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Mary Ann Feuerstein Weld Co., Clerk & Recorder

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

COVINGTON KNOLLS

October 7, 1994

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made as of this 7th day of October, 1994 by TJRPBR LLC, a Colorado Limited Liability Company.

ARTICLE I

GENERAL

Section 1.1 Community Area. Declarant is the owner of that certain parcel of land in the City of Greeley, Weld County, Colorado, containing approximately 80 acres, known as Covington Knolls which, is defined in this Declaration as the "Community Area". The legal description for the "Community Area" is as follows: Covington Knolls Planned Unit Development recorded at the Weld County Clerk and Recorder's Office on September 2, 1994, Book No. 1458, Reception No. 2405243. Declarant intends to develop the Community Area as a high quality, planned community of single family residential homes.

Section 1.2 Purposes of Declaration. Property which becomes subject to this Declaration in the manner hereinafter provided shall be referred to as the Association Area. This Declaration is executed (a) in furtherance of a common and general plan for those portions of the Community Area which may become part of the Association Area; (b) to protect and enhance the quality, value, aesthetic, desirability and attractiveness of all property which becomes part of the Association Area; (c) to provide for an Association as a vehicle to hold, maintain, care for and manage Association properties, including internal landscaped areas which will benefit all Owners of sites by the creation of a unique environment within the Community Area; (d) to perform functions for the benefit of Owners of sites within the Association Area; (e) to define the duties, powers and rights of the Association; and (f) to define certain duties, powers and rights of Owners of sites within the Association Area.

Section 1.3 Declarant. Declarant, for itself, its successors and assigns, hereby declares that all property which becomes subject to this Declaration in the manner hereinafter provided, and each part thereof, shall, from the date the same becomes subject to this Declaration, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration, for the duration thereof all of which are declared to be part of, pursuant to, and in furtherance of a common and general plan of development, improvement, enhancement and protection of the Community Area. The provisions of this Declaration are intended to and shall run with the land and, until their expiration in accordance with Section 10.1 hereof, shall bind, be a charge upon and inure to the mutual benefit of (a) all of the property which becomes part of the Association Area and each part or parcel thereof; (b) Declarant and its successors and assigns; (c) the Association and its successors and assigns; and (d) all persons having or acquiring any right, title or interest in any property which becomes part of the Association Area or any part or parcel thereof or any improvement thereon and their heirs, personal representatives, successors and assigns.

ARTICLE II

DEFINITIONS

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

Section 2.1 Administrative Functions. "Administrative Functions" shall mean all functions as are necessary and proper under this Declaration, and shall include, without limitation, providing

management and administration of the Association; providing architectural review services under Article IV hereof; incurring reasonable attorneys' fees, manager fees, and accountants' fees; obtaining errors and omissions insurance for officers, directors, and agents of the Association; obtaining fidelity bonds for any person handling funds of the Association; paying taxes levied against the Association properties; incurring filing fees, recording costs, and bookkeeping fees; obtaining and maintaining offices and office furniture and equipment; and performing other such reasonable and ordinary administration tasks associated with operating the Association.

Section 2.2 Articles of Incorporation. "Articles of Incorporation" shall mean the Articles of Incorporation of Owners Association, which have been or will be filed in the office of the Secretary of State of the State of Colorado, a copy of which is attached hereto as Exhibit A, as the same may be amended from time to time.

Section 2.3 Assessment. "Assessment" shall mean a Common Assessment, Special Assessment, or a Reimbursement Assessment as hereinafter defined.

Section 2.4 Association. "Association" shall mean the Covington Knolls Homeowners' Association, a Colorado non-profit corporation, its successors and assigns.

Section 2.5 Association Properties. "Association Properties" shall mean all real and personal property, including improvements and all Common Areas, now or hereafter owned by the Association or with respect to which the Association holds an easement for the use care, or maintenance thereof, or for which the Association has a right to maintain, held for the common use and enjoyment of certain of its members as provided herein, and for other purposes as may be permitted by this Declaration. Said Association Properties are set forth on Exhibit B attached hereto.

Section 2.6 Board of Directors. "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

Section 2.7 Budget. "Budget" shall mean a written itemized estimate of the expenses to be incurred by the Association in performing its functions under this Declaration and prepared pursuant to Section 9.14 of this Declaration.

Section 2.8 Bylaws. "Bylaws" shall mean the Bylaws of the Association which have been or will be adopted by the Board of Directors of the Association.

Section 2.9 City. "City" shall mean and refer to the City of Greeley, a municipal corporation of the State of Colorado.

Section 2.10 Common Area. "Common Area" shall mean any portions of the Association Area designated as Common Area which are owned or maintained by the Association for the common use and enjoyment of the Owners, including, but not limited to, parks, gardens or other open space, detention or retention facilities, lakes, ponds, trails, easements, for the use and benefit of the Owners as may be provided in this Declaration or a Supplemental Declaration covering such portion of the Association Area. Such Common Area may be owned: (a) by a Subassociation in which all such Owners shall be entitled to use such common areas; (b) in undivided interests by certain Owners; (c) separately by individual Owners over which the Association or a Subassociation may have an easement for maintenance purposes; or (d) by the City.

Section 2.11 Common Assessment. "Common Assessment" shall mean the assessments made for the purpose of covering the portion of the annual costs of operating the Association, including expenses incurred in connection with any authorized function of the Association, which are

to be paid by each Owner to the Association for purposes provided herein and charted to such Owner and to the site of such Owner. Each Common Assessment includes an Administrative Functions Common Assessment ("AFCA") as further provided in Section 9.8 of this Declaration.

Section 2.12 Declaration. "Declaration" shall mean this instrument as it may be amended from time to time.

Section 2.13 Declarant. "Declarant" shall mean TJRPBR LLC, a Colorado Limited Liability Company, its successors and assigns. A person shall be deemed to be a "successor and assign" of TJRPBR LLC as Declarant only if specifically designated in a duly recorded instrument as a successor or assign of Declarant under this Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Declaration which are specifically designated in the written instrument. However, a successor to TJRPBR LLC by consolidation or merger shall automatically be deemed a successor or assign of TJRPBR LLC as Declarant under this Declaration.

Section 2.14 Deed of Trust. "Deed of Trust" shall mean a mortgage as hereinafter defined.

Section 2.15 Design Review Committee. "Design Review Committee" shall mean the committee provided for in Article IV of this Declaration.

Section 2.16 Development Plan. "Development Plan" shall mean that certain Planned Unit Development recorded at the Weld County Clerk and Recorder's Office on September 2, 1994, Book No. 1458, Reception No. 2405243. The Development Plan may be amended or supplemented from time to time.

Section 2.17 Improvement. "Improvement" shall mean all structures and any appurtenances thereto of every type or kind, including, but not limited to, buildings, outbuildings, swimming pools, tennis courts, lakes, ponds, detention or retention areas, patio covers, awnings, painting of any exterior surfaces of any visible structure, additions, walkways, bicycle trails, outdoor sculptures or art work, sprinkler pipes, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, solar equipment, exterior air conditioning and water softener fixtures.

Section 2.18 Improvement to Property. "Improvement to Property" shall mean any improvement, change, alteration, or addition to any property within the Association Area. "Improvement to Property" is more particularly defined in Section 4.2 of this Declaration.

Section 2.19 Leases. "Lease", as used herein, shall mean and refer to any agreement for the leasing to rental of a site, and shall specifically include, without limitation, a month-to-month rental.

Section 2.20 Maintenance Funds. "Maintenance Funds" shall mean the accounts into which the Board shall deposit monies paid to the Association and from which disbursements shall be made in the performance of the functions of the Association pursuant to Article IX hereof.

Section 2.21 Manager. "Manager" shall mean any one or more persons employed by the Association as hereinafter provided in this Declaration who is engaged to perform any of the duties, powers, or functions of the Association.

Section 2.22 Member. "Member" shall mean the person or, if more than one, all persons collectively who constitute the Owner of a site.

Section 2.23 Mortgage. "Mortgage" shall mean any mortgage or deed of trust or other such instrument, given voluntarily by the Owner of a site, encumbering the site to secure the performance of an obligation or the payment of a debt and which is required to be released upon performance of the obligation or payment of the debt. The term "Deed of Trust" when used herein shall be synonymous with the term "Mortgage."

Section 2.24 Mortgagee. "Mortgagee" shall mean a mortgagee under a mortgage or a beneficiary under a deed of trust, as the case may be, and the assignees of such mortgagee.

Section 2.25 Mortgagor. "Mortgagor" shall mean the person who mortgages his or its property to another (i.e., the maker or grantor of a mortgage). The term "Mortgagor" shall include a trustor under a Deed of Trust.

Section 2.26 Notice and Hearing. "Notice and Hearing" shall mean a written notice and public hearing before the Board of Directors or a Tribunal appointed by the Board, in the manner provided in the Bylaws.

Section 2.27 Notice of Completion. "Notice of Completion" shall mean written notice to the Design Review Committee of the completion of any improvement to property pursuant to Article IV of the Declaration.

Section 2.28 Owner. "Owner" shall mean the person, including Declarant, or, if more than one, all persons collectively, who hold fee simple title of record to a site, including sellers under executory contracts of sale and excluding buyers thereunder.

Section 2.29 Person. "Person" shall mean a natural person, a corporation, a partnership, or any other entity.

Section 2.30 Public Functions. "Public Functions" shall mean the act of providing, installing, operating, administering, managing, and overseeing such public services and functions, including repairs, replacements and maintenance obligations commonly associated with municipal or other local governmental or quasi-governmental organizations, including, without limitation, security protection, fire protection, animal control, vegetation control, insect and pest control, television service, parking facilities, public transportation facilities, including paths and trails, street cleaning, snow removal, signage, including entry monuments, lighting, including seasonal lighting, project and perimeter fencing, landscape walls, landscaping services and facilities, cultural and educational facilities, drainage facilities, including retention and detention ponds, trash and solid waste disposal services and functions and activities as are deemed appropriate by the Board of Directors. The foregoing list shall not be deemed to be a representation by Declarant of services or facilities which will be available for use of the Owners.

Section 2.31 Record or Recorded. "Record" or "Recorded" shall mean the filing for record of any document in the office of the Clerk and Recorder of Weld County, Colorado.

Section 2.32 Site. "Site" shall mean any lot or parcel of land within the Association Area which is shown upon any Recorded plat map or any other parcel of land which may be sold or conveyed without violation of the provisions of Colorado law pertaining to the subdivision of land. "Site" shall not include any Common Area as defined herein.

Section 2.33 Reimbursement Assessment. "Reimbursement Assessment" shall mean a charge against a particular Owner and his site for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation, directly attributable to the

Owner, of the Declaration or the rules and regulations, pursuant to Section 9.23 hereof, together with late charges and interest as provided for herein.

Section 2.34 Rules and Regulations. "Rules and Regulations" shall mean rules and regulations adopted by the Board of Directors as provided in Section 8.15 of this Declaration.

Section 2.35 Special Assessment. "Special Assessment" shall mean a charge against each Owner and his site representing a portion of the costs of the Association for the purpose of funding major capital repairs, maintenance, replacements, and improvements, pursuant to Section 9.22 hereof.

ARTICLE III

GENERAL RESTRICTIONS APPLICABLE TO PROPERTY

All real property within the Association Area shall be held, used, and enjoyed subject to the following limitations and restrictions, and subject to exemptions of Declarant set forth in this Declaration. The strict application of the following limitations and restrictions in any specific case may be modified or waived in whole or in part by the Design Review Committee if such strict application would be unreasonably or unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated in the Design Review Committee.

Section 3.1 Maintenance of Property. No property within the Association Area shall be permitted to fall into disrepair, and all property within the Association Area, including any improvements and landscaping thereon, shall be kept and maintained in a clean, attractive, and sightly condition and in good repair. Maintenance, repair, and upkeep of each site shall be the responsibility of the Owner of the site. Maintenance, repair and upkeep of Association properties shall be the responsibility of the Association. Violation of this provision by an Owner shall permit the Association, after Notice and Hearing, to enter on the site of the Owner and cure the violation or cause compliance with this provision and to levy and collect a reimbursement assessment for the costs and expenses of the Association in so doing; provided however, that there shall be no entry into the interior of an improvement intended for human occupancy without the consent of the Owner thereof unless a clear emergency exists.

Section 3.2 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any property within the Association Area, nor shall anything be done or placed thereon which is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to others.

Section 3.3 Annoying Sounds or Odors. No sound or odor shall be emitted from any property within the Association Area which is noxious or unreasonably offensive to others. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, other than security devices used exclusively for security purposes, shall be located or used on any property except with the prior written approval of the Design Review Committee.

Section 3.4 No Hazardous Activities. No activity shall be conducted on and no improvement shall be constructed on any property within the Association Area which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purposes or within an interior or exterior fireplace designed to prevent the dispersal of burning embers.

Section 3.5 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects, and conditions shall be enclosed within a structure, including snow removal equipment and garden or maintenance equipment except when in actual use.

Section 3.6 Restrictions on Garbage and Trash. No refuse, garbage, trash, lumber, grass, shrub, or tree clippings, plant waste, compost, metal, bulk materials, scrap, refuse, or debris of any kind shall be kept, stored, or allowed to accumulate on any site except within an enclosed structure or appropriately screened from view, except that any container containing such materials may be placed outside at such times as may be necessary to permit garbage or trash pick-up.

Section 3.7 No Temporary Structures. No tent, shack, temporary structure, or temporary building shall be placed upon any property within the Association Area except with the prior written consent of the Design Review Committee obtained in each instance.

Section 3.8 Restriction on Antennae, Pipes, and Utility Lines. Pipes for water, gas, sewer, drainage, or other purposes; and wires, poles, aerials, antennae, satellite dishes and other facilities for the transmission or reception of audio or visual signals or electricity, and utility meters or other utility facilities shall be kept and maintained, to the extent reasonably possible, underground or within an enclosed structure. No exterior radio antenna, television antenna, or other antenna of any type shall be erected or maintained in the Association Area. With the approval of the Design Review Committee, a master antenna or cable television antenna may, but need not, be provided for use of all Owners or a group of Owners, and Declarant may grant easements for such purposes subject to the provisions of Section 10.11 of this Declaration.

Section 3.9 Restrictions on Signs and Advertising. No sign, poster, billboard, advertising device, or display of any kind shall be erected or maintained anywhere within the Association Area so as to be evident to public view except signs as may be approved in writing by the Design Review Committee. A sign advertising a site for sale or for lease may be placed on such site; provided, however, that standards relating to dimensions, color, style, and location of such sign shall be determined from time to time by the Design Review Committee.

Section 3.10 Restrictions on Mining or Drilling. No property within the Association Area shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, or earth, except drilling, exploring for, or removing underground water by Declarant or any person designated by Declarant for the purpose of providing water service to property within the boundaries of the Community Area.

Section 3.11 Maintenance of Drainage. There shall be no interference with the established drainage pattern over any property within the Association Area except as approved in writing by the Design Review Committee. Approval shall not be granted unless provision is made for adequate alternate drainage. The "established drainage pattern" shall mean the drainage pattern which exists at the time the overall grading of any property is completed and shall include any established drainage pattern shown on any plans approved by the Design Review Committee. The established drainage pattern may include the drainage pattern: (a) from Association properties over any site; (b) from any site over the Association properties; (c) from any property owned by the City or other persons over any site; (d) from any site over property the City or other persons; or (e) from any site over another site.

Section 3.12 Compliance with Insurance Requirements. Except as may be approved in writing by the Board of Directors, nothing shall be done or kept on property within the Association Area which may result in a material increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Association.

Section 3.13 Compliance with Laws. Nothing shall be done or kept on any property within the Association Area in violation of any law, ordinance, rule, or regulation of any governmental authority having jurisdiction.

Section 3.14 Further Subdivision of Sites. The Owner of a site shall not further subdivide that site.

Section 3.15 Restrictions on Sewage Disposal Systems. No cesspool, septic tank, or other sewage disposal system shall be installed within the Association Area without the prior written consent of the Design Review Committee. Any sewage disposal system installed for property within the Association Area shall be subject to applicable laws, rules, and regulations of any governmental authority having jurisdiction.

Section 3.16 Restrictions on Water Systems. No individual water supply system shall be installed or maintained for any property within the Association Area unless such system is approved in writing by the Design Review Committee and is designed, located, constructed, and equipped in accordance with the requirements, standards, and recommendations of any applicable water and sanitation district or other governmental authority having jurisdiction.

Section 3.17 Restoration in the Event of Damage or Destruction. In the event of damage or destruction of any improvement on any site, the Owner thereof shall cause the damaged or destroyed improvement to be restored or replaced to its original condition as may be approved in writing by the Design Review Committee, or the Owner shall cause the damaged or destroyed improvement to be demolished and the site to be suitably landscaped, subject to the approval of the Design Review Committee, so as to present a pleasing and attractive appearance.

Section 3.18 Storage. No building materials shall be stored on any site except temporarily during continuous construction of an improvement.

Section 3.19 Clotheslines. No outdoor clotheslines will be permitted.

Section 3.20 Vehicle Repairs. No maintenance, servicing, repair, dismantling, or repainting of any type of vehicle, boat, machine, or device may be carried on except within a completely enclosed structure which screens the sight and sound of the activity from the street and from other sites.

Section 3.21 Construction Activities. During construction, all construction debris will be stored in a manner which will prevent its being blown away or otherwise dislodged by storms or high winds and will be removed from the construction site at least once per week. If these requirements are not complied with during construction, the Association may notify the Owner or contractor involved, and, if the deficiencies have not been remedied within the next two days, the Association may then remove the trash and debris. The Owner and contractor involved will have no claim for damages or otherwise on account of such removal, and all costs incurred by the Association will be an assessment against the site involved and will be deemed to be a reimbursement assessment pursuant to this Declaration.

Section 3.22 Trailers, Campers and Junk Vehicles. No boat, camper (on or off supporting vehicles), trailer, tractor, truck, towed trailer unit, motorcycle, disabled, junk, or abandoned vehicles, motor home, mobile home, recreational vehicle, any other vehicle, the primary purpose of which is recreational, sporting, or commercial use, shall be parked or stored in, on, or about any site or street within the Association Area, except with the written permission of the Design Review Committee. The

Association shall have the right to enter Owner's site to remove and store at Owner's expense vehicles in violation of this Section. Owner shall be entitled to thirty (30) days written notice prior to such action by the Association.

Section 3.23 Restriction on Leases. Any Owner shall have the right to lease his site under the following conditions:

- (a) All leases shall be in writing;
- (b) All leases shall be for a site with a completed residence thereon;
- (c) All leases shall provide that the terms of the lease and lessee's occupancy of the site shall be subject in all respects to the provisions of this Declaration, and the Articles of Incorporation, the Bylaws, and the rules and regulations of the Association, and that any failure by the lessee to comply with any of the aforesaid documents, in any respect, shall be a default under the lease; and
- (d) Each Owner shall notify the Association immediately upon the leasing of his site, and register with the Association both the name(s) of the tenant(s) and new mailing information for notices to be sent from the Association directly to such Owner.

Section 3.24 Animals. No animals, livestock or poultry of any kind shall be raised, kept or bred upon any lot except household pets, provided they are not kept, bred or maintained for any commercial purpose and do not constitute a nuisance. Household pets shall not be permitted to roam freely around the properties but shall be kept under the strict supervision and control of their owners at all times. Animal owners must immediately remove excrement from any property other than their own. Dog runs will be allowed but they must not be visible from a street and/or public view. The number of pets shall be subject to ordinances, rules and regulations of the City of Greeley.

ARTICLE IV

ARCHITECTURAL APPROVAL

Section 4.1 Approval of Improvements Required. The approval of the Design Review Committee shall be required for any improvement to property on any site and except for any improvement to Property made by Declarant and except as prior approval may be waived or certain improvements to property may be exempted in writing or under written guidelines or rules promulgated by the Design Review Committee because approval in such case or cases is not reasonably required to carry out the purposes of this Declaration.

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

Section 4.3 Membership of Committee. The Design Review Committee shall consist of three (3) members all of whom shall be appointed by Declarant. Declarant shall have the continuing

right to appoint all three (3) members during the Appointment Period (as hereinafter defined). The Association shall have the right to appoint such members after the end of the Appointment Period. The "Appointment Period" shall mean the period of time commencing as of the date of Recordation of this Declaration and continuing until the earliest to occur of the following events: (a) when all sites permitted by the Development Plan have been conveyed to persons other than Declarant and certificates of occupancy have been issued for the residences constructed thereon; (b) December 31, 2020; or (c) when, in its discretion, Declarant voluntarily relinquishes such right. Members of the Design Review Committee may but shall not necessarily be members of the Association. Members of the Design Review Committee to be appointed by the Association shall be appointed by the Board of Directors. Members of the Design Review Committee appointed by the Board of Directors may be removed at any time by the Board, and shall serve for such term as may be designated by the Board or until resignation or removal by the Board. During the period of development of community area while Declarant has rights to appoint members of the Design Review Committee, Declarant shall give the Association written notice of the appointment or removal of any member of the Design Review Committee. After the Appointment Period, the Association may at any time and from time to time change the authorized number of members of the Design Review Committee, but the number of members of the Design Review Committee shall not be less than three (3).

Section 4.4 Establishment of Subcommittees. The Design Review Committee shall have the right to establish subcommittees ("Covenant Committees") for the review of modification to improvements upon sites, after the initial construction thereof has been completed and a certificate of occupancy has been issued thereon, and for enforcement of compliance with this Declaration. For purposes of this Declaration, all references to the Design Review Committee shall also refer to any Covenant Committee established by the Design Review Committee. The procedures for establishment and the rights and duties of any Covenant Committee, and the limitations thereon shall be set forth in the Design Standards.

Section 4.5 Address of Committee. The address of the Design Review Committee shall be at the principal office of the Association unless otherwise set forth in the Design Standards.

Section 4.6 Submission of Plan. Prior to commencement of work to accomplish any proposed improvement to property, the person proposing to make such improvement to property ("Applicant") shall submit to the Design Review Committee at its offices such descriptions surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications, and samples of materials and colors as the Design Review Committee shall reasonably request showing the nature, kind, shape, height, width, color, materials, and location of the proposed improvement to property. All submissions shall conform and be in accordance with the Design Standards described in Section 4.8. The Applicant shall be entitled to receive a receipt for the same from the Design Review Committee or its authorized agent. The Design Review Committee may require submission of additional plans, specifications, or other information prior to approving or disapproving the proposed improvement to property. Until receipt by the Design Review Committee of all required materials in connection with the proposed improvement to property, the Design Review Committee may postpone review of any materials submitted for approval.

Section 4.7 Criteria for Approval. The Design Review Committee shall approve any proposed improvement to property only if it deems in its reasonable discretion that the improvement to property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Association Area as a whole; that the appearance of the proposed improvement to property will be in harmony with the surrounding areas of the Association Area; that the improvement to property will not detract from the beauty, wholesomeness, and attractiveness of the Association Area or the enjoyment thereof by Owners; and that the upkeep and maintenance of the proposed improvement to property will not become a burden on the Association. The Design Review Committee may condition

its approval of any proposed improvement to property upon the making of such changes therein as the Design Review Committee may deem appropriate.

Section 4.8 Design Standards. The Design Review Committee shall issue standards or rules ("Design Standards") relating to the procedures, materials to be submitted, fees, and additional factors which will be taken into consideration in connection with the approval of any proposed improvement to property. The Design Standards may specify circumstances under which the strict application of limitations or restrictions under this Declaration will be waived or deemed waived in whole or in part because strict application of such limitations or restrictions would be unreasonable or unduly harsh under the circumstances. The Design Standards may waive the requirement for approval, if such approval is not reasonably required to carry out the purposes of this Declaration.

Section 4.9 Architectural Review Fee. The Design Review Committee may, in the Design Standards, provide for the payment of a fee to accompany each request for approval of any proposed improvement to property. The Design Review Committee may provide that the amount of such fee shall be uniform for similar types of any proposed improvement to property or that the fee shall be determined in any other reasonable manner, such as based upon the estimated cost of the proposed improvement to property.

Section 4.10 Decision of Committee. Any decision of the Design Review Committee shall be made within thirty (30) days after receipt by the Design Review Committee of all materials required by the Design Review Committee unless such time period is extended by mutual agreement. The decision shall be in writing and if the decision is not to approve a proposed improvement to property, the reasons therefore shall be stated. The decision of the Design Review Committee shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the Design Review Committee.

Section 4.11 Failure of Committee to Act on Plans. Any request for approval of a proposed improvement to property shall be deemed approved, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Design Review Committee within thirty (30) days after the date of receipt by the Design Review Committee of all required materials.

Section 4.12 Prosecution of Work After Approval. After approval of any proposed improvement to property, the proposed improvement to property shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed improvement to property, and materials submitted to the Design Review Committee in connection imposed by the Design Review Committee. Failure to complete the proposed improvement to property within eighteen (18) months after the date of approval or to complete the improvement to property in accordance with the description and materials furnished to, and the conditions imposed by, the Design Review Committee, shall constitute noncompliance with the requirements for approval of improvements to property.

Section 4.13 Notice of Completion. Upon completion of the improvement to property, the Applicant must give written Notice of Completion to the Design Review Committee. Until the date of receipt of such Notice of Completion, the Design Review Committee shall not be deemed to have notice of completion of such improvement to property.

Section 4.14 Inspection of Work. The Design Review Committee or its duly authorized representative shall have the right to inspect any improvement to property prior to or after completion, provided that the right of inspection shall terminate thirty (30) days after the Design Review Committee shall have received a Notice of Completion from Applicant.

Section 4.15 Notice of Non-Compliance. If, as a result of inspections or otherwise, the Design Review Committee finds that any improvement to property has been done without obtaining the approval of the Design Review Committee or was not done in substantial compliance with the description and materials furnished to, and any conditions imposed by, the Design Review Committee or was not completed within eighteen (18) months after the date of approval by the Design Review Committee, the Design Review Committee shall notify the Applicant in writing of the noncompliance, which notice shall be given, in any event, within thirty (30) days after the Design Review Committee receives a Notice of Completion from the Applicant. The notice shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

Section 4.16 Failure of Committee to Act After Completion. If, for any reason other than the Applicant's act or neglect, the Design Review Committee fails to notify the Applicant of any noncompliance within thirty (30) days after receipt by the Design Review Committee of written Notice of Completion from the Applicant, the improvement to property shall be deemed in compliance if the improvement to property was, in fact, completed as of the date of Notice of Completion.

Section 4.17 Appeal to Association Board of Finding of Noncompliance. If the Design Review Committee gives any notice of noncompliance, the Applicant may appeal to the Board of Directors by giving written notice of such appeal to the Board and the Design Review Committee within thirty (30) days after receipt of the notice of noncompliance by the Applicant. If, after a notice of noncompliance, the Applicant fails to commence diligently to remedy such noncompliance, the Design Review committee shall request a finding of compliance by the Board of Directors by giving written notice of such request to the Association and the Applicant within thirty (30) days after delivery to the Applicant of a notice of noncompliance from the Design Review Committee. In either event, the Board of Directors or a Tribunal appointed pursuant to the Bylaws shall hear the matter in accordance with the provisions of the Bylaws for Notice and Hearing, and the Board shall decide whether or not there has been such noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same.

Section 4.18 Correction of Noncompliance. If the Board of Directors determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than forty-five (45) days from the date receipt by the Applicant of the ruling of the Board of Directors. If the Applicant does not comply with the Board ruling within such period, the Board may, at its option, record a Notice of Noncompliance against the real property on which the noncompliance exists, may remove the noncomplying improvement to property, or may otherwise remedy the noncompliance, and the Applicant shall reimburse the Association, upon demand, for all expenses incurred therewith. If such expenses are not promptly repaid by the Applicant or Owner to the Association, the Board may levy a reimbursement assessment against the Owner of the site for such costs and expenses. The right of the Association to remedy or remove any noncompliance shall be in addition to all other rights and remedies which the Association may have at law, in equity, or under this Declaration.

Section 4.19 No Implied Waiver or Estoppel. No action or failure to act by the Design Review Committee or by the Board of Directors shall constitute a waiver or estoppel with respect to future action by the Design Review Committee or the Board of Directors with respect to any improvement to property. Specifically, the approval of the Design Review Committee of any improvement to property shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar improvement to property or any similar proposals, plans, specifications, or other materials submitted with respect to any other improvement to property.

Section 4.20 Committee Power to Grant Variances. The Design Review Committee may authorize variances from compliance with any of the provisions of this Declaration, including restrictions upon height, size, floor area, or placement of structures or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Design Review Committee. If any such variance is granted, no violation of the provisions of this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned, including, but not limited to, the Development Plan and zoning ordinances and setback lines or requirements imposed by any governmental authority having jurisdiction.

Section 4.21 Compensation of Members. Members of the Design Review Committee may receive compensation for services rendered including reimbursement of out-of-pocket expenses incurred by them in the performance of their duties hereunder.

Section 4.22 Meetings of Committee. The Design Review Committee shall meet from time to time as necessary to perform its duties hereunder. The Design Review Committee may from time to time, by resolution in writing adopted by a majority of the members, designate a Committee Representative (who may but need not be one of its members) to take any action or perform any duties for or on behalf of the Design Review committee, except the granting of approval to any improvement to property and granting of variances. The action of such Committee Representative within consent or the vote of a majority of the members of the Design Review Committee shall constitute action of the Design Review Committee.

Section 4.23 Records of Actions. The Design Review Committee shall report in writing to the Board of Directors all final action of the Design Review Committee, and the Board shall keep a permanent record of such reported action.

Section 4.24 Estoppel Certificates. The Board of Directors shall, upon the reasonable request of any interested party and after confirming any necessary facts with the Design Review Committee, furnish a certificate with respect to the approval or disapproval of any improvement to property or with respect to whether any improvement to property was made in compliance herewith. Any person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

Section 4.25 Nonliability of Committee Action. There shall be no liability imposed on the Design Review Committee, any member of the Design Review committee, any Committee Representative, the Association, any member of the Board of Directors, or Declarant for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Design Review Committee unless due to the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Design Review Committee shall not be responsible for reviewing, nor shall its approval of an improvement to property be deemed approval of the improvement to property from the standpoint of safety, whether structural or otherwise, or conformance with building codes or other government laws or regulations.

Section 4.26 Construction Period Exception. During the course of actual construction of any permitted structure or improvement to property, and provided construction is proceeding with due diligence, the Design Review Committee shall temporarily suspend the provisions contained in this

Declaration as to the property upon which the construction is taking place to the extent necessary to permit such construction, provided that, during the course of any such construction, nothing is done which will result in a violation of any of the provisions of this Declaration upon completion of construction and nothing is done which will constitute a nuisance or unreasonable interference with the use and enjoyment of other property.

ARTICLE V

ASSOCIATION PROPERTIES

Section 5.1 Member's Rights of Use and Enjoyment Generally. All members may use the Association Properties subject to the restrictions set forth herein. Declarant hereby grants an easement of ingress and egress to members and their designated guests over the roads as shown on subdivision plat.

Section 5.2 Right of Association to Regulate Use. The Association, acting through the Board, shall have the power to regulate use of Association properties by members to further enhance the overall rights of use and enjoyment of all members, including imposing reasonable limits on the times of use and numbers of guests permitted to use Association properties.

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

Section 5.4 Liability of Owners for Damage by Member. Each member shall be liable to the Association for any damage to Association properties or for any expense or liability incurred by the Association, to the extent not covered by insurance, which may be sustained by reason of the negligence or willful misconduct of such member or any person using the Association properties through such member and for any violation by such member or any such person of this Declaration or any rule and Regulation adopted by the Association. The Association shall have the power, as elsewhere provided in this Declaration, to levy and collect a reimbursement assessment against a member, after Notice and Hearing, to cover the costs and expenses incurred by the Association on account of any such damage or any such violation of this Declaration or of such rules and regulations or for any increase in insurance premiums directly attributable to any such damage or any such violation.

Section 5.5 Association Duties if Damage, Destruction, or Required Improvements. In the event of damage to Association properties by fire or other casualty or in the event any governmental authority shall require any repair, reconstruction, or replacement of any Association properties, the Association shall have the duty to repair, reconstruct, or replace the same. Any insurance proceeds payable by reason of damage or destruction of Association properties by fire or other casualty shall be paid to the Association and shall be used, to the extent necessary, to pay the costs of repair, reconstruction, or replacement. If funds from insurance proceeds or from reserves for replacement are insufficient to pay all costs of repair, reconstruction, or replacement of improvements damaged or destroyed, or if the Association is required to make repairs, replacements, or improvements by governmental authorities, the Association may, in order to make up any deficiency in the insurance proceeds or to pay for the required repair, replacement, or improvement, levy a Special Assessment in accordance with Section 9.22, or if a member or group of members is liable for such damage, levy a reimbursement assessment against the member or group of members responsible therefore, to provide the additional funds necessary as elsewhere provided in this Declaration. Repair, reconstruction, or replacement of Association properties shall be done under such contracting and bidding procedures as the Association shall determine are appropriate. If insurance proceeds available to the Association on account of damage or destruction exceed the cost of repair, reconstruction, and

replacement, the Association may use the same for future maintenance, repair, improvement, and operation of other Association properties.

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

Section 5.7 Title to Association Properties on Dissolution of Association. In the event of dissolution of the Association, the Association properties shall, to the extent reasonably possible, be conveyed or transferred to an appropriate public, governmental or quasi-governmental agencies or organizations or to a nonprofit corporation, association, trust, or other organization, to be used, in any such event, for the common benefit of Owners for similar purposes for which the particular Association property was held by the Association. To the extent the foregoing is not possible, the Association properties shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to members in proportion to the number of AFCA Units of each member, as determined in Section 9.9 of this Declaration.

ARTICLE VI

DECLARANT'S RIGHTS AND RESERVATIONS

Section 6.1 Period of Declarant's Rights and Reservations. Declarant shall have, retain, and reserve certain rights as hereinafter set forth with respect to the Association and the Association properties from the date hereof, until the time that the last site within the Association Area has been sold and conveyed to Declarant. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of property by Declarant to the Association whether or not specifically stated therein and in each deed or other instrument by which any property within the Association Area is conveyed to Declarant. The rights, reservations, and easements hereinafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded, or affected by any amendment of this Declaration. Declarant's consent to any one such amendment shall not be construed as consent to any other subsequent amendment.

Section 6.2 Right to Construct Additional Improvements on Association Properties. Declarant shall have and hereby reserves the right, but shall not be obligated to, construct additional improvements on Association properties at any time and from time to time in accordance with the Development Plan and this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners, so long as such construction does not directly result in an increase in the then current Common Assessments applicable to a site by more than twenty percent (20%). If any construction of additional improvements would have such effect, Declarant may nevertheless construct such additional improvements so long as Declarant agrees to subsidize directly the Association such excess expenses. Declarant shall convey or transfer such improvements to the Association and the Association shall be obligated to accept title to, care for, and maintain the same as elsewhere provided in this Declaration.

Section 6.3 Declarant's Rights to Use Association Properties in Promotion and Marketing of Association Area. Declarant shall have and hereby reserves the right to reasonable use of the Association properties and of services offered by the Association in connection with the promotion and marketing of property within the boundaries of the Community Area. Without limiting the generality of the foregoing, Declarant may erect and maintain on any part of the Association properties such signs, temporary buildings, and other structures as Declarant may reasonably deem necessary or proper in connection with the promotion, development, and marketing of real property within the Community Area; may use vehicles and equipment on Association properties for promotional purposes; and may permit prospective purchasers of property within the boundaries of the Community Area who are not Owners or members of the Association to use Association properties at reasonable times and in reasonable numbers; and may refer to the Association properties and to the Association and services offered by the Association in connection with the development, promotion, and marketing of property within the boundaries of the Community Area.

Section 6.4 Declarant's Rights to Complete Development of Community Area. No provision of this Declaration shall be construed to prevent or limit Declarant's rights to complete development of property within the boundaries of the Community Area; to construct or alter improvements on any property owned by Declarant within the Community Area; to maintain model homes, offices for construction, sales purposes, or similar facilities on any property owned by Declarant or owned by the Association within the Community Area; or to post signs incidental to development, construction, promotion, marketing, or sales of property within the boundaries of the Community Area. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approvals (a) to excavate, cut, fill, or grade any property owned by Declarant or to construct, alter, demolish, or replace any improvements on any property owned by Declarant; or (b) to use any structure on any property owned by Declarant as a construction, model home, or real estate sales office in connection with the sale of any property within the boundaries of the Community Area; or (c) to require Declarant to seek or obtain the approval of the Design Review Committee or of the Association for any such activity or improvement to property on any property owned by Declarant. Nothing in this Declaration shall limit or impair the reserved rights of Declarant as elsewhere provided in this Declaration.

Section 6.5 Declarant's Approval of Conveyances or Changes in Use of Association Properties. Until Declarant has lost the right to appoint the members of the Design Review Committee, the Association shall not, without first obtaining the prior written consent of Declarant, which consent shall not be unreasonably withheld, convey, change, or alter the use of Association properties, mortgage the Association properties, or use Association properties other than solely for the benefit of members or as specifically allowed hereunder.

Section 6.6 Declarant's Right to Grant and Create Easements. Declarant shall have and hereby reserves the right to grant or create temporary or permanent easements for access, utilities, drainage, water, and other purposes incident to development and sale of the Community Area located in, on, under, over, and across (a) sites owned by Declarant, and (b) Association properties, provided that such easements do not create a permanent, unreasonable interference with the rights of the Owners. Declarant's right to grant or create easements in, on, under, over, or across Association properties shall be subject to the provisions of Section 10.11 of this Declaration.

Section 6.7 Declarant's Rights to Convey Additional Property to Association. Declarant shall have and hereby reserves the right, but shall not be obligated to, convey additional real property and improvements thereon to the Association at any time and from time to time in accordance with the Development Plan and this Declaration, so long as any conveyance does not directly result in an increase in the then current Common Assessments applicable to a site by more than twenty percent (20%), unless Declarant agrees to subsidize directly to the Association such excess expenses.

ARTICLE VII

ASSOCIATION OPERATION

Section 7.1 Association. The Association has been or will be formed as a Colorado Corporation under the Colorado Nonprofit Corporations Act. The Association shall have the duties, powers, and rights set forth in this Declaration and in its Articles of Incorporation and Bylaws. As more specifically set forth hereinafter, the Association shall have a Board of Directors to manage its affairs. The Board of Directors shall be elected by Owners acting in their capacity as members of the Association.

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

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

Section 7.4 Voting Rights of Members. Each member shall have the right to cast one vote for each site owned by such member in accordance with the Bylaws. There shall be Class A members and Class B members. Initially, Class A members shall be all members with the exception of Declarant, and each Class A member shall be entitled to one (1) vote for each site which he or it owns within the Association Area. Declarant shall become a Class A member, with regard to sites owned by Declarant after termination of Declarant's Class B membership rights. Declarant shall be the sole Class B member. The Class B member shall be entitled to select and appoint, in its sole discretion, Directors in accordance with the By-Laws, until termination of Declarant's Class B membership. The Class B membership shall cease and be converted to a Class A membership on the happening of either of the following events, whichever occurs earlier: (a) no later than either sixty (60) days after conveyance of seventy-five percent (75%) of the units that may be created to unit owners other than a declarant; (b) two (2) years after the last conveyance of a unit by the declarant in the ordinary course of business; (c) or two (2) years after any right to add new units was last exercised; or (d) when, in its discretion, the Class B member so determines. The Bylaws of the Association shall provide for the manner, time, place, conduct, and voting procedures for member meetings.

ARTICLE VIII

DUTIES AND POWERS OF ASSOCIATION

Section 8.1 General Duties and Powers of Association. The Association has been formed to further the common interests of the members. The Association, acting through the Board or persons to whom the Board has delegated such powers, shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interests of the members; to maintain, improve, and enhance the common interests of the members; to maintain, improve, and enhance Association properties; and to improve and enhance the attractiveness, aesthetics, and desirability of the Association Area.

Section 8.2 Duty to Accept Property and Facilities Transferred by Declarant. The Association shall accept title to any property, including any improvements thereon and personal property transferred to the Association by Declarant, and equipment related thereto, together with the responsibility to perform any and all administration functions, and public functions associated therewith, provided that such property and functions are not inconsistent with the terms of this Declaration and the Development Plan. Property interests transferred to the Association by Declarant may include fee simple title, easements, leasehold interests, and licenses to use. Any property or interest in property transferred to the Association by Declarant shall be within the boundaries of the Association. Any property or interest in property transferred to the Association by declarant shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and encumbrances (other than the lien of property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, easements, covenants, conditions, restrictions, and equitable servitudes or other encumbrances which do not materially affect the use and enjoyment of the property by the Association or by Owners. Except as otherwise specifically approved by resolution of the Board of Directors, no property or interest in property transferred to the Association by Declarant shall impose upon the Association any obligation to make monetary payments to Declarant or any affiliate of Declarant, including, but not limited to, any purchase price, rent, charge, or fee. The property or interest in property transferred to the Association by Declarant shall not impose any unreasonable or special burden on the Association other than the normal burdens of ownership of property.

Section 8.3 Duty to Manage and Care for Property. The Association shall manage, operate, care for, maintain, and repair all Association property and keep the same in an attractive and desirable condition for the use and enjoyment of the members.

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

Section 8.5 Duty to Maintain Casualty Insurance. The Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable, casualty, fire, and extended coverage insurance with respect to all insurable improvements and personal property owned by the Association including, if available at reasonable cost, coverage for vandalism and malicious mischief

and, if available and if deemed appropriate, coverage for flood, earthquake, and war risk. Casualty, fire, and extended coverage insurance with respect to insurable improvements shall, to the extent reasonably obtainable, be for the full insurable value based on current replacement cost.

Section 8.6 Duty to Maintain Liability Insurance. The Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable, broad form comprehensive liability insurance covering public liability for bodily injury and property damage including, if the Association owns or operates motor vehicles, public liability for bodily injury and property damage arising as a result of the ownership and operation of motor vehicles. Public liability insurance for other than motor vehicle liability shall, to the extent reasonably obtainable, have limits of not less than Five Hundred Thousand Dollars (\$500,000) per person and Two Million Dollars (\$2,000,000) per occurrence.

Section 8.7 General Provisions Respecting Insurance. Insurance obtained by the Association may contain such deductible provisions as good business practice may dictate. Insurance obtained by the Association shall, to the extent reasonably possible without undue cost, cover each member without each member necessarily being specifically named. Insurance obtained by the Association shall, to the extent reasonably possible without undue cost, contain a waiver of rights of subrogation as against the Association, each member, and any person claiming by, through, or under such member and as against any officer, director, agent, or employee of any of the foregoing. Insurance obtained by the Association shall, to the extent reasonably possible and provided Declarant reimburses the Association for any additional premium payable on account thereof, name Declarant as an additional insured and shall contain a waiver of rights of subrogation as against Declarant. Insurance policies and insurance coverage shall be reviewed at least annually by the Board of Directors to ascertain whether coverage under the policies is sufficient in light of the current values of the Association properties and in light of the possible or potential liabilities of the Association. Casualty, fire, and extended coverage insurance may be provided under blanket policies covering the Association properties and property of Declarant. In no event shall insurance coverage obtained or maintained by the Association be brought into contribution with insurance purchased by Owners, occupants or their mortgagees.

Section 8.8 Fidelity Bonds Required. The Association shall obtain and keep in force at all times a fidelity bond or bonds for any person handling funds of the Association including, but not limited to, employees of the manager. Each such bond shall name the Association as obligee and shall be not less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the Manager, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months aggregate assessments on all units plus reserve funds.

Section 8.9 Other Insurance and Bonds. The Association shall obtain such other insurance as may be required by law, including workmen's compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity, or other bonds as the Association shall deem necessary or desirable.

Section 8.10 Duty to Prepare Budgets. The Association shall prepare budgets for the Association as elsewhere provided in this Declaration.

Section 8.11 Duty to Levy and Collect Assessments. The Association shall levy and collect Assessments as elsewhere provided in this Declaration.

Section 8.12 Duty to Provide Audit. The Association shall provide for an annual independent audit of the accounts of the Association. Copies of the report of the audit shall be made available to any member who requests a copy of the same upon payment by such member of the reasonable cost of copying the same.

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

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

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

Section 8.16 Power to Enforce Declaration and Rules and Regulations. The Association shall have the power to enforce the provisions of this Declaration and the rules and regulations and shall take action as the Board deems necessary or desirable to cause such compliance by each member and each person claiming by, through, or under such member ("Related User"). Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and the rules and regulations by any one or more of the following means: (a) by entry upon any property within the Association Area after Notice and Hearing (unless a bona fide emergency exists), without liability to the Owner thereof, for the purpose of enforcement or causing compliance with this Declaration or the rules and regulations; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the rules and regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Declaration or the rules and regulations; (d) by suspension, after Notice and Hearing, of the voting rights of a member during and for up to sixty (60) days following any breach by such member or a related user of such member of this Declaration or the rules and regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (f) by levying and collecting, after Notice and Hearing, a reimbursement assessment against any member for breach of this Declaration or the rules and regulations by such member or related user of such member; and (g) uniformly applied fines and penalties, established in advance in the rules and regulations by such member or related user of such member.

Section 8.17 Power to Provide Public Functions. The Association shall have the power to acquire, construct, operate, manage, maintain, repair, and replace public facilities and to provide Public Functions as defined in this Declaration.

Section 8.18 Power to Provide Services to Subassociations. The Association shall have the power to provide services to Subassociations. Such services to any Subassociation shall be provided pursuant to an agreement in writing between the Association which shall provide for the payment by such Subassociation to the Association of the reasonably estimated expenses of the Association.

Services which may be provided to a Subassociation may include, without limitation, (a) the construction, care, operation, management, maintenance, repair, and replacement of improvements owned by the Subassociation; (b) the providing of Public Functions to the area covered by the Subassociation; (c) the enforcement of the provisions of any Supplemental Declaration for, on behalf of, and in the name of the Subassociation; (d) the collection of assessments for, in the name of, and on behalf of a Subassociation; (e) the payment of taxes for a Subassociation with funds of the Subassociation; (f) the obtaining of insurance for a Subassociation; (g) the collection of charges for use of facilities of a Subassociation; and (h) the appointment and supervision of a Manager for a Subassociation.

Section 8.19 Power to Provide Special Services for Members. The Association shall have the power to provide services to a member or group of members. Any service or services to a member or group of members shall be provided pursuant to an agreement in writing, or through one or more Supplemental Declarations, which shall provide for payment to the Association by such member or group of members of the reasonably estimated costs and expenses of the Association of providing such services, including a fair share of the overhead expenses of the Association and shall contain reasonable provisions assuring that the obligation to pay for such services shall be binding upon any heirs personal representatives, successors and assigns of the member or group of members and that the payment for such services shall be secured by a lien on the property of the member or group of members.

Section 8.20 Power to Charge for Facilities and Services. The Association shall have the power to establish reasonable and uniformly applied charges for the use of facilities and services. Such charges or fees shall be set forth in schedules of charges and fees adopted from time to time by the Board of Directors.

Section 8.21 Power to Grant Easements. The Association shall have the power to grant access, utility, drainage, water facility, and other such easements in, on, over, or under Association properties.

Section 8.22 Power to Convey and Dedicate Property to Governmental Agencies. The Association, with the approval of members representing at least two-thirds (2/3) of the voting power of the Association, shall have the power to grant, convey, dedicate, or transfer any Association properties or facilities to any public, governmental or quasi-governmental agency or authority for such purposes and subject to such terms and conditions as the Association shall deem appropriate, subject to the provisions elsewhere contained in this Declaration for approval of the same by Declarant with respect to property transferred to the Association by Declarant, and by members representing the Owners of sites.

Section 8.23 Power to Borrow Money and Mortgage Property. The Association shall have the power to borrow money and, with the approval of members representing at least two-thirds (2/3) of the voting power of the Association, to encumber Association properties as security for such borrowing, subject to provisions elsewhere contained in this Declaration with respect to required approvals and consents to such action.

Section 8.24 Power to Employ Managers. The Association shall have the power to retain and pay for the services of a Manager or Managers, which may be an affiliate of Declarant, to undertake any of the management or Administrative Functions or Public Functions for which the Association has responsibility under this Declaration to the extent deemed advisable to the Association, and may delegate any of its duties, powers, or functions to any such Manager. Any contract or agreement with any such Manager shall be terminable by the Association for cause on no more than thirty (30) days' prior written notice, and shall be terminable by the Association without cause and without payment

of a termination fee on no more than ninety (90) days' prior written notice. Any such contract or agreement or agreement shall be for a term of no more than one (1) year but may be subject to renewal for succeeding terms of no more than one (1) year but may be subject to renewal for succeeding terms of no more than one (1) year each. Notwithstanding any delegation to a Manager of any duties, powers, or functions of the Association, the Association and its Board of Directors shall remain ultimately responsible for the performance and exercise of such duties, powers, and functions.

Section 8.25 Power to Engage Employees, Agents, and Consultants. The Association shall have the power to hire and discharge employees and agents and to retain and pay for legal and accounting services as may be necessary or desirable in connection with the performance of any duties or the exercise of any powers of the Association under this Declaration.

Section 8.26 General Corporate Powers. The Association shall have all of the ordinary powers and rights of a Colorado corporation formed under the Colorado Nonprofit Corporation Act, including, without limitation, entering into partnership and other agreements, subject only to such limitations upon such powers as may be set forth in this Declaration or in the Articles of Incorporation or Bylaws. The Association shall also have the power to do any and all lawful things which may be authorized, required, or permitted to be done under this Declaration or the Articles of Incorporation or Bylaws and to do and perform any and all acts which may be necessary or desirable for, or incidental to, the exercise of any of the express powers or rights of the Association under this Declaration and the Articles of Incorporation or Bylaws.

Section 8.27 Powers as to Trash Collection. The Association shall have the power to regulate the days and hours during which trash and solid waste may be collected or put out for collection in any neighborhood. The Association shall also have the power to provide services for the collection of trash and solid waste within all or any portions of the Association Area including a recycling program. In the event the Association provides for such service, each Owner within any area served by such service shall, whether or not such Owner utilizes the service, be obligated to pay assessments levied by the Association to cover the costs of providing such service. The areas to be served and the amount of assessments shall be determined by the Board of Directors. The amount of the assessment shall be reasonable and shall represent a fair allocation of the costs of providing the service, including a fair allocation of administrative and overhead costs of the Association.

ARTICLE IX

ASSESSMENTS, BUDGETS, AND FUNDS

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

Section 9.2 Establishment of Other Funds. The Association may establish other funds as and when needed. Nothing herein shall limit, preclude, or impair the authority of the Association to establish other funds for specified purposes authorized by this Declaration. If the Association establishes any additional funds, the Board shall designate an appropriate title for the fund to distinguish it from other fund maintained by the Association.

Section 9.3 Deposit of Common Assessments to Maintenance Funds. Monies received by the Association from Common Assessments shall be deposited in the Maintenance Funds in accordance with the following provisions: (a) there shall be deposited to the Administrative Functions common Assessments ("AFCAs") which, according to the Association Budget for the year, was budgeted for operating costs and expenses of the Administrative Functions; (b) there shall be deposited to the Administrative Functions Reserve Fund that portion of the AFCAs which were budgeted for the Reserve Fund for Administrative Functions; (c) there shall be deposited to the Public Functions Operating Fund that portion of Public Functions Common Assessments ("PFCAs") which was budgeted for operating costs and expenses of the Public Functions; and (d) there shall be deposited to the Public Functions Reserve Fund that portion of the PFCAs budgeted for the Reserve Fund for Public Functions.

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

Section 9.5 Disbursements from Maintenance Funds. All amounts deposited in the Maintenance Funds shall be used solely for the common benefit of all the members for purposes authorized by this Declaration. Disbursements from particular Maintenance Funds shall be limited to specified purposes as follows: (a) disbursements from the Administrative Functions Operating Fund maybe made for such purposes as are necessary or property under this Declaration, except those purposes for which disbursements are to be made from other Maintenance Funds as follows; (b) disbursements from the Administrative Functions reserve Fund shall be made solely for purposes of funding those Administrative Functions which cannot be expected to recur on an annual or more frequent basis; (c) disbursements from the Public Functions Operating Fund shall be made solely for the purpose of providing Public Functions for members, other than disbursements for which disbursements from the Public Functions reserve fund are to be used; and (d) disbursements from the Public Functions Reserve Fund shall be made solely for the purpose of repairs, replacement, painting, and other restorative work to those improvements on the Association properties which are used by the Association in providing Public Functions to members.

Section 9.6 No Commingling of Maintenance Funds. The Association shall not commingle any amounts deposited in any one Maintenance Fund or other fund with amounts deposited in any other Maintenance Fund or other fund.

Section 9.7 Authority for Disbursements. The Board shall have the authority to make or to authorize an agent to make disbursements of any monies in the Maintenance Fund.

Section 9.8 Common Assessments. For each calendar year, the Association shall levy Common Assessments against Owners of the sites. The Common Assessments shall include: (a) the AFCAs and (b) the PFCAs. Each Owner shall be obligated to pay the Common Assessments levied against and allocated to such Owner and the site of such Owner as hereinafter more particularly set forth.

Section 9.9 Apportionment of Administrative Functions Common Assessments. For purposes of the AFCAs, each site shall constitute one (1) AFCA Unit regardless of the size, value, location, or use of such site. The amount of the AFCA for any year, payable by an Owner for the site of such Owner, shall be computed by multiplying the total amount to be raised by the AFCAs for that year, as shown in the Association Budget for that year, by a percentage (rounded to the nearest one-tenth of one percent (0.1%), derived from a fraction, the numerator of which is one (1) and the denominator of which is the total number of sites (i.e., AFCA Units) in the Association Area as of the first day of that calendar year.

Section 9.10 Apportionment of Public Functions Common Assessments. For purposes of the PFCAs, each site shall constitute one (1) PFC Unit regardless of size, value, location or use of such site. The amount of the PFCAs for any year, payable by an Owner for a site, shall be computed by multiplying the total amount to be raised by PFCAs for that year, as shown in the Association Budget for that year, by a percentage (rounded to the nearest one-tenth of one percent (0.1%)), derived from a fraction, the numerator of which is one (1) and the denominator of which is the total number of sites (i.e., PFC Units) in the Association Area as of the first day of the calendar year.

Section 9.11 Funding of Reserve Funds. The Board, in budgeting and levying assessments, shall endeavor, whenever possible, to fund the Administrative Functions Reserve Fund, and the Public Functions Reserve Fund by regularly scheduled payments, included as part of the Common Assessments, rather than by large Special Assessments. Unless the Board finds and determines that it is not necessary, as to a particularly Reserve Fund in a given year, the AFCA, and the PFC shall include a component for funding of these Reserve Funds.

Section 9.12 Supplemental Common Assessments. Subject to the provision of Section 9.19 hereof, if the estimated sums prove inadequate for any reason, including nonpayment of any Owner's Common Assessment, the Board may, from time to time, levy a supplemental Common Assessment for any of the Maintenance Funds. Such Supplemental Common Assessment for any of the Maintenance Funds. Such Supplemental Common Assessment shall be assessed against the Owner of each site, in the same manner Common Assessments are originally assessed each year by the Board with respect to the particular Maintenance Fund. Written notice of any change in the amount of any annual Common Assessment shall be sent to every Owner subject thereto, not less than thirty (30) days prior to the effective date of such change.

Section 9.13 Limitation on AFCAs and PFCAs. The Board of Directors shall not levy an AFCA, or a PFC in any calendar year which is greater than one hundred twenty percent (120%) of the respective Common Assessment in the preceding calendar year ("Maximum AFCA," or "Maximum PFC"), except with the approval of members representing at least two-thirds (2/3) of the voting power of the Association (exclusive of voting power exercisable by Declarant).

Section 9.14 Annual Budgets. The Board of Directors shall cause to be prepared, at least sixty (60) days prior to the commencement of each calendar year, a Budget for such calendar year, including a reasonable provision for contingencies and deposits into the Administrative Functions and Public Functions Reserve Funds. The Budget shall show, in reasonable detail, the categories of expenses and the amount of expenses in each Maintenance Fund, and shall reflect any expected income of the Association for the coming calendar year and any expected surplus from the prior year and any existing surplus in any Reserve Fund. The Budget may include an amount for contingencies and amounts deemed necessary or desirable for deposits to create, replenish, or add to the proper Reserve Fund for major capital repairs, replacements, and improvements for Association properties. The Board shall cause a copy of the Budget to be distributed to each member promptly after the Budget is prepared and approved by the Board and shall cause a copy of the Budget to be posted at the principal office of the Association. In the event the Association does not have an address for any

member, such posting shall be deemed delivered to any such member. At the Budget shall be published in such newsletter. Copies of the Budget shall be made available by the Association to any members requesting a copy of the same upon payment of the reasonable expenses of copying the same.

Section 9.15 No Disbursements To Abate Adjoining Nuisances. Nothing in this Declaration shall be construed so as to permit the Association to use any Assessments to abate any annoyance or nuisance emanating from outside the physical boundaries of the Association Area.

Section 9.16 Assessment for Unsold Sites. Declarant, for so long as Declarant retains title to a site, whether improved or unimproved, and provided that no portion of the site has been used or occupied for residential purposes, shall be exempt from the payment of a portion of any Assessment against such site, provided the financial stability of the Association will not be jeopardized. Such exempt portion shall not exceed seventy-five percent (75%) of such Assessment, in which event Declarant shall pay an amount of not less than twenty-five percent (25%) of such Assessment.

Section 9.17 Supplemental Administrative Functions. Subject of Section 9.13 of this Declaration, if the Board levies and AFCA or PFCA in an amount less than the Maximum AFCA or applicable Maximum PFCA for any calendar year, the Board by majority vote may thereafter levy one or more supplemental AFCAs or PFCAs during such calendar year, if it determines that the important and essential functions of the Association cannot be funded by such lesser AFCA, PFCA or applicable. In no event shall the sum of the initial and supplemental AFCA, as the case may be, for a calendar year exceed the Maximum AFCA, Maximum PFCA permitted for that year except as provided in said Section 9.13.

Section 9.18 Member Approval of Increased in Maximum Common Assessment. If the Board of Directors, by majority vote, determines that the important and essential functions of the Association will not be properly funded in any one year or in any one year and subsequent years by the amount of the Maximum AFCA or Maximum PFCA, it may call a meeting of appropriate members requesting approval of a specified increase in the Maximum AFCA or Maximum PFCA, or any of them, for either one year or for that one year and one or more of all subsequent years. An increase in the Maximum AFCA or Maximum PFCA for any one year or for any one year and all subsequent years shall require the approval of members representing two-thirds (2/3) of the entire voting power of the Association (exclusive of the voting power exercisable by Declarant).

Section 9.19 Commencement of Common Assessments -- Assessment Area. Subject to the provisions of Section 9.16 of this Declaration, Common Assessments shall commence as to each site within an Assessment Area on the first day of the first month following the date of Recordation of the first Deed conveying the site within that Assessment Area. The Common Assessments for the then current calendar year shall be prorated within an Assessment Area on the basis of the number of months in such calendar year remaining from the date of commencement of such Common Assessments to the end of the calendar year.

Section 9.20 Payment of Assessment. Common Assessments shall be due and payable in advance to the Association by the assessed member during the calendar year in equal monthly installments, on or before the first of every month, or in such other manner and on such other dates as the Board of Directors may designate in its sole and absolute discretion. Notice of the amount of the Common Assessments shall be given to each member prior to January 1 of each year.

Section 9.21 Failure to Fix Assessment. The failure by the Board of Directors to levy an Assessment for any year shall not be deemed a waiver or modification with respect to any of the provisions of this Declaration or a release of the liability of any member to pay Assessments, or any

installment thereof, for that or any subsequent year. In the event of such failure, the amount of the common Assessment for that year shall be the sum of the Maximum AFCA, Maximum PFCA.

No abatement of the Common assessment or any other Assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to Association properties or from any action taken to comply with any law or any determination of the Board of Directors or for any other reason.

Section 9.22 Special Assessments for Capital Expenditures. In addition to Common Assessments, the Board of Directors may, subject to the provisions of this Section, levy Special Assessments for the purpose of raising funds not otherwise provided under the budget from Common assessments to construct or reconstruct, repair, or replace capital improvements upon Association properties, including necessary personal property related thereto; to add to the Association properties; to provide for necessary facilities and equipment to offer the services authorized in this Declaration; or to repay any loan made to the Association to enable it to perform the duties and functions authorized in this Declaration. The Board of Directors shall not levy Special Assessments without the vote of the members representing at least two-thirds (2/3) of the voting power residing in the Owners of sites subject to the Special Assessment. Special Assessments for capital improvements which may be used by all members of the Association shall be levied solely on the basis of, and in proportion to, the AFCA Units attributable to sites of the members.

Section 9.23 Reimbursement Assessments. The board of Directors may, subject to the provisions hereof, levy an Assessments against any member if the willful or negligent failure of the member or a person claiming through the member to comply with this Declaration, the Articles of Incorporation, the Bylaws, or the rules and regulations shall have resulted in the expenditure of the funds to be expended by the Association to cause such compliance. Such Assessment shall be known as a reimbursement assessment and shall be levied only after Notice and Hearing. The amount of the reimbursement assessment shall be due and payable to the Association thirty (30) days after notice to the member of the decision of the Board of Directors that the Assessment is owing.

Section 9.24 Late Charges and Interest. If any Common Assessment, Special Assessment, or reimbursement assessment or any installment thereof is not paid within thirty (30) days after it is due, the member obligated to pay the Assessment may be required to pay a reasonable late charge to be determined by the Board. Any Assessment or installment of an Assessment which is not paid within thirty (30) days after the date of any Notice of Default given under Section 9.26 and prior to the Recordation of a Notice of Lien under Section 9.29 hereof shall bear interest from the date of Recordation of the Notice of Lien at the highest rate then established by statute in Colorado for interest on damages from personal injury or on judgments in other actions, whichever is higher, but in no event less than eight percent (8%) per-annum simple interest.

Section 9.25 Attribution of Payments. If any installment of a Common Assessment payment is less than the amount assessed and the payment does not specify the Maintenance Fund or Funds into which it would be deposited, the receipt by the Association from that Owner shall be credited in the following order of priority: (a) to the Public Functions Reserve Fund until that portion of the PFCA has been satisfied; (b) to the Administrative Functions Reserve Fund until that portion of the AFCA has been satisfied; (c) to the Public Functions Operating Fund until that portion of the PFCA has been satisfied; (d) to the Administrative Functions Operating Fund. In each of the foregoing cases, receipts shall be credited first to interest, attorneys' fees and other costs of collection, and next to principal reduction, satisfying the oldest obligations first followed by more current obligations, in accordance with the foregoing order of priority.

Section 9.26 Notice of Default and Acceleration of Assessments. If any Common Assessment, Special Assessment, or Reimbursement Assessment or any installment thereof is not paid within thirty (30) days after its due date, the Board of Directors may mail a notice of default to the Owner and to each first mortgagee of the site who has requested a copy of the notice. The notice shall specify (a) the fact that the installment is delinquent; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is mailed to the member, by which such default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the Assessment or the installments of the Assessment for the then current calendar year and the filing and foreclosure of the lien for the Assessment against the site of the member. The notice shall further inform the member of any right to cure the default after acceleration and of any right to bring a court action to assert the non-existence of a default or any other defense of the member. If the delinquent Assessment or installment and any late charges or interest thereon are not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of the Assessment to be immediately due and payable without further demand and may enforce the collection of the full Assessment and all charges and interest thereon in any manner authorized by law in this Declaration, subject to the protection afforded to mortgagees under this Declaration.

Section 9.27 Remedies to Enforce Assessments. Each Assessment levied hereunder shall be a separate, distinct, and personal debt and obligation of the Owner or member against whom the same is assessed. In the event of a default in payment of any Assessment or installment thereof, whether Common, Special, or Reimbursement, the Board may, in addition to any other remedies provided under this Declaration or by law, enforce such obligation on behalf of the Association by suitor by filing and foreclosure of a lien as hereinafter provided.

Section 9.28 Lawsuit to Enforce Assessment. The Board may bring a suit at law to enforce any Assessment obligation. Any judgment rendered in such action shall include and late charges, interest, and other costs of enforcement, including reasonable attorneys' fees in the amount as the court may adjudge, against the defaulting Owner or member.

Section 9.29 Lien to Enforce Assessment. The Board may also elect to file a claim of lien against the site of the delinquent Owner or member by Recording a notice ("Notice of Lien") setting forth (a) the amount of the claim of delinquency; (b) the interest and costs of collection which have accrued thereon; (c) the legal description and street address of the site against which the lien is claimed; and (d) the name of the Record Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association. The lien created by the Notice of Lien shall be prior to any declaration of homestead rights Recorded after the time that the site becomes a part of the Association Area. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and Record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the cost of preparing and Recording the release of the lien. Unless paid or otherwise satisfied, the lien may be foreclosed in the manner for foreclosure of mortgages in the State of Colorado.

Section 9.30 Estoppel Certificates. Upon payment of such reasonable fee as may be determined from time to time by the Board of Directors, and upon the written request of any member and any person with, or intending to acquire, any right, title, or interest in the site of such member, the Association shall furnish a written statement setting forth the amount of any Assessments or other amounts, if any, due and accrued and then unpaid with respect to a site and the Owner thereof, and setting forth the amount of any Assessment levied against such site which is not yet due and payable. Such statement shall, with respect to the person to whom it is issued, be conclusive against the

Association and all persons for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other Assessments have been levied.

Section 9.31 No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration.

ARTICLE X

MISCELLANEOUS

Section 10.1 Term of Declaration. Unless amended as herein provide, each provision contained in this Declaration which is subject to the laws or rules sometimes referred to as the rule restraints on alienation shall continue and remain in full force and effect for a period of twenty-one (21) years following the death of the survivor of Thomas J. Roche and the now living children of said person, or until this Declaration is terminated as hereinafter provided, whichever first occurs. Unless amended as herein provided, all other provisions, covenants, conditions, restrictions, and equitable servitudes contained in this Declaration shall be effective until December 31, 2050, and thereafter shall be automatically extended for successive periods of ten (10) years each unless terminated by the vote, by written ballot, of members holding at least seventy-five percent (75%) of the voting power of members of the Association at duly constituted meetings of the members. The termination of this Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association stating that this Declaration has been terminated by the vote of members as provided herein.

Section 10.2 Amendment of Declaration by Declarant. Until the site subject to this Declaration has been conveyed by Declarant by deed Recorded in the office of the Clerk and Recorder of Weld County, Colorado, any of the provisions, covenants, conditions, restrictions, and equitable servitudes contained in this Declaration may be amended or terminated by Declarant by the Recordation of a written instrument, executed by Declarant, setting forth such amendment or termination.

Section 10.3 Amendment of Declaration by Members. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of Declarant or others, any provision, covenant, condition, restriction, or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of the amendment or repeal by members of the Association holding at least seventy-five percent (75%) of the voting power of the Association present in person or by proxy at duly constituted meetings of the members. The approval of any such amendment or repeal shall be evidenced by the certification by the members to the Board of Directors of the Association of the votes of members. The amendment or repeal shall be effective upon the Recordation in the office of the Clerk and Recorder of Weld County, Colorado, of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved by the members.

Section 10.4 Required Consent of Declarant to Amendment. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or repeal of any provision of Article VII of this Declaration shall not be effective unless Declarant has given its written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant and of any certificate of amendment or repeal. The foregoing requirement for consent of Declarant to any amendment or repeal shall terminate at such time as all property in the community Area has become

part of the Association Area and the last site within the Association Area has been sold and conveyed by Declarant.

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

Section 10.6 Special Rights of First Mortgagees. Any first mortgagee (meaning a mortgage with first priority over other mortgages) of a mortgage encumbering any site in the Association Area, upon filing a written request therefor with the Association, shall be entitled to (a) written notice from the Association of any default by the Mortgagor of such site in the performance of the Mortgagor's obligations under this Declaration, the Articles of Incorporation, the Bylaws, or the Rules and regulations, which default is not cured within sixty (60) days after the Association learns of such default; (b) examine the books and records of the Association during normal business hours; (c) receive a copy of financial statements of the Association including any annual audited financial statement within ninety (90) days following the end of any fiscal year of the Association; (d) to receive written notice of all meetings of members; (e) designate a representative to attend any meeting of members; (f) receive written notice of abandonment or termination of the Association or of the plan contemplated under this Declaration; (g) receive thirty (30) days' written notice prior to the effective date of any proposed material amendment to this Declaration, the Articles of Incorporation, or the Bylaws; (h) receive thirty (30) days written notice prior to the effective date of termination of any agreement for professional management of the Association or the Association properties following a decision of the Association to assume self-management of the Association properties; and (i) immediate written notice as soon as the Association receives notice or otherwise learns of any damage to the Association properties if the cost of reconstruction exceeds Ten Thousand Dollar (\$10,000) and as soon as the Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Association properties.

Section 10.7 First Mortgagee Exemption from Rights of First Refusal. Any such first mortgagee who obtains title to any site pursuant to the remedies provided in the mortgage held by such first mortgagee or pursuant to any foreclosure of mortgage or by deed or assignment in lieu of foreclosure shall be exempt from any right of first refusal if any such right of first refusal is ever contained in this Declaration or any Supplemental Declaration.

Section 10.8 Priority of First Mortgage Over Assessments. Each first mortgagee of a mortgage encumbering a site who obtains title to such site pursuant to the remedies provided in the mortgage, by judicial foreclosure, or by deed or assignment in lieu of foreclosure shall take title to the site free and clear of any claims for unpaid Assessments or charges against such site which accrued prior to the time such holder acquires title to such site, other than allocation of any deficiency prorated among all members of the Association.

Section 10.9 First Mortgagee Right To Pay Taxes and Insurance Premiums. Any such first mortgagee or any such first mortgagees, jointly or singly, shall be entitled to pay any taxes or other charges which are in default and which may or have become a charge against any of the Association properties and may pay any overdue premiums on hazard insurance policies for any Association properties, and the first mortgagees making such payments shall be entitled to immediate reimbursement therefore from the Association.

Section 10.10 Association Right to Mortgage Information. Each Owner hereby authorizes any first mortgagee holding a mortgage on such Owner's site to furnish information to the Association concerning the status of such first mortgage and the loan which it secures.

Section 10.11 Special Approvals by First Mortgagees. Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each mortgage owned) of sites in the Association Area have given their written approval, neither the Association nor any member shall (a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Association properties or the improvements thereon which are owned, directly or indirectly, by the Association (except that the granting of access easements, utilities easements, drainage easements, and water facilities easements or easements for other public purposes consistent with the intended use of such property by the Association shall not be deemed within the meaning of this provision); (b) change the method of determining the obligations, Assessments, or other charges which may be levied against members or the method of allocating distributions of hazard insurance policy proceeds or condemnation awards; (c) by act or omission change, waive, or abandon any scheme of regulation, or enforcement thereof, pertaining to architectural approval of improvement to property including the architectural design of the exterior appearance of dwelling units, the exterior maintenance of dwelling units, or the upkeep of lawns and plantings on the Association properties; (d) fail to maintain the casualty, fire, and extended coverage insurance on insurable Association properties as elsewhere provided in this Declaration; (e) use hazard insurance proceeds for losses to any Association properties for other than the repair, replacement, or reconstruction of the improvements which were damaged or destroyed; and (f) amend any material provisions of this Declaration, the Articles of Incorporation, or the Bylaws.

Section 10.12 Notices. Any notice permitted or required to be given under this Declaration shall be in writing and may be given either personally or by mail, telephone, or telegraph. If served by mail, each notice shall be sent postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the site of such person if no address has been given to the Association and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time by notice in writing to the Association.

Section 10.13 Persons Entitled to Enforce Declaration. The Association, acting by authority of the Board, and any member of the Association shall have the right to enforce any or all of the provisions, covenants, conditions, restrictions, and equitable servitudes contained in this Declaration against any property within the Association Area and the Owner thereof. The right of enforcement shall include the right to bring an action for damages as well as an action to enjoin any violation of any provision of this Declaration.

Section 10.14 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction, and equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any person entitled to enforce the provisions of this Declaration.

Section 10.15 Enforcement of Self-Help. Declarant or the Association, or any authorized agent of either of them, may enforce, by self-help, any of the provisions, covenants, conditions, restrictions, and equitable servitudes contained in this Declaration, provided such self-help is preceded by Notice and Hearing as set forth in the Bylaws.

Section 10.16 Violations of Law. Any violation of any federal, state, municipal, or local law, ordinance, rule, or regulation, pertaining to the ownership, occupation, or use of any property within the Association Area is hereby declared to be a violation of this Declaration and shall be subject to any and all enforcement procedures set forth in this Declaration.

Section 10.17 Remedies Cumulative. Each remedy provided under this Declaration is cumulative and not exclusive.

Section 10.18 Costs and Attorneys' Fees. In any action or proceeding under this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith including reasonable attorney's fees.

Section 10.19 Limitation on Liability. The Association, the Board of Directors, the Design Review Committee, Declarant, and any member, agent, or employee of any of the same shall not be liable to any person for any action or for any failure to act if the action or failure to act was in good faith and without malice.

Section 10.20 No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Community Area, or any improvement thereon, its or their physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing.

Section 10.21 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

Section 10.22 Governing Law. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 10.23 Severability. Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability or partial validity or partial enforceability of the provisions or portion thereof shall not effect the validity or enforceability of any other provision.

Section 10.24 Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and plural the singular, and the masculine, feminine, or neuter genders shall each include the masculine, feminine, and neuter genders.

Section 10.25 Captions for Convenience. The titles, headings, and captions used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration.

Section 10.26 Mergers or Consolidations. Upon a merger or consolidation of the Association with another association, its properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving consolidated association may administer and enforce the covenants, conditions, and restrictions established by this Declaration governing the property, together with the covenants and restrictions established upon any other property, as one plan.

Section 10.27 Disclaimer Regarding Safety. DECLARANT HEREBY DISCLAIMS ANY OBLIGATION REGARDING THE SECURITY OF PERSON OR PROPERTY WITHIN THE COMMUNITY AREA.

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

TJRPBR LLC,
a Colorado limited liability company

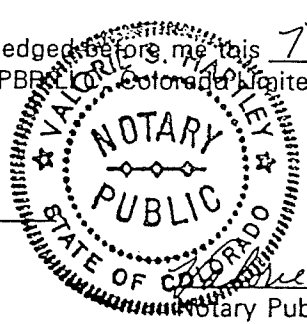
By: *Thomas J. Roche*
Thomas J. Roche, Manager

STATE OF COLORADO)
COUNTY OF WELD)**

The foregoing instrument, was acknowledged before me this 7th day of October, 1994, by Thomas J. Roche as manager of TJRPBR LLC, Colorado Limited Liability Company.

WITNESS my hand and official seal.

My commission expires 4-23-96



Valerie S. Harty
Notary Public