notify the Applicant of any non-compliance within thirty (30) days after receipt by the Design Review Committee of written Notice of Completion from the Applicant, the improvement to Property shall be deemed in compliance if the Improvement to Property was, in fact, completed as of the date of Notice of Completion.

4.16 Appeal to Board of Directors of Finding of Noncompliance. If the Design Review Committee gives any notice of noncompliance, the Applicant may appeal to the Board of Directors by giving written notice of such appeal to the Board and the Design Review Committee within thirty (30) days after receipt of the notice of noncompliance by the Applicant. If, after a notice of noncompliance, the Applicant fails to commence diligently to remedy such noncompliance, the Design Review Committee shall request a finding of noncompliance by the Board of Directors by giving written notice of such request to the Association and the Applicant within sixty (60) days after delivery to the Applicant of a notice of noncompliance from the Design Review Committee. In either event, the Board of Directors shall hear the matter in accordance with the provisions hereof and the Bylaws, and the Board shall decide whether or not there has been such noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same.

4.17 Correction of Noncompliance. If the Board of Directors determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than fourteen (14) days from the date of receipt by the Applicant of the ruling of the Board

of Directors or such longer period as the Board may prescribe. If the Applicant does not comply with the Board ruling, the Board may, at its option record a Notice of Noncompliance against the real property on which the noncompliance exists, may enter upon such property and remove the noncomplying Improvement to Property, or may otherwise remedy the noncompliance, and the Applicant shall reimburse the Association, upon demand, for all costs and expenses incurred by the Association in connection therewith, including, but not limited to, attorneys' fees. If such expenses are not promptly repaid -by the Applicant or Owner to the Association, the Board may levy a Reimbursement Assessment against the Owner of the Lot for such costs and expenses. The right of the Association to remedy or remove any noncompliance shall be in addition to all other rights and remedies which the Association may have at law, in equity or under this Declaration. The Applicant and Owner of the Lot shall have no claim for damages or otherwise on account of the entry upon the property and removal of the noncomplying Improvement to Property.

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

4.19 Committee Power to Grant Variances. The Design Review Committee may authorize variances from compliance with any of the provisions of this Declaration, including restrictions upon height, size, floor area or placement of structures or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require such variances. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Design Review Committee. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned, including, but not limited to, zoning ordinances and setback lines or requirements imposed by any governmental authority having jurisdiction.

4.20 Meetings of Committee. The Design Review Committee shall meet from time to time as necessary to perform its duties hereunder. The Design Review Committee may from time to time, by resolution in writing adopted by a majority of the members, designate a Committee Representative (who may but need not be one of its members) to take any action or perform any duties for or on behalf of the Design Review Committee, except the granting of approval to any Improvement to Property and granting of variances. The action of such Committee Representative within the authority of such Committee Representative or the written consent or the vote of a majority of the members of the Design Review Committee shall constitute the action of the Design Review Committee.

4.21 Records of Actions. The Design Review Committee shall report in writing to the Board of Directors all final actions of the Design Review Committee, and the Board shall keep a permanent record of such reported action.

4.22 Estoppel Certificates. The Board of Directors shall, upon the reasonable request of any interested Person and after confirming any necessary facts with the Design Review Committee, furnish a certificate with respect to the approval or disapproval of any Improvement to Property or with respect to whether any Improvement to Property was made in compliance herewith. Any Person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

4.23 Nonliability of Committee Action. There shall be no liability imposed on the Design Review Committee, any member of the Design Review Committee, any Committee Representative, the Association, any member of the Board of Directors or Declarant for any loss, damage, cost, expense or injury arising out of or in any way connected with the performance of the duties of the Design Review Committee unless due to the willful misconduct of the party to be held liable. In reviewing any matter, the Design Review Committee shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of the Improvement to Property from the standpoint of safety, whether structural or otherwise, or such Improvement to Property's conformance with building codes or other governmental laws or regulations.

4.24 Construction Period Exception: During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Design Review Committee shall temporarily suspend the provisions contained in this Declaration as to the property upon which the construction is taking place to the extent necessary to permit such construction, provided that during the course of any such construction, nothing is done which will result in a violation of any of the provisions of this Declaration upon completion of construction and nothing is done which will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Common Interest Community.

ARTICLE 5

ASSOCIATION PROPERTIES

5.1 Member's Rights of Use and Enjoyment Generally. Unless otherwise provided in this Declaration, all Members may use Association Properties. Each Owner of a Lot shall have an appurtenant easement of enjoyment in the Common Area.

5.2 Right of Association to Regulate Use. The Association, acting through the Board, shall have the power to regulate the use of Association Properties by Members and the public to further enhance the overall rights of use and enjoyment of all Members.

5.3 No Partition of Association Properties. No Owner shall have the right to partition or seek partition of the Association Properties or any part thereof.

5.4 Liability of Owners for Damage by Member. Each Member shall be liable to the Association for any damage to Association Properties or for any expense or liability incurred by the Association, to the extent not covered by insurance, which may be sustained by reason of (a) the actions or conduct of such Member or any Person using the Association Properties through such Member, or (b) for any violation of this Declaration, or any Rule and Regulation adopted by the Association, by such Member or any such Person using the Association Properties through such Member. The Association shall have the power, as elsewhere provided in this Declaration, to levy and collect a Reimbursement Assessment against a Member, after Notice and Hearing to cover all costs and expenses incurred by the Association arising from or related to violation of this Declaration, or the Rules and Regulations of the Association or for any increase in insurance premiums directly attributable to any of the foregoing actions.

5.5 Association Duties if Damage Destruction or Required Improvements In the event of damage to Association Properties by fire or other casualty, or in the event any governmental authority shall require any repair, reconstruction or replacement of any Association Properties, the Association shall have the duty to repair, reconstruct or replace the same. Any insurance proceeds payable by reason of the damage or destruction of Association Properties by fire or other casualty shall be paid to the Association and shall be used, to the extent necessary, to pay the costs of repair, reconstruction, or replacement. If funds from insurance proceeds or from reserves for replacement are insufficient to pay all costs of repair, reconstruction or replacement of Improvements damaged or destroyed, or if the Association is required to make repairs, replacements or Improvements by governmental authorities, the Association may, in order to make up any deficiency in the insurance proceeds or to pay for the required repair, replacement, or improvement, levy a Special Assessment against the Members in accordance with Article 9 of this Declaration. If any Member or group of Members is liable for any such damage, the Association may levy a Reimbursement Assessment against the Member or group of Members responsible therefor, to provide the additional funds necessary. Repair, reconstruction or replacement of Association Properties shall be done under such contracting and bidding procedures as the Association shall determine are appropriate. If insurance proceeds available to the Association exceed the cost of repair, reconstruction and replacement of any Improvement, the Association may use the same for any future maintenance, repair or replacement of any Improvement, and for the operation of other Association Properties.

5.6 Association Powers in the Event of Condemnation. If any Association Properties or interests therein are taken under exercise of the power of eminent domain or by private purchase in lieu thereof, the award in condemnation or the price payable therefor shall be paid to the Association, except to the extent payable to any other Person with an interest in such property, including any Mortgagee of such property. The Association shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners or other Persons therein. Any award or funds received by the Association shall be held by the Association in such Maintenance Fund as determined by the Board as a reserve for future maintenance, repair, reconstruction or replacement of Association Properties or such funds may be used for improvements or additions to or for the operation of Association Properties. No Owner shall be entitled to participate as a party or otherwise in any condemnation proceedings related to Association Properties.

5.7 Title to Association Properties on Dissolution of Association. In the event of the dissolution of the Association, the Association Properties shall, to the extent permitted by law and reasonably possible, be conveyed or transferred to an appropriate public, governmental or quasigovernmental agencies or organizations or to a nonprofit corporation, association, trust or other organization, to be used for the common benefit of Owners for similar purposes for which the particular Association Property was held by the Association. To the extent the foregoing is not possible, the Association Properties shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Members in proportion to such Member's Membership Interest.

5.8 Maintenance and Ownership of Common Areas and Association Properties. The open space properties, detention ponds and rights-of-way, which make up the Common Areas, have been dedicated to the County or the Metro District or conveyed to the Association and will be maintained as set forth on Exhibit C; provided, however, that the maintenance, repair and upkeep of the underdrain system shall be the responsibility of the Declarant for a period of one (1) year after the recordation of this Declaration.

ARTICLE 6

DECLARANT'S RIGHTS AND RESERVATIONS

6.1 Period of Declarant's Rights and Reservations. Declarant shall have, retain and reserve certain rights as hereinafter set forth in this Article 6 with respect to the Association and the Association Properties from the date hereof, until: (a) the time that the last Lot within the Common Interest Community has been sold and conveyed by Declarant to persons other than Declarant and a certificate of occupancy has been issued for the residence constructed thereon; or (b) the date which is twenty (20) years from the recordation of this Declaration, whichever event occurs first. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of property by Declarant to the Association whether or not specifically stated therein and in each deed or other instrument by which any property within the Common Interest Community is conveyed by Declarant. These rights and reservations shall hereinafter be referred to collectively as "Declarant Rights". The rights, reservations and easements hereinafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Declarant's consent to any one such amendment shall not be construed as consent to any other subsequent amendment. Declarant makes no assurances that Declarant will exercise the rights reserved by Declarant herein with respect to all or any portion of the Common Interest Community and Declarant reserves the right to exercise such rights with respect to the Common Interest Community in such time frames and in such a manner as Declarant deems fit in its sole and absolute discretion.

6.2 Right to Construct Additional Improvements on Association Properties. Declarant shall have and hereby reserves the right, but not the obligation to construct additional Improvements on Association Properties at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners. Declarant shall convey or transfer such Improvements to the

Association and the Association shall be obligated to accept title to, care for, and maintain the same as Association Properties as elsewhere provided in this Declaration.

6.3 Approved Builders. As more particularly provided in Article 4 hereof, Approved Builders shall have the right to construct or alter Improvements on any Lots owned by the Approved Builder within the Common Interest Community provided that such construction or alteration is in accordance with the Standard Building Plans previously approved by the Design Review Committee. Notwithstanding the foregoing, in no event shall the terms and provisions hereof be deemed to obligate Declarant to designate any owner or homebuilder as an Approved Builder hereunder and the designation of any person or entity as an Approved Builder shall be in Declarant's sole and absolute discretion. In no event shall the terms and provisions hereof be construed to obligate Declarant to implement or, once initiated, continue the Approved Builder program contemplated hereby and the implementation and/or continuation of such Approved Builder program shall be in Declarant's sole discretion. **DECLARANT, ON BEHALF OF ITSELF AND THE ASSOCIATION HEREBY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS OR IMPLIED RELATED TO THE DESIGNATION OF ANY PERSON OR ENTITY AS AN APPROVED BUILDER HEREUNDER IN ACCORDANCE WITH THE FOREGOING, THERE SHALL BE NO LIABILITY IMPOSED ON THE DESIGN REVIEW COMMITTEE, ANY MEMBER OF THE DESIGN REVIEW COMMITTEE, ANY COMMITTEE REPRESENTATIVE, THE ASSOCIATION, ANY MEMBER OF THE BOARD OF DIRECTORS OR DECLARANT WHICH ARISES FROM OR IS RELATED TO THE DESIGNATION OF ANY PERSON OR ENTITY AS AN APPROVED BUILDER.**

6.4 Declarant's Rights to Use Association Properties in the Promotion and Marketing of Common Interest Community. Declarant shall have and hereby reserves the right to use Association Properties and services offered by the Association in connection with the promotion and marketing of the Common Interest Community. Without limiting the generality of the foregoing, Declarant may (a) erect and maintain on any part of the Association Properties or upon any Lot owned by Declarant, such signs, temporary buildings and other structures as Declarant may reasonably deem necessary or proper in connection with the promotion, development, and marketing of real property within the Common Interest Community; (b) use vehicles and equipment on Association Properties for promotional purposes; (c) permit prospective purchasers of Lots to use Association Properties at reasonable times and in reasonable numbers; (d) maintain sales offices, management offices and model homes within the Common Interest Community upon Lots owned by Declarant within the Common Interest Community in such sizes and in such locations as determined by Declarant in its sole and absolute discretion; and (e) refer to the Association Properties and to the Association and services offered by the Association in connection with the development, promotion and marketing of property within the boundaries of the Common Interest Community. Notwithstanding the foregoing to the contrary, any use of the Association Properties for the above purposes shall be done so as to minimize any inconvenience to the Owners of Lots and Members of the Association.

6.5 Declarant's Rights to Complete Development of Common Interest Community. No provision of this Declaration including, but not limited to, the use restrictions contained in Article 3 hereof, shall be construed to prevent or limit Declarant's rights to (a)

complete the development of property within the boundaries of the Common Interest Community in accordance with the Plat or any Supplemental Plat; (b) construct or alter Improvements on any property owned by Declarant within the Common Interest Community, including temporary buildings; (c) maintain model homes, sales offices, management offices, temporary buildings or offices for construction or sales purposes, or similar facilities on any property owned by Declarant or owned by the Association within the Common Interest Community upon such Lots and in such sizes as Declarant determines in its sole and absolute discretion or (d) post signs incidental to the development, construction, promotion, marketing or sales of property within the Common Interest Community. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approvals to: (a) excavate, cut, fill or grade any property owned by Declarant or to construct, alter, demolish or replace any Improvements on any property owned by Declarant; (b) use any structure on any property owned by Declarant as a construction, model home or real estate sales office in connection with the sale of any property within the boundaries of the Common - Interest Community; or (c) to require Declarant to seek or obtain the approval of the Design Review Committee or of the Association for any such activity or Improvement to Property on any property owned by Declarant. Nothing in this Declaration shall limit or impair the reserved rights of Declarant as elsewhere provided in this Declaration.

6.6 Exemption of Declarant from Design Review Committee. Notwithstanding anything in this Declaration to the contrary, and to the extent permitted by the Act, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of, or under the jurisdiction of, the Design Review Committee. Declarant expressly reserves the right to assign the rights reserved under this Section 6.6, either partially or in its entirety to any party without the approval of the Association in its sole and absolute discretion.

6.7 Declarant's Approval of Conveyances or Changes in Use of Association Properties. Until Declarant has lost the right to appoint members of the Board of Directors as elsewhere provided herein, the Association shall not, without first obtaining the prior written consent of Declarant, which consent shall not be unreasonably withheld, convey, change, or alter the use of Association Properties, Mortgage the Association Properties or use Association Properties other than solely for the benefit of Members or as specifically allowed hereunder.

6.8 Declarant's Rights to Grant and Create Easements. Declarant shall have and hereby reserves the right to grant or create temporary or permanent easements for access, utilities, drainage, and water in, on, under, over and across Lots owned by Declarant and Association Properties for any purpose incidental to the development and sale of Lots within the Common Interest Community.

6.9 Declarant's Rights to Convey Additional Property to Association. Declarant shall have and hereby reserves the right, but not the obligation to convey additional real property and Improvements thereon to the Association at any time and from time to time in accordance within this Declaration.

6.10 Annexation of Additional Properties. Declarant hereby reserves the right, for the period set forth in this Article 6, to annex additional real property to the Common Interest Community in accordance with the following terms and provisions:

(a) **Right to Annex Additional Property.** Declarant shall have and hereby reserves the right for a period of fifty (50) years from the date of this Declaration to annex the Annexable Property to the Common Interest Community. In accordance with the foregoing, each Owner of a Lot within the Common Interest Community grants to Declarant the right to annex the Annexable Property to the Common Interest Community and to modify such Owner's right to the Association Properties as more particularly set forth in this Article 6. Further, any purchaser of a Lot within the Annexable Property understands that it is the intent of Declarant that such Lot will be annexed prior to conveyance thereof to such purchaser and acknowledges and confirms, that if such annexation fails to occur for any reason the Declarant shall have the right to annex such Lot even after the conveyance to such purchaser without prior approval of such purchaser. Notwithstanding the foregoing, Declarant reserves the right to convey all or any portion of the Annexable Property to such third party or parties as Declarant deems appropriate whether for purposes consistent with the Declaration or otherwise. Declarant makes no assurances that all or any portion of the Annexable Property will be annexed to the Common Interest Community and Declarant reserves the right to annex all or any portion of the Annexable Property to the Common Interest Community in such order and in such a manner as Declarant deems fit in its sole and absolute discretion.

(b) **Annexation Procedure.** The annexation of additional real property to the Common Interest Community by Declarant shall be effectuated by the filing of record with the Clerk and Recorder of the County, and the county in which the Annexable Property is located if different than the County, of: (a) a Supplemental Declaration containing a legal description of the real property to be annexed to the Common Interest Community and such other terms and provisions as Declarant may prescribe in accordance with the terms and provisions hereof, and (b) a Supplemental Plat or map which depicts the real property to be annexed to the Common Interest Community and which otherwise contains all information required by the Act. The Supplemental Declaration shall incorporate the covenants, conditions and restrictions set forth herein and contain such additional covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and provisions as Declarant may impose on such annexed property taking into account the unique and particular aspects of the proposed development of the real property encumbered by such Supplemental Declaration. Declarant shall have the right to reserve in a Supplemental Declaration any and all development rights which Declarant deems necessary or appropriate to complete the development of the property being annexed to the Common Interest Community or which is otherwise necessary to meet the unique and particular aspects of such property. A Supplemental Declaration may provide for a subassociation of Owners within the property described in the Supplemental Declaration and for the right of such subassociation to assess such Owners.

(c) **Effect of Expansion.** Upon recordation of a Supplemental Declaration and a Supplemental Plat, the property described therein shall be subject to all covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration. In the event any real property is annexed to the Common Interest Community as provided herein, the definitions used in this Declaration shall automatically be expanded to encompass and refer to the Common Interest Community as expanded. Accordingly, the term "Common Interest Community" shall mean the real property described herein plus all additional real property annexed thereto pursuant to a Supplemental Declaration. The terms "Common Area" and "Lots" shall include those areas described as such herein and on the Plat as well as those areas so designated within any Supplemental Declaration or upon any Supplemental Plat. References to this Declaration shall mean this Declaration as so supplemented by any Supplemental Declaration. Upon recordation of a Supplemental Declaration and Supplemental Plat, every Owner of a Lot in such annexed area shall, by virtue of ownership of such Lot, be a Member of the Association and shall be entitled to the same rights and privileges and subject to the same duties and obligations as any other Association Member, which rights and obligations shall include, but shall not be limited to, the right to vote in Association matters, the right to use Association Properties and the obligation to pay Assessments. Common Assessments for Lots within the area annexed to the Common Interest Community shall commence as of the date of the recording of the Supplemental

Declaration and shall be prorated as of such date. Except as may otherwise be provided herein, upon the annexation of any property to the Common Interest Community, each Owner's (a) undivided interest in the Association Properties; and (b) voting rights with respect to Association matters shall be reallocated to provide that each Owner's proportionate rights with respect to such matters will be equal to a fraction the numerator of which shall be the number of Lots owned by such Member in the Common Interest Community and the denominator of which shall be the total number of Lots within the Common Interest Community.

(d) **Annexation of Additional Unspecified Real Estate.** Declarant hereby reserves the right, for the period set forth in this Article 6, to annex additional, unspecified real estate to the Common Interest Community to the fullest extent permitted by the Act. In the event that Declarant elects to annex such additional property, Declarant shall annex such property to the Community in accordance with the provisions of this Article 6.

(e) **Declarant's Approval of Plats and Subassociation Documents.** Prior to the time that any portion of the Property or the Annexable Property is submitted to local governmental agency review for subdivision plat approval, such plat or plan together with all site plans and development agreements related thereto (collectively, the "Development Documents") shall first be submitted to the Declarant for its review and approval. A reasonable fee, which is estimated to cover Declarant's expenses in reviewing the proposed Development Documents must be submitted to Declarant with the proposed Development Documents. The fee may differ from case to case and failure to submit the fee will be deemed a violation of this Declaration which renders the proposed Development Documents void and entitles Declarant to seek injunctive relief against further subdivision or development until Declarant's consent is given to the proposed Development Documents. Declarant retains the right, in its sole and absolute discretion, to approve or deny any proposed Development Documents. Declarant's signature on the proposed Development Documents shall serve as notification of Declarant's approval of the Development Documents. Declarant's signature shall be secured before any proposed Development Document is recorded. Declarant assumes no liability by approving any Development Document and the person or entity submitting the Development Document shall indemnify Declarant from any liability relating thereto. Declarant shall also have the right, in its sole and absolute discretion, to approve street names, subdivision names, and design of improvements as shown on any such Development Documents. In addition to the foregoing, prior to the creation of a subassociation for any property located within the Common Interest Community, the Declarant shall have and hereby reserves the right to review the proposed formation documents for such subassociation including, but not limited to, the proposed Declaration of Covenants, Conditions and Restrictions for the subassociation, and the Articles of Incorporation and Bylaws for the proposed homeowner's association (collectively the "Formation Documents"). Declarant's decision to approve or disapprove the proposed Formation Documents shall be in Declarant's sole and absolute discretion. Declarant assumes no liability by approving Formation Documents, and the individual or group submitting the Formation Documents shall indemnify Declarant from any liability relating thereto.

6.11 Withdrawal of Annexed Property. Property for which a Supplemental Declaration has been recorded may be withdrawn from the Common Interest Community by Declarant at any time prior to the time that any Lot contained therein has been conveyed to a third party. Such withdrawal may be accomplished by the execution, acknowledgment, and recordation of a "Notice of Withdrawal." The Notice of Withdrawal shall: (a) be executed and acknowledged by Declarant, as the Owner of the property being withdrawn; (b) contain an adequate legal description of the property being withdrawn from the Common Interest Community; (c) contain a reference to the Supplemental Declaration by which such property was annexed to the Common Interest Community including the date thereof and recording

information of such Supplemental Declaration; (d) contain a statement and declaration that the such property is withdrawn from the Common Interest Community and shall not be thereafter subject to this Declaration or the Supplemental Declaration for such property. The withdrawal of such property from the Common Interest Community shall be effective upon the recordation of the Notice of Withdrawal and, upon the recordation of the Notice of Withdrawal, the property described therein shall no longer be part of the Common Interest Community or subject to this Declaration or Supplemental Declaration for such Property.

6.12 Conversion of Common Areas to Lots. Declarant shall have the right to convert any Common Areas or Lots specifically identified on the Plat or any Supplemental Plat as convertible properties into Lots or Common Areas subject to the terms and provisions of the Act.

6.13 Combination or Subdivision of Lots. Declarant shall have and hereby reserves the right to combine or resubdivide. the space within any Lot or Lots located within the Common Interest Community to create additional Lots or duplex units. Upon the combination or resubdivision of any Lot in accordance with the terms and conditions contained herein, each Owners undivided interest in the Common Areas and the Association Properties shall be reallocated as set forth in the Section of this Article entitled "Effect of Expansion."

6.14 Expansion of Permitted Property Uses. Notwithstanding anything to the contrary contained herein, Declarant reserves the right to expand the permitted uses for Lots as provided in Article 3 hereof provided that such uses: (a) are consistent with Declarant's overall development plan for the Common Interest Community; and (b) are in accordance with County rules, regulations, requirements and approvals including, but not limited to, subdivision and zoning requirements.

6.15 Assignment or Transfer of Declarant's Rights. Declarant shall have and hereby reserves the right to assign or transfer, in whole or in part, all or any portion of Declarant's Rights reserved by Declarant under this Article 6 or elsewhere contained herein. Such assignment or transfer shall be executed when the transferee) assignee Records the written instrument evidencing the transfer in every county in which any portion of the Common Interest Community is located. A transfer of Declarant's Rights under this section shall be limited to those rights enumerated in the transfer instrument and shall not be construed as a general conveyance or transfer of all of Declarant's Rights under this Declaration.

ARTICLE 7

ASSOCIATION OPERATION

7.1 Association. The Association has been or will be formed as a Colorado corporation under the Colorado Nonprofit Corporation Act. The Association has been or shall be organized prior to the date the first Lot located in the Common Interest Community is conveyed to a Person other than Declarant. The Association shall have all duties, powers and rights set forth in the Act, the Colorado Non-Profit Corporation Act, this Declaration and in its Articles of Incorporation and Bylaws.

7.2 Association Board of Directors. The affairs of the Association shall be managed by a Board of Directors. The number, term and qualifications of the Board of Directors shall be fixed in the Articles of Incorporation and Bylaws in accordance with the provisions hereof. The Board of Directors may, by resolution, elect to delegate portions of its authority to officers of the Association or a managing agent, but such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for management of the affairs of the Association. Action by or on behalf of the Association may be taken by the Board of Directors or any duly authorized executive committee, officer, agent, or employee without a vote of Members, except as otherwise specifically provided in this Declaration.

7.3 Membership in Association. Each Owner of a Lot within the Common Interest Community shall be a Member of the Association. There shall be one Membership in the Association for each Lot within the Common Interest Community. The Person or Persons who constitute the Owner of a Lot shall automatically be the holder of the Membership appurtenant to that Lot, and the Membership appurtenant thereto shall automatically pass with fee simple title to the Lot. Declarant shall hold a Membership in the Association for each Lot owned by Declarant. Membership in the Association shall not be assignable separate and apart from the fee simple title to a Lot except that an Owner may assign some or all of his rights as an Owner and as a Member of the Association to a tenant or Mortgagee and may arrange for a tenant to perform some or all of such Owner's obligations as provided in this Declaration, but no Owner shall be permitted to relieve himself of the responsibility for fulfillment of the obligations of an Owner under this Declaration.

7.4 Voting Rights of Members. Each Member shall have the right to cast one vote for each Lot owned by such Member in accordance with the Bylaws, provided in no event shall there be more than one (1) vote per Lot. If title to a Lot is owned by more than one (1) Person, such Persons shall collectively vote their interest as a single vote. Notwithstanding the foregoing, Declarant shall be entitled to select and appoint, in its sole discretion, Directors, in accordance with the Bylaws, until the expiration of the Declarant's Control Period, as hereinafter defined; provided, however, that (a) not later than sixty (60) days after the conveyance by Declarant to Owners other than Declarant of twenty-five percent (25%) of the total number of Lots that may be created within the Common Interest Community, at least one Member, and not less than twenty-five percent (25 %) of the members of the Board of Directors must be elected by Owners other than Declarant; and (b) that no later than sixty (60) days after the conveyance by Declarant of fifty percent (50%) of the total number of Lots that may be created within the Common Interest Community to Owners other than Declarant, not less than thirty-three and one-third percent (33 1/3%) of the Members of the Board of Directors must be elected by Owners other than Declarant. The 'Declarant's Control Period' shall mean the period commencing on the date of recordation of this Declaration and ending upon the occurrence of any one of the following events: (a) when seventy-five percent (75%) of the total number of Lots that may be created within the Common Interest Community have been conveyed to Persons other than Declarant; (b) two (2) years after the last conveyance of a Lot by Declarant in the ordinary course of business; (c) two (2) years after any right to add new Lots was exercised by Declarant; or (d) when, in its discretion, Declarant so determines. Within sixty (60) days of the expiration of the Declarant's Control Period, the Owners shall elect a Board of at least three members at least a majority of which shall be Owners other than Declarant or designated Lot Owners other than Declarant.

7.5 Determination of Member Voting Percentages. Notwithstanding anything to the contrary contained herein, only Members whose voting rights are in good standing under the Association's Bylaws (e.g., voting rights which have not been suspended as provided therein) shall be entitled to vote on Association matters. In accordance therewith, any and all provisions contained herein requiring the approval of a requisite percentage of Members of the Association shall be deemed satisfied when the requisite percentage of Members entitled to vote has been met.

7.6 Delivery of Document. After the establishment of the Association, but, in no case later than sixty (60) days after the Owners elect a majority of the members of the Board, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant, including, without limitation, the following items:

(a) The original or a certified copy of the recorded Declaration, as amended, the Association's Articles of Incorporation. Bylaws, minutes book, other books and records, and any Association rules and regulations which may have been promulgated;

(b) To the extent required by the Act, an accounting for Association funds and financial statements from the date the Association received funds and ending on the date the Declarant Control Period ends. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the accountant's letter expressing either the opinion that the financial statements present fairly the financial position of the Association in conformity with generally accepted accounting principles or a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles and the reasons therefor. The expense of the audit shall not be paid for or charged to the Association;

(c) The Association funds or control thereof;

(d) All of the Declarant's tangible personal property that has been represented by the Declarant to be the property of the Association or all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Elements, and inventories of these properties;

(e) A copy of the plans and specifications used in the construction of the Improvements in the Common Area which were completed two (2) years before the Declaration was recorded;

(f) All insurance policies then in force in which the Owners, the Association, or its directors and officers are named as insured persons;

(g) Copies of any certificates of occupancy that may have been issued with respect to any improvements within the Common Interest Community;

(h) Any other permits issued by governmental bodies applicable to the Common Interest Community and which are currently in force or which were issued

within one (1) year prior to the date on which Owners other than the Declarant took control of the Association;

(i) Written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective;

(j) A roster of Owners and Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records;

(k) Employment contracts in which the Association is a contracting party; and

(l) Any service contract in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the Persons performing the services.

7.7 Dissolution of Association. Except as may otherwise be provided by the Act, on dissolution of the Association, its assets must be conveyed to another organization or agency having similar purposes. Association assets shall not be distributed among the Members of the Association.

ARTICLE 8

DUTIES AND POWERS OF ASSOCIATION

8.1 General Duties and Powers of Association. The Association has been formed to further the common interests of the Members. The Association, acting through the Board of Directors or Persons to whom the Board has delegated such powers, shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interests of the Members, to maintain, improve and enhance the common interests of the Members, to maintain, improve and enhance Association Properties and to improve and enhance the attractiveness, aesthetics and desirability of the Common Interest Community.

8.2 Duty to Accept Property and Facilities Transferred by Declarant. The Association shall accept title to any real property, including any Improvements thereon, and personal property transferred to the Association by Declarant, together with the responsibility to perform any and all Administrative Functions associated therewith, provided that such property and Administrative Functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association by Declarant may include fee simple title, easements, leasehold interests and licenses to use. Any property or interest in property transferred to the Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and encumbrances (other than the lien of property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, and such easements, covenants, conditions, restrictions and equitable servitudes or other encumbrances of record. The property or interest in property transferred to the Association by Declarant shall not impose any

unreasonable or special burden on the Association other than the normal burdens of ownership of property.

8.3 Duty to Manage and Care for Association Properties. The Association shall manage, operate, care for, maintain and repair all Association Properties, and keep the same in as attractive and desirable condition for the use and enjoyment of the Members. In the event the Association fails in its duties set forth in this Section 8.3, the County or Metro District may manage, operate, care for, maintain and repair the Association Properties and may levy and collect Assessments from the Owners as set forth in Article 9 below.

8.4 Duty to Pay Taxes. The Association shall pay all taxes and assessments levied upon the Association Properties and all taxes and assessments payable by the Association. The Association shall have the right to contest any such taxes or assessments provided that the Association shall contest the same by appropriate legal proceedings which shall have the effect of preventing the collection of the tax or assessment and the sale or foreclosure of any lien for such tax or assessment and provided that the Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful.

8.5 Duty to Maintain Casualty Insurance. The Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable: (a) property insurance on all insurable Improvements and personal property owned by the Association for broad form covered causes of loss, including casualty and fire; and (b) extended coverage insurance with respect to all insurable Improvements and personal property owned by the Association including, if available at reasonable cost, coverage for vandalism and malicious mischief and, if available and if deemed appropriate, coverage for flood, earthquake, and war risk. Such insurance shall, to the extent reasonably obtainable, be for the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavation, foundations and other items normally excluded from property policies.

8.6 Duty to Maintain Liability Insurance. The Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable, general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Association Properties and covering public liability for bodily injury and property damage and, if the Association owns or operates motor vehicles, public liability for bodily injury and property damage arising as a result of the ownership and operation of motor vehicles. Such liability insurance for other than motor vehicle liability shall, to the extent reasonably obtainable: (a) have limits of not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) per occurrence; (b) insure the Board, the Association, the managing agent of the Association, if any, and their respective employees, agents and all Persons acting as agents; (c) include the Declarant as an additional insured in such Declarant's capacity as a Member or Board member; (d) include the Members as an additional insured, but only for claims and liabilities arising in connection with the ownership, existence, use or management of Association Properties; and (e) cover claims of one or more insured parties against other insured properties.

8.7 General Provisions Respecting Insurance. Insurance obtained by the Association may contain such deductible provisions as good business practice may dictate. If the insurance described is not reasonably available, or if any policy of such insurance is cancelled or renewed without a replacement policy therefor having been obtained by it, the Association shall promptly cause notice of that fact to be delivered to all Members. The Association may carry any other type of insurance it considers appropriate, in amounts it deems appropriate, to insure the interests of the Association. Insurance policies carried pursuant to this Article 8 shall provide that: (a) each Member is an insured person under the policy with respect to liability arising out of such Member's interest in the Association Properties or membership in the Association; (b) the insurer waives its right of subrogation under the policy against the Association, each Member, and any Person claiming by, through, or under such Member or any other director, agent, or employee of the foregoing; (c) no act or omission by any Member, unless acting within the scope of such Member's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and (d) if, at the time of a loss under the policy, there is other insurance in the name of a Member covering the same risk covered by the policy, the Association's policy shall be the primary insurance. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles and any other matters of claims adjustment. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent-Owners causing such loss or benefiting from such repair or restoration for all deductibles paid by the Association. Insurance obtained by the Association shall, to the extent reasonably possible and provided Declarant reimburses the Association for any additional premium payable on account thereof, name Declarant as an additional insured and shall contain a waiver of rights of subrogation as against Declarant. Insurance policies and insurance coverage shall be reviewed at least annually by the Board of Directors to ascertain whether coverage under the policies is sufficient in light of the current values of the Association Properties and in light of the possible or potential liabilities of the Association. The aforementioned insurance may be provided under blanket policies covering the Association Properties and property of Declarant. In no event shall insurance coverage obtained or maintained by the Association be bought in conjunction with insurance purchased by Owners, occupants or their Mortgagees.

8.8 Fidelity Bonds Required/Segregation of Funds. In the event the Board of Directors delegates powers of the Board relating to the collection, deposit, transfer or disbursement of Association funds to other persons or to a managing agent (collectively, a "Managing Agent"), such Managing Agent shall be required to maintain fidelity insurance coverage or a bond in an amount not less than Fifty Thousand Dollars (\$50,000.00) or such higher amount as the Board of Directors may require. In addition to the foregoing, such Managing Agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by such Managing Agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association. The Managing Agent shall further prepare and provide to the Association an annual accounting of Association funds and a financial statement provided that such annual accounting may be prepared by a public or certified public accountant.

8.9 Other Insurance and Bonds. The Association shall obtain such other insurance as may be required by law, including workmen's compensation insurance, and shall have the

power to obtain such other insurance and such fidelity, indemnity, or other bonds as the Association shall deem necessary or desirable.

8.10 Duty to Prepare Budgets. The Association shall prepare Budgets for the Association as provided in Article 9 of this Declaration.

8.11 Duty to Levy and Collect Assessments. The Association shall levy and collect Assessments as provided in Article 9 of this Declaration.

8.12 Duty to Keep Association Record. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the Act, including, but not limited to, financial records sufficiently detailed to provide a statement setting forth the amount of any unpaid Assessments currently levied against an Owner.

8.13 Duties with Respect to Design Review Committee Approvals. The Association shall perform functions to assist the Design Review Committee as elsewhere provided in this Declaration.

8.14 Power to Acquire Property and Construct Improvements. The Association may acquire property or interests in property for the common benefit of Owners including Improvements and personal property. The Association may construct Improvements on property and may demolish existing Improvements.

8.15 Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal, and enforce Rules and Regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of Association Properties, and the use of any other property within the Common Interest Community, including Lots. Any such Rules and Regulations shall be effective only upon adoption by resolution of the Board of Directors. Notice of the adoption, amendment, or repeal of any Rule or Regulation shall be given in writing to each Member at the address for notices to Members as elsewhere provided in this Declaration or the Bylaws, and copies of the currently effective Rules and Regulations shall be made available to each Member upon request and payment of the reasonable expense of copying the same. Each Member shall comply with such Rules and Regulations and shall see that Persons claiming through such Member comply with such Rules and Regulations. Such Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration and may be more restrictive than the covenants, conditions and restrictions set forth herein. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

8.16 Power to Enforce Declaration and Rules and Regulations. The Association shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Board deems necessary or desirable to cause such compliance by each Member and each Person claiming by, through, or under such Member ("Related User"). Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and the Rules and Regulations by any one or more of the following means: (a) by entry upon any property within the Common Interest Community after

Notice and Hearing (unless a bona fide emergency exists), without liability to the Owner thereof or the Association, for the purpose of enforcement or causing compliance with this Declaration or the Rules and Regulations (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Declaration or the Rules and Regulations; (d) by suspension, after Notice and Hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of such Member of this Declaration or the Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for a period not to exceed sixty (60) days from the date such breach is cured; (e) by levying and collecting a Reimbursement Assessment against any Member for breach of this Declaration or the Rules and Regulations by such Member or Related User of such Member; and (f) uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Related User for breach of this Declaration or the Rules and Regulations by such Member or Related User of such Member.

8.17 Power to Grant Easements. The Association shall have the power to grant access, utility, drainage, water facility, and other such easements in, on, over, or under Association Properties, as well as the power to designate portions of the Association Properties as limited common elements for the benefit of specific Lot owners. Nevertheless, any action by the Association which could affect the Owners' easement in the Common Area (i.e., mortgage, conveyance or dedication of the Common Area or annexation, merger or consolidation of the Association) must have the assent of not less than 2/3 of the Owners.

8.18 Easement for Encroachments . The Association shall have the authority, but not the obligation, to grant an easement over and across a portion of the Common Area for the benefit of a Lot in the event that any portion of a residence constructed on such a Lot encroaches upon a portion of the Common Area. If any portion of the Improvements located on the Common Area encroaches upon a Lot, including any encroachments arising or resulting from the repair or reconstruction of such an Improvement due to its damage, destruction, or condemnation, a valid easement on the surface and for subsurface support and for the maintenance of same, so long as it stands, shall and does exist for such encroachment.

8.19 Power to Convey and Dedicate Property to Governmental Agencies . The Association, with the approval of Members representing at least eighty percent (80%) of the voting power of the Association entitled to vote (exclusive of the voting power of the Declarant), shall have the power to grant, convey, dedicate, or transfer any Association Properties or facilities to any public, governmental or quasi-governmental agency or authority for such purposes and subject to such terms and conditions as the Association shall deem appropriate, subject to the provisions elsewhere contained in this Declaration for approval of the same by Declarant with respect to property transferred to the Association by Declarant.

8.20 Power to Borrow Money and Mortgage Property. The Association shall have the power to borrow money and, with the approval of Members representing at least eighty percent (80%) of the voting power of the Association entitled to vote (exclusive of the voting power of Declarant), to encumber Association Properties as security for such borrowing, subject

to provisions elsewhere contained in this Declaration with respect to required approvals and consents to such action. An Agreement to convey, or subject the Association Properties to a security interest in accordance with this Section and Section 8.18 above shall be evidenced by the execution of an agreement, or ratification thereof, by the requisite number of Owners. The agreement shall specify a date after which the agreement will be void unless recorded before that date and shall be effective upon recordation.

8.21 Power to Engage Employees, Agents, and Consultants. The Association shall have the power to hire and discharge employees and agents and to retain and pay for management, (e.g., management company), legal and accounting services as may be necessary or desirable in connection with the performance of any duties or the exercise of any powers of the Association under this Declaration. Retention of the services of a professional real estate management company is conditioned on the following: (i) such company shall be licensed to do business in the State of Colorado, to the extent required by law; (ii) the term of any contract for such services shall not exceed one (1) year and shall be terminable on thirty (30) days written notice, with or without cause and without the payment of a termination fee; and (iii) each and every management contract made between the Association and a manager or managing agent shall terminate no longer than thirty (30) days after the period of Declarant control.

8.22 General Corporate Powers. The Association shall have all of the ordinary powers and rights of a Colorado corporation formed under the Colorado Nonprofit Corporation Act, including, without limitation, entering into partnership and other agreements, subject only to such limitations upon such powers as may be set forth in this Declaration or in the Articles of Incorporation or Bylaws. The Association shall also have the power to do any and all lawful things which may be authorized, required, or permitted to be done under this Declaration or the Articles of Incorporation or Bylaws and to do and perform any and all acts which may be necessary or desirable for, or incidental to, the exercise of any of the express powers or rights of the Association under this Declaration and the Articles of Incorporation or Bylaws.

8.23 Powers Provided by Law. In addition to the above-referenced powers, the Association shall have full power to take and perform any and all actions which may be lawfully taken by the Association under the Colorado Nonprofit Corporation Act and the Colorado Common Interest Ownership Act, as the same may be amended from time to time.

ARTICLE 9

ASSESSMENTS BUDGETS AND FUNDS

9.1 Maintenance Funds To Be Established. The Association shall establish and maintain the following separate Maintenance Funds: (a) an "Operating Fund"; and (b) a "Reserve Fund." The Maintenance Funds shall be established as one or more trust savings or trust checking accounts at any financial institution in which deposits are insured by an agency of the federal government.

9.2 Establishment of Other Funds. The Association may establish other funds as and when needed. Nothing herein shall limit, preclude or impair the authority of the Association to establish other funds for specified purposes authorized by this Declaration. If the Association

establishes any additional funds, the Board shall designate an appropriate title for the fund to distinguish it from other funds maintained by the Association.

9.3 Deposit of Common Assessments to Maintenance Funds. Monies received by the Association from Common Assessments shall be deposited in the Maintenance Funds in accordance with the following provisions: (a) there shall be deposited in the Operating Fund that portion of the Common Assessments which, according to the Association Budget for the year, was budgeted for operating costs and expenses relating to or arising from the performance of Administrative Functions by the Association, and (b) there shall be deposited to the Reserve Fund that portion of the Common Assessments which were budgeted for capital repairs, replacements and improvements.

9.4 Other Deposits to Maintenance Funds. The Association shall deposit monies received by the Association from sources other than Common Assessments in the Maintenance Fund determined by the Board of Directors to be most appropriate. For example, Reimbursement Assessments shall be deposited to the Maintenance Fund from which the costs and expenses were or will be paid which form the basis for the Reimbursement Assessments and Special Assessments for capital repairs, maintenance, replacements and Improvements shall be deposited to the Reserve Fund from which such capital costs have been or will be paid. Interest and late charges received on account of delinquent assessments may be allocated among the Maintenance Funds in the same proportions as the delinquent assessments were allocated or, at the discretion of the Board of Directors, may be allocated to any one or more of the Maintenance Funds or other funds.

9.5 Disbursements from Maintenance Funds. All amounts deposited in the Maintenance Funds shall be used solely for the common benefit of all the Members for purposes authorized by this Declaration. Disbursements from particular Maintenance Funds shall be limited to specified purposes as follows: (a) disbursements from the Operating Fund may be made for such purposes as are necessary or proper under this Declaration, except those purposes for which disbursements are to be made from other Maintenance Funds; and (b) disbursements from the Reserve Fund shall be made solely for purposes of funding those Administrative Functions which cannot be expected to recur on an annual or more frequent basis.

9.6 Authority for Disbursements. The Board shall have the authority to make or to authorize an agent to make disbursements of any monies to or from any Maintenance Fund.

9.7 Common Assessments. For each calendar year, the Association may levy Common Assessments against Owners of the Lots. Each Owner shall be obligated to pay the Common Assessments levied against and allocated to such Owner and the Lot of such Owner, as hereinafter provided. For the purposes of this Declaration, the Common Assessment for the calendar year 1999 shall be \$_____per month (the "initial Assessment"); provided, however, that Declarant shall only be obligated to pay a pro-rata share (computed based on the number of Lots which it owns or has an option to purchase included in the Annexable Property but not yet annexed to the Common Interest Community) of the Association's actual costs for operating costs and expenses not covered by Common Assessments paid by all other Owners. Each year (for the first 5 years following recordation hereof) during which there is a shortfall in Common

Assessments paid by all other Owners necessary to cover Association expenses (without recourse to any reserves established), the manager shall compute such shortfall and calculate Declarant's pro-rata share of such shortfall by multiplying the shortfall by a fraction the numerator of which is the number of lots/units then owned by or under option, included in the Annexable Property but not yet annexed to the Common Interest Community, to the Declarant and the denominator of which is all Lots/Units then included in the Annexable Property but not yet annexed to the Common Interest Community.

9.8 Apportionment of Common Assessments. The amount of the Common Assessments for any year, payable by the Owner of such Lot, shall be computed by multiplying the total amount to be raised by the Common Assessments for that year, as shown in the Association Budget for that year, by a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots in the Common Interest Community as of the date of such Assessment. Following the expiration of the 5-year period, Declarant will be treated as if it were any other Owner with respect to its obligation to pay Common Assessments.

9.9 Assessment Deposit. At the closing of a purchase of a Unit, each Owner shall deposit with the Association a sum to be determined by the Association, but which sum shall not exceed twice the amount of the total estimated monthly assessment for such Unit, which shall be held by the Association as a reserve and for working capital. The deposit of such sums shall not relieve an Owner from making the regular payment of any Assessment as the same comes due. While Declarant is in control of the Association, the Declarant shall not use any of the working capital funds of the Association to defray Declarant's expenses or reserve contributions, or non-Association construction costs, or to make up any non-Association budget deficits.

9.10 Funding of Reserve Funds. The Board, in budgeting and levying Common Assessments, shall endeavor to fund the Reserve Fund by regularly scheduled payments included as part of the Common Assessments rather than by large Special Assessments.

9.11 Supplemental Common Assessments. Except as otherwise provided herein, if the estimated sums contained in the Budget prove inadequate for any reason, including nonpayment of any Owner's Common Assessment, the Board may, from time to time, levy a Supplemental Common Assessment for any of the Maintenance Funds. Such Supplemental Common Assessment shall be assessed against the Owner of each Lot, in the same manner Common Assessments are originally assessed each year by the Board with respect to the particular Maintenance Fund except that the denominator shall be the number of Lots in the Common Interest Community as of the date of such Assessment. Written notice of any change in the amount of any annual Common Assessment shall be sent to every Owner subject thereto, not less than thirty (30) days prior to the effective date of such change.

9.12 Annual Budgets. The Board of Directors shall cause to be prepared, at least sixty (60) days prior to the commencement of each calendar year, a Budget for such calendar year, including a reasonable provision for contingencies and deposits into the Operating Fund and the Reserve Fund. The Budget shall show, in reasonable detail, the categories of expenses and the amount of expenses in each Maintenance Fund, and shall reflect any expected income of the Association for the coming calendar year and any expected surplus from the prior year and any

existing surplus in any Reserve Fund. The Budget may include an amount for contingencies and amounts deemed necessary or desirable for deposits to create, replenish, or add to the proper Reserve Fund for major capital repairs, replacements, and improvements for Association Properties. Within thirty (30) days after the adoption of any Budget by the Board, the Board shall cause a copy of the Budget to be distributed to each Member, shall cause a copy of the Budget to be posted at the principal office of the Association, and shall set a date for a meeting of the Owners to consider ratification of the Budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Such meeting may be concurrent with the annual meeting of Members as provided in the Bylaws. Unless at that meeting a majority of the owners reject the Budget, the Budget shall be deemed ratified, whether or not a quorum is present. In the event the Budget is rejected, the periodic Budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent Budget proposed by the Board. In the event the Association does not have an address for any Member, the posting of such Budget at the principal office of the Association shall be deemed notice to any such Member. At such time as the Association publishes a newsletter for Members, the Budget shall be published in such newsletter. Copies of the Budget shall be made available by the Association to any Members requesting a copy of the same upon payment of the reasonable expense of copying the same.

9.13 Commencement of Common Assessments. Except as otherwise provided herein, Common Assessments shall commence as to each Lot within the Common Interest Community on the first day of the first month following the date of recordation of the first deed conveying a Lot within that Common Interest Community. The Common Assessments for the then current calendar year shall be prorated within the Common Interest Community on the basis of the number of months in such calendar year remaining from the date of commencement of such Common Assessments to the end of such calendar year.

9.14 Payment of Assessment. Common Assessments shall be due and payable in advance to the Association by the assessed Member during the calendar year in equal monthly installments, on or before the first day of each month, or in such other manner and on such other dates as the Board of Directors may designate in its sole and absolute discretion. Notice of the amount of the Common Assessments shall be given to each Member as soon as practical after the Budget has been ratified by the Members.

9.15 Failure to Fix Assessment. The failure by the Board of Directors to levy an Assessment for any year shall not be deemed a waiver or modification with respect to any of the provisions of this Declaration or a release of the liability of any Member to pay Assessments, or any installment thereof, for that or any subsequent year. No abatement of the Common Assessment or any other Assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or Improvements to Association Properties or from any action taken to comply with any law or any determination of the Board of Directors or for any other reason.

9.16 Special Assessments for Capital Expenditures. In addition to Common Assessments, the Board of Directors may, subject to the provisions of this Section, levy Special Assessments for the purpose of raising funds not otherwise provided under the Budget from Common Assessments to (a) construct or reconstruct, repair or replace capital Improvements

upon Association Properties, including necessary personal property related thereto; (b) add to the Association Properties; (c) provide for necessary facilities and equipment to offer the services authorized in this Declaration; (d) repay any loan made to the Association to enable it to perform the duties and functions authorized in this Declaration; or (e) maintain any underdrain system or interceptor drain. The Board of Directors shall not levy Special Assessments without the vote of the Members representing at least two-thirds (2/3) of the Owners of Lots subject to the Special Assessment who are entitled to vote. Special Assessments for capital Improvements which may be used by all Members of the Association shall be levied solely on the basis of, and in proportion to the Membership Interest of an Owner. The Association shall notify Members in writing of the amount of any Special Assessment and of the manner in which, and the dates on which, any such Special Assessment is payable and the Members shall pay any such Special Assessment in the manner so specified.

9.17 Reimbursement Assessments. The Board of Directors may, subject to the provisions hereof, levy a Reimbursement Assessment against any Member if the willful or negligent failure of a Member, or a Person acting by or through a Member, to comply with this Declaration, the Articles of Incorporation, the Bylaws or the Rules and Regulations results in the expenditure of funds by the Association including, but not limited to, court costs and attorneys' fees. Such Assessment shall be known as a Reimbursement Assessment. The amount of the Reimbursement Assessment shall be due and payable to the Association thirty (30) days after notice to the Member of the decision of the Board of Directors that the Reimbursement Assessment is owing. A Member shall be entitled to Notice and Hearing prior to the issuance of a Reimbursement Assessment against such Owner by the Association.

9.18 Late Charges and Interest. If any Assessment, or any installment thereof, is not paid when due, the Member obligated to pay the Assessment may be required to pay a reasonable late charge to be determined by the Board. Any Assessment, or installment of Assessment, which is not paid when due shall bear interest from the date such Assessment was due at a rate of eighteen percent (18%) per annum.

9.19 Surplus Funds. The Association shall not be required to pay, or otherwise refund to the Members, any surplus funds remaining after payment of, or provision for, Administrative Functions or reserves.

9.20 Notice of Default and Acceleration of Assessments. If any Assessment, or any installment thereof, is not paid when due, the Board of Directors may, but shall not be required to, mail a notice of default ("Notice of Default") to the Owner and to each first Mortgagee of the Lot who has requested a copy of the notice. The notice shall specify (a) the fact that the installment is delinquent; (b) the action required to cure the default; and (c) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the Assessment or the installments of the Assessment for the then current calendar year and the filing and foreclosure of the lien for the Assessment against the Lot of the Member. If the delinquent Assessment or installment and any late charges or interest thereon are not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of the Assessment to be immediately due and payable without further demand and may enforce the collection of the full Assessment and all charges and interest thereon in any

manner authorized by law or in this Declaration, subject to the protection afforded to Mortgagees under this Declaration.

9.21 Remedies to Enforce Assessments. Each Assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the Owner or Member against whom the same is assessed. In the event of a default in payment of any Assessment or installment thereof, whether Common, Special, or Reimbursement, the Board may, in addition to any other remedies provided under this Declaration or by law, enforce such obligation on behalf of the Association by suit or by the filing and foreclosure of a lien as hereinafter provided.

9.22 Lawsuit to Enforce Assessments. The Board may bring a suit at law to enforce any Assessment obligation. Any judgment rendered in such action shall include any late charges, interest, and other costs of enforcement, including reasonable attorneys' fees in the amount as the court may adjudge, against the defaulting Owner or Member.

9.23 Lien to Enforce Assessments. Pursuant to and in accordance with the Act, the Association shall have a statutory lien on a Lot for any Assessment levied against that Lot, or fines imposed against its Owner, from the time such Assessment or fine becomes due. All fees, charges, late charges, attorneys' fees, fines and interest outstanding from such Owner shall be included in such lien. The lien created hereby and under the Act shall be prior to any declaration of homestead rights recorded after the time that the Lot becomes a part of the Common Interest Community and shall have the priority attached to such lien under the Act and under Colorado law. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. Unless paid or otherwise satisfied, the lien may be foreclosed in the manner for the foreclosure of mortgages in the State of Colorado or in any other manner provided under Colorado law. Except as otherwise required under the Act, the lien of Assessments provided herein shall be subordinate to the lien of any purchase money loan evidenced by a recorded first mortgage or recorded first deed of trust, and to any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether recorded or not. Sale or transfer of any Lot shall not affect the Assessment lien. Except as otherwise required by Colorado state law, the sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, or the cancellation or foreclosure of any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether record or not, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

9.24 Estoppel Certificates. Upon the written request of any Member and any person with, or intending to acquire, any right, title, or interest in the Lot of such Member, the Association shall furnish a written statement setting forth the amount of any Assessments or other amounts, if any, due and accrued and then unpaid with respect to a Lot and the Owner thereof, and setting forth the amount of any Assessment levied against such Lot which is not yet due and payable. Such statement shall, with respect to the Person to whom it is issued, be conclusive against the Association and all Persons for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other Assessments have been levied.

9.25 No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration.

ARTICLE 10

MISCELLANEOUS

10.1 Term of Declaration. Unless amended as herein provided, each provision contained in this Declaration shall continue and remain in full force and effect until December 31, 2050, and thereafter shall be automatically extended for successive periods of ten (10) years each unless terminated by the vote, by written ballot, of Members holding at least seventy-five percent (75%) of the voting power of Members of the Association entitled to vote provided, however, that no such termination shall occur without (i) the prior written consent of the County, such consent not to be unreasonably withheld, and (ii) provisions for adequate maintenance and care of soils, grading and slope stabilization. In the event this Declaration is terminated, the termination of this Declaration shall be evidenced by a termination agreement ("Termination Agreement"), or ratification thereof, executed by the requisite number of Owners. The Termination Agreement shall specify a date after which the Termination Agreement will be void unless recorded before such date. The Termination Agreement shall be recorded and the termination of this Declaration shall be effective upon such recording.

10.2 Amendment of Declaration by Declarant. Until such time as Declarant has conveyed any portion of the Common Interest Community to individual home buyers, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration may be amended or terminated by Declarant by the recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Declarant reserves the right to unilaterally amend this Declaration in all circumstances permitted by the Act. Notwithstanding anything contained within this Declaration, and to the extent permitted by the Act, if Declarant determines that any amendments to this Declaration or any amendments to the Articles or Bylaws shall be necessary in order for existing or future mortgages, deeds of trust, or other security instruments to be acceptable to the Veteran's Administration, the FHA, the FNMA, or the FHLMC then Declarant shall have and hereby specifically reserves the right and power to make, execute and record any such amendments without obtaining approval of the Owners, Members or First Mortgagees (or any percentage thereof). Notwithstanding anything contained within this Declaration, during the period of Declarant control over the Master Association, amendments of documents previously approved by the FHA, must be subsequently approved by the FHA, any amendments of documents or provisions of this Declaration concerning soils, drainage and landscaping previously approved by the County must be subsequently approved by the County.

10.3 Amendment of Declaration by Members. Except as otherwise provided in this Declaration, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of the amendment by Members holding at least seventy-five percent (75%) of the voting power of the Association entitled to vote. The approval of any such amendment or repeal shall be

evidenced by a certification executed by the requisite number of Members. The amendment shall be effective upon the recordation of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association setting forth the amendment in full and certifying that the amendment or repeal has been approved by the Members. Any amendment to the Declaration made hereunder shall be effective only when Recorded. Notwithstanding anything contained within this Declaration, any amendments of documents or provisions of this Declaration concerning soils, drainage and landscaping previously approved by the County must be subsequently approved by the County.

10.4 Amendment to Terminate Declaration. To the extent permitted by the Act, any amendment to this Declaration which would terminate the Declaration shall require, in addition to the requirements of Sections 10.2 and 10.3 above, the written consent of the County. The written consent of the County shall not unreasonably be withheld if, among other factors deemed relevant by the County, adequate assurances and provisions are made for ongoing long-term maintenance of the Common Area and Improvements thereon and the continued compliance with geologic hazards, soils, slope stabilization and irrigation recommendations as set forth in the CTL/Thompson Report or other reports. This provision requiring County consent to terminate this Declaration may not be amended without the advance written consent of the County.

10.5 Amendment of Articles and Bylaws. The Articles of Incorporation and Bylaws may be amended in accordance with the provisions set forth in such instruments or, in the absence of such provisions, in accordance with applicable provisions of the Colorado Nonprofit Corporation Act.

10.6 Special Rights of First Mortgagees. Any First Mortgagee (meaning a Mortgagee with first priority over other Mortgages) of a Mortgage encumbering any Lot in the Common Interest Community, upon filing a written request therefor with the Association, shall be entitled to (a) written notice from the Association of any default by the Mortgagor of such Lot in the performance of the Mortgagor's obligations under this Declaration, the Articles of Incorporation, the Bylaws, or the Rules and Regulations, which default is not cured within sixty (60) days after the Association learns of such default; b) examine the books and records of the Association during normal business hours; (c) receive a copy of financial statements of the Association including any annual financial statement within ninety (90) days following the end of any fiscal year of the Association; (d) to receive written notice of all meetings of Members; (e) designate a representative to attend any meeting of Members; (f) receive immediate written notice as soon as the Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Association Properties.

10.7 Priority of First Mortgage Over Assessments. Except for the priority granted to the Association for Assessments under the Act, each First Mortgagee of a Mortgage encumbering a Lot who obtains title to such Lot pursuant to the remedies provided in the Mortgage, by judicial foreclosure, or by deed or assignment in lieu of foreclosure shall take title to the Lot free and clear of any claims for unpaid Assessments or charges against such Lot which accrued prior to the time such holder acquires title to such Lot.

10.8 Association Right to Mortgage Information. Each Owner hereby authorizes any First Mortgagee holding a Mortgage on such Owner's Lot to furnish information to the Association concerning the status of such First Mortgage and the loan which it secures.

10.9 Notices. Any notice permitted or required to be given under this Declaration shall be in writing and may be given either personally or by mail, telephone, telecopier or telegraph. If served by mail, each notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to the Association for the purpose of service of such notice, or to the Lot of such Person if no address has been given to the Association and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time by notice in writing to the Association.

10.10 Persons Entitled To Enforce Declaration. The Association, acting by authority of the Board, and any Member of the Association entitled to vote shall have the right to enforce any or all of the provisions, covenants, conditions, restrictions, and equitable servitudes contained in this Declaration against any property within the Common Interest Community and the Owner thereof. The right of enforcement shall include the right to bring an action for damages as well as an action to enjoin any violation of any provision of this Declaration. County shall have the right to enforce all provisions requiring maintenance of landscaping, No-disturbance Area, storm drainage facilities, geologic hazards, soils and slope stability, including the assessment of fees for such purposes.

10.11 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction, and equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Declaration.

10.12 Enforcement of Self-Help. Declarant or the Association, or any authorized agent of either of them, may enforce, by self-help, any of the provisions, covenants, conditions, restrictions, and equitable servitudes contained in this Declaration, provided such self-help is preceded by Notice and Hearing as set forth in the Bylaws.

10.13 Violations of Law. Any violation of any federal, state, municipal, or local law, ordinance, rule, or regulation, pertaining to the ownership, occupation, or use of any property within the Common Interest Community is hereby declared to be a violation of this Declaration and shall be subject to any and all enforcement procedures set forth in this Declaration.

10.14 Remedies Cumulative. Each remedy provided under this Declaration is cumulative and not exclusive.

10.15 Costs and Attorneys' Fees. In any action or proceeding under this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith including reasonable attorneys' fees.

10.16 Limitation on Liability. The Association, the Board of Directors, the Design Review Committee, Declarant, and any Member, agent, or employee of any of the same shall

not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice.

10.17 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

10.18 Governing Law. This Declaration shall be construed and governed under the laws of the State of Colorado.

10.19 Colorado Common Interest Ownership Act. In the event that any of the terms and conditions of this Declaration are in conflict or inconsistent with the terms and conditions of the Colorado Common Interest Ownership Act, the terms and conditions of the Act shall control. All terms and provisions contained herein, to the extent possible, shall be construed in accordance with the terms and provisions of the Act.

10.20 Severability. Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability or partial validity or partial enforceability of the provisions or portion thereof shall not affect the validity or enforceability of any other provision.

10.21 Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine, or neuter genders shall each include the masculine, feminine, and neuter genders.

10.22 Captions for Convenience. The titles, headings, and captions used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration.

10.23 Mergers or Consolidations Upon a merger or consolidation of the Association with another association, its properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving consolidated association may administer and enforce the covenants, conditions, and restrictions established by this Declaration governing the Property, together with the covenants and restrictions established upon any other property, as one plan.

10.24 Exhibits Incorporated. All Exhibits to this Declaration are incorporated herein and made a part hereof as if fully set forth herein.

10.25 Disclaimer Regarding Safety. DECLARANT HEREBY DISCLAIMS ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMON INTEREST COMMUNITY. ANY OWNER OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY ACKNOWLEDGES THAT DECLARANT IS ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION AND BYLAWS, AND IS NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMON

INTEREST COMMUNITY. EACH OWNER, BY ACCEPTANCE OF TITLE TO A LOT WITHIN THE COMMON INTEREST COMMUNITY, ACKNOWLEDGES THAT BEARS, MOUNTAIN LIONS, RATTLESNAKES, AND OTHER SPECIES OF WILDLIFE WHICH MAY BE HAZARDOUS TO HUMANS AND PETS INHABIT THE AREA. DECLARANT MAKES NO REPRESENTATIONS REGARDING THE SAFETY OF THE COMMON INTEREST COMMUNITY WITH RESPECT TO SUCH WILDLIFE AND SHALL NOT HAVE ANY DUTY TO PROTECT ANY PERSON OR PET FROM SUCH WILDLIFE.

10.26 No Representations or Warranties. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED. SHALL BE DEEMED TO HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE COMMON INTEREST COMMUNITY, OR ANY IMPROVEMENT THEREON, ITS OR THEIR PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, FITNESS FOR INTENDED USE, OR IN CONNECTION WITH THE SUBDIVISION, SALE. OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, UNLESS AND EXCEPT AS SHALL BE SPECIFICALLY SET FORTH IN WRITING IN A SEPARATE DOCUMENT.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

ROXBOROUGH VILLAGE EAST, LLC. a Colorado
limited liability company

By: Red Hawk Properties, Inc.,
a Colorado corporation
Managing Member

By: _____

Title: Barry L. Talley, President

STATE OF COLORADO)

City and) ss.

COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 26 day January 1999, by Barry L. Talley as President on behalf of Red Hawk Properties, Inc., a Colorado Corporation, as Managing Member on behalf of Roxborough Village East, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires 1/7/2003

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

TRACTS A THROUGH F, INCLUSIVE, AND LOTS 1 THROUGH 44, INCLUSIVE,
ROXBOROUGH VILLAGE FILING NO. 15, COUNTY OF DOUGLAS, STATE OF
COLORADO

EXHIBIT B

ANNEXABLE PROPERTY

LOTS 45 THROUGH 68, INCLUSIVE
ROXBOROUGH VILLAGE FILING NO. 15

EXHIBIT C

COMMON AREAS

TRACT A	OPEN SPACE	OWNED AND MAINTAINED BY ROXBOROUGH VILLAGE METRO DISTRICT
TRACT B	RIGHT-OF-WAY	OWNED AND MAINTAINED BY COUNTY
TRACT C	OPEN SPACE	OWNED AND MAINTAINED BY ROXBOROUGH VILLAGE METRO DISTRICT
TRACT D	OPEN SPACE	OWNED AND MAINTAINED BY ROXBOROUGH VILLAGE METRO DISTRICT
TRACT E	ROAD MEDIAN	OWNED AND MAINTAINED BY HOA
TRACT F	ROAD MEDIAN	OWNED AND MAINTAINED BY HOA
TRACT G	DRAINAGE/ UTILITY	OWNED AND MAINTAINED BY HOA
TRACT H	SANITARY SEWER	OWNED AND MAINTAINED BY HOA
TRACT I	DRAINAGE	OWNED AND MAINTAINED BY HOA

EXHIBIT D

PERMITTED EXCEPTIONS

[See Attached]

EXHIBIT E

SUPPLEMENTAL DECLARATION

[See Attached]

**SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR ROXBOROUGH VILLAGE FILING NO. 15**

ROXBOROUGH VILLAGE EAST, LLC, a Colorado limited liability company (the 'Declarant') executes this Supplemental Declaration of Covenants, Conditions and Restrictions for Roxborough Village Filing No. 15 (the "Supplemental Declaration"), this__ day of __, 19__

RECITALS

a. Declarant executed and caused to be recorded that certain Declaration of Covenants, Conditions and Restrictions for Roxborough Village Filing No. 15 (the 'Declaration') on 199__, in Book__ at Page__ under Reception No.__of the records of the Office of the Clerk and Recorder of Douglas County, Colorado.

b. Article 6 of the Declaration reserves unto the Declarant the right to annex land to the Declaration by recordation of one or more supplements to the Declaration.

c. The purpose of this Supplemental Declaration is to annex certain Land into the Declaration and to include certain land within the Common Interest Community, as defined in the Declaration.

SUPPLEMENTAL DECLARATION

NOW, THEREFORE, Declarant declares that the property described herein is and shall be held, transferred, sold, conveyed and occupied subject to all of the covenants, conditions, restrictions, easements, charges and liens set forth in the Declaration and shall be binding on all persons having or acquiring any right, title or interest in the property described herein, their heirs, successors, and assigns, and shall inure to the benefit of, be binding upon, and be enforceable by Declarant, its successors in interest, each Owner and his successors in interest, and the Roxborough Village Filing No. 15 Homeowners Association, Inc., and its successors in interest.

All captioned terms used herein have the same meaning as set forth in the Declaration.

i. Legal Description of the Property Being Annexed. The property being annexed to the Declaration and the Common Interest Community by this Supplemental Declaration is described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property").

ii. Annexation. The Property described in Exhibit A is being annexed to the Declaration and the Common Interest Community pursuant to the provisions of Article 6 of the Declaration.

iii. Effect of Annexation. The Property, the Lots and any Common Area therein, shall be deemed to be included within the Common Interest Community covered by the Declaration and subject to all of the terms, provisions, covenants, conditions, reservations, charges, and liens set forth in the Declaration, including all assessment obligations set forth in the Declaration. The property described in Exhibit A and the Lots and any Common Area located therein is also expressly subject to all of the provisions of the Articles of Incorporation and the Bylaws of the Roxborough Village Filing No. 15 Homeowners Association, Inc., as more particularly described in the Declaration, the Articles of Incorporation, and the Bylaws.

IN WITNESS WHEREOF, the Declarant has executed this Supplemental Declaration the date and year first above written.

DECLARANT:

ROXBOROUGH VILLAGE EAST, LLC, a Colorado limited liability company

By: _____

Title: _____

STATE OF COLORADO)

)ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 199____, by _____ as _____ of ROXBOROUGH VILLAGE EAST, LLC, a Colorado limited liability company

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A

Lot

Block

Filing

EXHIBIT F

[See Attached Drainage Detail]

EXHIBIT G

[See Attached Drainage Detail]

ASSIGNMENT OF DECLARANT'S RIGHTS

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are expressly acknowledged, the undersigned ROXBOROUGH VILLAGE EAST, LLC, a Colorado Limited Liability company (Assignor"), as the "Declarant" under that certain Declaration of Covenants, Conditions and Restrictions for Roxborough Village Filing No. 15, recorded February 19, 1999, at Reception No. 99015536, in the office of the Clerk -and Recorder of Douglas County, Colorado ("Declaration"), does hereby irrevocably and absolutely, as hereinafter provided, sell, assign, transfer, convey and set over unto THE RYLAND GROUP, INC., a Maryland corporation ("Assignee"), its successors and assigns, all right, title and interest, and all benefits, reservations and privileges, which the Assignor has and may have as the Declarant under the Declaration.

IN WITNESS WHEREOF, the undersigned Assignor has hereunto. set its hand and seal this 25th day of March, 1999.

ROXBOROUGH VILLAGE EAST, LLC,
a Colorado limited liability company

BY: ADM Ventures, Inc., a Colorado
corporation, Managing Member

By: _____
Aurthur D. McFall, President

STATE, OF COLORADO)

)ss.

CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 25th day of March, 1999, by Arthur D. McFall as President of ADM Ventures, Inc., a Colorado corporation, as Managing Member of ROXBOROUGH VILLAGE EAST, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: _____

Linda R Hull _____

Notary Public

State of Colorado

DESIGN CRITERIA GUIDELINES AND STANDARDS
OF
ROXBOROUGH VILLAGE FILING NO. 15
HOMEOWNERS ASSOCIATION, INC.

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**ROXBOROUGH VILLAGE FILING NO. 15 HOMEOWNERS ASSOCIATION, INC.
DESIGN CRITERIA GUIDELINES AND STANDARDS**

TABLE OF CONTENTS

1. INTRODUCTION 1

1.1 Definitions 1

1.2 Design Guidelines For The Architectural Committee 2

1.3 Content Of Design Guidelines 2

1.4 Effect Of The Declaration..... 2

1.5 Effect Of Governmental And Other Regulations..... 2

1.6 Interference With Utilities 2

1.7 Goal Of Design Guidelines 3

1.8 Interpretation Of The Design Guidelines..... 3

1.9 Enforcement Of Declaration And Design Guidelines..... 3

1.10 Advising Of Neighbors 3

2. SPECIFIC TYPES OF IMPROVEMENTS - DESIGN GUIDELINES 3

2.1 General 3

2.2 Additions And Expansions 4

2.3 Address Numbers..... 4

2.4 Advertising..... 4

2.5 Air Conditioning Equipment..... 4

2.6 Animals 4

2.7 Antennas 4

2.8 Astro Turf 5

2.9 Awnings 5

2.10 Balconies..... 5

2.11 Basketball Backboards..... 5

2.12 Boats 5

2.13 Bugzappers..... 5

2.14 Building Height..... 5

2.15 Cable Tv Antennas..... 5

2.16 Campers 5

2.17 Carport 5

2.18 Circular Drives..... 6

2.19	Clotheslines And Hangers.....	6
2.20	Cloth Or Canvas Overhangs	6
2.21	Color	6
2.22	Corner Visibility	6
2.23	Decks	6
2.24	Dog Runs	6
2.25	Doors.....	6
2.26	Drainage.....	6
2.27	Driveways	6
2.28	Evaporative Coolers.....	6
2.29	Exterior Lighting.....	6
2.30	Exterior Materials	6
2.31	Fences	6
2.32	Flagpoles.....	7
2.33	Garbage Containers And Storage Areas	7
2.34	Grading And Grade Changes	7
2.35	Greenhouse Windows	7
2.36	Hanging Of Clothes	7
2.37	Hot Tubs	7
2.38	Holiday Decorations	7
2.39	Home Numbers	7
2.40	Irrigation Systems	8
2.41	Jacuzzi.....	8
2.42	Junk Vehicles.....	8
2.43	Landscape And Maintenance.....	8
2.44	Lights And Lighting.....	8
2.45	Livestock.....	8
2.46	Microwave Dishes	8
2.47	Mining And Drilling	8
2.48	Motor Home Vehicles.....	8
2.49	Motorized Vehicles.....	8
2.50	Overhangs	8
2.51	Painting	9
2.52	Patio Covers.....	10
2.53	Patios - Enclosed.....	10

2.54 Paving 10

2.55 Pets..... 10

2.56 Pipes..... 10

2.57 Play And Sports Equipment..... 10

2.58 Poles..... 11

2.59 Radio Antennas..... 11

2.60 Roofs..... 11

2.61 Rooftop Equipment..... 11

2.62 Saunas 11

2.63 Setbacks 11

2.64 Sewage Disposal Systems..... 11

2.65 Sheds..... 11

2.66 Shutters - Exterior..... 11

2.67 Siding..... 11

2.68 Signs 11

2.69 Skylights 12

2.70 Spas..... 12

2.71 Sprinkler Systems 12

2.72 Storage Sheds..... 12

2.73 Storm Doors..... 12

2.74 Sunshades..... 12

2.75 Swamp Coolers 12

2.76 Swimming Pools 12

2.77 Swingsets 12

2.78 Television Antennas 12

2.79 Temporary Structures 12

2.80 Temporary Vehicles..... 12

2.81 Trailers 12

2.82 Trampolines 12

2.83 Trash Containers 12

2.84 Tree Houses 12

2.85 Underdrains..... 13

2.86 Utility Equipment 13

2.87 Vanes 13

2.88 Vegetable Gardens..... 13

2.89 Vehicles 13

2.90 Vents 13

2.91 Walls - Retaining 13

2.92 Wells 13

2.93 Wind Turbines 13

2.94 Windows 13

3. PROCEDURES FOR COMMITTEE APPROVAL..... 13

 3.1 General..... 13

 3.2 Drawings Or Plans 13

 3.3 Submission Of Drawings And Plans..... 14

 3.4 Review Fee 14

 3.5 Action By The Committee 14

 3.6 Performance Of Work..... 14

 3.7 Complaints 14

 3.8 Declaration Prevails 14

4. AMENDMENT 14

5. REVISION HISTORY 14

 5.1 2002 16

 5.2 2005 16

 5.3 2006 16

 5.4 2012 16

ROXBOROUGH VILLAGE FILING NO. 15 HOMEOWNER'S ASSOCIATION
DESIGN CRITERIA GUIDELINES AND STANDARDS

1. INTRODUCTION

1.1 DEFINITIONS -The following words, when used in these Regulations, shall have the meaning hereinafter specified:

- a) "Association" means the Roxborough Village Filing No. 15 Homeowners Association, Inc., a Home Owners association organized under section 38-33.3-301 of the Act.
- b) "Board" means the Board of Directors of the Association.
- c) "Committee" or "Design Review Committee" means the committee appointed by the Declarant or by the Association to review and approve or disapprove requests for architectural approval, as more fully provided in the Declaration.
- d) "Common Elements" means any real estate owned or leased by the Association other than a home.
- e) "Community" means the real estate described on Exhibit A attached to the Declaration, as supplemented and amended from time to time, with respect to which a person, by virtue of such person's ownership of a Unit, is obligated to pay for real estate taxes, insurance premiums, maintenance, or improvement of other real-estate described in this Declaration.
- f) "Declarant" means The Ryland Group, a Maryland corporation, and any other person or group of persons acting in concert, to whom the Declarant, by recorded document, expressly assigns one or more of the Declarant's rights under the Declaration (which shall be the extent of the Declarant's rights to which such assignee succeeds), and who:
 - 1. As part of a common promotional plan, offers to dispose of to a purchaser such Declarant's interest in a Lot (as defined in the Declaration) not previously disposed of to any purchaser; or
 - 2. Reserves or succeeds to any Special Declarant Right (as defined in the Declaration).
- g) "Declaration" means the Declaration of Covenants, Conditions and restrictions for Roxborough Village, recorded in Douglas County, Colorado, on February 19, 1999, under Reception No.99015536 as amended and supplemented.
- h) "Design Guidelines" means these Design Criteria Guidelines and Standards, as such may be amended from time to time by the Board.
- i) "Existing Improvements" means all existing exterior improvements, structures, and any appurtenances thereto or components thereof, of every type or kind, and all existing landscaping features, including, but not limited to, buildings, outbuildings, swimming pools, tennis courts, patios, patio covers, awnings, solar collectors, painting or other finish materials on any visible structure, additions, walkways, sprinkler systems, garages, driveways, fences, screening walls, retaining walls, basketball hoops, stairs, decks, hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel bark, exterior light fixtures, poles, signs, exterior tanks, and

exterior tanks, and exterior air conditioning, cooling heating and water softening equipment.

- j) "Home" means a residence that has been built or is to be built on property that is in the Community.
- k) "Parcel" means and separate lot, plot of land, or parcel of land, which is contained in the Community, and on which a home is located (or on which more than one home may be located in the case of property which contains or is planned to contain condominiums, cooperatives or apartments).
- l) "Proposed Improvements" means any Existing Improvement, which has not yet been constructed, installed or erected, and includes demolition or removal of any building or other structure, and also includes any change of the exterior appearance of a building, or other Existing Improvement.
- m) "Owner" means the Declarant, a builder, or other person who owns a home, but does not include a person having an interest in a Unit solely as security for an obligation. The Declarant is the owner of each Unit provided for in the Declaration until that Unit is conveyed to another person who may or may not be a Declarant.

1.2 DESIGN GUIDELINES FOR THE ARCHITECTURAL COMMITTEE - The Declaration requires prior approval by the Committee or its designated representative before any Proposed Improvement is constructed, erected, placed, or altered. These Design Guidelines establish certain acceptable designs for different types of Proposed Improvements. These Design Guidelines apply to residential property in the Community, and are intended to assist the Owners. Prior to installation or commencement of construction, all Proposed Improvements must be submitted to the Committee for review and approval. See Section 3C for submission process.

1.3 CONTENT OF DESIGN GUIDELINES - In addition to the introductory material, these Design Guidelines contain:

- a) A list of specific types of Proposed Improvements which Owners might wish to make with specific information as to each of these types of Proposed Improvements.
- b) A summary of procedures for obtaining approval from the Committee, and
- c) Figures showing approved designs for fences.

1.4 EFFECT OF THE DECLARATION - Each Owner shall receive and should become familiar with the Declaration. Nothing in these Design Guidelines shall supersede or alter the provisions or requirements of the Declaration.

1.5 EFFECT OF GOVERNMENTAL AND OTHER REGULATIONS - use of any property in the Community and any Existing Improvements must comply with applicable building codes and other governmental requirements and regulations. Approval by the Committee will not constitute assurance that Existing Improvements or Proposed Improvements comply with applicable governmental requirements and regulations or that a permit or approvals are not also required from applicable governmental bodies. For information about Douglas County's requirements, Owners should write or call Douglas County Building Department.

1.6 INTERFERENCE WITH UTILITIES - ~~In making Proposed Improvements, Owners are responsible for locating all water, sewer, gas, electric, telephone, cable television, irrigation lines, or other utility lines and easements. Owners should not make any Proposed Improvements over such easements without the consent of the utility involved, and Owners will be responsible for any damage to utility lines. Underground utility lines and easements can usually be located by contacting the Utility Notification Center of Colorado at 1-800-922-1987. (Section revised 11/15/12)~~ In making Proposed

Improvements, Owners are responsible for locating all water, sewer, gas, electric, telephone, cable television, irrigation lines, or other utility lines and easements. Owners should not make any Proposed Improvements over such easements without the consent of the utility involved, and Owners will be responsible for any damage to utility lines. Underground utility lines and easements can usually be located by contacting the Utility Notification Center of Colorado at 811 or visit their website <http://www.call811.com/>.

1.7 GOAL OF DESIGN GUIDELINES - Compliance with these Design Guidelines and the provisions of the Declaration will help preserve the inherent architectural and aesthetic quality of the Community. It is important that the Proposed Improvements be made in harmony with, and not detrimental to, the rest of the Community. A spirit of cooperation with the Committee and neighbors will go far in creating an optimum environment, which will benefit the Owners. By following these Design Guidelines and obtaining approvals of Proposed Improvements from the Committee, Owners will be protecting their financial investment and will help to promote Proposed Improvements that are compatible with the other homes and property within the Community.

1.8 INTERPRETATION OF THE DESIGN GUIDELINES - The Committee shall interpret these Design Guidelines.

1.9 ENFORCEMENT OF DECLARATION AND DESIGN GUIDELINES —~~The Committee shall have primary responsibility for the enforcement of the architectural requirements of the Declaration and these Design Guidelines. The Committee will investigate written complaints of Owners for violations of the architectural requirements of the Declaration of these Design Guidelines if such complaints are dated and signed by the Owner. The Committee, the Board, and employees of the Association shall use all reasonable means to maintain the anonymity of the complaining Owner(s). The Committee shall be allowed to access to the property of the Owner filing the complaint for purposes of verification of the complaint. If a violation is found, the Committee shall notify the Owners whose property is in violation, in writing requesting that appropriate action be taken to achieve compliance. If such Owner' does not bring his property into compliance with the Declaration and Design Guidelines within thirty (30) days, or the time specified by the notice, the Committee will request that the violation be referred to the Board for enforcement action, which may include the Board fining the Owners for such non-compliance.~~ *(Section revised 11/15/12)* The Committee shall have primary responsibility for the enforcement of the architectural requirements of the Declaration and these Design Guidelines. The Committee will investigate written complaints of Owners for violations of the architectural requirements of the Declaration of these Design Guidelines if such complaints are dated and signed by the Owner. The Committee shall be allowed access to the property of the Violator for purposes of verification of the complaint. If a violation is found, the Committee shall notify the Owners whose property is in violation, in writing requesting that appropriate action be taken to achieve compliance. If such Owner does not bring his property into compliance with the Declaration and Design Guidelines within thirty (30) days, or the time specified by the notice, the Committee will request that the violation be referred to the Board for enforcement action, which may include the Board fining the Owners for such non-compliance.

1.10 ADVISING OF NEIGHBORS - It is suggested that Owners advise neighbors prior to submitting forms for Proposed improvements. In certain cases, the Committee may request adjacent neighbor input.

2. SPECIFIC TYPES OF IMPROVEMENTS - DESIGN GUIDELINES

2.1 GENERAL

- a) The following alphabetical list covers a wide variety of specific types of Proposed Improvements which Owners and builders typically consider installing. Pertinent information is given as to each. Unless otherwise specifically stated, drawings or

plans for Proposed Improvements shall be submitted to the Committee, and the written approval of the Committee shall be obtained before the Proposed Improvement is made. Drawings or plans shall include dimensions, setbacks, roof slopes, types of materials and both elevation and plan views of all proposed expansions or additions. Applications for paint change must be accompanied by samples or chips of the colors to be approved, along with a written description of color schemes of adjacent homes. Drawings, plans and other color samples will be retained in association files for future reference. If desired by the Committee, the Committee may submit the request to the Board for its separate review and response. In some cases, where specifically stated, a type of Proposed Improvement is prohibited. Proposed Improvements that are not listed will require Committee approval.

- b) The architectural style of a proposed home shall be consistent with the style and character of the other residences built in the same general area of the Community. The Committee in its sole discretion shall determine such consistency.

2.2 ADDITIONS AND EXPANSIONS – Committee Approval is required. Owners must use the “Design Review Request Form” when submitting a request for an addition or expansions. Additions or expansions to the homes will require submission of detailed plans and specifications, including description of materials to be used, and plan and elevation drawings showing dimensions, setbacks, roof slopes, etc. Additions and expansions must be of the same architectural style and color as that of the home. All work is subject to obtaining required permits from Douglas County.

2.3 ADDRESS NUMBERS - Committee approval is required to relocate the address numbers to a position different from that originally installed by the builder.

2.4 ADVERTISING - See Signs

2.5 AIR CONDITIONING EQUIPMENT - Committee approval is required. Air conditioning equipment, including swamp coolers, must be ground mounted and installed in the rear or side yards; it should not be visible from the street right of way. It should be installed in such a way that any noise to adjacent homes is minimized. Installation of air conditioning equipment, including swamp coolers, on the roof of the home or in a window of the home will not be permitted.

2.6 ANIMALS - Except as provided in Article 3, Paragraph 3.12 of the Declaration and this paragraph, no animals, livestock or poultry of any kind shall be raised, bred or kept on any property in the Community or in any home. Not more than three (3) dogs, cats or other household pets in the aggregate constitutes a "reasonable number" which may be kept in any home, but only if such household pets are not raised, bred, kept or maintained for any commercial purpose. No horses shall be kept in the Community. Dogs, cats or other household pets owned by Owners or their guests shall not be permitted to run at large, but shall be kept under the control of such Owner by leash, cord or chain. The Owner of any dog, cat or other household pet shall immediately remove excrement deposited by said animal upon any property in the Community.

2.7 ANTENNAS - Pursuant to Paragraph 3.15 of the Declaration, no exterior radio antennas, television antennas or other antennas may be erected unless approved in writing by the Committee. Any facility for the transmission or reception of audio or visual signals shall be kept and maintained, to the extent reasonably possible, underground within an enclosed structure. Notwithstanding the foregoing, neither the restrictions nor the requirements of this Section shall apply to those antennas (which may include some satellite dishes and other devices) that are specifically covered by the Telecommunications Act of 1996, as amended from time to time. As to antennas which are specifically covered by the Telecommunications Act of 1996; as amended from time to time. As to antennas which are specifically covered by the Telecommunications Act of 1996 as amended, the Committee shall be empowered to

~~adopt rules and regulations governing the types of antennas that are permissible hereunder, and to the extent permitted by the Telecommunications Act of 1996, as amended establishing reasonable, non-discriminatory restrictions relating to appearance, safety location and maintenance. (Section revised 11/15/12)~~ Pursuant to Paragraph 3.15 of the Declaration, no exterior radio antennas, television antennas or other antennas may be erected unless approved in writing by the Committee. Any facility for the transmission or reception of audio or visual signals shall be kept and maintained, to the extent reasonably possible, underground, or within an enclosed structure, and multiple antennas that are merely duplicative and not necessary to ensure an acceptable quality signal, and masts that are higher than absolutely necessary to receive an acceptable quality signal, are prohibited. Notwithstanding the foregoing, neither the restrictions nor the requirements of this Section shall apply to those antennas (which may include some satellite dishes and other devices) that are specifically covered by the Telecommunications Act of 1996, and 47 C.F.R. § 1.4000, promulgated thereunder, as amended from time to time to the extent that any such restrictions or requirements are not exempt therefrom.

2.8 ASTRO TURF - Neither Astro-turf nor any other floor covering shall be used on the front porch or any balcony.

2.9 AWNINGS - See Overhangs.

2.10 BALCONIES - See Decks.

2.11 BASKETBALL BACKBOARDS - ~~Committee approval is required. If garage or pole mounted, The backboard and support structure should be clear or painted the same color as the house, unless otherwise approved by the Committee. Garage mounted backboards in the front yard may not project more than two feet (2') from the front of the garage. Pole mounted basketball backboards must have a black or galvanized removable steel pole and must be installed midway between the front of the house and the sidewalk. Rims and nets on all types of basketball units must be maintained in a neat and clean appearance. Backyard concrete pads for basketball courts may not exceed seventeen feet (17') in any direction. Temporary Movable basketball backboards also are acceptable but must be placed in such a manner that they do not block sidewalks and pedestrian walkways and are not placed in streets. Temporary basketball~~ During the period when Daylight Savings is not in effect, i.e., observing Standard Time, all backboards must be stored within the home or behind the fence and must not be observable from the street when not in use. *(Section revised 10/05/05)* Committee approval is required. The backboard and support structure should be clear or painted the same color as the house, unless otherwise approved by the Committee. Pole-mounted basketball backboards must have a black or galvanized removable steel pole and must be installed midway between the front of the house and the sidewalk. Rims and nets on all types of basketball units must be maintained in a neat and clean appearance. Movable basketball backboards are acceptable but must be placed in such a manner that they do not block sidewalks and pedestrian walkways and are not placed in streets. During the period when Daylight Savings is not in effect, i.e., observing Standard Time, all backboards must be stored within the home or behind the fence and must not be observable from the street when not in use.

2.12 BOATS - See Motor Homes Vehicles

2.13 BUGZAPPERS - Approved subject to compliance with Article 3, Paragraph 35 of the Declaration.

2.14 BUILDING HEIGHT - Required to comply with applicable building codes and zoning regulations established by Douglas County.

2.15 CABLE TV ANTENNAS - See Antennas.

2.16 CAMPERS - See Motor Home Vehicles.

2.17 CARPORT - Not Permitted.

2.18 CIRCULAR DRIVES - See Driveways.

2.19 CLOTHESLINES AND HANGERS - Not Permitted.

2.20 CLOTH OR CANVAS OVERHANGS - See Overhangs.

2.21 COLOR - See Painting.

2.22 CORNER VISIBILITY – Compliance with Douglas County intersection sight distance criteria required.

2.23 DECKS - Committee approval is required. Decks must be constructed of wood or other material matching the material of the home and, if painted, must match the color scheme of the home, unless otherwise approved by the Committee. Decks must be installed as an integral part of the home and patio area. Construction of decks over easement areas is not permitted and applicable building permits are required. Dimensions and location must be submitted on drawings.

2.24 DOG RUNS - Committee approval is required. Dog runs must be constructed with fencing of the same design as approved in Article 3, Paragraphs 3.30 and 3.36 of the Declaration or as otherwise approved by the Committee. Dog runs must be located in the rear or side yard, abutting the home and substantially screened from view. Dog runs are limited in size to 575 square feet, cannot be higher than the Parcel boundary fence, and in no case can be more than five feet (5') high. Wood screening or mature landscape screening is required to hide a substantial view of the dog run. Dog runs must have double fence when next to any association owned fence and may not use any Association owned fence as part of the dog run fence. In some cases, if required by the Committee, written consent from adjacent neighbors may be requested.

2.25 DOORS - Committee approval is required for the addition or replacement of storm or other type doors to a home. The material should match existing colors of the home unless otherwise approved by the Committee. Security doors or security window bars require Committee approval. The approval existing colors will be white, black and colors of the approved home colors.

2.26 DRAINAGE - See Article 3, Paragraph 3.18 of the Declaration.

2.27 DRIVEWAYS - All driveways leading from the street to an Owner's home or Parcel are to be constructed of permanent, properly formed, hard surfaced paving (i.e., concrete with a four inch (4") minimum thickness). Modifications to the original driveway require Committee approval. Extensions to existing driveways may not be more than three feet (3') in width on either side, and must match the existing driveway. Asphalt extensions are not acceptable

2.28 EVAPORATIVE COOLERS - See Air Conditioning Equipment.

2.29 EXTERIOR LIGHTING - See Lights and Lighting.

2.30 EXTERIOR MATERIALS – The only acceptable exterior building materials are high-quality hardboard siding, brick, stone, or other harmonious materials utilized for accent or home details as approved by the Committee.

2.31 FENCES -

- a) General - Fences and/or walks/brick columns/entrance monuments (individually and collectively "Fences") constructed by developer and/or builder along or abutting Parcel lines, arterial streets, collector streets or local streets may not be removed, replaced, stained or painted a different color or altered, including adding a gate, without approval of the Committee. If any such Fences constructed by developer and/or builder which are located upon an Owner's Parcel are damaged or destroyed

by Owner or Owner's agents, guests, or tenants, the Owner shall repair and recondition the same at the Owner's expense.

- b) Drainage – It is important to remember that certain drainage patterns may exist along or under proposed Fence locations. When constructing a Fence, be sure to provide for a space between the bottom of the fence and the ground elevation so as not to block these drainage patterns.
- c) Design - Fences may not be constructed without Committee approval, All Fences must adhere to any sight triangle regulations of Douglas County
 - 1. Fences or Screening located within Parcel Line – must be an integral part of the landscape design.
 - 2. Double Fences Not permitted, except see Dog Run. Double Fences are not the same as double facing; Check with the Committee.
 - 3. Cluster Mail Boxes - Fences bordering cluster mail boxes must allow 3-1/2' to 4' clearance behind the cluster box to allow for mail delivery.
- d) No plastic or metal chicken wire, barbed wire, chain links, or strand wire will be allowed. Hog wire may be used to enclose an open rail fence.
- e) Fences shall not be constructed within right-of-way areas or side Parcel easements and, therefore, must be set back from the sidewalk the distances established in Douglas County's requirements.
- f) Maintenance Responsibility - Deteriorated materials must be replaced by the Owner with materials identical to the original in quality, quantity and design.
- g) (*added 10/05/05*) All new fencing shall be three rail, cedar, split rail fencing with the following specifications:
 - 1. Posts will be 6" x 6";
 - 2. Rails will be 2" x 6";
 - 3. Distance between posts is 8' on center;
 - 4. Distance between ground and top of top rail is 48 inches;
 - 5. Distance between top of top rail and top of fence post is 6 inches;
 - 6. Distance between rails is 10 inches; and
 - 7. Gates will follow the dimensional characteristics of the main fence, i.e., gate slats are horizontal at the same height as the slats of the fence, and the top rail shall not exceed 48 inches.

2.32 FLAGPOLES – Committee approval is required.

2.33 GARBAGE CONTAINERS AND STORAGE AREAS – See Trash Containers.

2.34 GRADING AND GRADE CHANGES - See Drainage.

2.35 GREENHOUSE WINDOWS - Committee approval is required.

2.36 HANGING OF CLOTHES - See Clotheslines and Hangers.

2.37 HOT TUBS - Committee approval is required. Must be ground mounted and an integral part of the deck or patio area and of the rear yard landscaping. Must be in the rear yard.

2.38 HOLIDAY DECORATIONS - All seasonal decorations must be removed within thirty (30) days following that particular holiday or celebration. Consideration of neighbors should be exercised when decorating for any occasion. See Article 3, Paragraph 3.8 of the Declaration.

2.39 HOME NUMBERS - See Address Numbers.

2.40 IRRIGATION SYSTEMS - Underground manual or automatic irrigation systems do not require approval of the Committee. Such systems must meet Douglas County's building codes, if applicable.

2.41 JACUZZI - See Hot Tubs.

2.42 JUNK VEHICLES - See Motor Home Vehicles.

2.43 LANDSCAPE AND MAINTENANCE - Committee approval required. Landscaping must be installed within six (6) months after the date of original closing with builder. Landscaping includes sod.

- a) In addition, landscaping shall follow all requirements of Douglas County.
- b) Gravel, rock and/or soil piles left in front or on visible side yards of Parcels, in the street, or on the driveway shall be left no longer than a period of thirty days. Leaving gravel, rock and/or soil piles in the street is not suggested. Contact Douglas County for more specific information.
- c) Delivery and placement of landscape materials shall not damage greenbelt or entry/median areas. Delivery Trucks are not allowed to cross these areas (to avoid sprinkler and landscape damage). If this regulation is violated and damage to the Common Elements results, the Owner will be held financially responsible for repairing the damage caused by the Owner of the Owner's Agent, guest or tenants.

2.44 LIGHTS AND LIGHTING - Committee approval is not required for exterior lighting which is in accordance with the following regulations. Exterior lights must be of the same style and character as those installed by builder on other homes or Parcels, and be as small in size as is reasonably practicable. Exterior lighting should be directed towards the home and must be of low wattage to minimize glare sources to neighbors and other Owners. Any variance from these Design Guidelines or use of high wattage spotlights or floodlights requires Committee approval. See Article 3, Paragraph 3.8 of the Declaration for information regarding Holiday lighting

2.45 LIVESTOCK - See Animals

2.46 MICROWAVE DISHES - See Antennas

2.47 MINING AND DRILLING - Not Permitted.

2.48 MOTOR HOME VEHICLES - ~~Not permitted to be located or parked permanently within the Community as set forth in Article 3, Paragraph 3.29 of the Declaration. These vehicles must be moved from the general areas within 72 hours unless approved in writing by the Committee. This 72 hour period is allowed for loading or unloading before and after trips. Such vehicles may be stored only within garages. The Association does not permit enclosed structures other than garages for this type of storage.~~ *(Section revised 11/15/12)* Not permitted to be located or parked permanently within the Community as set forth in Article 3, Paragraph 3.29 of the Declaration. These vehicles must be moved from the general areas within 72 hours unless approved in writing by the Committee. This 72-hour period is allowed for loading or unloading before and after trips.

2.49 MOTORIZED VEHICLES - Motorized vehicles are not to be driven on greenbelts or Common Elements. This includes snowmobiles, golf carts, motorcycles, mini bikes, go carts, mopeds and delivery trucks, but excludes lawn cutting, snow removal or maintenance equipment. Such vehicles shall not be parked so as to be visible from any of the homes or the street.

2.50 OVERHANGS - CLOTH OR CANVAS - Committee approval is required. The color must be the same as the exterior of the home, unless otherwise approved by the Committee. Metal or fiberglass awnings are not permitted.

2.51 PAINTING - ~~Committee approval is not required if color and color combinations are identical to the original color painted by builder. Color and/or color combinations changes require Committee approval.~~

- ~~a) All exterior colors must be reviewed for approval by the Committee, including repainting of all existing Improvements. The Committee will assess the overall color composition formed by the individual materials.~~
- ~~b) All roof vent caps, louvers, plumbing stacks, chimney flashing, valley flashing, etc. are to be painted a color not in contrast with the color of the roofing.~~
- ~~c) Whenever exterior painting is to be done, all changes must be approved by the Committee prior to commencement of such painting. Changes include any paint or color scheme other than the original brand paint, color number and scheme which is on file with the builder or the Committee.~~
- ~~d) It is recommended that all homes be painted on a regular schedule to avoid chipping and peeling.~~
- ~~e) Paint schemes must be different from neighboring homes. Submittals without a description of neighbors' paint colors will not be approved by the Committee. Failure by the Committee to so inform the Owner requesting such approval shall not be deemed an approval under Article 4, Paragraph 4.10 of the Declaration. Requests to paint shall be submitted to the Committee in the form of a Design Review Request (DRR) indicating the color scheme from the HOA Paint Book.~~
- ~~f) Garage doors are to be the same color as the siding or trim of the home, unless otherwise requested and approved by the Committee. Outlining the garage door panels in a contrasting color or in a checkerboard design is not permitted.~~
- ~~g) Most homes have multiple tone paint schemes (e.g., siding, color, trim color and accent color for shutters and doors). New colors submitted should, but are not required to, preserve this multiple tone scheme. For example, if the trim was a different color than the doors and shutters originally, it should also be different in submitted colors.~~
- ~~h) Color selections should be submitted to the Committee in the form of four sets of manufacturer's paint chips: Please indicate which color chips are for trim, siding and accent (doors and shutters) color. PLEASE PLAN TO SUBMIT REQUESTS IN ADVANCE OF THE THIRTY (30) DAY REVIEW TIME FRAME ALLOWED FOR UNDER THE DECLARATION AND THESE DESIGN GUIDELINES. Color schemes must be different from adjacent homes. For the purpose of this guideline, adjacent homes include the two (2) homes to the left, two (2) homes to the right, and the homes directly across the street from those homes, as applicable. A request for a color scheme that is similar but not identical to an adjacent house may be rejected unless that color scheme is the same as the original color scheme provided by the builder. Failure by the Committee to inform the Owner of a DRR approval shall not be deemed an approval under Article 4, Paragraph 4.10 of the Declaration.~~
- ~~i) All selections are reviewed by the Committee and, in some cases, by a professional consultant.~~
- ~~j) In general, after approval, only those areas that are painted may be repainted; only those areas stained may be re-stained; unpainted surfaces and unstained areas (such as brick or stone) shall remain unpainted and unstained.~~

(Section revised 4/05/06) Committee approval is required for repainting even if color and color combinations are identical to the original color scheme painted by the builder.

- a) All exterior color schemes must be reviewed and approved by the Committee, including repainting of all existing improvements.
- b) All roof vent caps, louvers, plumbing stacks, chimney flashing, valley flashing, etc., are to be painted a color not in contrast with the color of the roofing.
- c) Whenever exterior painting is to be done, all changes must be approved by the Committee prior to commencement of such painting. Changes include any paint or color scheme other than the original brand paint, color number and scheme, which are on file with the HOA.
- d) It is recommended that all homes be painted on a regular schedule to avoid chipping and peeling.
- e) Paint schemes must be different from adjacent homes. A Paint Scheme selection that is similar but not identical to an adjacent house may be rejected unless the paint scheme selected is the same as the original paint scheme provided by the builder. In color for the base house Submittals without a description of the neighbors' paint scheme will not be approved by the Committee. Failure by the Committee to so inform the Owner requesting such approval shall not be deemed an approval under Article 4, Paragraph 4.10 of the Declaration.
- f) Garage doors are to be the same color as the siding or trim of the home. Outlining the garage door panels in a contrasting color or in a checkerboard design is not permitted.
- g) Requests to repaint shall be submitted to the Committee in the form of a Design Review Request indicating the Color Scheme from the HOA Paint Book, and the Color Schemes from the HOA Paint Book for the immediately adjacent homes. PLEASE PLAN TO SUBMIT REQUESTS IN ADVANCE OF THE THIRTY (30) DAY REVIEW TIME FRAME ALLOWED FOR UNDER THE DECLARATION AND THESE DESIGN GUIDELINES.
- h) In general, after approval, only those areas that are painted may be repainted; only those areas stained may be restained; unpainted surfaces and unstained areas (such as brick or stone) shall remain unpainted and unstained.

2.52 PATIO COVERS – Committee approval is required. Plans must show the exterior elevation, designate materials and colors, and include dimensions. Applicable building permits must be obtained from Douglas County.

2.53 PATIOS – ENCLOSED – See Additions and Expansions.

2.54 PAVING - Committee approval is required for front yard changes, regardless of whether for walks, driveways, patio areas or other purposes.

2.55 PETS - See Animals.

2.56 PIPES - See Utility Equipment.

2.57 PLAY AND SPORTS EQUIPMENT – ~~Committee approval is required. Equipment shall be located in the rear or side yard. Size of play yards will be considered on a case-by-case basis depending on Parcel size and proximity to neighbors. The maximum height of the equipment should not exceed ten (10) feet. In some cases written consent from adjacent neighbors may be required.~~ *(Section revised 11/15/12)* Committee approval is required. Equipment shall be located in the rear or side yard. Size of play yards will be considered on a case-by-case basis depending on Parcel size and proximity to

neighbors. The maximum height of the equipment should not exceed twelve (12) feet. Written input from affected neighbors as determined by the Board shall be required.

2.58 POLES - See Flag poles, Utility Equipment, Basketball Backboard etc.

2.59 RADIO ANTENNAS - See Antennas.

2.60 ROOFS - Committee approval is required. Submit colors and type of materials to be used. Uniformity with existing Units in the Community is required.

2.61 ROOFTOP EQUIPMENT - Not permitted.

2.62 SAUNAS - See Additions and Expansions.

2.63 SETBACKS - All setbacks are established by Douglas County's Building and Zoning Requirements.

2.64 SEWAGE DISPOSAL SYSTEMS - Not permitted.

~~**2.65 SHEDS** - Committee approval is required. Owners should use the Design Review Request Form to request approval. Materials shall be the same materials as on the exterior of the home. Sheds shall be allowed only in rear yards. Sheds must be the same color as the exterior of the home, unless otherwise approved by the Committee. Sheds shall not be more than eight feet six inches (8'6") high at the peak, nor larger than 120 square feet. Siding, roofing, and trim material must match those on the home. The Committee, in reviewing the application for shed approval shall consider parcel grading, fence locations, landscape screenings, etc., in granting any approvals for a shed. (Section revised fall 2002) Sheds are not permitted except as otherwise provide below. No standalone structure shall be placed upon any property within the Common Interest Community.~~

EXCEPTIONS: A structure that is an extension of the garage, under a deck (provided it does not extend beyond the envelope of the house, i.e., sides) or under the front steps of those homes with lot numbers 1-14, 47 and 48.

Unless otherwise approved by the Committee, any such accepted structure must be constructed of materials, which are the same style and color as those on the exterior of the home. Siding, roofing, and trim material must match those of the home. Any such accepted structure shall not exceed forty-eight (48) square feet at its base and eight feet, six inches (8'6") at its peak. The Committee shall consider parcel grading, fence locations, landscape screening, and other appropriate criteria when reviewing any submission under this provision. The Committee must receive a Design Review Request Form to consider for approval.

2.66 SHUTTERS – EXTERIOR – Committee approval is required. Exterior shutters must be the same materials and painted to match the color scheme of the exterior of the home, unless otherwise approved by the Committee.

2.67 SIDING - Committee approval is required. Siding must be essentially the same as the siding installed by the builder on other homes in the Community, and must be painted according to standards established in the Design - Guidelines. - See Painting. Aluminum or steel siding will not be permitted.

~~**2.68 SIGNS** - Douglas County's Sign Code and Article 3, Paragraph 3.16 of the Declaration control signs. Unless permitted in the Declaration, no sign of any kind shall be displayed to the public view on any part of the Parcel or home., except one professional sign per dwelling advertising a dwelling for sale or rent, and signs used by a builder to advertise dwellings for sale or rent during the construction and sale period. Non advertising security system signs will be allowed. Builder marketing signs are permitted. Garage sale signs shall be removed at the end of the last sale day. (Section revised 10/05/05)~~

Douglas County's Sign Code and Article 3, Paragraph 3.16 of the Declaration control signs. In addition to those permitted in the Declaration, the following exceptions will be permitted: (a) garage sale signs, which must be removed at the end of the last sale day, (b) a sign advertising the company performing work on a Lot for which a DRR has been approved, and only while that work is in progress, (c) a sign promoting support for a children's program (e.g., football, volleyball, cheerleading, etc.), and only during the season associated with that program, and (d) political signs as permitted under Senate Bill 100.

2.69 SKYLIGHTS - Committee approval is required.

2.70 SPAS - See Hot Tubs.

2.71 SPRINKLER SYSTEMS - See Irrigation Systems.

2.72 STORAGE SHEDS - See Sheds.

2.73 STORM DOORS - See Doors.

2.74 SUNSHADES - See Overhangs.

2.75 SWAMP COOLERS - See Air Conditioning Equipment.

2.76 SWIMMING POOLS - (*Section added 11/15/12*) Committee approval is required. Pools shall be located in the rear yard in a location that is obstructed from street view as much as is possible. Permanent pools shall have wood screening or mature landscape screening. Pools shall be maintained properly and all bulk chemicals shall be stored in a secure location. Temporary/seasonal pools shall be stored in a secure location during the Winter Season (approximately October to May as weather permits). In-ground permanent pools additionally, require design and permitting through Douglas County. All pools must meet water and drainage requirements of Roxborough Water and Sanitation District and Aurora Water – see section DRAINAGE. Drought restrictions may prohibit pool fill and will constitute out of season use. Pools shall require adjoining neighbor input in writing.

2.77 SWINGSETS – See Play and Sports Equipment.

2.78 TELEVISION ANTENNAS - See Antennas.

2.79 TEMPORARY STRUCTURES - No tent, shack, temporary structure or temporary building shall be placed upon any property within the Common Interest Community except with Design Review Committee consent. See Article 3, Paragraph 3.13 of the Declarations.

2.80 TEMPORARY VEHICLES - See Motor Home Vehicles.

2.81 TRAILERS - See Motor Home Vehicles.

2.82 TRAMPOLINES - ~~Trampolines are not allowed. Trampolines approved prior to 4 October 2006 are grandfathered. If any existing homeowner with an approved trampoline sells their property, the transfer of the property through sale does not extend to the previously approved trampoline.~~ (*Section revised 11/15/12*) Trampolines are permitted and require Committee approval. Trampolines must be maintained (not badly faded or in disrepair) and properly anchored to prevent wind damage. Manufacturer standard anchoring kits are allowed, provided there are a minimum of four anchor points. Anchor kits must be auger type with a minimum ground embedment of 18 inches. Straight stake anchors are not allowed. Other anchoring methods are subject to Committee approval. Trampolines may be dug in at ground level, but the related depression must have proper drainage and be approved by Douglas County.

2.83 TRASH CONTAINERS – See Article 3, Paragraph 3.11 of the Declarations.

2.84 TREE HOUSES – not permitted.

2.85 UNDERDRAINS – Modification or impeding the flow of drainage is prohibited.

2.86 UTILITY EQUIPMENT - Installation of utilities or utility equipment requires Committee approval unless located underground or within an enclosed structure. Pipe, wires, poles, utility meters and other utility facilities must be kept and maintained, to the extent reasonably possible, underground or within an enclosed structure.

2.87 VANES - Committee approval is required.

2.88 VEGETABLE GARDENS - (*Section added 10/5/05*) Vegetable gardens are allowed with approved screening. No vegetable that has a height exceeding 3 feet will be allowed, and any variety of corn will NOT be allowed.

2.89 VEHICLES - See Motor Home Vehicles..

2.90 VENTS - See Rooftop Equipment.

2.91 WALLS - RETAINING - A single retaining wall shall not be more than thirty-six inches (36") in height (measured at the exposed side) without an engineering plan. Where required by the Committee, the Owner shall provide a detailed landscape plan, indicating the size and exposure of the retaining wall, at the time of plan review for approval. Owners are liable for their respective Lot drainage. Retaining walls shall be constructed of brick; treated wood, natural stone, or similar materials, subject to approval by the Committee. Exposed concrete retaining walls are specifically forbidden. Maintenance of retaining walls on individual lots is the responsibility of the Owner,

2.92 WELLS - Not permitted.

2.93 WIND TURBINES - Not permitted.

2.94 WINDOWS - Committee approval is required for all windows not of the same make or design as originally installed by the builder. Submission of plans and specifications to the Committee shall include a description of the window frame material and color. Mill finish on aluminum windows is specifically prohibited. Replacement windows shall be substantially the same as those initially installed.

3. PROCEDURES FOR COMMITTEE APPROVAL

3.1 GENERAL - In a few cases, as indicated in the listing in the preceding Section II, a specific type of Proposed Improvement is not permitted under any circumstance. In all other cases, including Proposed Improvements not included in the list in Section II, advanced prior written approval by the Committee is required before Proposed Improvements is commenced. This section of the Design Guidelines explains how such approval can be obtained.

3.2 DRAWINGS OR PLANS - Article 4 of the Declaration requires an Owner to submit to the Committee, prior to commencement of work on any Proposed Improvement, descriptions, plot plans, construction plans, specifications and samples of materials and colors, etc., as the Committee shall reasonably request, showing the nature, kind, height, width, color, materials and location of the Proposed Improvement. In the case of major Proposed Improvements, such as room additions, decks, or structural changes, detailed plans should be professionally prepared by an architect, engineer, and/or draftsman and should meet Douglas County's requirements. However, simple drawings and descriptions may be sufficient for other Proposed Improvements. Whether done by the Owner or professionally, the following provisions should be followed in preparing drawings or plans.

- a) The drawing or plan should be done to scale, and should depict the property lines of the Parcel and the outside boundary lines of the home as located on the Parcel. Drawings made from a Parcel survey base are preferred

- b) Existing Improvements, in addition to the home, should be shown on the drawing or plan, and identified or labeled. Such Existing Improvements include driveways, walks, decks, trees, bushes, etc.
- c) The Proposed Improvements should be shown on the plan and labeled either on the plan, or an attachment. These should be a brief description of the Proposed Improvement, including the materials to be used and the colors.
- d) The plan or drawing and other materials should show the name of the Owner, the address of the home, and the telephone number where the Owner can be reached.

3.3 SUBMISSION OF DRAWINGS AND PLANS - Two (2) copies of the Design Review Request Form and two (2) copies of the drawing or plan shall be submitted to the Committee. Plans should be submitted to the Committee in care of the Association's property management company.

3.4 REVIEW FEE – No fee is charged at the time for review of plans by the Committee. All costs for submittals shall be borne by the Owner and shall be payable prior to final approval. Any reasonable engineering consultant fees incurred by the Association in reviewing any Proposed Improvement will be assessed to the Owner requesting approval of the Proposed Improvement.

3.5 ACTION BY THE COMMITTEE – The Committee will meet as required to review plans submitted for approval. The Committee may require submission of additional information or material, and the Committee may deny the request until all required information or materials been submitted. The Committee will act upon all requests within the thirty (30) days after receipt of Design Review Request Form or thirty (30) days after receipt of all additional information or materials requested by the Committee, whichever is later, unless the time is extended by mutual agreement. All decisions of the Committee will be in writing.

3.6 PERFORMANCE OF WORK - After approval by the Committee, a Proposed Improvement should be accomplished as promptly as possible, in accordance with the approved plans, drawings and descriptions. The work must be completed, in any event, within twelve (12) months after approval by the Committee (except landscaping, which must be completed within six (6) months of original closing date with builder).

3.7 COMPLAINTS - All complaints should be submitted to the Committee, in writing, and must be dated and signed by an Owner. The Board and the Committee will take all reasonable action to preserve the anonymity of Complaining Owners.

3.8 DECLARATION PREVAILS - The foregoing Design Guidelines and procedures are supplementary to all of the terms and provisions of the Declaration, and shall remain in full force and effect. In the event of any actual or apparent conflict between these procedures and the Declaration, the Declaration shall prevail.

4. AMENDMENT

These Design Guidelines may at any time, from time to time, be added to, deleted from, repealed, amended, modified, re-enacted, or otherwise changed by the Board at its discretion.

THESE DESIGN GUIDELINES WERE INITIALLY ADOPTED BY THE BOARD, at a special meeting of the Board which was held on the 1st day of August, 2000. As provided in the Declaration and as provided in this document, these Design guidelines are subject to amendment by the Board of Directors.

ROXBOROUGH VILLAGE HOMEOWNERS ASSOCIATION, INC.
a Colorado non-profit corporation.

By: _____
Secretary

5. REVISION HISTORY

5.1 2002

- a) Modified Shed section

5.2 2005

- a) Modified Fencing Section
- b) Modified Sign Section
- c) Added Section for Vegetable Garden
- d) Modified Basketball Backboard Section.

5.3 2006

- a) Added section for Trampolines
- b) Modified Painting Section.

5.4 2012

- a) Modified Enforcement of Declaration and Design Guidelines
- b) Modified Antennas Section
- c) Modified Interface with Utilities Section
- d) Modified Motor Home Vehicles Section
- e) Modified Play and Sports Equipment Section
- f) Modified Trampolines Section
- g) Added Swimming Pools Section
- h) Formatted document to match By-Laws

POLICIES AND PROCEDURES
OF
ROXBOROUGH VILLAGE FILING NO. 15
HOMEOWNERS ASSOCIATION, INC.

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**ROXBOROUGH VILLAGE FILING NO. 15 HOMEOWNERS ASSOCIATION, INC.
POLICIES AND PROCEDURES**

TABLE OF CONTENTS

1. POLICIES AND PROCEDURES ESTABLISHED PRIOR TO NOVEMBER 2012 1

1.1 Biannual HOA Assessment Payment Structure 1

1.2 Collection Policy And Procedure..... 1

1.3 Finance Charges For Delinquent Assessments 1

1.4 Enforcement Policy And Procedure..... 1

1.5 Notice And Hearing Procedure 2

1.6 Procedures For Adoption And Amendment Of Policies, Procedures, Rules, Regulations,
Or Guidelines 4

1.7 Procedure For Examination, Inspection, And Copying Of Association Records 4

1.8 Conflicts Of Interest Policy And Procedure 5

1.9 Fence Reconditioning/Painting 5

1.10 Transfer Fee For The Sale Of The Property 5

1.11 Policy Regarding Home For Sale Signs..... 5

1.12 Policy Regarding Senate Bill 100..... 5

1.13 Policy Regarding House Bill HB 09-1359..... 6

2. POLICIES AND PROCEDURES ESTABLISHED AFTER NOVEMBER 2012 6

2.1 Procedures For Adoption And Amendment Of Policies, Procedures, Rules, Regulations,
Or Guidelines 1

2.2 Policy Regarding Alternative Dispute Resolution 7

2.3 Procedures For The Conduct Of Meetings 7

2.4 Rules Regarding Parking Of Emergency Vehicles 11

2.5 Policies Regarding Display Of Political Signs 11

2.6 Policy For Maintenance, Inspection And Copying Of Association Records..... 11

2.7 Policy Regarding Fee For Transfer Of Lot By Lot Owner; Assessment Deposit For
Reserve Or Working Capital..... 14

2.8 Policy Regarding Reserve Study And Investment Of Reserve Funds 14

2.9 Policies And Procedures Regarding Board Member Conflicts Of Interest..... 14

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ROXBOROUGH VILLAGE FILING NO. 15 HOMEOWNER'S ASSOCIATION

POLICIES AND PROCEDURES

1. POLICIES AND PROCEDURES ESTABLISHED PRIOR TO NOVEMBER 2012

1.1 BIENNIAL HOA ASSESSMENT PAYMENT STRUCTURE

Effective 1 January 2004, the Roxborough Village Filing No. 15 Homeowners Association (HOA), Inc. Board of Directors will begin collecting HOA dues on a biannual basis. A Request for Payment will be submitted to the Homeowner of record on January 1 and July 1 of each year. Payment will be considered past due on the 15th of the respective month, and will be followed by a Demand Letter to the delinquent Homeowner from the HOA Treasurer. If a respective payment remains delinquent on the 31st of the respective month, the delinquent account will be turned over to the legal staff for collection. Any expenses incurred by the HOA to resolve a delinquent account will be borne by the delinquent Homeowner.

1.2 COLLECTION POLICY AND PROCEDURE

Effective 1 January 2004, the Roxborough Village Filing No. 15 Homeowners Association (HOA), Inc. Board of Directors collects HOA dues on a biannual basis. A Request for Payment will be submitted to the Homeowner of record biannually on or before 15 December and 15 June. Each submittal is due and payable on the 1st day of the following month, i.e., 1 January for the 15 December submittal, and 1 July for the 15 June submittal. Payment will be considered past due on the 15th of the respective month, and will be followed by a Demand Letter to the delinquent Homeowner from the HOA Treasurer requesting immediate payment for the delinquent assessment. If the homeowner is non-responsive to the Demand Letter after the 15th of the following month, the delinquent account will be turned over to the HOA's law firm for collection, and the delinquent account will begin accruing interest monthly retroactive to the due date at a rate of 18% per annum. Any expenses incurred by the HOA to resolve a delinquent account will be borne by the delinquent Homeowner.

1.3 FINANCE CHARGES FOR DELINQUENT ASSESSMENTS

Effective 14 April 2004, the Roxborough Village Filing No. 15 Homeowners Association (HOA), Inc. Board of Directors establishes that any HOA assessments, including fines and legal fees, that are delinquent for more than 60 days shall accrue finance charges at an annual rate of 18% per annum. Interest charges shall be calculated and accrued on a monthly basis and will be applied to the total delinquent balance. These finance charges will be incurred in addition to any legal action and their related expenses.

1.4 ENFORCEMENT POLICY AND PROCEDURE

Reprint of Bylaws amended paragraph 10.1

10.1 Association's Enforcement Rights. In the event of an alleged violation by a Member (the "Respondent") of the Declaration, the Bylaws, the Design Criteria and Guidelines or the Rules and Regulations, the Board of Directors shall have the right, after Notice and Hearing as provided for by resolution of the Board, and upon an affirmative vote of a majority of all Directors on the Board, to take anyone (1) or more of the following actions: (a) levy a Reimbursement Assessment as provided in the Declaration; (b) suspend or condition the right of said Member and anyone claiming through such Member to the use and enjoyment of any recreational or other facilities operated or maintained by the Association (to the extent any such Person is otherwise entitled to such use); (c) suspend said Member's voting privileges as a Member, as provided in the Declaration; provided, however, that the Board shall be

entitled to suspend a Member's voting right without Notice and Hearing in the event such Member fails to pay any Assessment levied pursuant to the terms and provisions of the Declaration; (d) levy a fine against such Member in an amount determined by the Board; or (e) Record a Notice of Noncompliance against the Lot of the Respondent. Any such suspension shall be for a period of not more than thirty (30) days for any non-continuing infraction, but in the case of a continuing infraction (such as nonpayment of any Assessment after the same becomes delinquent) such suspension may be imposed as long as the violation continues. The failure of the Board to enforce the Design Criteria and Guidelines, Rules and Regulations, these Bylaws or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided in the Declaration and the Bylaws shall be cumulative and not be deemed exclusive. However, any individual Member must exhaust all available internal remedies of the Association prescribed by the Bylaws and the Rules and Regulations, before that Member may resort to a court of law for relief with respect to any alleged violation by another Member of the Declaration, these Bylaws, the Design Criteria and Guidelines or the Rules and Regulations, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Member where the complaint alleges nonpayment of Common Assessments, Special Assessments or Reimbursement Assessments.

1.5 NOTICE AND HEARING PROCEDURE

(a) **Complaint.** Any Owner within the community may send a formal, written complaint via either electronic mail or regular mail of a covenant or rule violation, with as much information as is known, to the Association. Complaints may also be initiated by any member of the Board of Directors or of the Architectural Control Committee. The Board shall have no obligation to consider oral complaints. The Board shall have the authority to determine whether a written complaint is justified before continuing with the Notice and Hearing Procedure.

(b) **Notice of Alleged Violation.** Notice of Alleged Violation of any provisions of the Declaration, Bylaws, Design Criteria and Guidelines or Rules and Regulations, shall be provided in writing to the applicable Owner and/or related user as soon as reasonably practicable following the receipt of a complaint or discovery by the Board of such violation. The Board may also, at its option, provide a copy of such notice to any non-owner violator. The notice shall describe the nature of the violation and the possible fine that may be imposed, the right to request a hearing before the Board to contest the violation or possible fine, and may further state that the Board may seek to protect its rights as they are specified in the governing legal documents.

(c) **Request for Hearing.** If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, or to discuss any mitigating circumstances, the Owner must request such hearing, in writing, within fourteen (14) days of the date of the Notice of Alleged Violation. The request for hearing shall describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived. If a hearing is not requested within the fourteen (14) day period, the Board shall determine if there was a violation based upon the information available to it, and if so, assess a reasonable fine as set forth in the fine schedule, within thirty (30) days of the expiration of the fourteen (14) day period. The Board of Directors shall give written notice of said fine to the applicable Owner.

(d) **Board of Directors or Committee to Conduct Hearing.** The Board shall hear and decide cases set for hearing pursuant to the procedures set forth herein. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings. The Board may also appoint a committee to conduct the hearing, determine whether a violation exists and impose fines. In the event the Board appoints a committee to conduct such activities, the Owner shall have the right to appeal the committee's decision to the Board by giving written notice of such appeal to the Board and the committee

within thirty (30) days of the date of written notification of the committee's decision. In the event the Owner does not request an appeal within the thirty (30) days, the right to an appeal shall be waived.

(e) **Conflicts.** Any Board or committee member who is incapable, of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Association or the chair of the committee prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be at the hearing, and the Board or committee member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board or committee member(s) results in an even number of remaining Board or committee members eligible to hear a case, the Presiding Officer may appoint an Association member, in good standing, to serve as a voting member of the hearing board.

(f) **Hearing.** The Board or committee shall inform the Owner of the scheduled time, I and date of the requested hearing, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall establish a quorum, explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board. The complaining parties and the Owner may or may not be in attendance at the hearing. Each party may present evidence, testimony, and witnesses. The decision of the Board or committee at each hearing shall be based on the matters set forth in the Notice of Alleged Violation and Hearing, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board of Directors or committee, hearings shall be open to attendance by all members of the Association. If a complaining party is unable to attend the Hearing, he or she may instead submit a letter to the Board explaining the basis of the complaint.

(g) **Decision.** After all testimony and other evidence has been presented to the Board committee at a hearing, the Board or committee shall render its written findings and decision, and impose a reasonable fine, if applicable, within ten (10) days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the Board of Directors or committee. In the event of an appeal, a decision shall be made by a majority vote of the Board of Directors.

(h) **Fine Schedule.** The following fines shall be imposed for a violation of the provisions the Declaration, Design Criteria and Guidelines, Bylaws, and Rules and Regulation of the Association:

- First violation: Warning letter
- Second violation: up to \$50.00
- Third violation: up to \$100.00
- Fourth violation: up to \$250.00
- Continuing violations: up to \$25 per day for each day violation continues

The Board reserves the right to fine for first violations of rules that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its sole discretion.

In addition, the Board or committee may levy a fine of up to \$25.00/day from the date of the decision until the violation is corrected for continuing violations, such as failure to landscape properly, as determined in the sole discretion of the Board or committee.

The Board or committee shall establish the amount of the fine within the above range based upon the nature and severity of the violation, as determined in the sole discretion of the Board or committee.

All fines shall be due and payable upon notice of the fine and will be late if not paid within thirty (30) days of the date that the Owner is notified of the imposition of the fine. All fines and late charges shall be considered an Assessment and may be collected as set forth in the Declaration. Fines shall be in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado

law, including the Association's right to collect attorney fees incurred in connection to the violation from the Owner, whether or not judicial action has been commenced.

The Board of Directors may amend these hearing procedures and the fine schedule as it determines is necessary, in its discretion.

~~1.6 PROCEDURES FOR ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, RULES, REGULATIONS, OR GUIDELINES~~

~~Following is the procedure for adopting and amending policies, procedures, and rules:~~

- ~~1. The introduction of any new policy, procedure or rule, or the proposed modification of an existing policy, procedure or rule shall be made via a formal submittal in writing to the HOA Board. This includes the HOA Bylaws, CC&Rs, and Design Criteria Guidelines and Standards~~
- ~~2. The submittal for a new policy, procedure or rule must include draft wording. A submittal recommending amendment of an existing policy, procedure or rule must include the original wording, and a draft of the amended wording. The submittal must include the motivation for the submittal.~~
- ~~3. The Board will invite the submitter to the next scheduled Board meeting to present its case for the change. The Board will then discuss the recommended change with the submitter, but reserves the right to break into an Executive closed session to discuss the change amongst itself. The Board, at its discretion, may defer a vote until its next regularly scheduled meeting. The discussion with the submitter may result in wording changes to the draft submittal.~~
- ~~4. The Board will then vote to accept or reject the change, which is simply the Board's opinion of the proposed change.~~
- ~~5. The proposed change will then be submitted to the Association members for a vote at the next regularly scheduled Community Meeting. The proposed change will be presented to the members along with the results of the Board vote. A Board affirmative vote is a recommendation to the members to accept the change, while a negative vote is a recommendation to the members to reject the change. (Section 1.6 repealed 11/15/12 - see 2012 Resolutions 2.1 below)~~

1.7 PROCEDURE FOR EXAMINATION, INSPECTION, AND COPYING OF ASSOCIATION RECORDS

Following is the procedure for examination, inspections, and copying of Association records:

1. Examination and inspection of Association Records will be based on a copy of the requested records.
2. The homeowner will contact the HOA Secretary and identify the records to be reviewed.
3. The HOA Secretary will accumulate the requested records into a single compendium, and take it to Kinkos or an equivalent commercial reproduction business for reproduction.
4. The HOA will charge the requestor fifty dollars (\$50.00) plus the actual cost of copying. The \$50.00 fee is to cover the time expended by the Secretary to identify and collate the requested materials, transport the materials to reproduction business, and pick up and deliver the copied materials to the requestor.

It should be noted that the Bylaws, CC&Rs, and Design Criteria Guidelines and Standards are maintained and accessible on the HOA website.

1.8 CONFLICTS OF INTEREST POLICY AND PROCEDURE

~~Any Board or committee member who is incapable, of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Association or the chair of the committee prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be at the hearing, and the Board or committee member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board or committee member(s) results in an even number of remaining Board or committee members eligible to hear a case, the Presiding Officer may appoint an Association member, in good standing, to serve as a voting member of the hearing board. (Section 1.8 repealed 11/15/12 - see 2012 Resolutions 2.9 below)~~

1.9 FENCE RECONDITIONING/PAINTING

Effective 21 April 2004, the Roxborough Village Filing No. 15 Homeowners Association (HOA), Inc. Board of Directors establishes that any reconditioning/painting of homeowner fences and/or gates shall use either

1. Behr's Clear Waterproofing Wood Sealer & Finish, or an equivalent product; or
2. Behr's Semi on Cedar Natural Tone (DP-533)

Any plans to recondition/paint fences shall be submitted to the Design Review Committee for approval prior to the start of work. Any fence that is reconditioned/painted in violation of this Policy shall be restored to its original, natural color at the homeowner's expense.

1.10 TRANSFER FEE FOR THE SALE OF THE PROPERTY

~~Effective 8 June 2005, the Roxborough Village Filing No. 15 Homeowners Association (HOA), Inc. Board of Directors establishes that all future home sales within the HOA will be subject to a \$125 Transfer Fee payable by the buyer. The purpose of this transfer fee is to cover miscellaneous costs associated with the introduction of the new homeowner to the HOA. (Section 1.10 repealed 11/15/12 - see 2012 Resolutions 2.7 below)~~

1.11 POLICY REGARDING HOME FOR SALE SIGNS

A maximum of two signs advertising a Lot for sale or for lease may be placed on a Lot (one in front yard and one in backyard) provided, however, that standards relating to dimensions, color, style, and location of such sign shall be determined from time to time by the Design Review Committee.

1.12 POLICY REGARDING SENATE BILL 100

~~In 2005, the Colorado State Legislature passed Senate Bill 100 (SB 100), which affected Homeowner Associations (HOA) throughout Colorado. Two elements of that law affected the HOA's Conditions, Covenants, and Restrictions (CC&Rs) paragraphs 3.16, 3.29, and 3.32. Since Colorado law takes precedence over the HOA's CC&Rs, the HOA must adhere to the law plus any non-conflicting restrictions stated in the HOA's CC&Rs. The extensions to these two paragraphs introduced by SB 100 are as follows:~~

~~——— **Paragraph 3.16:** Display of political signs is allowed in a period of at least 45 days preceding and 7 days following an election. The HOA allows the display of one political sign per political office or ballot issue with maximum dimensions of 3' x 4' per sign. This extension to paragraph 3.16 does not change any existing restrictions provided for in the paragraph.~~

~~——— **Paragraph 3.29 and 3.32:** The overnight parking of emergency vehicles on the street or on a driveway, when the vehicle is required by the owner's or occupant's employment and it meets emergency provider requirements is excluded from paragraphs 3.29 and 3.32 restrictions. This extension to~~

~~paragraph 3.29 and 3.32 does not change any existing restrictions provided for in those paragraphs. (Section 1.12 repealed 11/15/12 - see 2012 Resolutions 2.5 below)~~

1.13 POLICY REGARDING HOUSE BILL HB 09-1359

~~In 2009, the Colorado State Legislature passed House Bill HB 09 1359, which affected Homeowner Associations (HOA) throughout Colorado. This bill requires that all Colorado Common Interest Organization Associations (CCIOA) adopt and maintain a policy regarding reserve studies. CCIOAs are classified in three categories, (1) condominium communities, (2) cooperatives and (3) planned communities. Planned communities are typically single family home communities that have their own private common areas, such as open space, playgrounds, recreation center, or pools, but can be mixed use communities that include retail units and/or condominiums. A community that does NOT contain common property is NOT considered a common interest community under CCIOA.~~

~~Since the Roxborough Village Filing 15 HOA has no common property, HB 09 1359 does not apply to the HOA. Therefore, the HOA is NOT required to adopt and maintain a policy regarding reserve studies as mandated by HB 09 1359. (Section 1.13 repealed 11/15/12 - see 2012 Resolutions 2.8 below)~~

2. POLICIES AND PROCEDURES ESTABLISHED AFTER NOVEMBER 2012

2.1 PROCEDURES FOR ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, RULES, REGULATIONS, OR GUIDELINES

(a) **Scope:** The Board of Directors of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. To encourage Owner participation in developing such Policies and to insure such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.

(b) **Drafting Procedure:** The Board shall consider the following in drafting the policy:

- 1) Whether the governing documents or Colorado law grants the Board authority to adopt such a Policy;
- 2) The need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and
- 3) The immediate and long-term impact and implications of the Policy.

(c) **Notice and Comment:** The adoption of every Policy shall be listed on the agenda for the Board meeting prior to adoption by the Board and any owner who wishes to comment on the proposed Policy shall be afforded such opportunity in compliance with Colorado law.

(d) **Emergency:** The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy.

(e) **Adoption Procedure:** After the Board has heard comments, if any from the owners, the Board may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by any reasonable method as determined in the sole discretion of the Board, including but not limited to posting on the Association's website. In the event notice is provided by posting on the Association's website, all Owners shall be advised that the new or revised Policy is available on the website via the Association's newsletter, if any.

(f) **Policy Book:** The Board of Directors shall keep copies of any and all adopted Policies in a book designated as a Policy Book. Such Policy Book may be kept on the Association's website.

(g) **Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Community.

(h) **Deviations:** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

(i) **Amendment:** This Resolution may be amended from time to time by the Board of Directors.

2.2 POLICY REGARDING ALTERNATIVE DISPUTE RESOLUTION

(a) **Disputes Between Owner and Association:** In the event of any dispute involving the Association and an Owner, the Owner is invited and encouraged to meet with the Board to resolve the dispute informally and without the need for litigation. If the Owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the Owner's request.

(b) **General Policy:** If the dispute cannot be resolved informally, it is the general policy of the Association to encourage the use of Alternative Dispute Resolution to resolve disputes involving the Association and an Owner. Alternative Dispute Resolution ("ADR") is defined as a procedure for settling a dispute by means other than litigation, such as mediation or binding or non-binding arbitration.

(c) **Procedure:** Except for the Exempted Claims defined in this Policy, a claiming party may propose a plan for prompt consideration of the other party to resolve the dispute using ADR methodologies prior to filing suit in any court of competent jurisdiction.

(d) **Exemptions:** The following claims shall be exempt from the provisions of this Policy:

- 1) Collection of Assessments. Any action by the Association against an Owner to collect Assessments or other sums due to the Association, including foreclosure proceedings; and
- 2) Enforcement Actions. Any action by the Association to enforce any provisions of the Association's Declaration, ByLaws, or rules and regulations; and
- 3) Statute of Limitations. Any claim of the Association which if not pursued by the filing of a lawsuit would be deemed barred due to the applicable statute of limitations.

(e) **ADR Not Required:** Nothing in this Policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Owner waives any right to pursue whatever legal or other remedial actions available to either party.

2.3 PROCEDURES FOR THE CONDUCT OF MEETINGS

1. **Owner Meetings.** Meetings of the Owners of the Association shall be called pursuant to the ByLaws of the Association.

(a) **Notice.**

(1) In addition to any notice required in the ByLaws or Declaration, notice of any meeting of the Owners shall be physically posted in a conspicuous location, to the extent that such posting is feasible and practicable, and posted on the Association's website, if any. Such notice shall be posted at least ten days prior to such meeting.

(2) If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall send notice of all Owner meetings to such Owner at the email address provided as soon as possible after notice is provided pursuant to the ByLaws but in no case less than 24 hours prior to any such meeting.

(b) Conduct.

All meetings of the Members shall proceed on issues generally set forth in the notice required by Colorado Revised Statute 38-33.3-308 and in accordance with the written order of business unless a majority of Members in person or proxy vote to amend the written order of business. In the event a written order of business has not been produced for the meeting, the following order of business shall apply:

- a) Roll call
- b) Proof of Notice of meeting or waiver of notice
- c) Reading of Minutes of preceding meeting
- d) Reports of officers
- e) Reports of manager
- f) Reports of committees
- g) Election of Managers
- h) Unfinished business
- i) New business
- j) Adjournment

(1) All Owner meetings shall be governed by the following rules of conduct and order:

(A) The President of the Association or designee shall chair all Owner meetings.

(B) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).

(C) Any person desiring to speak shall sign up on the list provided at check-in and indicate if he/she is for or against an agenda item.

(D) Anyone wishing to speak (except those whose voting rights have been suspended subject to item O below) must first be recognized by the Chair.

(E) Only one person may speak at a time.

(F) Each person who speaks shall first state his or her name and residence address.

(G) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.

(H) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.

(I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.

(J) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.

(K) All actions and/or decisions will require a first and second motion.

- (L) Once a vote has been taken, there will be no further discussion regarding that topic.
- (M) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded. Minutes of actions taken shall be kept by the Association.
- (N) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.
- (O) In the event the Board of Directors has the authority to suspend a Member's right to vote at the meeting, the Board must have provided that Member, with at least 15 days written notice, of the Board's intention to suspend the right to vote, and provide an opportunity for that Member to be heard, not less than five days prior to the suspension of the Member's right to vote.
- (P) The Chair may establish such additional rules of order as may be necessary from time to time.

The failure to strictly comply with the foregoing rules of conduct and order shall not invalidate any action taken at the meeting.

(c) **Voting.** All votes taken at Owner meetings shall be taken as follows:

- (1) Election of Board members shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the ByLaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.
- (2) All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot, unless otherwise required by law.
- (3) Written ballots shall be counted by a neutral third party (which excludes the Association's Manager and legal counsel) or by an Owner(s), who is not a candidate, selected randomly by a pool of two or more Lot Owners. The Chair shall specify the procedure for randomly selecting the Owner(s). Such procedure shall ensure that the Owner(s) selected is done so without being chosen by the Chair, Board of Directors or candidates.
- (4) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

(d) **Proxies.** Proxies may be given by any Owner as allowed by C.R.S. 7-127-203.

(1) All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- (A) Validity of the signature
- (B) Signatory's authority to sign for the Lot Owner
- (C) Authority of the Lot Owner to vote
- (D) Conflicting proxies
- (E) Expiration of the proxy

2. **Board Meetings.** Meetings of the Board of Directors of the Association shall be called pursuant to the ByLaws of the Association.

(a) **Conduct.**

(1) All Board meetings shall be governed by the following rules of conduct and order:

- (A) The President of the Association, or designee, shall chair all Board meetings.
- (B) All persons who attend a meeting of the Board shall be required to sign in, listing their name and Lot address.
- (C) Unless the Executive Board is in executive session pursuant to subsection 308 of the Act, all meetings of the Executive Board or a committee thereof are open to attendance by all Members of the Association or their duly appointed representative. If the meeting is open to attendance by the Member Owners, all Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate so at the time of sign-in.
- (D) Anyone desiring to speak shall first be recognized by the Chair.
- (E) Only one person may speak at a time.
- (F) Each person speaking shall first state his or her name and residence address.
- (G) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for him or her.
- (H) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
- (I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.
- (J) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.
- (K) No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.
- (L) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order shall be requested to immediately leave the meeting.

(b) **Owner Input.** After a motion and second has been made on any matter to be discussed, but prior to a vote by the Directors, Owners present at such time shall be afforded an opportunity to speak on the motion as follows:

(1) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.

(2) Following Owner input, the Chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Owner Participation.

3. **Definitions.** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

4. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

5. **Deviations.** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

6. **Amendment.** This Policy may be amended at any time by the Board of Directors.

2.4 RULES REGARDING PARKING OF EMERGENCY VEHICLES

Notwithstanding the provisions of Sections 3.29 and 3.32 of the Declaration, a motor vehicle may be parked on the driveway of a Lot or in the street adjoining the Lot if the vehicle is required to be available at designated periods at such occupant's residence as a condition of the occupant's employment and all of the following conditions are met:

- (a) The vehicle has a gross vehicle weight rating of ten thousand pounds or less;
- (b) The occupant is a bona fide member of a volunteer fire department or is employed by a primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical services;
- (c) The vehicle bears an official emblem or other visible designation of the emergency service provider; and
- (d) Parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other Lot Owners or occupants to use streets and driveways within the Community.

2.5 POLICIES REGARDING DISPLAY OF POLITICAL SIGNS

Display of Political Signs:

Each Lot in the Community may display one sign per contested issue or candidate. No sign may be displayed earlier than 45 days before the vote and all signs must be removed no later than 7 days after the vote. No sign may be displayed if the bottom of the sign is over 2 feet above ground level. No individual sign may be over 6 square feet in size (for example: 2' x 3'). No signs may be displayed within 20 feet of a roadway or property line.

2.6 POLICY FOR MAINTENANCE, INSPECTION AND COPYING OF ASSOCIATION RECORDS

1. **Association Records:** In addition to records specifically defined in the Declaration or ByLaws and under CRS 38-33.3-209.4(2), the Association shall maintain the following:

- (a) Detailed records of receipts and expenditures affecting the operation and administration of the Association;
- (b) Records of claims for construction defects and amounts received pursuant to settlement of those claims;
- (c) Minutes of all meetings of its Lot Owners and executive board, a record of all actions taken by the Lot Owners or executive board without a meeting, and a record of all actions taken by any committee of the executive board;
- (d) Written communications among, and the votes cast by, executive board members that are:
 - (I) Directly related to an action taken by the board without a meeting pursuant to Section 7-128-202, C.R.S.; or

- (II) Directly related to an action taken by the board without a meeting pursuant to the Association's ByLaws;
- (e) The names of Lot Owners in a form that permits preparation of a list of the names of all Lot Owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Lot Owner is entitled to vote;
- (f) Its current Declaration, Covenants, ByLaws, Articles of Incorporation, Rules and Regulations, responsible governance policies adopted pursuant to Section 38-33.3-209.5, and other policies adopted by the executive board;
- (g) Financial statements as described in Section 7-136-106, C.R.S., for the past three years and tax returns of the Association for the past seven years, to the extent available;
- (h) A list of the names, electronic mail addresses, and physical mailing addresses of its current executive board members and officers;
- (i) Its most recent annual report delivered to the Secretary of State, if any;
- (j) Financial records sufficiently detailed to enable the Association to comply with Section 38-33.3-316(8) concerning statements of unpaid assessments;
- (k) The Association's most recent reserve study, if any;
- (l) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
- (m) Records of executive board or committee actions to approve or deny any requests for design or architectural approval from Lot Owners;
- (n) Ballots, proxies, and other records related to voting by Lot Owners for one year after the election, action, or vote to which they relate;
- (o) Resolutions adopted by its Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of Members or any class or category of Members; and
- (p) All written communications within the past three years to all Lot Owners generally as Lot Owners.

2. Examination and Copying of Association Records:

- (a) Subject to subsections 3, 3.5, and 4 of this section, all records maintained by the Association shall be available for examination and copying by a Lot Owner or the Owner's authorized agent. Lot Owners shall submit a written request, describing with reasonable particularity the records sought, at least ten days prior to inspection or production of the documents, and examination and copying times shall be limited to normal business hours or the next regularly scheduled executive board meeting if the meeting occurs within thirty days after the request. Notwithstanding any provision of the Declaration, ByLaws, Articles, or Rules and Regulations of the Association to the contrary, the Association shall not condition the production of records upon the statement of the proper purpose.

(b) (I) Notwithstanding paragraph (a) of this subsection 2., a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a Lot Owner's interest as a Lot Owner without consent of the executive board.

(II) Without limiting the generality of subparagraph (I) of this paragraph (b), without the consent of the executive board, a membership list or any part thereof may not be:

(A) Used to solicit money or property unless such money or property will be used solely to solicit the votes of the Lot Owners in an election to be held by the Association;

(B) Used for any commercial purpose; or

(C) Sold to or purchased by any person.

3. **Records That May Be Withheld:** Records maintained by the Association may be withheld from inspection and copying to the extent that they are or concern:

(a) Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;

(b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;

(c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;

(d) Disclosure of information in violation of law;

(e) Records of an executive session of an executive board;

(f) Individual Lots other than those of the requesting Owner.

3.5. **Records That Shall Be Withheld:** Records maintained by an Association are not subject to inspection and copying, and must be withheld, to the extent that they are or concern:

(a) Personnel, salary, or medical records relating to specific individuals; or

(b) Personal identification and account information of Members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.

4. **Charges for Copies of Records:** The Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of association records. The charge may not exceed the estimated cost of production and reproduction of the records.

5. **Other Copying Methods:** A right to copy records under this section includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request by the Lot Owner.

6. **Synthesizing Not Required:** Association is not obligated to compile or synthesize information.

7. **No Commercial Purposes:** Association records and the information contained within those records shall not be used for commercial purposes.

2.7 POLICY REGARDING FEE FOR TRANSFER OF LOT BY LOT OWNER; ASSESSMENT DEPOSIT FOR RESERVE OR WORKING CAPITAL

(a) **Fee For Transfer of Lot** - Upon every transfer of a Lot, a Lot Owner shall pay a fee in the amount of \$425 to the Association to cover time and expense for providing account status, governance and related documents, completing property information forms, responding to inquiries from loan officers, appraisers, brokers, home inspectors, and others having a legitimate reason to inquire.

(b) **Assessment Deposit Upon Closing of Purchase of Lot** - Pursuant to Section 9.9 of the Declaration, the Association hereby establishes the Assessment Deposit at two times the monthly dues, payable by the purchaser of a Lot within the Community at the time of closing thereof.

2.8 POLICY REGARDING RESERVE STUDY AND INVESTMENT OF RESERVE FUNDS

Under CRS 38-33.3-103(8), the Community is a common interest community with common areas identified in Exhibit C to the Declaration of Covenants. The Association has not obtained a formal reserve study addressing the maintenance of the common areas or replacement of any improvements thereon and maintenance has been informally but satisfactorily performed by various owners in the Community. The Association will monitor the status of the common area and if maintenance becomes a problem, maintenance costs shall be addressed in the budget and if, based upon an internal reserve study, any reserves are required for capital expenditures, the funds reserved, and all funds paid to the Association under Section 9.9 of the Declaration allocated to reserves, shall be subject to the following provisions: Such funds are to be invested in income-producing accounts, instruments or securities having such maturity and liquidation rights as will permit reasonably prompt access to needed funds, and will not expose such funds to unreasonable risk of loss.

2.9 POLICIES AND PROCEDURES REGARDING BOARD MEMBER CONFLICTS OF INTEREST

(a) **General Duty.** The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations.

(b) **Definition.** (i) "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest; (ii) "Director" means a member of the Association's Board of Directors; (iii) "Party related to a Director" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director or officer or has a financial interest.

A conflict of interest exists whenever any contract, decision or other action taken by or on behalf of the Board would financially benefit: (i) a Director or Party related to a Director; (ii) a parent, grandparent, spouse, child, or sibling of the Director; (iii) a parent or spouse of any of the persons in subsection (ii); (iv) an entity in which a Director is a director or officer or has a financial interest.

(c) **Disclosure of Conflict:** Directors shall not enter into any contract or financial transaction with the Association. No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid. Other conflicts of interest, as defined above, shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the interested Director may participate in the discussion but shall not vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against.

(d) **Failure to Disclose Conflict:** No conflicting interest transaction shall be voidable by an Owner or on behalf of the Association if:

- 1) The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;
- 2) The facts about the conflicting interest transaction are disclosed to the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or
- 3) The conflicting interest transaction is fair to the Association.