

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SWEETWATER RIVER RANCH**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SWEETWATER RIVER RANCH (this “**Declaration**”) is made on the date hereinafter set forth by SWEETWATER RIVER RANCH HOLDING, LLC, a Colorado limited liability company (“**Declarant**”).

I. Declarant is the owner of certain real estate located in the County of Fremont, State of Colorado, more particularly described on **Exhibit A** attached hereto (the “**Property**”).

II. Declarant desires to create a common interest community project to be referred to as “Sweetwater River Ranch” on the Property.

III. Declarant has caused, or will hereafter cause, to be incorporated under the laws of the State of Colorado, Sweetwater River Ranch Owners Association, Inc., a Colorado nonprofit corporation (“**Association**”), for the purpose of exercising the functions set forth herein.

SUBMISSION OF REAL ESTATE

NOW, THEREFORE, Declarant hereby submits the Property, together with all improvements, rights, and appurtenances thereto, to the provisions of this Declaration and the Colorado Common Interest Ownership Act, COLO. REV. STAT. §§ 38-33.3-101 *et seq.*, as amended (the “**Act**”). Declarant further declares that the Property and all of the real estate that Declarant hereinafter may add to the Property shall be held or sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of the Property, and which covenants shall run with the Property and shall inure to the benefit of and bind all parties having any right, title or interest in the Property or any part thereof, their heirs, legal representatives, successors, and assigns.

ARTICLE 1
DEFINITIONS

Each capitalized term not otherwise defined in this Declaration or in the recorded Maps for this Community shall have the meaning specified or used in the Act. As used in this Declaration, the following capitalized terms shall have the following meanings:

Allocated Interests. The undivided interests of the Owners in the Common Elements and their respective percentages of Common Expense Liability (unless otherwise specified herein). The initial Allocated Interests shall be as set forth on **Exhibit B** attached hereto. The formulae for determining the Allocated Interests are set forth in ARTICLE 17 hereof in the event

that the Allocated Interests are to be recalculated due to the addition or withdrawal of one or more Units.

Articles of Incorporation. The Articles of Incorporation for the Association, as the same may be amended from time to time.

Building. A Building shall include any building or habitable structure within the Community, including, without limitation, Rustic Cabins, Deluxe Cabins, and RVs.

Bylaws. The Bylaws of the Association, as the same may be amended from time to time.

Clerk and Recorder. The Clerk and Recorder for the real property records of the County of Fremont, State of Colorado.

Common Elements. All portions of the Property, including all improvements and all personal property located thereon except the Units, and except any portions of the Property publicly dedicated. Common Elements are owned by the Owners in undivided interests and include General Common Elements and Limited Common Elements. All portions of the Common Elements not designated in this Declaration or on any Map recorded herewith as Limited Common Elements are "General Common Elements." General Common Elements may be designated, without limitation, simply as a "Common Element" or a "CE" on a Map.

Common Expenses. As used in this Declaration, all expenses incurred by and for the benefit of the Association pursuant to the Governing Documents including, but not limited to: (i) annual costs and expenses of the Association; (ii) insurance premiums; (iii) large, single item expenditures of the Association (including but not limited to, capital expenditures that may be paid through the use of Special Assessments); (iv) amounts necessary to fund Reserves; and (v) all expenses otherwise determined to be Common Expenses by the Executive Board.

Common Expense Liability; Common Expense Assessment(s); Assessment(s). "Common Expense Liability" shall mean the liability for Common Expenses. "Assessments" or "Common Expense Assessments" shall mean the monetary obligation to pay for such Common Expenses allocated to each Unit pursuant to this Declaration and shall also include, without limitation: (i) Annual Assessments, Special Assessments, and Default Assessments (see ARTICLE 6 hereof); (ii) late charges, attorneys' fees, fines, and interest charged by the Association; (iii) charges against a particular Owner and such Owner's Unit for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation of the Governing Documents by the Owner or a Related User of such Owner (including Default Assessments); and (iv) insurance assessments assessed in proportion to risk against individual Units and Owners.

Community; Common Interest Community; Project. The complex known as “Sweetwater River Ranch” created by this Declaration and as shown on the Map.

Covenants. Collective term for all promises, restrictions, reservations, conditions, terms, easements, and rights-of-way specifically set forth in this Declaration or referenced in this Declaration and set forth in the Governing Documents, as the same may be adopted and amended from time to time.

Declarant. Sweetwater River Ranch Holding, LLC, a Colorado limited liability company, and any successor or successors in interest. All rights and reserved rights of the Declarant may be transferred in accordance with the applicable provisions of the Act.

Declaration. This Declaration and any Maps recorded in connection herewith and any and all duly executed amendments, supplements, or additions to this Declaration and to any Map.

Deluxe Cabin. A cabin located on a Deluxe Cabin Unit that is registered as a mobile home with the Colorado Department of Motor Vehicles.

Deluxe Cabin Unit. A Unit designated on Exhibit B attached hereto or on the Map as a “Deluxe Cabin Unit” or an “DCU-#” (e.g., DCU-1), which Deluxe Cabin Units shall be used exclusively for seasonal, recreational use in accordance with the terms of this Declaration and applicable laws and ordinances.

Eligible First Mortgagees. A First Mortgagee which has requested notice in the manner provided in Section 16.3.

Executive Board. The governing body, or board of directors, of the Association.

Fractional Estate. An undivided fee simple interest but not less than a one-quarter (1/4) interest, as a tenant-in-common, in a Fractional Unit, together with the exclusive right to possession and occupancy of the Fractional Unit only during certain Use Weeks.

Fractional Interest. A one-quarter (1/4) fee simple interest in a specific Unit, together with the exclusive right to possession and occupancy of the Unit as provided in this Declaration.

Fractional Owner. Each record owner, whether one or more persons or entities, of a Fractional Estate, but excluding, however, any such record owner having such an interest merely as security for the performance of an obligation (unless such person has acquired fee simple title interest therein pursuant to foreclosure or any proceedings in lieu thereof). Except as otherwise provided in this Declaration or by law, the burdens and obligations incident to ownership of a Fractional Estate shall be joint and several as to all of the Fractional Owners of that Fractional Unit.

Fractional Unit. A Unit which is divided into Use Weeks pursuant to ARTICLE X of this Declaration.

Governing Documents. Collective reference to those documents which govern the operation of the Association and the Community, including: (a) Articles of Incorporation, (b) Bylaws, (c) Rules and Regulations, (d) all recorded Maps and plats affecting the Community, and (e) this Declaration, as one or more of the same may be amended from time to time. Each and every provision of the Governing Documents shall be given the same force and effect as if set forth in this Declaration; provided that if any provision of a Governing Document is contrary to a provision of this Declaration, the Declaration shall control.

Improvement(s). All buildings, improvements, and fixtures located within the Property.

Limited Common Elements. Those portions of the Common Elements designated in this Declaration (including, but not limited to, designation on any Maps recorded herewith) for the exclusive use of one or more Units but fewer than all of the Units. The method for designating a Limited Common Element shall include, without limitation, by labeling the Limited Common Element on the Map with the words "Limited Common Element" or as an "LCE" (e.g. LCE-1) along with a specification of the Unit to which such Limited Common Element is allocated. If the Unit or Units to which a particular Limited Common Element is allocated is not specified, then such Limited Common Element shall be allocated to the Unit or Units to which such Limited Common Element is physically adjacent. Certain Limited Common Elements may be designate for exclusive use by one RV Unit by labeling on the map "LCE RU-#" (e.g. LCE RVU-1), by all RV Units by labeling on the map "LCE RVU", or multiple RV Units by labeling on the map "LCE RU #, #" (e.g. LCE RVU-1, 2).

Owner. Any record owner (including Declarant and including a contract seller), whether one or more persons or entities, of a fee simple title interest to any Unit; but excluding, however, any such record owner having such an interest merely as security for the performance of an obligation (unless such person has acquired fee simple title interest therein pursuant to foreclosure or any proceedings in lieu thereof). The term "Owner" shall include, without limitation, any Fractional Owner of a Fractional Unit.

Person. Any individual or entity, and the heirs, successors, assigns and representatives of such Person where the context so requires.

Plat or Map. The *Plat of Sweetwater River Ranch* recorded in the office of the Clerk and Recorder on _____, 2010, at Reception No. _____ depicting a plan and elevation schedule of all or a part of the Property subject to this Declaration and any supplements and amendments thereto.

Recreational Vehicle; RV. A recreational vehicle-type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle as further specified and defined in C.R.S. § 24-32-904 or other applicable Colorado statutory provisions.

Related User. Any person who: (i) resides with an Owner within a Unit; (ii) is a guest or invitee of an Owner; or (iii) is an occupant, tenant or contract purchaser of a Unit, and any family member, guest, invitee or cohabitant of any such person.

Rules and Regulations. Collective term for all rules, regulations, policies, procedures and guidelines of the Association, as the same may be adopted and amended from time to time by the Executive Board pursuant to the Act and the Governing Documents.

Rustic Cabin. A cabin located on a Rustic Cabin Unit.

Rustic Cabin Unit. A Unit designated on Exhibit B attached hereto or on the Map as a "Rustic Cabin Unit" or an "RCU-#" (e.g., RCU-1), which Rustic Cabin Units shall be used exclusively for seasonal, recreational use in accordance with the terms of this Declaration and applicable laws and ordinances.

RV Unit. A Unit designated on Exhibit B attached hereto or on the Map as an "RV Unit" or a "RVU-#" (e.g. RVU-1), which RV Units may be used for recreational and residential purposes in accordance with the terms of this Declaration and applicable laws and ordinances.

Collective Term. The RV Units, Rustic Cabin Units, and Deluxe Cabin Units are defined in accordance with the above, and shall be collectively referred to within the term "Unit."

Unit. A physical portion of the Property designated for separate ownership including, but not limited to, real estate and all appurtenances and improvements now or hereafter located thereon, the boundaries of which are described in the Map as a "Unit" or given a unit number. The term "Unit" shall include, without limitation, the Fractional Unit, if any, which consists of undivided ownership interests in that Unit. Units are "units" within the meaning of the Act.

Use Week. "Use Week" shall mean and refer to a period of exclusive possession and occupancy of a Fractional Unit. Use Weeks are computed as follows: Use Week No. 1 is the 7 days commencing at noon on Friday, March 1, 2010, and ending at noon on March 7, 2010. All other Use Weeks shall be calculated by working forward from Use Week No. 1. Use Weeks run from noon on the first Friday of the Use Week to noon on the last day of the Use Week; provided, however, that the right of possession and occupancy of the Fractional Unit shall not commence until 4 p.m. Mountain Standard Time or Mountain Daylight Time, as applicable, on the first day of the Use Week, and shall end at 10 a.m. Mountain Standard Time or Mountain

Daylight Time, as applicable, on the last day of the Use Week. All Use Weeks in a Fractional Unit shall be computed as heretofore provided. There shall be a total of fifty-two (52) Use Weeks each year, with the Use Weeks subject to division among the Fractional Owners of the Unit, notwithstanding that any of such Use Weeks might overlap into the succeeding calendar year.

ARTICLE 2 **GENERAL STATEMENT OF COVENANTS**

2.1 Covenants Bind the Property. The Property shall be held, sold, and conveyed subject to the Covenants for the purpose of protecting the value and desirability of the Property and any other purposes incidental thereto. All Covenants shall continue to run with the Property and shall be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Owner thereof and the Association.

2.2 Property; Location; Encumbrances. The Property is located in the County of Fremont, State of Colorado, and includes the real property described on **Exhibit A**. The Property is presently subject to those various easements, licenses, covenants, conditions, and restrictions as are recorded with the Clerk and Recorder and described, as of the date hereof, on **Exhibit C** attached hereto.

2.3 Name and Type of Community. The name of the Community is "Sweetwater River Ranch." For purposes of the Act, the Community is a Planned Community as such term is defined by the Act. The name of the Association is "Sweetwater River Ranch Owners Association, Inc., a Colorado nonprofit corporation."

2.4 Delegation of Use. An Owner may delegate his or her right of enjoyment to the Common Elements to a Related User. In the event of a delegation, the Owner shall be deemed to have agreed to be an indemnitor of any liabilities of the Related User arising from such Related User's use of the Common Elements including, without limitation, for any physical damage caused by the Related User to the Common Elements. The Association, or the person injured by the Related User's use, shall have the right to enforce any claim indemnified in the manner set forth herein directly against the Owner without first exhausting or even pursuing such claim against the Related User. The indemnity provided herein may be enforced by Assessment and fines levied pursuant to this Declaration.

ARTICLE 3 **UNITS, IDENTIFICATION**

3.1 Number of Units. The number of Units initially included in the Community is twenty-nine (29) consisting of four (4) Rustic Cabin Units, eight (8) Deluxe Cabin Units, and

seventeen (17) RV Units. The Declarant reserves the right to create not more than a total of ninety-nine (99) Units, in accordance with the terms of this Declaration and the Act. There shall be no more than nineteen (19) Fractional Units

3.2 Identification of Units/Unit Descriptions. A plat the Community and improvements and a graphic description of the improvements in which the Units are located identifying each Unit by a number so that no Unit bears the same designation as any other Unit all in sufficient detail to identify the Common Elements, the Limited Common Elements and each Unit and their relative locations and approximate dimensions, are set forth in the Map. The legal description of each Unit shall consist of the identifying number or letter for such as shown on the Map, the name of the Community, the name of the county in which the Property is situated, the name of the office in which this Declaration is recorded, and the deed book and page number where the first page of this Declaration is recorded. Every contract for sale, deed, lease, security interest, or other legal instrument shall legally describe a Unit by its identifying number followed by the name of the Community with reference to the Map and this Declaration. Reference to the Declaration or Map in any instrument shall be deemed to include any supplements or amendments without specific reference An illustrative description is as follows:

Unit _____, SWEETWATER RIVER RANCH, according to the Plat thereof, recorded on _____, 2010, at Reception No. _____, in the records of the office of the Clerk and Recorder of the County of Fremont, Colorado, and the Declaration, recorded on _____, 2010, at Reception No. _____, County of Fremont, State of Colorado.

Reference to the Declaration or Map in any instrument shall be deemed to include any supplements or amendments without specific reference thereto.

3.3 Inseparability of Unit. Each Unit shall include the appurtenant undivided interest in the Common Elements and the appurtenant Limited Common Elements, shall be inseparable and may be transferred, leased, devised or encumbered only as a whole.

3.4 Partition of Common Elements Not Permitted. The Common Elements shall be owned by the Association.

3.5 Common Elements. All Owners shall have a right to enjoy and use all of the General Common Elements, subject to the Governing Documents. Use of a Limited Common Element is limited to those Owners to whom such Limited Common Element is allocated in this Declaration and the Map. The Association may, from time to time, adopt reasonable Rules and Regulations for the use of all the Common Elements. Rules and Regulations may, without limitation, impose limited time periods for the use of Common Elements and may charge reasonable use fees. Rules and Regulations may not discriminate between Owners except to

restrict or prohibit use by Owners and such Owners' guests during periods of delinquency in the payment of Assessments.

3.6 Limited Common Elements. The Declarant reserves, for itself, through seven (7) years after the recording of this Declaration, or until the Declarant owns no Units, whichever shall first occur, and to the Association, after the expiration of Declarant's reservation, the right to allocate areas which constitute a part of the Common Elements as Limited Common Elements for the exclusive use of the Owners of Units to which those specified areas shall become appurtenant. The Declarant or Association may allocate or assign Common Elements or Limited Common Element areas by making such an allocation: (i) in a recorded instrument, or (ii) in the deed to the Unit to which such Limited Common Element shall be appurtenant, or (iii) by recording an appropriate amendment or supplement to this Declaration, or (iv) by recording a supplement to the Map. Such allocations by the Declarant or by the Association may be made as a matter of reserved right.

ARTICLE 4 **MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION**

4.1 Membership and Voting. Every Person who is a record Owner of any Unit subject to this Declaration and the Declarant, so long as the Declarant continues to own an interest in a Unit, shall be a Member of the Association including, without limitation, contract sellers. Membership is appurtenant to and may not be separated from ownership of any Unit. Ownership of a Unit is the sole qualification for membership. Where more than one Person holds an interest in a Unit, all such Persons shall be Members.

4.2 Class of Voting Membership. The Association shall have one class of voting membership. All Owners, including the Declarant, so long as Declarant is an owner of one or more of the Units, and including any Fractional Owners, shall be Members of the Association and shall be entitled to one vote for each Unit owned. When more than one Owner holds an interest in the same Unit, including more than one Fractional Owner owning interest in a Fractional Unit, all such Owners shall be members and the vote for such Unit shall be apportioned among the Owners thereof and the proportional share thereof shall be cast by each of such Owners in accordance with such Owner's undivided ownership interest in the Unit or Fractional Unit; provided, however, that in no event shall more than a total of one vote per question be cast with respect to such Unit. For example, if the Fractional Owner's Unit possesses one vote, then a Fractional Owner owing a single one-quarter (1/4) interest in that Unit will have 25% of one vote.

4.3 Rights Subject to Governing Documents. Membership and voting rights are subject to the Governing Documents.

4.4 Declarant Control. The Declarant shall have the powers, for the time period set forth herein ("**Declarant Control Period**"), and reserved pursuant to C.R.S. § 38-33.3-303 of the Act to appoint and remove officers of the Association and members of the Executive Board ("**Declarant Control**"). This Declarant Control Period terminates no later than the earlier of: (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created to Unit Owners other than the Declarant; or (ii) two (2) years after the last conveyance of a Unit in the ordinary course of business; or (iii) two (2) years after the right to add new Units was last exercised.

4.4.1 Limitation on Declarant Control. During the Declarant Control Period:

(a) Not later than sixty (60) days after twenty-five percent (25%) of the Units that may be created have been conveyed to Unit Owners other than the Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board must be elected to the Executive Board by Owners other than the Declarant.

(b) Not later than sixty (60) days after fifty percent (50%) of the Units that may be created have been conveyed to Owners other than the Declarant, not less than thirty-three and one-third (33 1/3%) percent of the members of the Executive Board must be elected to the Executive Board by Owners other than the Declarant.

4.4.2 Surrender of Declarant Control. At any time prior to the end of the Declarant Control Period (as described in Section 4.4 above), the Declarant may voluntarily surrender the right to appoint and remove officers, but may require, for the duration of the Declarant Control Period, that specific actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before the action becomes effective.

4.4.3 Turnover Date. The date described by subsections (i), (ii), or (iii) of Section 4.4 or that date upon which Declarant surrenders Declarant Control as provided in Section 4.4.2. shall be referred to as the "**Turnover Date**."

4.5 Executive Board Election. Not later than the Turnover Date, the Owners shall elect the Executive Board as described more fully in the Bylaws and Articles of Incorporation. The Owners shall elect an Executive Board of three members, a majority of whom must be Unit Owners other than the Declarant or designated representatives of Unit Owners other than the Declarant. As soon as reasonably practical after the Turnover Date and after the Owners election of the Executive Board the Executive Board shall elect the officers. The Executive Board and Officers shall take office upon the election.

4.6 Transfer of Property. Within sixty days after the Unit Owners, other than the Declarant, elect a majority of the members of the Executive Board, the Declarant shall comply with and deliver to the Association those items of property held by or controlled by the Declarant as required in Section 38-33.3-303(9) of the Act.

ARTICLE 5 **THE ASSOCIATION**

5.1 General Purposes and Powers. The Association, acting in all instances through its Executive Board unless otherwise required by the Act or this Declaration, shall perform such functions and manage the Community as provided in this Declaration so as to further the interests of the Owners. The Association, acting through its Executive Board, shall have all power necessary or desirable to effectuate such purpose, and shall also have such additional power and authority as set forth in the Governing Documents. All Unit Owners shall be deemed to have assented to, ratified, and approved such designation and management to the Association. The Executive Board may, by written resolution, delegate authority to a manager or managing agent for the Association, provided such delegation shall not relieve the Executive Board of ultimate responsibility.

5.2 Powers; Duties. The Association shall have the following powers and duties:

5.2.1 The Association shall have all of the powers, authority and duties permitted pursuant to the Act and the Colorado Revised Nonprofit Corporation Act.

5.2.2 The Association shall have all of the powers, authority and duties necessary and proper to manage the business affairs of the Community.

5.2.3 The Association shall have all of the powers, authority and duties necessary and proper to own, operate, manage, lease, encumber, maintain, repair, replace and improve the Common Elements, and such other portions of the Property for which it properly assumes responsibility.

5.2.4 The Association shall have the irrevocable right to access each Unit from time to time to the extent reasonably necessary and upon reasonable prior notice to the Owner for the maintenance, repair or replacement of any Common Elements or any portion of a Unit to be maintained, repaired, or replaced pursuant to the Governing Documents, or at any time without prior notice and by force, if necessary, to prevent imminent damage to any real or personal property within the Community, owned by the Association, or to prevent personal injury.

5.2.5 The Association may undertake any activity, function or service for the benefit of, or to further the interests of, the Owners.

5.2.6 The Association shall have the absolute right to engage a professional property manager. The expense of such engagement shall be a Common Expense Liability.

5.2.7 The Association may assign (collaterally, conditionally, or absolute) its future income, including its rights to receive Common Expense Assessments, upon the affirmative vote of the Owners to which at least fifty-one percent (51%) of the votes in the Association are allocated, at a meeting called for that purpose.

5.2.8 The Association shall have complete authority and control to issue and amend restrictions on use and occupancy of the Units in addition to those contained in this Declaration.

5.2.9 The Association shall have the power to issue and amend various Rules and Regulations concerning the use of common driveways and parking areas. Without limitation, the Association may levy fines for any Owner's or such Owner's Related User's failure to comply with such Rules and Regulations.

5.3 Enforcement. The Association shall have the power to enforce provisions in the Governing Documents and shall take such action as the Executive Board deems desirable to cause such compliance by each Owner and each Related User, by any one or more of the following means:

5.3.1 By entry upon any Unit after notice and an opportunity to be heard (except that notice and opportunity to be heard shall be obviated if a bona fide emergency exists), without liability to the Owner thereof, for the purpose of enforcement or causing compliance with the Governing Documents, including by curing said violation;

5.3.2 By commencing and maintaining actions and suits: (i) to recover damages; or (ii) to restrain and enjoin any violation or threatened violation of, or compel compliance with, provisions of the Governing Documents by mandatory injunction or otherwise;

5.3.3 By exclusion of any Owner or Related User from use of any recreation facilities or Common Elements for a period of sixty (60) days following any violation, or for so long as the violation continues, whichever is longer;

5.3.4 By suspending the voting rights of an Owner for up to thirty (30) days following any violation, or for so long as the violation continues, whichever is longer; and/or

5.3.5 By levying and collecting, after notice and an opportunity to be heard, fines against any Owner and/or Related User for violation of this Declaration, the restrictive covenants contained herein, the Rules and Regulations promulgated by the Association, and any other Covenant, condition, or restriction imposed by the Governing Documents by such Owner

or a Related User. Such fines shall be a Common Expense Assessment to be secured, from the date it is levied, by a continuing lien subject to foreclosure.

5.4 Association Maintenance. The Association shall have the right and obligation to perform, or cause to be performed by others hired by the Association (all as a Common Expense Assessment), the maintenance and repair of the Common Elements and such operating equipment, plumbing, electrical, and utilities serving the Common Elements and the Improvements constructed thereon. The expense of maintaining the Common Elements shall be a Common Expense Liability and paid for by means of Assessments. The Association shall be charged with providing such maintenance in accordance with reasonable standards.

5.5 Owner's Responsibility. Each Owner shall maintain his or her Unit and all Improvements in his or her Unit in a manner consistent with the Governing Documents, unless such maintenance is otherwise assumed by or assigned to the Association. All equipment installed within a Unit, commencing at the point in which the equipment is attached to the Unit or where the utilities enter the Unit, shall be maintained and kept in good repair by the Unit Owner. Each Owner shall maintain any Limited Common Elements appurtenant to such Owner's Unit in good repair and free from clutter, refuse, and debris including, but not limited, any Limited Common Element parking space(s) appurtenant to such Owner's Unit. In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibilities, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with the Governing Documents. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to any entry necessary for performance of such maintenance, except when immediate entry is required due to an emergency situation.

5.6 Standard of Performance. The term "maintenance" as used in this Article, shall include, without limitation, repair and replacement as needed, as well as such other duties as the Executive Board may determine necessary or appropriate. Notwithstanding anything to the contrary contained herein, neither the Association, nor an Owner shall be liable for property damage or personal injury occurring on, or arising out of the condition of, property which either does not own unless and only to the extent it has been negligent in the performance of its maintenance responsibilities.

5.7 Easement for Maintenance. The Association shall have the irrevocable right, to be exercised only by the Association's designated manager, the Executive Board, or an officer or employee of the Association, to have access to each Unit from time to time during reasonable hours on reasonable notice (except in emergency) for the maintenance, repair, or replacement of any of the Common Elements, or at any for the purpose of making emergency repairs, maintenance or inspection necessary to prevent damage to the Common Elements or another Unit.

5.8 Owner's Negligence; Prohibition of Certain Activities. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or replacement of any portion of the Common Elements, the Units, or personal property belonging to any Owner or Related User is caused through or by the negligent or willful act or omission of an Owner or Related User (such determination of negligence or willful act or omission, and the amount of the Owner's liability therefor, having been determined by the Association by a hearing after notice to the Owner), then the expenses, costs and fees incurred by the Association for such maintenance, repair or replacement, including, but not limited to, any insurance deductibles paid by the Association, shall be the personal obligation of such Owner; and, if not repaid to the Association within ten (10) days after the Association shall have given notice to the Owner of the total amount of such expenses, costs and fees, then the failure to so repay shall automatically become a Default Assessment levied against such Unit and Owner as an Assessment.

5.9 Right to Notice and Comment. Pursuant to C.R.S. § 38-33.3-205(1)(o), before the Board amends the Bylaws or adopts or amends Rules and Regulations, or whenever the Governing Documents require that an action be taken after "Notice and Comment," or at any other time the Executive Board determines that it, the Unit Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notices may be given in writing, delivered personally or by mail or by electronic delivery (if requested by a Unit Owner) to all Unit Owners at such address as appears in the records of the Association, or notice shall be published in a newsletter or similar publication which is routinely circulated to all Unit Owners or notices may be posted on an Association website. The Notice shall be given not less than three days before proposed action is to be taken. The Notice shall invite comment to the Executive Board or a Unit Owner, orally or in writing before the scheduled time of any meeting.

5.10 Manager. The Association may employ or contract for the services of a manager to whom the Executive Board may delegate certain powers, functions or duties of the Association, as provided by the Bylaws of the Association. The manager shall not have the authority to make expenditures except as directed by the Executive Board.

5.11 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Community designed to make the Community safer than it otherwise might be. The Association, the Declarant, any successor declarant, or any representative or agent of the foregoing shall in no way be considered insurers, guarantors, or providers of security within the Community, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of the ineffectiveness of any security measures that are undertaken. The installation or maintenance of any security system by the Association or the Declarant shall not be deemed an assumption of any duty to maintain such system or to be responsible for the system. Each Owner hereby waives and releases the Association and the Declarant from any claim, duty or liability in connection therewith. No representation or warranty is made that any fire protection system, burglar alarm system or other security system (including, but not limited to, gate locks and door locks) cannot or will not be compromised or

circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform all Related Users of the terms of this Section and that such Related User and anyone within the Community assumes all risks for loss or damage to persons and to property resulting from the acts or the failure to act of third parties

ARTICLE 6 **COVENANT FOR COMMON EXPENSE ASSESSMENT**

6.1 Personal Obligation to Pay Common Expense Assessments. All Owners of Units covenant and agree, and shall be personally obligated, to pay the Association: (a) Assessments imposed by the Association to meet the Common Expense and Reserve (defined below) requirements of the Association; (b) Special Assessments; and (c) other charges, costs, fees, assessments, and reasonable attorney fees, including without limitation, Default Assessments. Multiple Owners of a Unit shall be jointly and severally liable to the Association for the payment of all Assessments, fees and charges attributable to their Unit. No Owner may waive or otherwise escape personal liability for the payment of the Assessments, charges and fees provided herein by non-use of the Common Elements or the facilities contained therein or by abandonment or leasing of his or her Unit. The obligation for payment of Assessments, charges, costs and fees by each Owner to the Association shall be an independent covenant, with all amounts due from time to time to be payable in full when due without notice or demand and without setoff or deduction. In addition to the foregoing Assessments, charges and fees, each Owner shall have the obligation to pay real property ad valorem taxes and special assessments imposed by Colorado governmental and quasi-governmental entities against his or her Unit, as well as all charges for separately metered utilities servicing his or her Unit. The charges for utilities which are not separately metered to an individual Unit shall be included in the Assessments levied by the Association.

6.1.1 Burden upon the Land; Lien. Without limitation upon the foregoing, any and all Assessments shall burden and be a charge upon the land and shall run with the land and the Association shall have a continuing lien on the Unit upon which any Assessment is made.

6.1.2 Alternative Actions. Nothing in this ARTICLE 6 shall be construed to prohibit an alternative action to recover sums for which the Association has a lien, nor shall the Association be prohibited from taking a deed in lieu of foreclosure. In the event that the Association obtains a monetary judgment for a sum for which the Association has a lien, such monetary judgment shall be deemed continuously secured by the lien, with the priority referred to in Section 6.14.

6.1.3 Acceptance and Agreement. Each Owner by acceptance of a deed to a Unit, whether or not it shall be so expressed in any such deed or other instrument of conveyance,

shall be deemed to covenant and agree to pay all Assessments. An Assessment shall be the personal obligation of the Owner at the time when the Assessment becomes due.

6.2 Commencement of Assessments. Assessments shall commence, as to each Unit, upon recordation of a deed to an Owner of a fee simple title to such Unit. Any Owner purchasing a Unit between monthly assessment due dates shall be responsible for a pro rata share of the last installment due.

6.3 Purpose of Assessments. In addition to the purposes set forth in the Act, Assessments shall be used to promote the health, safety, and welfare of residents within the Common Interest Community, and, in particular:

6.3.1 To provide all funds necessary or convenient to pay the Association's costs and expenses incurred in the administration and performance of its duties under this Declaration and the other Governing Documents;

6.3.2 To provide funds to the Association projected as necessary to discharge prior to delinquency Common Expense Liability projected for the next fiscal year of the Association;

6.3.3 To enforce all provisions of the Governing Documents;

6.3.4 To exercise all rights and powers and to discharge all duties and obligations pursuant to the Act and the Governing Documents;

6.3.5 To discharge all expenses incurred by the Association in the alteration, improvement, construction, reconstruction, repair, maintenance or replacement of the Common Elements and all improvements located thereon, including fixtures and personal property related thereto;

6.3.6 To fund any operating deficit or Reserve the Association deems necessary to meet its financial obligations;

6.3.7 To fund and pay any and all ad valorem taxes and special assessments imposed by any and all Colorado governmental and quasi-governmental entities against the Common Elements; and,

6.3.8 To fund and pay the cost of administration, accounting, legal and other professional services necessary or convenient to assist the Association in the discharge of its duties.

6.4 Apportionment of Common Expenses, Generally. Common Expenses shall be allocated among the Units on the basis of the Allocated Interests, except as provided below and elsewhere in this Declaration.

6.4.1 Any expense associated with the maintenance, repair, or replacement of a Limited Common Element may be assessed solely against the Unit Owner and the Unit or Units to which that Limited Common Element is assigned in proportions determined by the Association.

6.4.2 Any Common Expense or portion thereof benefiting fewer than all of the Units may be assessed exclusively against the Units benefited.

6.4.3 The costs of insurance may be assessed in proportion to risk. The costs of utilities may be assessed in proportion to usage.

6.4.4 Any expense for services provided by the Association to an individual Unit pursuant to the Governing Documents or at the request of the Owner may be assessed against that Owner's Unit.

6.4.5 If an expense, charge or liability is caused by the misconduct of an Owner or a Related User of such Owner, the Association may assess that expense exclusively against that Owner and that Owner's Unit.

6.4.6 Fees, charges, taxes, late charges, fines, collection costs and interest charged against an Owner are enforceable as Common Expense Assessments.

6.4.7 If Allocated Interests are reallocated, Common Expense Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Allocated Interests.

6.5 Annual Assessment. A Common Expense Assessment shall be made on an annual basis ("**Annual Assessment**") against all Units and shall be based upon the Association's advance budget (as provided below) of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year.

6.6 Budget. Within ninety (90) days after the adoption of any proposed budget for the Association, the Executive Board shall mail, by ordinary first-class mail or otherwise deliver a summary of such proposed budget to all of the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget. Unless at that meeting sixty-six and two-thirds percent (66 2/3%) of all the Owners of the Association (whether a quorum is present or not) reject the budget, the budget shall be deemed ratified. In the event that the proposed 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 Executive Board. The Executive Board shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Executive Board shall levy and assess the Annual Assessment in accordance with the annual budget.

6.7 Payment of Assessments. Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Executive Board. The omission or failure of the Executive Board to levy an Assessment for any period shall not be deemed a waiver, modification or a release of the Unit Owners from their obligation to pay.

6.8 Installments; Assessments. The Executive Board may determine that any Common Expense Assessment shall be payable in installments, and may also elect to accelerate the installments remaining for such assessment year.

6.9 Reserve. The Association shall establish an adequate Reserve fund ("**Reserve**") for the performance of its obligations under the Governing Documents and the Act, particularly including, but not limited to, to pay the expense associated with projected capital improvement replacement and major items of maintenance which occur less frequently than annually, such as exterior painting. Such reserve fund shall be funded through the monthly payments of the annual Common Expense Assessments; however, the Association may levy and assess a Special Assessment to establish or to add to the Reserve as deemed necessary.

6.10 Surplus Funds. Funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of or provision for Reserve in a fiscal year may be credited to the Owners in reduction of their future assessments or retained by the Association as additional Reserve in the Executive Board's absolute discretion.

6.11 Special Assessments. In addition to the Annual Assessment authorized above, the Association may at any time, and from time to time, determine, levy and assess a "**Special Assessment**" applicable to that particular assessment year for the purpose of defraying, in whole or in part, payments for any operating deficit and/or unbudgeted costs, fees and expenses of any construction, reconstruction, repair, demolition, replacement or maintenance of a capital improvement and any fixtures or personal property related thereto. Any such Special Assessment shall be due and payable as determined by the Executive Board. The term "capital improvement," as used herein, shall mean the construction, erection or installation of substantial structure(s) or other substantial improvements on the Property, or the construction, reconstruction, erection, installation, maintenance, repair or replacement of Common Elements presently located on the Property or which may hereafter be constructed, erected or installed on the Property. Notice in writing setting forth the amount of such Special Assessment per Unit and the due date for payment thereof shall be given to the Owners not less than thirty (30) days prior to such due date.

6.12 Default Assessments. All monetary fines assessed against an individual Owner pursuant to the Governing Documents, or any expense of the Association which is the obligation of one or more (but less than all) Owners which is incurred by the Association, shall be a "**Default Assessment**" against the Owner (and the Owner's Unit) who has been fined or who owes the expense. Notice of the amount and due date of a Default Assessment shall be sent to the Owner subject to such Default Assessment at least ten (10) days prior to the due date.

6.13 Effect of Non-Payment of Assessments. Any Assessment provided for in this Declaration, or any monthly or other installment thereof, not fully paid within ten (10) days after the due date thereof, shall be deemed delinquent and shall bear interest at the rate of twenty-one percent (21%) per annum or at such lesser rate as may be set by the Executive Board from time to time from the due date. If any assessment or installment thereof becomes delinquent, the Association in its sole and absolute discretion may take any, all, or none of the following actions:

6.13.1 Assess a late charge for each delinquent Assessment in an amount the Association deems proper; however, such late charges, if any, shall be set by the Association in advance of each year and contemporaneously with the annual budget. Such late charge shall not discriminate between Owners;

6.13.2 Suspend the voting rights of the defaulting Owner during any period of delinquency;

6.13.3 Suspend the rights of the Owner, the Owner's family, guests, lessees, invitees, and Related Users to use Common Element facilities (including, but not limited to, recreational facilities) during any period of delinquency;

6.13.4 Accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;

6.13.5 Bring an action at law against the defaulting Owner personally obligated to pay the delinquent Assessments;

6.13.6 Proceed with foreclosure of the Unit of a delinquent Owner, as set forth in the next Section.

An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments, or any monthly or other installment thereof, may be commenced and pursued by the Association without foreclosure and without in any way waiving the Association's lien therefor. The Association's costs of suit, expenses and reasonable attorney fees incurred by virtue of the failure of the Owner to timely pay Assessments when due, including attorney fees, legal fees and costs for preparing and recording any lien notice, and the Association's costs of suit, expenses and reasonable attorney and legal fees incurred for any such

action and/or foreclosure proceedings, shall be the obligation of the Owner against whom such action has been commenced and shall be taxed by the court as a part of the costs of any such action or foreclosure proceeding and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds of the foreclosure sale of such Owner's Unit.

6.14 Lien. The Association has a lien continuing on an Owner's Unit for any Assessment (inclusive of Common Element Assessments, Annual Assessments, Special Assessments and Default Assessments) levied against the Unit or against Owner of such Unit or for fines imposed against such Unit's Owner pursuant to this Declaration, from the time the Assessment or fine becomes due. Fees, charges, late charges, attorney fees, fines, and interest charged are enforceable as Assessments under this Section. If an Assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of an installment obligation.

6.14.1 The Association's lien is prior to all other liens and encumbrances on a Unit except; (a) liens and encumbrances recorded before the recordation of the Declaration; (b) a First Lien Security Interest on the Unit which has priority over all other security interests on the Unit and which was recorded before the date on which the Assessment sought to be enforced became delinquent; and (c) liens for real estate taxes and other governmental assessments or charges against the Unit. A lien under this Section is also prior to all First Lien Security Interests described in clause (b) of this Subsection to the extent that the Assessments are based on the annual budget adopted by the Association which would have become due in the absence of acceleration, during the six months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association's lien of an action or a non-judicial foreclosure either to enforce or extinguish the Association's lien. This Subsection does not affect the priority of mechanic's or materialmen's liens or the priority of a lien for other Assessments made by the Association. Neither a lien under this Section nor the Unit as regards to a lien under this Section is subject to the exemptions provided by Colorado Homestead laws, which are specifically and expressly waived by each Owner upon acceptance of a deed to his or her Unit.

6.14.2 A judgment or decree in any action brought under this Section shall include costs and reasonable attorney and legal fees of the Association, which shall be additional Assessments.

6.14.3 The Association's lien may be foreclosed by the same procedure by which a mortgage on real estate is foreclosed.

6.14.4 In the case of foreclosure, the Association shall give reasonable notice of its action to each lien holder of a Unit whose interest would be affected.

6.14.5 Any payments received by the Association in the discharge of an Owner's obligation may be applied to the oldest balance due and shall first be applied to recover late charges, then interest accrued, then costs imposed and, lastly, to the principal amount.

6.14.6 Upon written request delivered personally to the Association's Treasurer or delivered to the Association's Treasurer by certified mail - return receipt requested, and upon payment of a reasonable fee as established by the Association, the Association shall furnish to an Owner or such Owner's designee or to a holder of a security interest or its designee a written statement setting forth the amount of unpaid Assessments currently levied against such an Owner's Unit. The request shall expressly set forth a mailing and a delivery address for the inquiring party or it may be ignored and shall be deemed ineffective. The statement from the Association in response to such request shall be furnished within fourteen calendar days after receipt of the request and the statement shall be binding on the Association, the Executive Board, and every Unit Owner. If no statement is furnished to the Unit Owner or holder of a security interest or their designee, such statement to be delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a lien upon the Unit for unpaid Assessments which were due as of the date of the request. Such failure shall not, however, discharge any personal liability of an Owner for unpaid Assessments.

6.14.7 Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessments, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, convey or otherwise deal with the same.

6.14.8 The grantee of a Unit shall personally be jointly and severally liable with the grantor for all unpaid Assessments against the Unit which accrued prior to the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

6.15 Declaration is Notice. Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation or notice is required. However, the Executive Board may prepare and record with the Clerk and Recorder, a written notice setting forth the amount of any unpaid indebtedness, the name of the Owner, and a description of the Unit. The cost of preparation of such statement (including, without limitation, any legal fees incurred in connection therewith) and all other expenses.

6.16 Working Fund. Each Owner originally purchasing a Unit from the Declarant shall be required to make a deposit to the Association in an amount equal to one-sixth (1/6) of the annual Common Expense Assessment against that Unit in effect at the closing thereof, which

sum shall be held, without interest, by the Association as a working fund. Such payment shall not relieve an Owner from making regular payments of Assessments as the same become due nor shall the Association be required to deduct the amount of such deposit from sums due by the Owner before instituting a suit for collection or to foreclose the Association's lien against such Owner. No Owner shall be entitled to the refund or reimbursement of such initial deposit from the Association.

ARTICLE 7 **RESTRICTIVE COVENANTS**

7.1 Absolute Authority. The Executive Board shall have complete authority and control to issue and amend reasonable restrictions and Rules and Regulation applicable to the use and occupancy of Units in addition to those contained in this Declaration; provided such Rules and Regulations are not contrary to this Declaration or the Act and are otherwise determined by the Executive Board to be necessary to protect the health and safety of all occupants, guests, invitees and other persons at the Property or are necessary to protect the value of the Property. The strict application of limitations and restrictions in any specific case may be modified or waived, in whole or in part, by the Executive Board or by an appropriate committee (subject to review by the Executive Board) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or must be contained in written guidelines or rules and shall not operate as a waiver in future circumstances. All provisions of the Governing Documents shall apply to Owners and Related Users. Owners and their successors and assigns, by acceptance of a deed to their Unit, acknowledge that they have been given notice, and that:

7.1.1 The Owner and the Owner's Unit is subject to and bound by the provisions of this Declaration with the same force and effect as if the Owner had personally executed this Declaration, as a party thereto, affirmatively stating that the Owner agrees to be bound by this Declaration and to subject such Owner's Unit to the Covenants and agreements set forth herein.

7.1.2 The ability of Owners to use their Units is limited by the provisions in the Governing Documents.

7.1.3 The Executive Board may, in its sole discretion, add, delete, modify, create exceptions to, or amend use guidelines and restrictions in accordance with this Declaration.

7.1.4 The Executive Board may, from time to time, adopt and amend definitions of words, phrases and terms used in this Declaration and other Governing Documents.

7.1.5 The use, enjoyment and marketability of his or her Unit can be affected by these provisions and that the Rules and Regulations may change from time to time.

7.2 Right of Owners Regarding Rules and Regulations. Except as otherwise provided herein, the Executive Board may not adopt any rule in violation of the following provisions:

7.2.1 Equal Treatment. Rules and Regulations shall be reasonable, uniformly applied, non-discriminatory, and not contrary to the express terms of this Declaration. Rules and Regulations shall be effective fifteen (15) days after delivery of written notice of adoption, which notice of adoption shall be accompanied by a copy of such newly adopted Rules and Regulations. Rules and Regulations may be amended or repealed and the effective date of such action shall be fifteen (15) days after receipt of notice thereof and delivery of a copy of the newly modified Rules and Regulations.

7.2.2 Alienation. No rule shall prohibit transfer of any Unit, or require consent of the Association or Executive Board for transfer of any Unit.

7.3 Initial Use Restrictions. The following activities are prohibited or restricted within the Community unless expressly authorized (and in such cases, subject to such conditions as may be imposed) by the Executive Board:

7.3.1 Pets. The breeding or keeping of animals, livestock, or poultry of any kind is prohibited, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted. Pets which, in the sole discretion of the Executive Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to other Owners shall be removed from the Community upon written request of the Executive Board. Excessive barking shall be a nuisance per se. Pets shall be leashed or kenneled and not allowed to run free. If a pet owner fails to maintain pets on a leash or in a kennel or fails to restrain against excessive barking, the Executive Board may remove the pet. The Association may also adopt reasonable Rules and Regulations pertaining to the keeping of pets designed to minimize damage and disturbance to other Owners and Related Users. An Owner's right to keep household pets shall be coupled with the responsibility to pay for any damage caused by and of any cleaning necessitated by such Owner's pet(s), and any such amounts shall be a Default Assessment subject to and enforced by the Association.

7.3.2 Harmful Activities. Activities which materially disturb or destroy the vegetation, wildlife or air quality within the Community or which use excessive amounts of water or which result in unreasonable levels of sound, water, or light pollution shall be prohibited.

7.3.3 Excess Noise. Subject to Section 7.6, no Owner shall create or permit to emanate from such Owner's Unit any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness.

7.3.4 Fences. No fence shall be permitted.

7.3.5 Storage Structures. No storage or other permanent structure may be placed on a Unit.

7.3.6 Supports. The use of jacks or a minimal number of blocks necessary to stabilize the recreational vehicle are permitted.

7.3.7 Tie-downs. The use of tie-downs for safety in high winds is permitted.

7.3.8 Sewer and Water Connections. The use of plastic pipe for sewer and water connections on the recreational vehicle are permitted.

7.3.9 Automotive Vehicles, Boats, Etc. The use of automotive vehicles, boats, etc. shall be restricted as follows:

(a) No second recreational vehicle over 21 feet exterior length may be allowed on a Unit unless it is the sole means of transportation. In no instance may a second recreational vehicle be used as living quarters or be attached to utility services.

(b) A maximum of two automotive vehicles other than the primary recreational vehicle is permitted on a Unit. All automotive vehicles must display a current license plate.

(c) On street parking is prohibited and no vehicle shall be parked in a manner that results in a vehicle extending into the road right-of-way.

(d) No motorized vehicles, boats, boat trailers, car tow-trailers or golf carts shall be parked on the grass.

(e) Removable slide-in campers cannot be placed or stored on any Unit when separated from the automotive unit.

7.3.10 Trespass. No one shall trespass on or across Units belonging to others. No one may place a vehicle or boat or other personal property, for even a short time, on a Unit belonging to an absent owner, unless written permission is on file in the Community office from the Owner of the Unit.

7.3.11 Toilets. Outside toilets are not permitted.

7.3.12 Appliances. Appliances such as, but not limited to, refrigerators, washers, or dryers shall not be installed or allowed on any Unit except within the storage shed, recreational vehicle or screen room. An air conditioner intended to cool the screen room shall be installed under the recreational vehicle, attached to the recreational vehicle and within the parameters of the screen room.

7.3.13 Commercial Activity. No commercial activity of any kind whatsoever shall be conducted on or from any Units in the Community unless approved in writing by the Board of Directors. No commercial activity may be approved which does not meet all state and local licensing, bonding and insurance requirements or which would adversely affect insurance rates or coverage for the Association. No solicitation shall be conducted.

7.3.14 Unit Alterations. Plans for altering the physical aspect of a Unit (additional concrete, additional hard surface material such as paving blocks, wood timbers, stepping stones and similar surfacing or adding/relocating the single shed) must be approved by the Board of Directors subject to Section 7.5, prior to the beginning of any work. Also, landscaping, i.e. trees, shrubs, etc, must be approved by the Board of Directors subject to Section 8.2, prior to the beginning of any work.

7.4 Prohibition of Activities Increasing Insurable Risks. No hazardous materials (other than *de minimus* amounts used in compliance with applicable laws) may be brought into or used within any Unit. Nothing shall be done or kept in any Unit or in or on the Common Elements, or any part thereof, that would result in the cancellation of the insurance on all or any part of the Project or, without the prior written approval of the Association, that would result in an increase in insurance premiums for all or any part of the Community over the premiums that would be applicable in the absence of such activity. Nothing shall be done or kept in any Unit or in or on the Common Elements in violation of any statute, rule, ordinance, regulation, permit or other requirement of any governmental body having jurisdiction over the Community. No damage to or waste of the Common Elements shall be committed by any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by such Owner or by any Related User of such Owner's Unit. Failure to so indemnify shall be a default by such Owner under this Section. At its own initiative or upon the written request of any Owner (and if the Association determines that further action by the Association is warranted), the Association may enforce the foregoing indemnity as a Default Assessment levied against such Unit.

7.5 Design Guidelines. No Owner may change the appearance of any driveway, patio, deck or other portion of a Unit or Limited Common Element visible from the outside except as otherwise approved, in writing, by the Executive Board. The Executive Board may, in its sole discretion, publish or issue guidelines and requirements for compliance applicable to the Units and/or the Common Elements concerning window treatments, exterior doors, patriotic and political expression, holiday or other decorations, and/or other matters as the Executive Board determines ("Design Guidelines").

7.6 Use of Common Elements. Subject to the rights of Declarant as provided in this Declaration, there shall be no obstruction of the Common Elements nor shall anything be kept or stored on any part of the Common Elements without prior written approval of the Association. Except for those improvements erected or installed by Declarant in its construction and

completion of the Project, the Common Elements shall not be altered, improved, or in any way modified by any party except the Association without the express written consent of the Association.

7.7 Leasing. The term “lease”, as used herein, shall include any agreement for the leasing or rental of a Unit. Owners shall have the right to lease their Units only under the following conditions:

7.7.1 All leases shall be in writing.

7.7.2 All leases shall provide that the terms of the lease and the tenant's occupancy of the Unit shall be subject in all respects to the provisions of the Association's Declaration, Articles of Incorporation, Bylaws, and Rules, as the same may be amended from time to time, and that any failure by such tenant to comply with the provisions of these instruments, in any respect, shall be a default under the lease, said default to be enforceable by the Executive Board, the Owner/landlord, or both.

7.7.3 No lease shall be a term of more than ____ (____) weeks.

7.7.4 Any Owner's right to lease is expressly conditional upon applicable Rules.

7.7.5 Any Owner who leases his Unit shall forward a copy of the lease to the Association within ten (10) days after the execution by Owner and the tenant/lessee.

First Security Interests shall not be subject to the provisions of this Section 7.7 nor to any restrictions on leasing of Units. Leases entered into prior to the effective date of this Declaration shall not be subject to the provisions of this Section 7.7.

Regardless of whether or not expressed in the applicable lease, all Unit Owners shall be jointly and severally liable with their tenants to the Association for any amount which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant or for the acts or omissions of his tenant(s) which constitute a violation of or non-compliance with the provisions of this Declaration and any and all rules and regulations of the Association.

7.8 Certain Work Prohibited. Owners are limited in the use of their Unit and the Community, as follows:

7.8.1 No Owner shall undertake any work, enhancements or alterations in such Owner's Unit which would jeopardize the soundness, health or safety of the Community, impair the structural integrity, electrical systems, or mechanical systems or lessen the support of any

portion of the Community, increase the transmission of sound from within the Unit, or impair any easements;

7.8.2 Structural alterations shall not be made by an Owner to any Cabin Unit, including the construction of any additional skylight, window, door or other alternation visible from the exterior of such Unit, nor shall an Owner make any changes to the water, gas or steam pipes, electric conduits, plumbing or other fixtures, without prior written approval of the Executive Board (which approval may be withheld for any reason); and

7.8.3 Except by prior written approval of the Declarant during the Declarant Control Period, and thereafter of the Executive Board, no alterations, modifications or other changes of any kind shall be made to any Common Element, including without limitation Limited Common Elements, or to the exterior of any building, improvement or structure within the Community;

7.9 Refuse. Trash receptacles, dumpsters and enclosures for dumpsters shall be located within the Common Elements. Certain dumpsters may be designated as Limited Common Elements on the Map and shall be allocated to the exclusive use of one or more Buildings or, if not so designated, may be allocated by the Association for the exclusive use of one or more Buildings. The Association shall be generally responsible for trash removal and the maintenance and repair of trash receptacles and enclosures and such costs shall be a General Community Expense. Notwithstanding the foregoing, in the event that the Association determines that a particular Owner's use is disproportionate and such use increases the costs of trash removal, then the Association may, in its discretion, charge to such Owner the increased costs occasioned by the Owner's disproportionate use. Dumpsters and trash receptacles shall not be used by any Owner or Related User for refuse not generated at the Project in the normal and customary conduct of such persons' business and activities at the Project. Each Owner shall be solely responsible for any damage to the trash enclosures resulting from the negligence, misconduct or misuse of such Owner or any Related User, tenant, guest or invitee of such Owner. The Association may adopt such reasonable Rules and Regulations concerning the disposition of trash and use of trash receptacles and dumpsters as the Association may deem necessary or convenient.

7.10 Signage.

7.10.1 Except as otherwise provided herein, No sign, picture, advertisement, window display or other public display or notice shall be inscribed, exhibited, painted or affixed by an Owner upon or within any part of the Common Elements, on the exterior of a Unit, or in any location as to be seen from the outside of the Unit or a Building without the express prior written consent of the Executive Board and in any case shall comply with any signage guidelines promulgated by the Executive Board ("Signed Guidelines"). Without limitation upon the foregoing, any "For Sale," "For Lease," or "For Rent" signs shall be strictly prohibited;

provided, however, the foregoing restriction shall not apply to signage utilized by the Declarant to advertise Units for initial sale or to advertise the Project, generally. Notwithstanding the foregoing, signs, advertising, or billboards used by the Declarant in connection with its sale or rental of Units, or otherwise in connection with its development of the Project, shall be permissible and such right is hereby reserved by the Declarant.

7.10.2 In the event of the violation of this Section 7.10, in addition to any other remedies provided in the Signage Guidelines or by law, the Association may after fifteen (15) days of written notice to the Owner remove the articles constituting the violation without any liability therefor, and the Owner shall reimburse the Association for the reasonable expenses incurred in such removal upon demand.

7.10.3 The Executive Board shall not adopt any rule, regulation or Signage Guideline which would violate the provisions of § 38-33.3-106.5, CRS as in effect from time to time.

7.11 Satellite Dishes. Installation of any satellite dish or receiver or any other equipment permitting wireless transmission on the roof or the exterior of any Deluxe Cabin Unit, or Cabin Unit, upon an RV, or within the Common Elements shall be subject to approval of the Executive Board. The Association may require, as a condition to any approval, that the person installing a satellite dish or other rooftop antenna upon a Building enter into a license agreement with the Association upon such terms and conditions as may be required by the Association. Except to the extent this provision contravenes applicable state or federal law, in no event shall any Person install a satellite dish, receiver, antenna, or any other device on the roof of a Building or upon any part of a Unit or Limited Common Element without the prior written consent of the Executive Board, which consent may be conditioned, among other conditions, on the Person contracting with the installer of the roof for the Building and with such other Persons as necessary to ensure that any roof warranty, guaranty, or bond is not adversely affected by the installation; that such installation does not adversely impact the integrity of the roof; and that no personal injury or safety risk arises out of such installation. The Executive Board may impose conditions and restrictions upon the installment of such equipment including, but not limited to, size and height limitations, color and screening requirements, as it may deem appropriate, in connection with any approval.

ARTICLE 8

RESTRICTIONS REGARDING VEHICULAR PARKING, STORAGE AND REPAIRS

8.1 Parking Rules and Regulations. The Association shall have the right to issue Rules and Regulations pertaining to the use of guest parking and Owner parking on the Property. The conversion or alteration of parking spaces into living areas, storage areas, work shop areas, or any other modification or alteration which would hinder, preclude or prevent the parking of a

vehicle is prohibited. All parking within the Community shall be subject to the Rules and Regulations.

8.2 Commercial Vehicle: Abandoned or Inoperable Vehicle Parking.

8.2.1 Except as otherwise provided herein or permitted in Section 106.5 of the Act, no commercial vehicles, Recreational Vehicles, travel trailers, other trailers, boats, or trucks shall be parked within the Project except while temporarily engaged in transport to or from a Unit, except such vehicles located on a Unit as permitted by the Rules, and except such vehicles and equipment necessary or incidental to the construction of improvements within property owned by Declarant, without the express written consent of the Association. For the purposes of this Section 8.2, a 3/4-ton or smaller vehicle, commonly known as a pickup truck or a "SUV," shall not be deemed a commercial vehicle, Recreational Vehicle, or truck. No abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked on any portion of the Project. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle or other similar vehicle, which has not been driven under its own propulsion for a period of four (4) weeks or longer, or such shorter or longer period fixed by the Executive Board, except automobiles and Recreational Vehicles permitted to remain on a Unit under the Rules or otherwise by the Executive Board.

8.2.2 In the event the Association shall determine that a vehicle is a commercial vehicle, Recreational Vehicle, truck, or abandoned or inoperable vehicle that is in violation of this Declaration or the Rules, then a written notice describing said vehicle shall be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the vehicle is not removed within 72 hours thereafter, the Association shall have the right to remove the vehicle at the sole expense of the owner thereof.

ARTICLE 9 **OTHER EASEMENT DEDICATIONS AND RESERVATIONS**

9.1 Recorded Easements. The Project shall be subject to all easements as shown on any Map or Plat, those of record (including, without limitation, those set forth on **Exhibit C** attached hereto), those provided in the Act (including easements for encroachments set forth in Section 38-33.3-214 of the Act and an easement for maintenance of any such encroachment), and otherwise as set forth in this Article.

9.2 Encroachment Easement. In the event any portion of the Common Elements, including Limited Common Elements, encroaches upon any Unit or any Unit encroaches upon the Common Elements, including Limited Common Elements, or another Unit as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the improvements, a valid easement for the encroachment and for the maintenance of the same shall

exist so long as the encroachment exists. There shall be easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachments, settlement, or shifting, provided, however, that in no event shall an easement relieve an Owner of liability in case of willful misconduct of such Owner. In the event any portion of a structure on the Community is partially or totally destroyed and then repaired or rebuilt, each Owner agrees that minor encroachments over adjoining Units or Common Elements shall be easements for the maintenance of said encroachments so long as they shall exist.

9.3 Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon, under and across the Common Elements, together with the right to store materials on the Common Elements, to build and maintain temporary walls, and to make such other use of the Common Elements as may be reasonably necessary or incident to any improvement or construction to the Common Elements, Units, or other real property owned by Declarant, or other properties abutting and contiguous to the Property; provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment or access to the Community by the Owners.

9.4 Utility Easements. There is hereby created a blanket easement upon, across, over, in and under the Property for the benefit of the Common Elements and the Units and the structures and improvements situated on the Property for ingress and egress, installing, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephone, cable tv and electricity. Said blanket easements include future utility services not presently available to the Units which may reasonably be required in the future. By virtue of this easement, it shall be expressly permissible for the companies providing utilities to erect and maintain the necessary equipment on any of the Units and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the improvements, all in a manner customary for such companies in the area surrounding the Property, subject to approval by the Association as to locations.

9.5 Reservation of Easements, Exceptions and Exclusions. The Association is hereby granted the right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Elements for the best interests of all the Owners and the Association. Each Owner is hereby granted a perpetual non-exclusive right of ingress to and egress from the Owner's Unit over and across the General Common Elements and those (but only those) Limited Common Elements appurtenant to that Owner's Unit, which right shall be appurtenant to the Owner's Unit, and which right shall be subject to limited and reasonable restriction (for example, parking structure closure for repair and maintenance, and use restrictions on any storage facilities) on the use of Common Elements set forth in writing by the Association.

9.6 Owners' Easements of Enjoyment. Every Owner shall have an undivided right and easement of enjoyment in and to in the Common Elements, subject, without limitation, to the following:

9.6.1 The right of the Association to exercise all powers and duties pursuant to applicable provisions of the Governing Documents and the Act;

9.6.2 The right of the Association to adopt, from time to time, Rules and Regulations concerning all or any portion of the Property and any Improvements located thereon, as the Association may determine necessary or prudent;

9.6.3 The right of the Association to dedicate, transfer or encumber all or any part of the Common Elements subject to the Act including, without limitation, § 38-33.3-312 of the Act.

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

9.6.5 The limitation to a certain Owner, or a limited number of Owners, of the use and enjoyment of Limited Common Elements.

9.7 Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties

ARTICLE 10 **PLAN OF FRACTIONAL OWNERSHIP**

10.1 Plan of Fractional Ownership. All of the Units in the Community shall be subject to the Plan of Fractional Ownership set forth in this Article ("Plan of Fractional Ownership"), unless withdrawn by Declarant pursuant to the Special Declarant Rights set forth in Article 13. Declarant reserves the right to submit Units to the Plan of Fractional Ownership set forth in this Article. The provisions of this Article shall be applicable only to those Units submitted to Fractional Ownership hereunder, and shall govern the ownership of Fractional Estates in said Units and the rights, duties and obligations of Fractional Owners for so long as a Unit/Fractional Unit consists of Fractional Estates. The provisions of this Declaration shall apply to the Fractional Estates created hereunder; provided, however, that in the event of any inconsistency between this Article and the remaining provisions of this Declaration with respect to the ownership of a Fractional Estate and the rights, duties and obligations incident thereto, then the provisions of this Article shall control.

10.2 Rights of Declarant. The right to submit a Unit to this Plan of Fractional Ownership shall extend only to the Declarant, and shall explicitly not be available to purchasers of Units, their heirs, personal representatives, successors or assigns, except such as may be designated by the Declarant for such purposes in a written instrument duly recorded in the office of the Clerk and Recorder of Fremont County, Colorado. Submission of a Unit to the Plan of Fractional Ownership shall, however, be subject to the prior written consent of any First Mortgagee of that Unit.

10.3 Ownership of Multiple Fractional Estate. A purchaser may acquire more than one Fractional Estate and thereafter convey or encumber each Fractional Estate which has been separately acquired; provided, however, that no Fractional Owner may convey or encumber less than one Fractional Estate as originally conveyed to that Fractional Owner, or attempt to subdivide a Fractional Estate into more than one Fractional Estate or other, lesser interests.

10.4 Estate in Real Property. Each Fractional Estate shall constitute an estate in real property separate and distinct from all other Fractional Estates in that Fractional Unit or any other Fractional Unit, and each Fractional Estate may be separately conveyed and encumbered. By acceptance of a deed to a Fractional Estate, each Fractional Owner waives any right to bring a suit for partition of such Fractional Estate, except as may otherwise be provided in this Declaration. No Unit shall be divided into more than four (4) Fractional Estates or Fractional Units. There shall be no more than nineteen (19) Fractional Units in the Community.

10.5 Description of a Fractional Estate.

(a) A contract or other agreement for the sale of a Fractional Estate entered into prior to the filing for record of the Map and/or this Declaration in the office of the Clerk and Recorder of the County of Fremont, Colorado, may legally describe such Fractional Estate in the manner set forth in subsection (b) of this Section and may indicate that the Map and/or this Declaration are to be recorded. Upon recordation of the Map and this Declaration in the County of Fremont, Colorado, such description shall be conclusively presumed to describe the corresponding Unit shown on the Map and such Unit shall be subject in all respects to this Declaration.

(b) Subsequent to the recording of the Map and this Declaration, every contract, deed, lease, mortgage, deed of trust, will and every other instrument affecting title to a Fractional Estate may legally describe that Fractional Estate as follows:

An undivided _____ interest as tenant-in- common of Unit/Fractional Unit _____, SWEETWATER RIVER RANCH COMMUNITY, according to the Community Map thereof, recorded on _____, 20__ at Reception No. _____, in the records of the office of the Clerk and

Recorder of the County of Fremont, Colorado, and as defined and described in the Declaration for Sweetwater River Ranch, recorded on _____, 20__ at Reception No. _____ in said records, together with the exclusive right to possession and occupancy of said Unit/Fractional Unit during the following Use Weeks, as more fully defined in the aforesaid Declaration.

(c) Every contract, deed, lease, mortgage, deed of trust, will and every other instrument affecting title to a Fractional Unit which legally describes said Fractional Unit in the manner set forth in subsection (b) of this Section 10 shall be good and sufficient for all purposes to sell, convey, transfer, encumber, or otherwise affect not only the Unit, but also the undivided interest in the Common Elements appurtenant thereto and all other appurtenant properties and property rights, but shall also incorporate all of the rights, limitations and burdens incident to ownership of a Fractional Estate as described in this Declaration and the Map. Further, such legal description shall also convey to the grantee named therein an undivided interest in all furniture and furnishings then located in the Fractional Unit, and used for the operation thereof, in the same ownership interest as the Fractional owner's undivided interest as tenant-in-common in the Fractional Unit, as well as any furniture and furnishings thereafter acquired and located and used in the operation of the Fractional Unit. The transfer of an interest in a Fractional Unit shall transfer to the grantee ownership of all of the transferor's undivided interest in such personal property without further reference thereto.

10.6 Administration and Management of Fractional Units. The administration and management of the Fractional Units shall be performed by the Association, provided that the Board of Directors of the Association may, by resolution, delegate any of its duties, powers and functions with respect to the Fractional Units. The Association shall have all powers necessary or desirable to effectuate any of the purposes provided for herein. By way of enumeration and without limitation, the Association shall have the following powers and duties with respect to Fractional Units:

(a) Coordinate the plans of Fractional Owners for moving their personal effects into and out of the Fractional Units with a view towards scheduling such moves so that there will be a minimum of inconvenience to other Owners;

(b) Cause each Fractional Unit to be maintained in a first-class manner and condition. The Association shall have the right to determine the color scheme, decor, furnishings, and other matters relative to the interiors of each Fractional Unit, as well as the appropriate time for repairing, redecorating and replacing any of such items;

(c) Bill each Fractional Owner for the expense of occupancy of a Fractional Unit during such Fractional Owner's Use Weeks, to the extent that the

Association determines that such expenses are individual expenses attributable to the particular Fractional Owner, including without limitation: long distance and other extraordinary telephone charges; extraordinary repairs or charges for damages to the Fractional Unit, its furniture, furnishings, equipment, fixtures, appliances, and carpeting caused by a Fractional Owner or his guests; firewood; janitorial and maid service in addition to the standard janitorial and maid service provided for each Use Week and included within the assessments provided for in this Section; and any and all other costs, fees, expenses, and other charges attributable by the Association to a particular Fractional Owner, his guests, or occupants of his Fractional Unit;

(d) Levy and collect the assessments provided for in Section 10.7 of this Article; and

(e) Prepare a calendar of Use Weeks which shall at all times establish the dates of each Use Week at least four (4) years in advance. The calendar of Use Weeks for 2010, 2011, 2012, and 2013 is set forth on **Exhibit D** attached hereto and incorporated herein by this reference.

10.7 Fractional Unit Assessment Fee.

(a) In addition to the assessments established by the Association to meet the common expenses of the Project, as provided elsewhere in this Declaration, the Association shall also establish a Fractional Unit assessment fee which shall be assessed by the Board of Directors of the Association against all Fractional Units to cover the additional costs of operating, maintaining, repairing, and managing the Fractional Units, and all other costs, expenses, fees, and charges attributable to the Fractional Units but not to Units other than Fractional Units. The Fractional Unit assessment fee shall include, without limitation, the following:

(i) maintenance, upkeep and regularly scheduled cleaning and maid service of the Fractional Units;

(ii) repair and replacement of furniture, fixtures, appliances, carpeting, and utensils;

(iii) any additional premiums for insurance occasioned by the submission of a Unit to a Fractional Unit;

(iv) utilities separately metered to the Fractional Units;

(v) real and personal property taxes assessed against the Fractional Estates;

(vi) management fees to cover the cost of operating Fractional Units pursuant to this Plan of Fractional Ownership, to the extent that such costs are in addition to any management fees paid by the Association for management of the Units (exclusive of the Plan for Fractional Ownership); and

(vii) any other costs, fees, expenses, or other charges incurred or reasonably anticipated to be incurred by the Association in the normal operation of the Project, to the extent that such costs, fees, expenses, or other charges are attributable to the operation of Units as Fractional Units.

(b) The Fractional Unit assessment fee shall be levied and assessed equally against each Fractional Unit, such that the proportional amount of the Fractional Unit assessment fee attributable to each Fractional Unit shall be a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of all Fractional Units. The Fractional Unit assessment fee shall be pro-rated among the Fractional Owners of each Fractional Unit on the basis of each Fractional Owner's undivided interest as a tenant-in-common in the Fractional Unit. The Fractional Unit assessment fee shall be paid by the Fractional Owners pursuant to a schedule established by the Board of Directors of the Association from time to time. These assessments shall be the personal obligation of each of the Fractional Owners and, further, shall be subject to all of the provisions pertaining to the rights of the Association to levy, collect, and enforce collection of assessments, fees, and charges, including without limitation the Association's lien therefor, all as more fully provided in Article 6 hereof.

10.8 Association as Attorney-in-Fact and Proxy for Membership Votes. In order to effectuate representation of the Fractional Owners in the Association, each Fractional Owner, by accepting a deed to a Fractional Estate, shall be deemed to have appointed the Board of Directors of the Association as such Fractional Owner's attorney-in-fact and proxy to represent such Fractional Owner at any and all regular and special meetings of the Association, and thereat to cast the vote(s) of such Fractional Owner. This appointment shall endure for a ten-year period commencing on recordation of this Declaration, and shall be automatically renewed for successive ten-year periods until termination of the Plan of Fractional Ownership; provided, however, that any Fractional Owner may revoke this appointment as to any individual meeting by appearing at the meeting and casting his allotted vote(s) on his own behalf; and provided, further, that such appointment may be permanently revoked by any Fractional Owner who appears at three (3) consecutive meetings of the Association, casts such Fractional Owner's allotted votes and serves the President of the Association with written notice of termination of the Association's authority as such Fractional Owner's attorney-in-fact and proxy. Notwithstanding the preceding, however, the appointment of the Board of Directors of the Association as attorney-in-fact and proxy shall be reinstated as to any Fractional Owner who fails to attend and cast his allotted votes at three (3) consecutive annual and/or special meetings of the Association.

10.9 Enforcement of Use Weeks. In the event any Fractional Owner fails to vacate a Fractional Unit after termination of such Fractional Owner's Use Week(s) or otherwise uses or occupies or prevents another Fractional Owner or their guests from using or occupying a Fractional Unit during such other Fractional Owner's Use Week, the Fractional Owner who violates any such rights: shall be deemed to have waived all notices required by law with respect to any legal proceedings regarding removal, eviction, or ejection; and shall pay to the Fractional Owner entitled to use the Fractional Unit during such wrongful occupancy, as liquidated damages, a sum equal to 200% of the fair rental value per day for such Fractional Unit, as determined by the Board of Directors of the Association in their sole discretion, for each day, or portion thereof, including the day of surrender, during which the Fractional Owner wrongfully occupies the Fractional Unit, plus all costs and reasonable attorney's fees involved in the enforcement of this provision. Such amounts shall be and constitute a Default Assessment which may be collected by the Association in any manner provided for in this Declaration, including without limitation all rights and remedies provided for in Article 6 hereof.

10.10 Indemnification for Liens. Any Fractional Owner who suffers or allows a mechanic's lien, tax lien, or other lien to be placed against his Fractional Estate or any or all interests in the Fractional Unit or a Unit shall indemnify, defend and hold each of the other Fractional Owners of that Fractional Estate harmless from and against all liability or loss arising from the claim of such lien. The Association shall enforce such indemnity by collecting from the Fractional Owner who suffers or allows such a lien all amounts necessary to discharge the lien and all costs incident thereto, including without limitation reasonable attorney's fees. If such amounts are not paid, within ten (10) days after the Association notifies the Fractional Owner of the same, then such amounts shall be and constitute a Default Assessment, as provided in Article hereof, and that the Association may exercise any or all remedies provided for in Section hereof or as provided elsewhere in this Declaration.

ARTICLE 11

RIGHTS AND RESTRICTIONS ASSOCIATED WITH RV UNITS

11.1 Structures on RV Units.

11.1.1 Except as expressly provided herein, RV Units shall be used exclusively for the parking and use of Recreational Vehicles, as defined herein.

11.1.2 The construction and/or maintenance of structures on the individual Units is prohibited, with the exception of a patio approved by the Board. Owners, their guests, lessees, successors and assigns are prohibited from erecting or placing on any RV Unit any storage facility, structure or vehicle which is designed as permanent living quarters, which prohibited structures include, without limitation, the following:

(a) Screened rooms, carports, metal awnings, tip outs, any type of permanent extended overhang, enclosures and/or skirting along the base of a Recreational Vehicle;

(b) Any structure placed on the RV Unit on blocks, or other supports which are permanent or semi-permanent in nature, or any structure with removed hitches;

(c) Any structure not intended to be temporary, that is, any structure not intended to be readily movable;

(d) Any structure designed, designated, intended or used as permanent living quarters or a primary residence; and

(e) Any structures, appurtenances, accessories or attachments, of a permanent or semi-permanent nature, which are not a component of the manufactured Recreational Vehicle (such prohibited structures, appurtenances, accessories, or attachments include, but are not limited to, rigid plumbing connections to an external waste treatment system, permanent fencing, tie-down straps and anchors, steps, stairways, or decking adjacent and contiguous to the Recreational Vehicle, and rigid or semi-rigid enclosures of any kind whatsoever affixed to the Recreational Vehicle.

11.1.3 The provisions of this Article designating the proper use of the RV Units are not intended to prohibit or limit the utilization of otherwise permissible Recreational Vehicles as described above which might also require the utilization of sewer and water facilities provided at each RV Unit.

11.1.4 The provisions of this Article shall not prevent the placement of tables, outdoor kitchens, fireplaces, benches and grills, as approved by the Board; however, no personal property except as provided immediately above shall be permitted to remain where it can be seen by other Owners or visitors to the area, except when the RV Unit is actually in use.

11.1.5 Only one (1) permissible Recreational Vehicle may be located or maintained on each Unit.

11.1.6 The standard location of each Recreational Vehicle, when parked, shall be to the rear of the parking pad, within eighteen inches (18") of the utility hook-up side of the parking pad, and further, no permissible slide-outs or similar extensions shall extend to within one (1) foot of the boundary of the RV Unit.

ARTICLE 12
RIGHTS AND RESTRICTIONS ASSOCIATED WITH DELUXE CABIN UNITS

12.1 Ownership Deluxe Cabins. As of the date of execution of this Declaration, there exists a Deluxe Cabin on two (2) of the eight (8) Deluxe Cabin Units. As provided in the definition of Deluxe Cabin, each Deluxe Cabin is a motor vehicle registered with the State of Colorado, and is not part of the real property of the Deluxe Cabin Unit. Therefore, each Deluxe Cabin shall be owned by the owner or owners of the Deluxe Cabin Unit, and shall be transferred with the Deluxe Cabin Unit as provided in this Article 12.

12.2 Fractional Deluxe Cabin Ownership. In the event any Deluxe Cabin Unit is owned by Fractional Owners, title to such Deluxe Cabin Unit shall be held in a limited liability company that is owned by such Fractional Owners (“**Deluxe Cabin LLC**”), and all such Fractional Owners shall be obligated to enter into an operating agreement for the Deluxe Cabin LLC in such form as prescribed by the Declarant (“**LLC Operating Agreement**”).

12.3 Inseparability of Ownership. Ownership of each Deluxe Cabin Unit shall be inseparable from ownership of the Deluxe Cabin located thereon, or with respect to a Fractional Owner, the membership interest in the Deluxe Cabin LLC that holds title to the Deluxe Cabin Unit, and may be transferred, leased, devised or encumbered only as a whole or in Fractional Interest as provided herein and in the LLC Operating Agreement for such Deluxe Cabin. A Fractional Interest in a Deluxe Cabin Unit shall be transferrable only with the associated membership interest in the Deluxe Cabin LLC. Any transfer of a Fractional Interest in a Deluxe Cabin Unit without also transferring the associated membership interest in the Deluxe Cabin LLC shall be void.

12.4 Deluxe Cabins are Personal Property. Each Deluxe Cabin is the personal property of the owner or owners thereof, and the maintenance, repair, and replacement thereof shall be the sole responsibility of such owners. The Association shall have no responsibility for the repair, maintenance or replacement of Deluxe Cabins.

12.5 Conditions of Deluxe Cabins. Owners of Deluxe Cabins Units shall be responsible for maintenance, repair, replacement and improvement of their Deluxe Cabins. An Owner shall do no act nor any work that will impair any easement or utility service, nor do any act or allow any conditions to exist which will adversely affect the use and enjoyment of the other Units or the provision utility services to such Units. Each Unit at all times shall be kept in a clean, sightly, and wholesome condition. Unit Owners shall keep all exterior lights on the home and improvements located on their Unit operating in good working order, including any front yard light. The Association, and its agents, shall have the authority, after giving the Deluxe Cabin Owner thirty (30) days written notice, to enter, replace, maintain, repair and clean up Units which do not conform to the provisions of this Section, and to charge and collect from the Owner thereof all reasonable costs related thereto as an Assessment as provided in this Declaration. (b) No Owner shall, in whole or in part, change the color of the residence or make any other exterior modification to the residence or improvements on a Unit, including but not

limited to the landscaping or drainage pattern adjacent to his or her Unit without the prior written consent of the Architectural Review Committee.

12.6 Removal. No Deluxe Cabin shall be removed from the Deluxe Cabin Unit without the prior written approval of the Board.

ARTICLE 13 **INSURANCE/CONDEMNATION**

13.1 Insurance Carried by the Association. Commencing not later than the time of the first conveyance of a Unit to a Person other than the Declarant, the Association shall obtain and at all times maintain in full force and effect, to the extent reasonably available, the insurance coverage set forth below in this Article.

13.1.1 Property Insurance on the Common Elements. The Association shall obtain adequate property insurance on the Common Elements and the other property owned by the Association. Such policy shall be for broad form covered losses including, but not limited to, loss or damage by fire and other periods normally covered by the "standard extended coverage" endorsement and such other risks as the Association in its discretion deems prudent. The total amount of property insurance may not be less than the full insurable replacement cost of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies. The Association may obtain additional endorsements and reasonable deductibles as deemed by the Executive Board. The premiums for such insurance shall be a Common Expense and payable by Assessment.

13.1.2 Commercial General Liability Insurance on the Common Elements. The Association shall obtain an adequate comprehensive policy of commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Elements, in such limits as the Executive Board may from time to time determine, but in any event, providing coverage of not less than One Million Dollars (\$1,000,000) per injury, per person, and per occurrence, and in all cases covering all claims for bodily injury or property damage, to the insurable limits. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other uses of the Common Interest Community. All liability insurance shall name the Association as the insured. The Declarant shall be included as an additional insured in such Declarant's capacity as a Unit Owner and member of the Executive Board. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with ownership, existence, use, or management of the Common Elements. The insurance shall cover claims of one or more insured parties against other insured parties.

13.1.3 If Insurance Unavailable. If the insurance described in subsection 13.1.1 and 13.1.2 is not reasonably available, or if any policy of such insurance is canceled or not renewed or replaced, the Association shall promptly cause notice of that fact to be hand-delivered or sent by United States Mail to all Owners.

13.1.4 Insurance Requirements. Insurance policies carried pursuant to subsection 13.1.1 and 13.1.2 shall provide that:

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

(ii) The insurer waives its rights to subrogation under the policy against the Declarant, natural persons employed by Declarant, and any Owner and any member of Owner's household.

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

(iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy shall nevertheless provide primary coverage.

(v) All policies shall provide that such policies may not be canceled or modified without at least twenty (20) days prior written notice to all of the Owners and the Association.

(vi) All liability insurance shall be carried in blanket form naming the Association, the Executive Board, the manager or managing agent, if any, the officers of the Association, their successors and assigns and Owners as insureds.

(vii) Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions hereof, the Executive Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the Common Elements, without deduction for depreciation, review any increases in the cost of living, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof. In no event shall any casualty insurance policy contain a co-insurance clause for more than twenty

percent (20%), such that the policy will pay at least 80% of the full replacement cost.

13.2 Content Insurance. Each Owner must independently obtain any and all further insurance which such Owner deems necessary or desirable including, without limitation, those forms of insurance generally referred to as "content" insurance and others.

13.3 Fidelity Insurance. The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees.

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

13.5 Officers' and Directors' Personal Liability Insurance. The Association shall obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association.

13.6 Other Insurance. The Association may obtain insurance against such other risks as it shall deem appropriate with respect to the Association responsibilities and duties.

13.7 Insurance Premium. Except as assessed in proportion to risk, where permitted under the terms of this Declaration, insurance premiums for the above provided insurance shall be a Common Expense to be included as a part of the Annual Assessment levied by the Association.

13.8 Managing Agent Insurance. The manager or managing agent, if any, shall be insured for the benefit of the Association, and shall maintain and submit evidence of such coverage to the Association.

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

13.10 Adjustments by the Association. Any loss covered by an insurance policy described above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association. The Association shall hold any insurance proceeds in trust for the Association and Owners.

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

13.12 Unit Owner Coverage. Unit Owners shall obtain and maintain at all times, individual casualty and general liability policies insuring the property lying within the boundaries of their Unit and for their personal liability arising in the use of their own Unit and other areas of the Common Elements for which they have exclusive use. or for which they have an obligation to repair or replace..

13.13 Termination. Termination of this Common Interest Community shall be in accordance with the Act.

ARTICLE 14

SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

Special Declarant Rights. Declarant hereby reserves the following Special Declarant Rights and Additional Reserved Rights for a time period of seven (7) years from the date of the execution hereof.

14.1 Expansion, Withdrawal, and Development Rights. Declarant reserves the right to add additional Lots and Common Elements to the Property and the right to withdraw Lots and Common Elements from the Property, and to exercise such development rights described in and pursuant to Article 15 of this Declaration and the Act.

14.2 Completion of Improvements. The right to complete improvements on the Common Elements and Lots owned by the Declarant.

14.3 Exercise of Development Rights. The right to exercise any Development Right (as defined in the Act) reserved in this Declaration or allowed in the Act.

14.4 Sales Management and Marketing. The right to maintain a sales and management office within any Unit owned by Declarant or on or within any Common Element, and the right to maintain signs advertising the Project. Any sales and management office on the Common Elements shall be removed no later than the conveyance of the last Unit owned by the Declarant.

14.5 Construction Facilities. The right of the Declarant and its employees, representatives, agents, and contractors to maintain within the Property temporary construction facilities and construction materials, staging yards, and other facilities reasonably required during the construction and sale period of the Project.

14.6 Construction; Construction Easements. The Declarant reserves the right to perform warranty work, repairs, and construction work in Units and Common Elements, to store materials in secure areas, and to control and have the right of access to work. All such work may be performed by the Declarant without the consent or approval of the Association. Declarant shall have an easement through the Common Elements for the purpose of making improvements within the Property or within real estate that may be added to the Community, and the right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations and exercising Declarant's rights (including, without limitation, any Special Declarant Rights and Development Rights) under the Act and this Declaration.

14.7 Master Association. The right to make the Project subject to a Master Association (as is defined in the Act).

14.8 Merger. The right to merge or consolidate the Community with another common interest community.

14.9 Control of Association and Executive Board. The right to appoint or remove any Officer of the Association or any Executive Board member during the Declarant Control Period.

14.10 Amendment of Declaration. The right to amend the Declaration and Map in connection with the exercise of any Development Right.

14.11 Additional Reserved Rights. In addition to the Special Declarant Rights reserved herein, Declarant also reserves the following additional rights (the "**Additional Reserved Rights**"):

14.11.1 Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulation of parking, utility and drainage, and any amenities including, without limitation recreational facilities or areas which may or may not be a part of the project for the benefit of the Owners and/or the Association.

14.11.2 Other Rights. The right to exercise any additional reserved right created by any other provision of this Declaration.

14.11.3 Rights Transferable. Any Special Declarant Right or Additional Reserved Right created or reserved under this Article for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred and recorded with the Clerk and Recorder. Such instrument shall be in accordance with the Act and shall be executed by the transferor Declarant and the transferee.

14.11.4 Legal Description. These Special Declarant Rights and Additional Reserved rights apply to the Property and any Expansion Property.

ARTICLE 15

RESERVATION OF EXPANSION AND DEVELOPMENT RIGHTS

15.1 Expansion Rights. Declarant expressly reserves the right to add all or any portion of the Property described on **Exhibit E**, if any, and subject to those restrictions set forth in Section 222 of the Act, to add unspecified real property ("**Expansion Property**"), and subject it to the provisions of this Declaration.

15.2 Development and Withdrawal Rights. Declarant expressly reserves the right, but shall have no obligation, to create additional Units and Common Elements; to annex the Expansion Property into the Property and thereby submit the Expansion Property, or any portion of the Expansion Property, to this Declaration in one or more annexations; relocate boundaries between Units, convert Units into Common Elements, combine Units, and convert Common Elements into Units, on all or any portion of the Property or the Expansion Property owned by the Declarant. Declarant may exercise its Development Rights on all or any portion of the Property in whatever order of development Declarant, in its sole discretion, determines. Declarant expressly reserves the right to withdraw all or any portion of the Property by recording a document evidencing such withdrawal in the office of the Clerk and Recorder, provided, however, that no portion of the Property may be withdrawn after a Unit has been conveyed to a purchaser other than the Declarant. Any real estate withdrawn from the Property shall be subject to whatever easements, if any, are reasonably necessary for access to or operation of the Property. Declarant shall prepare and record in the office of the Clerk and Recorder whatever documents are necessary to evidence such easements and shall amend the Declaration and the Map to include reference to the recorded easement.

15.3 Amendment of Declaration. If Declarant elects to submit the Expansion Property, or any portion of the Expansion Property, to this Declaration, or to exercise any other rights referred in Section **Error! Reference source not found.** above, Declarant shall record an "Annexation Amendment to the Declaration and Map" ("**Annexation Amendment**") to the Declaration. An Annexation Amendment shall contain:

15.3.1 a legal description of that portion of the Expansion Property being annexed to and submitted to this Declaration;

15.3.2 a schedule of the Allocated Interests appurtenant to each Unit as reallocated subsequent to the annexation;

15.3.3 a supplemental Exhibit B to be attached hereto; and

15.3.4 shall otherwise conform to the requirements of this Declaration and the Act.

In addition to and contemporaneously with any Annexation Amendment, a new or amended Map, or new certification of the Map (which certification may be included as a provision of the Annexation Amendment) shall be recorded with the Clerk and Recorder conforming to the requirements of this Declaration and the Act.

15.3.5 Interpretation. Recording of amendments to the Declaration and Map in the office of the Clerk and Recorder shall automatically:

15.3.6 Vest in each existing Owner the reallocated Allocated Interests appurtenant to such Owner's Unit, and

15.3.7 Vest in each existing mortgagee of a Unit a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Unit. Upon the recording of an Annexation Amendment, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Property and the Community, as expanded. The Expansion Property referred to in an Annexation Amendment shall be added to and become a part of the Property for all purposes. All conveyances of Units after such expansion shall be effective to transfer beneficial rights in the Common Elements as expanded to the Owners, whether or not reference is made to any Amendment to the Declaration or Map. Reference to the Declaration and Map in any instrument shall be deemed to include all Amendments to the Declaration and Map without specific reference thereto.

15.3.8 Construction. The buildings, structures and types of improvements to be placed within or on the Expansion Property or any part thereof and to be annexed into the Property shall be of a quality equal to or better than the improvements previously constructed within the Project, but need not be of the same size, style or configuration.

15.3.9 Construction Easement. Declarant expressly reserves the right to perform construction work and to store materials in secure areas, in Units owned by the Declarant and in or on Common Elements, and the future right to control such work and repairs, and the right of access thereto, until its completion. All work may be performed by Declarant without the

consent or approval of any Owner or mortgagee. Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the land not designated as reserved for future development in the Declaration or on the Map for the purpose of furnishing utility and other services to the property so reserved for future development. Declarant's reserved construction easement includes the right to grant easements to public utility companies and to convey improvements within those easements anywhere in the Common Elements. If Declarant grants any such easements, the Declaration and Map will be amended to include reference to the recorded easement.

15.3.10 Reciprocal Easements. If all or part of the Expansion Property is not submitted to this Declaration or if any Unit or Common Element is withdrawn from the Property ("**Withdrawn Property**"):

15.3.11 The Owner(s) of the Expansion Property and/or Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Property; and

15.3.12 The Owner(s) shall have whatever easements are necessary or desirable, if any, for access, utility service repair, maintenance and emergencies over and across the Expansion Property and Withdrawn Property.

Declarant shall prepare and record in the office of the Clerk and Recorder whatever documents are necessary to evidence such easements and shall amend the Declaration and the Map to include reference to the recorded easement(s). Such recorded easement shall specify that the owners of the Expansion Property and the Withdrawn Property and the Owners shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by either one of them on the other's property upon such reasonable basis as the Declarant shall establish in the easement(s). Preparation and recordation by Declarant of an easement pursuant to this Section shall conclusively determine the existence, location and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section.

15.4 Termination of Expansion and Development Rights. The expansion and development rights reserved to Declarant, for itself, its successors and assigns, shall expire seven (7) years from the date of recording this Declaration, unless the expansion and development rights are (i) extended as allowed by law or (ii) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of the Expansion and Development Rights by Declarant. Irrespective of any right to amend this Declaration, no amendment shall be valid if made prior to the seventh (7th) anniversary of the date of recordation of this Declaration if such amendment would have the

effect of terminating, limiting or restricting the Development Rights, Special Declarant Rights or Additional Reserved Rights reserved herein.

15.5 Legal Description. These development rights apply to all portions of the Property, and any Expansion Property.

15.6 Additional Rights and Obligations of the Association. The following rights reserved by the Declarant may be exercised by the Association as a "**Successor Declarant**": The Association shall have the right, from time to time, without the consent of any Unit Owner, to amend Maps and Plats and supplements thereto, to conform the Map to the actual location and dimensions of any of the constructed Improvements and to establish, vacate, or relocate easements.

15.7 After the Turnover Date, the Association shall have all the Special Declarant Rights, Development Rights, and Additional Reserved Rights set forth in and according to the terms and conditions of this Declaration, to the extent not exercised by the Declarant or a successor or assign of Declarant.

15.8 Upon the Turnover Date, the Association shall, at any time and from time to time, annex additional Units and Common Elements located within the Expansion Property into the Property, within thirty (30) days after receipt of a written request by the owner(s) of such Expansion Property, delivered together with copies of certificates of occupancy for all Units to be annexed and all Common Elements to be annexed. Notwithstanding any provision herein to the contrary, (i) the Association shall be under no obligation to annex additional Units or Common Elements if it determines, in its reasonable discretion, that the Units to be annexed or the Common Elements to be annexed are not completed, are not in good working order, and (ii) the Association may require, as a condition to such annexation, that such Unit to be annexed and that such Common Element to be annexed be completed and in good working order, at the sole cost and expense of the owner requesting annexation.

ARTICLE 16 **AMENDMENTS**

16.1 Amendment. Other than amendments to this Declaration that may be executed by the Declarant (including, but not limited to, a Declaration Amendment), this Declaration may be amended, in whole or in part, at any time by Owners holding not less than sixty-seven percent (67%) of the votes possible to be cast under this Declaration at a meeting called for that purpose.

16.2 Recording of Amendments. An amendment to or termination of this Declaration shall be effective only upon the occurrence of all the following events:

16.2.1 The amendment or termination shall be in writing, which writing shall have been approved (by an affirmative vote or written consent) by the applicable required percentage of Members.

16.2.2 A written certificate, executed and acknowledged by an officer of the Association, shall be attached to the written amendment and shall affirmatively state that the amendment was approved by the applicable required percentage of Members.

16.2.3 The approved amendment and written certificate shall be recorded in the office of the Clerk and Recorder.

16.3 Limitation of Actions. No action to challenge the validity of an amendment adopted by the Association pursuant to this section may be brought more than one (1) year after the amendment is recorded.

16.4 Unanimous Consent Required for Certain Amendments. Except as otherwise provided in this Declaration or the Act, no amendment may create or increase Special Declarant Rights, increase the number of Units to more than twenty-four or the maximum number of Units allowed by any governmental entity (whichever is greater), or change the boundaries of any Units or the Allocated Interests of a Unit, or the uses to which any Unit is restricted in the absence of unanimous consent of the Unit Owners.

16.5 Expenses. All expenses associated with preparing and recording an amendment to the Declaration shall be the sole responsibility of:

(i) In the case of an amendment for the purpose of relocating boundaries between adjoining Units, and any permitted subdivision of Units, the Owners desiring the amendment;

(ii) In the case of an amendment pursuant to reallocation of Allocated Interests, recordation of new plats and maps, and exercise of Development Rights, the Declarant; and

(iii) In all other cases, by the Association as a Common Expense.

16.6 Termination of Declaration. This Declaration shall not be revoked nor shall the Community be terminated (except as provided with regard to destruction or condemnation) without (i) the unanimous written consent of the Owners and (ii) the written consent of sixty-seven (67%) percent of Eligible First Mortgagees (who request notice of the Association actions as provided below and which percentage is measured by votes allocated to such Units).

16.7 Permitted Amendment. Notwithstanding anything to the contrary herein, the Declarant may (i) amend this Declaration or the Map to correct clerical, typographical, or technical errors, and (ii) amend this Declaration to comply with the requirements, standards, or guidelines of recognized secondary mortgage markets.

ARTICLE 17 **ALLOCATED INTERESTS**

Formula for Determining Allocated Interests. Each of the Common Expense Liability shall be a fraction, the numerator of which is the Square Footage of the Unit (as set forth on Exhibit B as supplemented from time to time), and the denominator of which is the total Square Footage (as set forth on Exhibit B as supplemented from time to time) of all Units then in the Community, expressed as a percentage.

17.1 Expansion or Withdrawal. If Units are added to or withdrawn from the Common Interest Community, pursuant to the provisions of this Declaration and the Act, the applicable formulas shall be used to reallocate the Allocated Interests.

ARTICLE 18 **GENERAL PROVISIONS**

18.1 Covenants to Run. All of the covenants and provisions contained in this Declaration shall be a burden on the title to all of the lands within the Property, and the benefits thereof shall inure to the owners of all of the lands within the Property and shall run with the Property including, but not limited to, all of the Units.

18.2 Association as Attorney-in-Fact. Each Owner, by his acceptance of a deed or other conveyance vesting in him an interest in a Unit, does irrevocably constitute and appoint the Association and/or Declarant with full power of substitution in the Owner's name, place and stead to deal with Owner's interest in order to effectuate the rights reserved by Declarant or granted to the Association, as applicable, with full power, right and authorization to execute and deliver any instrument affecting the interest of the Owner and to take any other action which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Article and this Declaration generally. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written, acknowledged instrument confirming such appointment.

18.3 Severability. Should any part or parts of the Declaration be declared invalid or unenforceable by any court of competent jurisdiction, such decisions shall not affect the validity of the remaining provisions.

18.4 Repeal of the Act. In the event that the Act is repealed, the provisions of the Act in effect immediately before its repeal shall control this Declaration.

18.5 Paragraph Headings. The paragraph headings in this instrument are for convenience only and shall not be construed to be a part of the provisions contained herein or to limit the contents of any paragraph.

18.6 Registration by Owner of Mailing Address and Notice. Each Owner shall register his mailing address with the Association. All notices or demands affecting this planned community may be served upon an Owner by the Association or by other Owners by regular United States Mail, postage prepaid, addressed in the name of the Owner at such registered mailing address or by personal service. If an Owner fails to register such Owner's address with the Association any and all notices to such Owner may be served upon the Owner by addressing such notice to the Unit owned by the Owner and shall be deemed effective and received even if the notice is refused or otherwise returned as undeliverable, if sent by regular U.S. mail. All notices or demands intended to be served upon the Association shall be sent by certified United States Mail, postage prepaid, return receipt requested, to the address of the Association as designated in the Articles of Incorporation and Bylaws of the Association or served by personal service on the Association's registered agent for service or President.

18.7 Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

18.8 Binding Agreement. It is understood and agreed that this Declaration shall be binding upon and inure to the benefit of the successors, executors, administrators and assigns of the parties hereto.

18.9 Reference to Ownership Interests. Whenever in this Declaration or in the Articles of Incorporation or Bylaws of the Association reference is made to a specific percentage interest of Owners, such reference shall be deemed to mean such percentage of the total aggregate Allocated Interests of such Owners, unless the context otherwise requires, and shall not be deemed to mean a percentage of owners by number of individual persons, partnerships, corporations or other entities.

18.10 Non-Dedication of Common Elements. Declarant, in recording this Declaration, has designated certain areas of real estate or air space within the Property as Common Elements intended for the common use and enjoyment of Unit Owners for recreation and other related activities. The Common Elements owned by the Association are not dedicated hereby for use by the general public.

18.11 Restriction on Declarant Powers. Notwithstanding anything to the contrary herein, no rights or powers reserved to Declarant hereunder shall exceed the time limitations or permissible extent of such rights or powers as restricted under the Act. Any provision in this Declaration in conflict with the requirements of the Act shall not be deemed to invalidate such provision as a whole but shall be adjusted as necessary to comply with the Act.

18.12 Enforcement. Except as otherwise provided in this Declaration, the Executive Board, Declarant or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Executive Board of the Association, Declarant or by any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

18.13 Conflicts between Documents. In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control. In the event of any conflict between the Rules and Regulations and any other Governing Document, the provision of Governing Document other than the Rules and Regulations shall control.

[SIGNATURE PAGE FOLLOWS]

EXHIBIT A
(PROPERTY)

EXHIBIT B
(ALLOCATED INTERESTS)

Unit #	Common Expense Liability/Undivided Interest in Common Elements
RVU-1	1/29 th
RVU-2	1/29 th
RVU-3	1/29 th
RVU-4	1/29 th
RVU-5	1/29 th
RVU-6	1/29 th
RVU-7	1/29 th
RVU-8	1/29 th
RVU-9	1/29 th
RVU-10	1/29 th
RVU-11	1/29 th
RVU-12	1/29 th
RVU-13	1/29 th
RVU-14	1/29 th
RVU-15	1/29 th
RVU-16	1/29 th
RVU-17	1/29 th
DCU-1	1/29 th
DCU-2	1/29 th
DCU-3	1/29 th
DCU-4	1/29 th
DCU-5	1/29 th
DCU-6	1/29 th
DCU-7	1/29 th

DCU-8	1/29 th
RCU-1	1/29 th
RCU-2	1/29 th
RCU-3	1/29 th
RCU-4	1/29 th

TOTALS

100%

EXHIBIT C
(EXCEPTIONS TO TITLE)

EXHIBIT D
(SCHEDULE OF USE WEEKS)

EXHIBIT E
(EXPANSION PROPERTY)