

NOTICE TO CLOSING AGENTS: THIS IS A FEE-ASSESSED SUBDIVISION. CHECK WITH THE HOMEOWNERS ASSOCIATION FOR FEE SCHEDULE.

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
REVIVE
(A Common Community)**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR REVIVE is made and entered into this 17th day of June, 2015, by REVIVE PROPERTIES, LLC, a Colorado limited liability company (“the Declarant”).

RECITALS

A. The Declarant is the owner of the real property legally described as follows (“the Real Estate”):

All of Union Place Subdivision, according to the plat thereof recorded October 27, 2009 at reception number 20090072457 of the Larimer County Clerk and Recorder’s office;

Except: Tracts A, D, E, F, N, O, and P; Lot 2, Block 5; and Lot 3 Block 5;

City of Fort Collins, County of Larimer, State of Colorado.

B. The Declarant desires to create a Community Interest Community on the Real Estate pursuant to the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq., as it may be amended from time to time (“CCIOA”), in which portions of the Real Estate will be designated for separate ownership and the remainder of which will be owned by an Association of Owners.

ARTICLE I. SUBMISSION OF REAL ESTATE

The Declarant hereby publishes and declares that the Real Estate shall be held, sold, conveyed, transferred, leased, subleased, and occupied subject to the following easements, covenants, conditions, and restrictions, which shall run with the land and shall be binding upon and inure to the benefit of all parties having any right, title, or interest in the Real Estate or any portion thereof, their heirs, personal representatives, successors, and assigns. Additionally, the Declarant hereby submits the Real Estate to the provisions of CCIOA.

ARTICLE II. DEFINITIONS

In addition to the terms defined in the foregoing Recitals, unless the context clearly indicates otherwise, when used in this Declaration and capitalized, the following terms shall have the meaning given:

1. “Alley” shall mean and refer to Tract M as described and designated on the Plat.

2. "Allocated Interests" shall mean and refer to the Common Expense Liability and votes in the Association.

3. "Approval" or "Consent" shall mean securing the prior written approval or consent as required herein before doing, making, accepting, permitting, or allowing that for which such approval or consent is required. Any Approval or Consent required by this Declaration shall not be arbitrarily, capriciously or unreasonably withheld or delayed.

4. "Architectural Control Committee" shall mean and refer to the committee established to review and approve plans for the construction of improvements on Lots as set forth in Article IX of this Declaration.

5. "Architectural Guidelines" shall mean and refer to any and all guidelines adopted by the Architectural Control Committee pursuant to Article IX of this Declaration.

6. "Assessments" shall mean and refer to all assessments made by the Association against the Owners and their respective Lots for payment of each Owner's pro rata share of the General Common Expenses, Townhome Expenses, Duplex Expenses, Special Assessments, and Individual Assessments, as applicable.

7. "Association" or "Owners' Association" shall mean and refer to Revive Homeowners Association (a Colorado nonprofit corporation), its successors and assigns, organized and existing under the Colorado Revised Nonprofit Corporation Act.

8. "Benefited Lot" shall mean and refer to Lots 1, 2, 3, 4, 5, 7, 8, and 9 of Block 1, and Lots 1, 2, 3, 6, 7, and 8, Block 3, Union Place Lots benefit from a Side Yard Easement on the adjacent Lot as shown in the Deed of Dedication.

9. "Board" shall mean and refer to the Board of Directors of the Association. The term "Board" as used in this Declaration shall have the same meaning as the term "Executive Board" as used in CCIOA.

10. "Buildings" shall mean and refer to all buildings constructed within the Community, which Buildings shall include Townhome Buildings and Duplex Buildings.

11. "Burdened Lot" shall mean and refer to Lots 2, 3, 4, 5, 6, 8, 9, and 10 of Block 1, and Lots 2 through 7, Block 3, Union Place, which Lots are burdened by a Side Yard Easement for the benefit of the adjacent Lot as shown in the Deed of Dedication.

12. "Bylaws" shall mean and refer to any instruments, however denominated, which are adopted by the Association for the regulation and management of the Association, including amendments to those instruments.

13. "City" shall mean and refer to the City of Fort Collins, Colorado, a municipal corporation.

14. "Common Areas" shall mean and refer to Tracts B, C, D, G, H, I, J, K, L, M, and Q as described and designated on the Plat and all improvements presently located or

subsequently constructed thereon by the Declarant or the Association. (Tracts A, F, and P are owned by the City.)

15. "Common Area Landscaping" shall mean and refer to all Landscaping within the Common Areas.

16. "Common Expenses" shall mean and refer to General Common Expenses, Townhome Expenses and Duplex Expenses.

17. "Common Expense Liability" shall mean and refer to the liability for Common Expenses allocated to each Lot pursuant to this Declaration.

18. "Community" shall mean and refer to the Common Interest Community created on the Real Estate pursuant to this Declaration and CCIOA.

19. "County" shall mean and refer to Larimer County, Colorado.

20. "Declaration" shall mean and refer to this Declaration, including any amendments or supplements hereto, and also including, but not limited to, plats of the Real Estate recorded in the County Clerk and Recorder's office.

21. "Deed of Dedication" shall mean and refer to that certain Deed of Dedication of Easement recorded December 11, 2014 at reception number 20140071999 in the County Clerk and Recorder's office.

22. "Development Agreement" shall mean and refer to that certain Development Agreement made and entered into by and between the City and Union Place, LLC, a Colorado limited liability company dated October 23, 2009 and recorded November 5, 2009 at reception number 20090074634 in the office of the County Clerk and Recorder, as amended by the Development Agreement made and entered into between the City and the Declarant recorded or to be recorded in the office of the Clerk and Recorder..

23. "Documents" shall mean and refer to this Declaration; the Plat; the Articles of Incorporation, Bylaws, Rules, Regulations and Policies of the Association; and the Architectural Guidelines; all as supplemented or amended from time to time.

24. "Duplex Building" shall mean and refer to a Building constructed on a Duplex Lot that includes both a Primary Unit and a Secondary Unit. The term "Duplex Building" means a Building standing alone, excluding fences and covered walkways. A separate accessory structure is a separate Building. To qualify as one Duplex Building, all portions, additions or extensions must be connected by an attachment that is an enclosed part of the Duplex Building and usable by the occupants.

25. "Duplex Expenses" shall mean and refer to all costs and expenses incurred by the Association in the maintenance, repair, replacement or improvement of the roofs of the Duplex Buildings; painting of the exterior walls of the Duplex Buildings; maintenance, repair, replacement or improvement of Duplex Landscaping as required by this Declaration; the cost of providing services and amenities to Duplex Units only, including by example and not limitation

cable television, internet access and/or other communication services, and trash removal; all of which costs and expenses shall be separately allocated to each Duplex Lot.

26. "Duplex Lot" shall mean and refer Lots 1 through 10 inclusive Block 1; and Lots 1-8 inclusive Block 3 as described and designated on the Plat.

27. "Duplex Landscaping" shall mean and refer to all Landscaping in the Front Yard of a Duplex Lot upon which a Duplex Building has been constructed.

28. "Duplex Owner" shall mean and refer to the Owner of a Duplex Lot.

29. "Duplex Unit" shall mean and refer to and include both the Primary Unit and the Secondary Unit located in a Duplex Building constructed on a Duplex Lots.

30. "Duplex Utilities" shall mean and refer to all pipes, wires, conduits, systems, and other fixtures and equipment located in, on or under a Duplex Lot that provide heating, cooling, ventilation, water, sewer, gas, electric, telephone, television, telecommunication, computer, or other utility services to both the Primary Unit and the Secondary Unit within the Duplex Building located on that particular Duplex Lot.

31. "Front Yard" shall mean that portion of a Lot that is visible from the adjacent street(s) and that is not enclosed by a fence. (All fences must be approved by the Architectural Control Committee.)

32. "General Common Expenses" shall mean and refer to the following expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves:

(a) Expenses of administering, maintaining, repairing, improving, insuring, and/or replacing the Common Areas.

(b) Expenses declared to be General Common Expenses by other provisions of this Declaration.

(c) Such reasonable reserves as may be established by the Association, for repair, replacement, or addition to the Common Areas, Common Area Landscaping, or any other real or personal property acquired or held by the Association.

(d) Administrative costs and expenses of the Association, including but not limited to the cost of exercising the powers delegated to the Board by Article IV, Section 5 of this Declaration.

(e) The cost of providing common services and amenities to all of the Lots, including by example and not limitation cable television, internet access and/or other communication services, and trash removal.

33. "Governmental Authority" shall mean and refer to the City; the County; and any governmental entity, agency, authority, or district having jurisdiction over the Community; any

metropolitan district, special district, or special improvement district within which the Community is located; any cooperative or governmentally regulated, supervised or licensed public or private entity that provides utility or quasi-utility services to the Community.

34. "Identifying Number" shall mean and refer to a symbol or address that identifies each Lot in the Community.

35. "Individual Assessments" shall mean and refer to Assessments made pursuant to Article V, Section 6 of this Declaration.

36. "Landscaping" shall mean and refer to trees, shrubs, grasses, flowers, and other plants and plant materials; rocks, stones, gravel, wood chips, bricks, and other similar decorative materials. Landscaping shall include the Common Area Landscaping, Townhome Landscaping and Duplex Landscaping. Landscaping shall not include sidewalks, driveways, or other hard surfacing on a Lot; nor shall Landscaping include fences or walls on a Lot.

37. "Law" shall mean and refer to any statute, law, ordinance, resolution, rule, or regulation of any Governmental Authority applicable to the Community, including, but not limited to, CCIOA and the Colorado Revised Nonprofit Corporation Act.

38. "Lot" shall mean and refer to a physical portion of the Community which is designated for separate ownership and the boundaries of which are described on and shall be determined from the Plat.

39. "Mortgagee" shall mean and refer to any Person who holds a Security Interest in a Lot and who has provided actual written Notice of such Security Interest to the Association as defined in This Article II, Section 39 hereinafter. Recording of a mortgage, deed of trust, or other Security Interest in the County Clerk and Recorder's office shall not be considered actual written Notice to the Association of a Security Interest. "First Mortgagee" shall mean and refer to any Person holding a First Security Interest in a Lot.

40. "Notice" shall mean and refer to any notice required or desired to be given pursuant to the Documents. Unless otherwise provided in the Documents, all notices shall be in writing and may be personally delivered; mailed, certified mail, return receipt requested; sent by telephone facsimile with a hard copy sent by regular mail; sent by a nationally recognized receipted overnight delivery service, including, by example and not limitation, United Parcel Service or Federal Express; or sent by electronic mail. Any such notice shall be deemed given when personally delivered; if mailed, three (3) delivery days after deposit in the United States mail, postage prepaid; if sent by telephone facsimile or electronic mail, on the day sent if sent on a business day during regular business hours (9 a.m. to 5 p.m.) of the recipient, otherwise on the next business day; or if sent by overnight delivery service, one (1) business day after deposit in the custody of the delivery service. The addresses, telephone numbers, and electronic mail addresses for the mailing, transmitting, or delivering of notices shall be as set forth in the books and records of the Association. Notices of a change of address shall be given in the same manner as all other notices as hereinabove provided.

41. "Owner" shall mean and refer to any Person who owns a Lot but does not include a Person having an interest in a Lot solely as security for an obligation.

42. "Person" shall mean and refer to a natural person, a corporation, a limited liability company, a partnership, an association, a trust, or any other entity or combination thereof.

43. "Plat" shall mean and refer to the Plat of Union Place Subdivision recorded October 27, 2009 at reception number 20090072457 in the County Clerk and Recorder's office and all future replats, amendments and supplements thereto recorded in the County Clerk and Recorder's records.

44. "Primary Unit" shall mean and refer to a single family residential Unit constructed on the front of a Duplex Lot.

45. "Residential Use" shall mean and refer to use of a Unit by a single family for cooking, eating, sleeping and other usual and customary personal, private, family, domestic, household and housekeeping purposes.

46. "Rules and Regulations" shall mean and refer to any instruments, however denominated, which are adopted by the Association for the regulation and management of the Community, including any amendment to such instruments.

47. "Secondary Unit" shall mean single family residential Unit located behind a Primary Unit on a Duplex Lot.

48. "Security Interest" shall mean and refer to an interest in real property created by contract or conveyance which secures payment or performance of an obligation but only if the Association is given actual written notice of such interest. The term includes a lien created by mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an association, and any other consensual lien or title retention contract intended as security for an obligation if the Association has been given actual written notice of such instrument. "First Security Interest" shall mean and refer to a Security Interest in a Lot prior to all other Security Interests, except the Security Interest for real property taxes and assessments made by the County, or other Governmental Authority having jurisdiction over the Community. For purposes of this Declaration, the recording of any document or instrument in the office of the County Clerk and Recorder shall not be considered actual written notice to the Association of any Security Interest created by the recording of such document or instrument.

49. "Side Yard Easement" shall mean and refer an easement 8 feet in width located on a Burdened Lot which is for the benefit of the adjacent Benefited Lot. The Side Yard Easements are shown in the Deed of Dedication. "Special Assessments" shall mean and refer to Assessments made pursuant to Article V, Section 4 of this Declaration.

50. "Townhome Building" shall mean and refer to a Building consisting of two or more Townhome Units constructed on two or more Townhome Lots.

51. "Townhome Expense" shall mean and refer to all costs and expenses incurred by the Association in the maintenance, repair, replacement or improvement of any and all Townhome Buildings, Townhome Utilities and Townhome Landscaping; the cost of providing services and amenities to Townhome Units only, including by example and not limitation cable

television, internet access and/or other communication services, and trash removal; and Townhome Landscaping; all of which shall be allocated equally among the Townhome Units.

52. "Townhome Landscaping" shall mean and refer to all Landscaping installed within the Front Yard of all Townhome Lots upon which Townhomes have been constructed.

53. "Townhome Lot" shall mean and refer to all of the Lots located in Blocks 2, 4 and 5 as described and designated on the Plat.

54. "Townhome Owner" shall mean and refer to the Owner of a Townhome Unit.

55. "Townhome Unit" shall mean and refer to a Unit constructed on a Townhome Lot that is joined or attached to the Townhome Unit on the adjacent Townhome Lot by a common wall.

56. "Townhome Utilities" shall mean and refer to all pipes, wires, conduits, systems, and other fixtures and equipment running through a Townhome Unit to provide heating, cooling, ventilation, water, sewer, gas, electric, telephone, television, telecommunication, computer, or other utilities to one or more other Townhome Units. Townhome Utilities may be located in the attic of each Townhome Unit.

57. "Unit" shall mean and refer to and include each Primary Unit, each Secondary Unit, and each Townhome Unit.

Unless the context clearly indicates otherwise, other terms defined in CCIOA shall have the meanings attributable to such terms in CCIOA.

Other terms in this Declaration may be defined in specified provisions contained herein and shall have the meaning assigned by such definition.

ARTICLE III. THE COMMUNITY

1. Name. The name of the Community is Revive.
2. Association. The name of the Association is Revive Homeowners Association.
3. Planned Community. The Community is a planned community pursuant to the definition of a planned community in CCIOA.
4. County. The name of every county in which any part of the Community is situated is Larimer County, Colorado.
5. Legal Description. A legal description of the Real Estate included in the Community is set forth in the Recitals above.
6. Maximum Number of Lots and Units. The maximum number of Lots that the Declarant reserves the right to create within the Community is 56. The maximum number of Units that may be constructed within the Community is 74.

7. Boundaries of Lots. The boundaries of each Lot are set forth on the Plat. The Plat sets forth the Lot's Identifying Number.

8. Allocated Interests. The Common Expense Liability shall be allocated among the Owners as follows:

(a) Allocation of General Common Expenses. Each Owner's share of all General Common Expenses shall be a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Lots within the Community.

(b) Allocation of Townhome Expenses. Townhome Expenses shall be allocated equally among the Townhome Units. Each Townhome Unit Owner's share of Townhome Expenses shall be a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Townhome Units within the Community. From the date an Owner acquires a Townhome Lot, the Owner shall pay his or her pro rata share of all General Common Expenses assessed against the Townhome Lot. The Owner of a Townhome Lot shall not be obligated to pay Townhome Expenses until a final certificate of occupancy has been issued by the City for the Townhome Unit on such Owner's Townhome Lot. The Owner of the Townhome Lot shall install the initial Townhome Landscaping on such Owner's Townhome Lot. Thereafter, the Association shall maintain the Townhome Landscaping on the Townhome Lot and the Owner of the Townhome Lot and Townhome Unit constructed thereon shall be obligated to pay his or her pro rata share of both General Common Expenses and Townhome Expenses allocated to such Owner's Townhome Unit as hereinabove provided.

(c) Allocation of Duplex Expenses. Duplex Expenses shall be allocated separately to each Duplex Lot. From the date an Owner acquires a Duplex Lot, the Owner shall pay his or her pro rata share of all General Common Expenses assessed against the Duplex Lot. The Owner of a Duplex Lot shall not be obligated to pay Duplex Expenses until a final certificate of occupancy has been issued by the City for a Duplex Building constructed on the Duplex Lot. The Owner of the Duplex Lot shall install the initial Duplex Landscaping on such Owner's Duplex Lot. Thereafter, the Association shall maintain the Duplex Landscaping on the Duplex Lot and the Owner of the Duplex Lot shall be obligated to pay his or her pro rata share of both General Common Expenses and Duplex Expenses allocated to the Duplex Lot as provided in this Declaration.

9. Allocation of Votes. Each Owner shall be entitled to one (1) vote for each Lot owned.

10. Recording Data. All easements and licenses to which the Community is presently subject are shown on the Plat and in the Deed of Dedication. In addition, the Community may be subject to other easements or licenses granted by the Declarant pursuant to the terms of this Declaration.

ARTICLE IV. ASSOCIATION

1. Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Ownership of a Lot shall be the sole qualification for membership in the Association. The Association does not contemplate pecuniary gain or profit to its Members. The specific purposes for which the Association is formed are as follows: (a) to operate the Community; (b) to promote the health, safety, welfare, and common benefit of the Owners and residents of the Community; (c) to maintain, repair, replace, and improve the Duplex Buildings as hereinafter required; (d) to maintain, repair, replace, and improve the Townhome Buildings as hereinafter required; (e) to maintain, repair, replace, and improve the Landscaping; and (f) to do any and all permitted acts, and to have and exercise any and all powers, rights, and privileges which are granted to a Community association under the Laws and the Documents.

2. Voting Rights and Assignment of Votes. The effective date for assigning votes to Lots shall be the date on which this Declaration is recorded in the County Clerk and Recorder's records.

3. Authority. The business and affairs of the Community shall be managed by the Association. The Association shall be governed by the Laws and the Documents, as amended from time to time.

4. Powers. The Association shall have all of the powers and authority permitted pursuant to the Laws necessary and proper to manage the business and affairs of the Community.

5. Board Powers and Duties. The Board may act in all instances on behalf of the Association. The Board shall have, subject to the limitations contained in the Laws and the Documents, the powers and duties necessary for the administration of the affairs of the Association and of the Community, which may include, but not be limited to, the following:

- (a) Adopt and amend Bylaws.
- (b) Adopt and amend Rules, Regulations and Policies.
- (c) Adopt and amend budgets for revenues, expenditures, and reserves.
- (d) Collect Assessments from Owners.
- (e) Hire and discharge Managers.
- (f) Hire and discharge independent contractors, agents and employees.
- (g) Institute, defend, or intervene in litigation or administrative proceedings or seek injunctive relief and/or damages for violation of the Documents in the Association's name and on behalf of the Association on any matters affecting the Community.
- (h) Make contracts and incur liabilities.

- (i) Regulate the use of the Common Areas.
- (j) Maintain, repair, replace, and improve the Common Areas, Duplex Buildings, Townhome Buildings; and the Landscaping as provided in this Declaration.
- (k) Provide for the maintenance, repair, replacement, and improvement of the private roads, streets, drives, fire lanes and alleys within the Community.
- (l) Provide for common services and amenities to Lot Owners including, by example and not limitation, cable television, internet access and other communication services, trash removal and other services and amenities.
- (m) Cause additional improvements to be made as a part of the Common Areas, including by example and not limitation, fruit orchards and community gardens.
- (n) Acquire, hold, encumber, and convey in the Association's name any right, title, or interest to real estate or personal property, but the Common Areas may be conveyed or subjected to a Security Interest only pursuant to this Declaration and CCIOA.
- (o) Grant easements for any period of time, including permanent easements, leases, licenses, and concessions through or over the Common Areas, subject to the restrictions and limitations of this Declaration and CCIOA.
- (p) Impose a reasonable charge for late payment of assessments and levy a reasonable fine for violation of the Documents.
- (q) Impose a reasonable charge for the preparation and recordation of supplements or amendments to this Declaration and for statements of unpaid assessments.
- (r) Provide for the indemnification of the Association's officers, directors and committee members and maintain directors' and officers' liability insurance.
- (s) Assign the Association's right to future income, including the right to receive Assessments, but only upon the affirmative vote of a majority of Members of the Association present in person or by proxy at a meeting called for such purpose at which a quorum is present and acting throughout.
- (t) Exercise any other powers conferred by the Documents or the Laws.
- (u) By resolution, establish permanent and standing committees of Board and Owners to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees established by the Board shall maintain and publish notice of their actions to Owners and the Board. Actions taken by any committee established by the Board may be appealed to the Board by any Owner within forty-five (45) days of publication of a notice of the actions of the committee. If an appeal is made, the committee's action shall be ratified, modified, or rejected by the Board at its next regular meeting. Notwithstanding the foregoing, members of the Architectural Control shall not

be appointed by the Board but shall be appointed or elected as provided in Article XVI of this Declaration.

6. Professional Management and Contract Termination Provisions. The Association may utilize professional management in performing its duties hereunder. Any agreement for professional management of the Association's business shall have a maximum term of three (3) years and shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon sixty (60) days' prior written notice. Any contracts, licenses, or leases entered into by the Association while there is Declarant control of the Association shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, at any time after termination of Declarant control of the Association, upon sixty (60) days' prior written notice; provided, however, that any contract entered into at any time by the Association providing for services of the Declarant shall provide for termination at any time by either party thereto, without cause and without payment of a termination fee, upon sixty (60) days' prior written notice.

7. Indemnification. To the fullest extent permitted by Law, each officer and member of the Board of the Association and each member of the Architectural Control Committee and all other committees established by the Board shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party or in which they may become involved by reason of their being or having been an officer or member of the Board of the Association or a member of the Architectural Control Committee or other committee established by the Board, or any settlement thereof, whether or not they are an officer or a member of the Board of the Association or a member of the Architectural Control Committee or other committee established by the Board at the time such expenses are incurred, except in cases where an officer or member of the Board or member of the Architectural Control Committee or other committee established by the Board is adjudged guilty of willful malfeasance in the performance of his or her duties. In the event of a settlement, the indemnification shall apply only when the Board approves the settlement and reimbursement as being in the best interests of the Association.

8. Rights of Action. Subject to the dispute resolution provisions set forth in Section 9 hereinafter, the Association, through the Board, on behalf of itself and any aggrieved Unit Owner shall be granted a right of action against any and all Lot Owners for failure to comply with the provisions of the Documents, or with decisions of the Board made pursuant to authority granted to the Association in the Documents and the Laws. Failure by the Board to enforce compliance with any provision of the Documents shall not be deemed a waiver of the right to enforce any provision thereafter, nor shall a decision by the Board not to engage in enforcement action give rise to a cause of action against the Board. If the Board elects not to take action to enforce the restrictions, conditions, covenants, reservations, liens and charges contained in the Documents, a Unit Owner adversely affected by such failure to comply may bring an action provided that the costs and expenses of the enforcement action shall be borne by the Unit Owner bringing the action, and shall not be assessed as a Common Expense. Any Unit Owner that prevails in a civil action to enforce the Documents shall be entitled to reasonable attorney's fees and costs as provided for in the Declaration and Section 123 of the Act.

9. Dispute Resolution. This Declaration has been recorded to establish and maintain a harmonious community, including the prompt, efficient, fair and conciliatory resolution of any disputes to promote a pleasant atmosphere within the Community. Accordingly, any dispute arising out of or relating to the creation of the Community by this Declaration, or between the Declarant and the Association, or the Declarant and a Lot Owner, or the Association and a Lot Owner, or among Lot Owners shall be resolved as set forth in this Section and as set forth in any policy adopted to compliment the processes described below (the "Dispute Resolution Policy"), subject to the right of the Declarant or the Association to take appropriate immediate action or pursue judicial remedies if any dispute involves an imminent threat to the peace, health or safety of the Community or the collection of Assessments. The Dispute Resolution Policy shall be retained with the records of the Association.

(a) Claims and Disputes. Except for the Association's right to take appropriate immediate action or pursue judicial remedies if any dispute involves an imminent threat to the peace, health or safety of the Community or to collect Assessments, claim or dispute arising out of or relating to the following matters are subject to required alternative dispute resolution procedures, if the dispute is not resolved by mutual agreement of the parties:

- (i) the creation and establishment of the Community; and/or
- (ii) the interpretation, application or enforcement of the Declaration; including the rights, obligations and duties of any Person subject to the provisions of the Declaration; and/or
- (iii) the design or construction of the improvements within the Community (including the Buildings) and/or any alleged defect therein; and/or
- (iv) injury to Owner's person, any other bodily injury, property damage or loss of use relating to Owner's use or ownership of his or her Lot and the Building thereon; and/or
- (v) any violation of any provision of any of the Documents by any Person other than non-payment of Assessments.

Each of the items described in subsections (i), (ii), (iii), (iv) and (v) above shall be referred to as a "Dispute" or a "Claim." If a Claim or Dispute is not resolved by negotiation, it shall be submitted to a mutually acceptable mediation process. If the Claim or Dispute is not resolved through mediation, upon the agreement of the parties the Claim or Dispute shall be settled by mandatory binding arbitration, all in accordance with the applicable provisions of the Declaration, and not in a court of law. If for any reason a Claim or any other dispute related to the Declaration or the construction of the Community is not resolved through binding arbitration, but instead but instead a legal action is brought, the parties to the Claim or Dispute hereby irrevocably waive any right they may have to a trial by jury.

(b) Communication. Prior to commencement of any legal action, the party seeking resolution of a Dispute shall first give a written notice to the other involved parties, setting forth with reasonable particularity the nature of the Claim and suggested alternatives for resolution

(a "Dispute Notice"). Any settlement resolution proposed in a Dispute Notice shall be considered in good faith and shall not be admissible in any litigation to prove liability for or invalidity of any Claim or its amount, nor shall statements made in compromise negotiations be admissible.

(c) Mediation. If the Claim cannot be resolved through direct communication and negotiation, the parties shall attempt in good faith to resolve the Claim by mediation through a mediator mutually acceptable to the parties before resorting to litigation. The mediation may be conducted in accordance with such procedures or methodology mutually agreed to by the parties to the Dispute. The parties may engage any qualified mediator mutually agreed to by the parties including (i) using the services of a dispute resolution service provider such as the Judicial Arbitrator Group of Denver, Colorado, (ii) using the resources offered through the Colorado Judicial Branch, Office of Dispute Resolution, or (iii) any similar dispute resolution service provider willing to mediate disputes in the Fort Collins area. The cost of the mediation shall be divided equally among the parties to the Dispute.

(d) Arbitration.

(i) Method. Any Claim contained in a Dispute Notice that cannot be resolved through negotiation or mediation shall, subject to the limitation contained in Section (v) and the agreement of the affected parties, be finally settled by arbitration as provided herein. If arbitration is the required process, the unresolved Claim shall be submitted to arbitration to be administered by a properly credentialed and mutually agreed upon arbitrator or arbitration service (i) such as JAG; (ii) resources offered through the Colorado Judicial Branch, Office of Dispute Resolution; or (iii) any similar dispute resolution service provider located in the Fort Collins or Denver metropolitan area. The arbitrator(s) shall have knowledge and experience regarding the subject in dispute. The initiating party shall give written notice of its decision to arbitrate by providing a specific statement setting forth the nature of the Claim, the amount involved and the remedy sought, and shall be responsible for all filing requirements and the payment of any fees according to the rules of the designated arbitration service, or according to the rules and standards of the mutually agreed upon arbitrator(s).

(ii) Process. The parties shall have a fair opportunity to present their respective positions to the arbitrator(s), orally or in writing, as the arbitrator(s) may specify depending on the nature of the Claim. The arbitrator(s) may permit such testimony, materials and documentation as they may determine to be appropriate. The arbitrator(s) shall be bound by and shall resolve any Claim strictly in accordance with the substantive law of the State of Colorado. The arbitrator(s) shall provide a written statement of the resolution within thirty (30) days after the conclusion of the presentations of the parties and receipt of requested materials and documents. The arbitrator's statement shall be in the form determined appropriate by the arbitrator(s) and may include findings of fact and legal authorities, or in the discretion of the arbitrator(s), contain only the final award.

(iii) Binding Nature; Applicable Law. The consideration of the parties to be bound by arbitration shall include a waiver of access to determination by a court or jury. The decision of the arbitrator(s) shall be final, nonappealable and binding upon the parties, and it may be entered as a judgment in any court of competent jurisdiction; provided, however, that any

party to the arbitration proceeding may seek a court order vacating the decision of the arbitrator in accordance with the provisions of and on the grounds set forth in Section 13-22-214, C.R.S. or a modification or correction of the arbitrator's award in accordance with the provisions of Sections 13-22-211 or 13-22-215, C.R.S. and may take an appeal from court orders related to the arbitration proceeding or award as provided in Section 13-22-221, C.R.S., as such statutes may be amended from time to time.

(iv) Location. The alternative dispute resolution proceeding shall be held within Larimer County, Colorado, unless otherwise mutually agreed by the parties to the Claim.

(v) Enforcement Exception. Notwithstanding any provision in this Section to the contrary, the Association shall have the right to enforce by judicial action or other available remedy all covenants set forth in all Documents as more particularly provided in this Declaration and the Act, including without limitation, an action at law to collect any assessments not paid when due, and does not agree to mediate or arbitrate its Claims in such enforcement or collection actions except as provided in the Dispute Resolution Policy.

(d) Construction Defect Claims. Any Claim that arises out of or is related to the construction of the Buildings or any other improvements within the Community, including without limitation any claim for damages or loss to, or the loss of use of, real or personal property or personal injury caused by a defect in the design or construction of the Buildings or any other improvements within the Community, shall be subject to the applicable provisions of the Colorado Construction Defect Action Reform Act of 2003, C.R.S. §§ 13-20-801 to - 807, as such statute may be amended from time to time.

(e) Approval for Legal Action. Neither the Association nor the Board may commence any legal action seeking equitable relief or seeking either an unspecified amount of damages or damages in excess of \$20,000.00, unless the following conditions are satisfied:

(i) The decision to commence such action or proceeding shall be considered at an annual or special meeting of the Owners called for such purpose;

(ii) A budget for such action or proceeding, including all fees and costs assuming trial and applicable appeals, shall have been prepared by the attorneys who will be engaged by the Association for such purpose, and shall have been mailed or delivered to all affected Lot Owners and posted on the Association's website and in the principal office of the Association at least thirty (30) days prior to such meeting.

(iii) At such meeting the decision to commence, and the proposed budget for, such action or proceeding, and the imposition of a Special Assessment to fund the costs of such action or proceeding in accordance with the approved budget shall be approved by the affirmative vote of 2/3rds of all of the Owners.

(iv) The Association shall be authorized to expend funds for such proceeding in excess of the amount contemplated by the approved budget only after an amended budget has been approved in accordance with the procedures specified in subsections (ii) and (iii) above.

(v) All of the costs and expenses of any action or proceeding requiring the approval of the Owners in accordance with Subsections (ii) and (iii) above shall be funded by means of a Special Assessment. In no event may the Association use reserve funds or incur any indebtedness in order to pay any costs and expenses incurred for such purpose.

(vi) If the Association commences any action or proceeding against a particular Owner or particular Owners requiring the approval of the Owners in accordance with this Subsection (e), the Owner or Owners who are being sued shall be exempted from the obligation to pay the Special Assessment levied for the purpose of paying the costs and expenses of such action or proceeding, but shall remain liable for costs and attorney's fees under the prevailing party provision contained in CCIOA and this Declaration. The Owner or Owners being sued by the Association shall not be counted in either the numerator or denominator when determining whether the proposed action, budget and Special Assessment are approved by the Owners as required by Subsection (ii) and (iii) above.

(vii) The requirements set forth in this subsection (e) shall not apply to any action or proceeding to collect or otherwise enforce Assessments and any related fines, late charges, penalties, interest or costs and expenses, including reasonable attorneys' fees. If any Owner fails to timely pay Assessments or any money or sums due to the Association, the Association may require reimbursement for collection costs and reasonable attorney's fees and costs incurred as a result of such failure without the necessity of commencing a legal proceeding.

(viii) The requirements of this Subsection (e) shall not apply to any action or proceeding commenced against the Association by any third party or any Owner that the Association is required to defend. The Board shall represent the Association in any such proceedings and shall keep the Owners informed of the proceedings as deemed appropriate by the Board in consultation with legal counsel.

10. Assumption of Development Agreement. Upon completion of all improvements to the Common Areas, including but not limited to the roads, streets and Alley by the Declarant as required by the Development Agreement, the Association shall assume all obligations of the "Developer" under the Development Agreement to maintain, repair, replace and improve the Common Areas and shall indemnify and hold harmless the Declarant from and against any and all loss, cost, expense, and liability, including attorney's fees arising out of, as a result of, or in connection with the failure of the Association to perform and pay the cost of the obligations herein assumed.

ARTICLE V. ASSESSMENT FOR COMMON EXPENSES

1. Personal Obligation of Owners for Common Expenses. The Declarant, for each Lot owned, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor,

whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association all Assessments imposed by the Association.

2. Purpose of Assessment. The General Common Expense Assessments levied by the Association against all Lots shall be used for the maintenance, repair, replacement, renovation, restoration and improvement of the Common Areas; for the operation of the Association; and for the provision of common services and amenities to the Lot Owners including, by example and not limitation, cable television, internet access and other communication services, trash removal and other services and amenities. The Townhome Expense Assessments levied by the Association against the Townhome Units shall be used to pay the costs and expenses incurred by the Association in the maintenance, repair, replacement or improvement of any and all Townhome Buildings, Townhome Utilities, and Townhome Landscaping, which shall be allocated equally among the Owners of all of the Townhome Units. The Duplex Expense Assessments levied by the Association against the Duplex Lots shall be used to pay the costs and expenses incurred by the Association in the maintenance, repair, replacement or improvement of the roofs of the Duplex Buildings; painting of the exterior walls of the Duplex Buildings; maintenance, repair, replacement or improvement of Duplex Landscaping as required by this Declaration; the cost of providing services and amenities to Duplex Units only, including by example and not limitation cable television, internet access and/or other communication services, and trash removal; all of which costs and expenses shall be separately allocated to each Duplex Lot.

3. Amount of Assessment. The amount of the Assessment to be paid by each Owner shall be allocated among the Owners as provided in Article V and Article III Section 8 of this Declaration.

4. Special Assessments. In addition to the Assessments authorized above, the Association may levy, in any assessment year, a special Assessment for the purpose of defraying, in whole or in part, payment of any operating deficit and/or unbudgeted cost; the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto. The Association may levy, in any assessment year, a special Assessment against a Duplex Lot for the purpose of defraying, in whole or in part, payment of the cost of any construction, reconstruction, repair, or replacement of a capital improvement to the Duplex Building on the Duplex Lot, including fixtures and personal property related thereto. The Association may levy, in any assessment year, a special Assessment against the Townhome Units for the purpose of defraying, in whole or in part, payment of the cost of any construction, reconstruction, repair, or replacement of a Townhome Building, including fixtures and personal property related thereto.

5. Rate of Assessment. Annual and Special Assessments for General Common Expenses shall be fixed at a uniform rate for all Lots and shall be collected on a monthly basis. Annual and Special Assessments for Townhome Expenses shall be fixed at a uniform rate for all Townhome Units and shall be collected on a monthly basis. Annual and Special Assessments for Duplex Assessments shall be made separately and individually against each Duplex Lot.

6. Individual Assessments. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance or repair of the Common Areas, any

improvements located thereon, a Duplex Building, Townhome Building or any Landscaping is caused by the willful or negligent act, omission, or misconduct of any Owner or by the willful or negligent act, omission, or misconduct of any occupant of such Owner's Unit or any guest, invitee, employee, agent, contractor, or subcontractor of such Owner, the costs of such repair and maintenance shall be the personal obligation of such Owner, and any costs, expenses, and fees incurred by the Association for such maintenance, repair, or reconstruction shall be added to and become a part of the Assessments to which such Owner and such Owner's Lot are subject and shall be a lien against such Owner's Lot as provided in this Declaration and CCIOA. A determination of the willful or negligent act, omission, or misconduct of any Owner or any occupant of such Owner's Unit, or guest, invitee, employee, agent, contractor, or subcontractor of any Owner and the amount of the Owner's liability therefor shall be determined by the Board after notice to the Owner and the right to be heard before the Board in connection therewith.

7. Record of Receipts and Expenditures. The Association shall keep detailed and accurate records in chronological order of all of its receipts and expenditures, specifying and itemizing the maintenance and repair of the Common Areas, the Townhome Buildings, the Duplex Buildings separately, and any other expenses incurred. Such records shall be available on request for examination by the Owners and others with an interest, such as prospective lenders.

8. Notice to Security Interest. Upon the request of a holder of a Security Interest against a Lot and upon payment of reasonable compensation therefor, the Association shall report to such Person any unpaid assessments or other defaults under the terms of any of the other Documents which are not cured by the Owner within sixty (60) days after written notice of default given by the Association to the Owner.

9. Certificate of Status of Assessments. Each Owner hereby expressly authorizes the Association, upon written request to the Association and upon payment of a reasonable fee, to furnish to an Owner or such Owner's designee, to a holder of a Security Interest or its designee, or to a closing agent handling the closing of the sale or financing of the Owner's Lot a statement, in recordable form, setting out the amount of the unpaid Assessments against the Lot. The statement shall be furnished within fourteen (14) business days after receipt of the request and is binding on the Association; the Board, and each Owner as of the date of its issuance.

10. Common Expenses Attributable to Fewer Than All Lots. The following Common Expenses may be chargeable to fewer than all Lots:

(a) If a Common Expense is caused by the misconduct of an Owner, the occupants of such Owner's Unit, or such Owner's guests, invitees, employees, agents, contractors, subcontractors, or tenants, the Association may assess that expense against that Owner and such Owner's Lot.

(b) Fees, charges, taxes, impositions, late charges, fines, collection costs, and interest charged against an Owner for nonpayment of Assessments or violation of the Documents are enforceable as Assessments only against such Owner and such Owner's Lot.

(c) Duplex Expenses shall be assessed against each Duplex Lot separately.

11. Transfer Fees. The Association shall have the right to collect a reasonable fee on each transfer of an interest in a Lot to compensate the Association for the costs and expenses incurred by the Association in documenting the transfer in the books and records of the Association.

12. Initial Reserve Fund. Upon the transfer of each Lot by the Declarant to the first purchaser of the Lot, the Association shall have the right to collect from the purchaser of the Lot an amount reasonably determined by the Board to be necessary to establish a reasonable reserve fund.

ARTICLE VI. LIEN FOR NONPAYMENT OF COMMON EXPENSES

Any Assessment, charge, or fee provided for in this Declaration or any monthly or other installment thereof which is not fully paid within ten (10) days after the date due shall bear interest at a rate determined by the Board. In addition, the Board may assess a late charge thereon. Any Owner who fails to pay any Assessment, charge, or fee of the Association shall also be obligated to pay to the Association, on demand, all costs and expenses incurred by the Association, including reasonable attorney's fees, in attempting to collect the delinquent amount. The total amount due to the Association, including unpaid Assessments, fees, charges, fines, interest, late payment penalties, costs, and attorney's fees, shall constitute a lien on the defaulting Owner's Lot as provided in CCIOA. The Association may bring an action, at law or in equity, or both, against any Owner personally obligated to pay any amount due to the Association or any monthly or other installment thereof and may also proceed to foreclose its lien against such Owner's Lot. An action at law or in equity by the Association against a delinquent Owner to recover a money judgment for unpaid amounts due to the Association or monthly or other installments thereof may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien. The Association's lien shall be superior to any homestead exemption now existing or hereafter created by any state or federal law and each Owner by acceptance of a deed to such Owner's Lot hereby expressly waives and releases any homestead rights or exemption in or to such Owner's Lot.

ARTICLE VII. EASEMENTS

1. Townhome Encroachments. In the event that: (a) any portion of a Townhome Unit encroaches upon an adjacent Lot or upon any portion of the Common Areas; (b) any encroachment shall occur in the future as a result of settling of a Townhome Building or repair or restoration of a Townhome Building after damage by fire or other casualty or condemnation or eminent domain proceedings; or (c) any one or more of the Townhome Buildings are partially or totally destroyed and are then rebuilt or reconstructed in substantially the same location, and as a result of such rebuilding, any portion of a Townhome Unit shall encroach on an adjacent Lot or any portion of the Common Areas; a valid easement for such encroachment shall exist. Such encroachments and easements shall not be considered or determined to be encumbrances, either on the Common Areas or on the adjacent Lot, for purposes of marketability of title or other purposes.

2. Townhome Utility Easements. A valid easement shall exist for all Townhome Utilities, including, but not limited to, an airspace easement in the attic of each Townhome Unit as necessary for Townhome Utilities installed therein.

3. Townhome Maintenance and Repair Easement. There is hereby created a blanket easement upon, across, over, and under all Townhome Lots for improving, replacing, repairing, and maintaining the Townhome Buildings, Townhome Utilities, and Townhome Landscaping.

4. Duplex Maintenance and Repair Easement. There is hereby created a blanket easement upon, across, over, and under all Duplex Lots for the maintenance, repair, replacement or improvement of the roofs of the Duplex Buildings; painting of the exterior walls of the Duplex Buildings; and maintenance, repair, replacement or improvement of Duplex Landscaping as required by this Declaration.

5. Side Yard Easements.

(a) Creation of Easement. There is hereby created a non-exclusive, perpetual easement over, across, and upon that portion of the Side Yard Easement on each Burdened Lot for the use and benefit of the adjacent Benefited Lot.

(b) Use of Side Yard Easements.

(i) By the Owner of the Burdened Lot. The Owner of the Burdened Lot shall have the right to enter upon and use the Side Yard Easement created on the Burdened Lot solely for the construction, repair, maintenance and replacement of the Duplex Building on the Burdened Lot.

(ii) By the Owner of the Benefited Lot. The Owner of the Benefited Lot shall have the right to construct a fence, plant trees, grass, shrubs, and other Landscaping and otherwise use and occupy the Side Yard Easement located on the adjacent Burdened Lot for any purpose permitted by applicable Laws and this Declaration.

(c) Indemnification.

(i) By the Owner of the Burdened Lot. The Owner of the Burdened Lot shall indemnify and hold harmless the Owner of the Benefited Lot from and against any and all loss, cost, expense, damage, liability or claim which may result from work performed on the Duplex Building located on the Burdened Lot by the Owner of the Burdened Lot and such Owner's agents and employees.

(ii) By the Owner of the Benefited Lot. The Owner of the Benefited Lot shall indemnify and hold harmless the owner of the Burdened Lot from and against any and all loss, cost, expense, damage, or liability which may result from use of the Side Yard Easement located on the adjacent Burdened Lot by the Owners of the Benefited Lot, the member of such Owner's family and their tenants, guests and invitees.

6. Emergency Easement. An easement for ingress and egress is hereby granted to any Governmental Authority to enter upon the Real Estate in the performance of its duties.

7. PFA Easement. The Poudre Fire Authority shall have such easements within the Community, including the Lots, as may be necessary or reasonably required for fire prevention and protection systems and facilities.

8. Utility and Access Easements. Additional utility and access easements are shown on the Plat.

ARTICLE VIII. TERMINATION OF MECHANIC'S LIEN RIGHTS AND INDEMNIFICATION

No labor performed or materials furnished and incorporated in a Building constructed on any Lot shall be the basis for filing a lien against any other Lot. The Owner of each Lot shall indemnify and hold harmless all other Owners and their respective Lots from and against all liability arising from any lien or claim of lien against the Lot of any other Owner for construction performed or for labor, material, services, or other products incorporated in the Owner's Lot. Notwithstanding the foregoing, any Mortgagee of a Lot who shall become the Owner of such Lot pursuant to a lawful foreclosure sale or the taking of a deed in lieu of foreclosure shall not be under any obligation to indemnify and hold harmless any other Owner against liability for claims arising prior to the date such Mortgagee becomes an Owner.

ARTICLE IX. MAINTENANCE RESPONSIBILITY

1. Townhome Units.

(a) For maintenance and repair purposes, a Townhome Owner shall be responsible for the windows and doors; the interior non-supporting walls, floors, and ceilings of such Owners Townhome Unit; the materials such as, but not limited to, plaster, gypsum drywall, paneling, wallpaper, paint, wall and floor tile and flooring, and other materials which make up the finished surfaces of the perimeter walls, ceiling, and floors within his or her Townhome Unit. A Townhome Owner, however, shall not be deemed to own the Townhome Utilities running through his or her Townhome Unit. Townhome Utilities shall not be disturbed or relocated by a Townhome Owner without the prior Consent of the Board, and any such alteration, relocation, enlargement, addition, or modification of Townhome Utilities made by a Townhome Owner with the Consent of the Board shall be at the Townhome Owner's expense, which expense shall include all expenses incurred by the Association in connection therewith.

(b) A Townhome Owner shall maintain and keep in repair the interior of his or her Townhome Unit, including appliances, heating, ventilating, air conditioning, plumbing, electrical, and other fixtures and utilities located therein. All fixtures, equipment, and utilities within the Townhome Unit and serving only such Townhome Unit, commencing at a point where the fixtures, equipment, and utilities enter the Townhome Unit, shall be maintained and kept in repair by the Owner of that particular Townhome Unit. A Townhome Owner shall not

perform any act or work that will impair the structural soundness of the Townhome Building or impair the proper functioning of the Townhome Utilities.

(c) The Association shall have the duty of maintaining and repairing the Townhome Buildings, Townhome Utilities, and Townhome Landscaping. The cost of said maintenance and repair shall be a Townhome Expense assessed equally against all of the Townhome Units within the Community.

2. Duplex Buildings.

(a) The Association shall maintain, repair, replacement or improvement of the roofs of the Duplex Buildings; painting of the exterior walls of the Duplex Buildings; and maintenance, repair, replacement or improvement of Duplex Landscaping as required by this Declaration.

(b) The Owner of each Duplex Lot shall be responsible for the maintenance of The Duplex Building and Duplex Utilities on his or her Duplex Lot except for the maintenance, repair, replacement or improvement of the roofs of the Duplex Buildings; painting of the exterior walls of the Duplex Buildings; and maintenance, repair, replacement or improvement of Duplex Landscaping as required by this Declaration, which are to be maintained by the Association.

ARTICLE X. INSURANCE

1. To Be Obtained by the Association. The Association shall obtain and maintain at all times, to the extent obtainable at reasonable cost, policies involving standard premium rates established by the Colorado Insurance Commissioner and written with companies licensed to do business in Colorado and having a Best's Insurance Report rating of A & XV or better covering the risks set forth below. The Association shall not obtain any policy where: (1) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against a Mortgagee or Mortgagee's designee; or (2) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the company's board of directors, policyholders, or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent Mortgagees or Townhome Owners from collecting insurance proceeds. The types of coverage to be obtained and risks to be covered are as follows:

(a) Fire Insurance. The Association shall maintain fire insurance with extended coverage and standard all-risk endorsements on the Townhome Buildings, which endorsements shall include endorsements for vandalism and malicious mischief. Such policy shall also include an agreed amount endorsement and, if available, inflation guard endorsement. If requested by a First Mortgagee of a Townhome Unit or an insurer or guarantor of a First Mortgage against a Townhome Unit, such policy shall also include construction code endorsements such as a demolition cost endorsement, a contingent liability from operation of building laws endorsement, and an increased cost of construction endorsement. Said casualty insurance shall insure all Townhome Buildings, including all of the Townhome Units, Townhome Utilities, any fixtures, equipment, or other property within the Townhome Units which are to be financed by a First Mortgagee, together with all service equipment contained therein ("all inclusive" insurance policy) in an amount equal to the full replacement value

without deduction or depreciation. All policies shall contain a standard noncontributory mortgage clause in favor of each Mortgagee of a Townhome Unit which shall provide that the loss, if any, thereunder shall be payable to the Association for the use and benefit of the Townhome Owners and Mortgagees of the Townhome Units as their interests may appear. The Association shall hold any proceeds of insurance in trust for the use and benefit of the Townhome Owners and Mortgagees of the Townhome Units as their interests may appear. Premiums for policies and insurance insuring the Townhome Buildings and Townhome Units shall be assessed as a Townhome Expense separately against each Townhome Building but equally against all of the Townhome Units within that particular Townhome Building.

(b) Liability Insurance. The Association shall maintain public liability and property damage insurance in such limits as the Board may from time to time determine but not in an amount less than One Million Dollars (\$1,000,000) per injury, per Person, per occurrence, and umbrella liability limits of One Million Dollars (\$1,000,000) per occurrence covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance, and other use of the Common Areas, Townhome Buildings, Townhome Utilities, Duplex Buildings and the Landscaping. Said policy shall also contain a "severability of interest" endorsement. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries, and death of Persons in connection with the operation, maintenance, or use of the Common Areas, Townhome Buildings, Townhome Utilities, Duplex Buildings and the Landscaping and legal liability arising out of lawsuits related to employment contracts of the Association. Premiums for liability insurance shall be assessed as a General Common Expense.

(c) Workers' Compensation Insurance. The Association shall maintain workers' compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law. Premiums for Worker's Compensation Insurance shall be assessed as a General Common Expense.

(d) Officers' and Directors' Insurance. To the extent such insurance can be obtained at reasonable cost, the Association shall maintain blanket fidelity bonds for all officers, directors, and employees of the Association and all other Persons handling or responsible for funds of or administered by the Association. If the managing agent has the responsibility of handling or administering funds of the Association, the managing agent shall be required to maintain fidelity bond coverage for its officers, employees, and agents handling or responsible for funds of or administered on behalf of the Association. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the Association or the managing agent at any given time during the term of each bond. In no event shall the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate Common Expense Assessments plus reserve funds. Such bonds shall contain waivers by the issuers thereof of all defenses based upon the exclusion of Persons serving without compensation from the definition of employees or similar terms or expressions. The premiums on all bonds required hereunder, except those maintained by the managing agent, shall be paid by the Association as a General Common Expense.

(e) Other Insurance. The Association may obtain insurance against such other risks of a similar or dissimilar nature as shall be deemed appropriate.

2. Requirements of Insurance. All policies of insurance, to the extent obtainable, shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of an Owner and shall provide that such policies may not be cancelled or modified without at least ten (10) days' prior written notice to all of the insureds, including the Association and all First Mortgagees. If requested, duplicate originals of all policies and renewals thereof, together with proof of payment of premiums, shall be delivered to all First Mortgagees at least ten (10) days prior to expiration of the then current policies. Insurance on the Townhome Buildings shall be carried in blanket form naming the Association as the insured, as attorney-in-fact for all of the Townhome Owners, which policy or policies shall identify the interest of each Townhome Owner (Owner's name and Lot number designation) and First Mortgagee. Further, the Association shall require the insurance company or companies providing the insurance coverage described herein to provide each Townhome Owner and each First Mortgagee a certificate of insurance in regard to such Townhome Owner's individual Townhome Unit.

3. Attorney-in-Fact. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, an authorized representative who shall have the exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish such purpose. All of the Owners hereby irrevocably constitute the Association as their true and lawful attorney-in-fact in their name, place, and stead for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses, the execution of all documents, and the performance of all other acts necessary to accomplish such purpose.

4. To Be Obtained by Owners. Each Owner shall maintain public liability insurance in such limits as the Board may from time to time determine to be reasonably necessary but not less than Five Hundred Thousand Dollars (\$500,000) per injury, per Person, per occurrence, covering all claims for bodily injury or property damage. Owners may carry other insurance for their benefit and at their expense. All such policies shall contain waivers of subrogation and provide further that the liability of the carriers issuing such insurance shall not be affected or diminished by reason of any such additional insurance carried by the Association. Insurance coverage on furnishings or other property belonging to an Owner shall be the sole and direct responsibility of the Owner thereof, and the Board, Association, and/or the managing agent of the Association shall have no responsibility therefor.

5. Notice to First Mortgagees. In the event that there shall be any damage or destruction to, loss of, or taking of a Townhome Unit or Townhome Lot which exceeds One Thousand Dollars (\$1,000), notice of such damage, loss, or taking shall be given by the Association to the First Mortgagee of said Townhome Unit within ten (10) days after the occurrence of such event. In the event of any damage, destruction, loss or taking of the Common

Areas in excess of Ten Thousand Dollars (\$10,000), notice shall be given to all First Mortgagees within ten (10) days after such occurrence.

ARTICLE XI. DESTRUCTION OF, OR DAMAGE TO, TOWNHOME BUILDINGS

1. Association as Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact in the event of the destruction or damage, including the repair, replacement, and improvement of any Townhome Building which has been so destroyed or damaged. Title to any Townhome Lot is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Townhome Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the Townhome Owners irrevocably constitute and appoint the Association as their true and lawful attorney-in-fact in their name, place, and stead, for the purposes herein provided. As attorney-in-fact, the Association, by its president and secretary or other duly authorized officers and agents, shall have full and complete authorization, right, and power to make, execute, and deliver any contract or other instrument with respect to the interest of a Townhome Owner which is necessary and appropriate to exercise the powers herein granted. In the event that the Association is dissolved or becomes defunct, a meeting of the Townhome Owners shall be held within thirty (30) days of either such event. At such meeting, a new attorney-in-fact shall be appointed to deal with the destruction or damage of any Townhome Building. Said appointment must be approved by more than fifty percent (50%) of the Owners of Townhome Buildings damaged or destroyed. Repair and reconstruction of the improvements means restoring the improvements to substantially the same condition in which they existed prior to the damage and all improvements being reconstructed or repaired in conformance with the Community's original architectural plan and scheme. The proceeds of any insurance collected shall be available to the Association for the purposes of repair, restoration, reconstruction, or replacement unless the Owners of all Townhome Buildings damaged or destroyed and their respective First Mortgagees agree not to rebuild.

2. Insurance Proceeds Sufficient for Restoration. In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association as attorney-in-fact to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right, and power as attorney-in-fact to cause the repair and restoration of the improvements. Assessments for Common Expenses and Townhome Expenses shall not be abated during the period of insurance adjustments and repair and reconstruction of the damaged Townhome Buildings.

3. Insurance Proceeds Insufficient for Restoration. If the insurance proceeds are insufficient to repair and reconstruct the improvements, such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact using the proceeds of insurance and the proceeds of a special assessment to be made against the Townhome Buildings that were damaged or destroyed. Such special assessment shall be a Townhome Expense, shall be made equally against all Townhome Units within the Townhome Building damaged or destroyed and shall be due and payable within thirty (30) days after written notice thereof. The Association

shall have full authority, right, and power as attorney-in-fact to cause the repair, replacement, or restoration of the improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of a Townhome Owner to pay the Assessment. The Assessment provided for herein shall be a debt of each Townhome Owner and a lien on his or her Townhome Lot. Assessments for General Common Expenses and Townhome Expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The delinquent Townhome Owner shall be required to pay to the Association the costs and expenses incurred in filing the notice, interest at the rate of eighteen percent (18%) per annum on the amount of the assessment, and all reasonable attorney's fees.

ARTICLE XII. COMMON AREAS

1. **Rules and Regulations.** The Board shall have the right to adopt reasonable Rules and Regulations governing the use of the Common Areas, provided such Rules and Regulations apply to all Owners in a nondiscriminatory manner.

2. **Owners' Easements of Enjoyment.** Each Owner shall have a right and easement of enjoyment in and to the Common Areas, subject to the following provisions:

(a) The right of the Association to promulgate and publish reasonable Rules and Regulations as provided in this Declaration.

(b) The right of the Association, acting through the Board, to dedicate or transfer any part of the Common Areas to any Governmental Authority.

(c) The right of the Association to close or limit use of the Common Areas while maintaining, repairing, or making replacements in the Common Areas.

(d) The Right of the Association to adopt reasonable rules and regulations governing the use of the private roads, streets, drives and alleys within the Community.

3. **Delegation of Use.** An Owner may delegate his or her right of enjoyment to the Common Areas to the members of his or her family, guests, invitees, and tenants subject to the terms and provisions of the Documents.

ARTICLE XIII. MORTGAGEE PROTECTION

1. **Introduction.** This Article establishes certain standards and covenants which are for the benefit of First Mortgagees. This Article is supplemental to, and not in substitution for, any other provisions of the Declaration, but in the case of conflict, this Article shall control.

2. **Notice of Actions.** The Association shall give prompt written notice to each First Mortgagee (as such terms are defined in Article II of the Declaration) and each Owner hereby consents to and authorizes notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Community or any Lot against which there is a First Security Interest.

(b) Any delinquency in the payment of Common Expense Assessments owed by an Owner whose Lot is subject to a First Security Interest, which remains uncured for a period of ninety (90) days.

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

(d) Any proposed action which would require the consent of a percentage of First Mortgagees as specified in Section 3 of this Article XV.

(e) Any judgment rendered against the Association in excess of \$25,000 which is not satisfied within any applicable stay of execution on such judgment.

3. Consent and Notice Required.

(a) Document Changes. Notwithstanding any lower requirement permitted by this Declaration, no amendment of any provision of this Declaration pertaining to the matters hereinafter listed by the Association or Owners shall be effective without: (i) notice to First Mortgagees; (ii) approval of Owners of Lots to which two-thirds or more of the votes in the Association have been allocated; and (iii) approval by more than fifty percent (50%) of the First Mortgagees:

(1) Voting rights.

(2) Assessments, assessment liens, or priority of assessment liens.

(3) Reserves for maintenance, repair, and replacement of Common Areas, Townhome Buildings, Duplex Buildings or Landscaping.

(4) Responsibility for maintenance and repairs of the Common Areas, Common Elements and Townhome Buildings.

(5) Redefinitions of boundaries of Lots, except that when boundaries of only adjoining Lots are involved, then only those Lot Owners and the First Mortgagees holding Security Interests against such Lots must approve such action.

(6) Convertibility of Lots into Common Areas or Common Areas into Lots.

(7) Expansion or contraction of the Community or the addition, annexation, or withdrawal of property to or from the Community.

(8) Insurance or fidelity bonds.

(9) Imposition of any restrictions on an Owner's right to sell or transfer its Lot. (Restrictions on leasing of Lots and/or Units shall not be included within the meaning of this section.)

(10) A decision by the Association to establish self-management when professional management had been required previously by the holder of a First Security Interest.

(11) Restoration or repair of the Common Areas after a hazard damage or partial condemnation in a manner other than that specified in the Declaration.

(12) Termination of the Community after occurrence of substantial destruction or condemnation of the Common Areas or Townhome Buildings.

(13) Any provision that expressly benefits the holders of First Security Interests against the Lots.

(b) Actions. The Association may not take any of the following actions without (i) notice to First Mortgagees; (ii) approval of Owners of Lots to which two-thirds or more of the votes in the Association have been allocated; and (iii) approval by more than fifty percent (50%) of the holders of First Security Interests:

(1) Convey or encumber the Common Areas or any portion thereof. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas by the Community will not be deemed a transfer within the meaning of this clause.)

(2) The termination of the Community without approval by sixty-seven percent (67%) of the votes of Mortgagees.

(3) The alteration of any partition or creation of any aperture between adjoining Lots (when Lot boundaries are not otherwise being affected), in which case, only the Owners of Lots affected and First Mortgagees of those Lots need approve the action.

(4) The granting of any easements or leases through or over the Common Areas; excluding, however, any utility, cable service, road, or other easements serving or necessary to serve the Community and also excluding any leases for no more than three (3) years.

(5) The establishment of self-management when professional management had been required previously by a First Mortgagee.

(6) Restoration or repair of the Common Areas and/or Townhome Buildings after a hazard damage or partial condemnation in a manner other than specified in the Declaration.

(7) The merger of the Community with any other Community.

(8) The assignment of the future income of the Association, including its right to receive Common Expense Assessments.

(9) Any decision made not to repair or replace the Common Areas.

(c) Townhome Mortgagees. If the action proposed to be taken by the Association pertains to or affects only one Townhome Building, then the Notice and consent provisions of this Article XV shall apply only to Mortgagees having Security Interests in the Townhome Units within that Townhome Building.

(d) Voting. The holders of First Security Interests that have given actual written notice to the Association of their Security Interests (as such terms are defined in Article II of the Declaration) shall have one (1) vote for each Lot against which such Mortgagee has a Security Interest on any matter submitted to First Mortgagees for a vote pursuant to this Article XV. The failure of a First Mortgagee to respond within sixty (60) days after notice is given by the Association requesting approval of an addition or amendment to the Declaration shall conclusively constitute approval of the addition or amendment.

4. Inspection of Books. The Association shall maintain current copies of the Documents, books and records, and financial statements. The Association shall permit any First Mortgagee to inspect the books and records of the Association during normal business hours.

5. Financial Statements. The Association shall provide any First Mortgagee that submits a written request a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if a First Mortgagee requests it, in which case the First Mortgagee requesting the audit shall bear the cost of the audit.

6. Enforcement. The provisions of this Article are solely for the benefit of First Mortgagees and their successors and may be enforced only by one or more of them by any available means at law or in equity.

7. Attendance at Meetings. Any representative of a First Mortgagee may attend and address any meeting which an Owner may attend.

8. Appointment of Trustee. In the event of damage, destruction, or condemnation of all or a portion of the Common Areas and/or Townhome Buildings, any First Mortgagee may require that such proceeds be payable to a trustee. Such trustee may be required to be a corporate trustee licensed by the State of Colorado. Unless otherwise required, the members of the Board of Directors, acting by majority vote through the president, may act as trustee.

9. Payment of Delinquent Fees. Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas and may pay overdue premiums on insurance policies to be maintained by the Association, and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE XIV. ARCHITECTURAL CONTROL

1. Architectural Control Committee.

(a) Purpose. The Architectural Control Committee is established for the purpose of maintaining within the Community a consistent and harmonious general style and character of development.

(b) Membership. The Architectural Control Committee shall consist of 3 members. So long as the Declarant is the Owner of one (1) or more Lots within the Community, the Declarant shall have the right to appoint the members of the Architectural Control Committee. At such time as the Declarant is no longer the Owner of one or more Lots within the Community, the Architectural Control Committee shall be appointed by the Board. This Article XIV, Section 1(b) may not be amended, modified or deleted without the written approval of the Declarant so long as the Declarant owns one or more Lots within the Community.

(c) Term. Each member of the Architectural Control Committee shall serve at the pleasure of the Person or entity appointing such member. In the event of the death or resignation of any member of the Architectural Control Committee, the Person or entity that appointed such member shall appoint a successor.

(d) Decisions. All decisions of the Architectural Control Committee shall be made by a majority vote of those members of the Committee present in person at a meeting at which a quorum is present. A majority of the members of the Architectural Control Committee shall constitute a quorum.

(e) Compensation. Members of the Architectural Control Committee shall not be entitled to any compensation for services performed pursuant to this Declaration but shall be entitled to reimbursement by the Association for all costs and expenses incurred in performing their duties pursuant to this Declaration.

(f) Consultants. The Architectural Control Committee shall have the power to retain one or more engineers, architects, land planners and other professionals qualified to advise the Architectural Control Committee on the issues raised in the application and otherwise assist the Architectural Control Committee in reviewing any application submitted to the Architectural Control Committee.

(g) Nonliability. No member of the Architectural Control Committee shall be liable to the Association or to any Owner or prospective Owner for any loss, damage, or injury arising out of or in connection with the performance of the duties of the Architectural Control Committee under this Declaration, unless such action constitutes willful misconduct or bad faith on the part of the Architectural Control Committee. Review and consideration of any application submitted to the Architectural Control Committee shall be pursuant to this Declaration, and the Architectural Guidelines. Any approval granted by the Architectural Control Committee shall not be considered approval of the structural safety or integrity of the improvements to be constructed or conformance of such improvements with Laws applicable to the Community.

2. Control. No construction, reconstruction, alteration, addition, modification, or exterior change to any Lot, Building, fence, wall, structure, Landscaping, or other improvement within the Community shall be commenced or maintained until the plans and specifications thereof shall have been approved by the Architectural Control Committee.

3. Rules, Procedures and Guidelines. The Architectural Control Committee shall adopt and may amend from time to time rules setting forth the information to be submitted with each application for approval, procedures for the submission of an application for approval and Architectural Guidelines setting forth the criteria that the Architectural Control Committee will use in considering applications submitted to it for approval.

4. Review of Applications. The Architectural Control Committee shall consider and act upon any and all requests submitted for its approval. The Architectural Control Committee shall approve plans and specifications submitted to it only if it determines that the construction, alteration, addition, modification, exterior change, or Landscaping contemplated thereby, and in the location as indicated, will comply with this Declaration and the Architectural Guidelines, will serve to preserve and enhance the values of Lots within the Community, will maintain a harmonious relationship among structures, vegetation, topography, and the overall development of the Community. Should the Architectural Control Committee fail to approve or disapprove the plans and specifications submitted to it by an Owner of a Lot within thirty (30) days after complete submission of all required documents, then such approval shall not be required; provided, however, that no Building, structure, or landscaping shall be erected or allowed to remain on any Lot which violates any of the covenants or restrictions contained in this Declaration or in the Architectural Guidelines. The issuance of a building permit for the construction of improvements inconsistent with this Declaration shall not prevent the Association or any Owner from enforcing the provisions of this Declaration. Approval by the Architectural Control Committee shall be in writing or by endorsement on the plans.

5. Enforcement.

(a) Inspection. Any member or authorized consultant of the Architectural Control Committee, or any authorized officer, Director, employee or agent of the Association may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect improvements constructed or under construction on the Lot to determine whether the improvements have been or are being built in compliance with this Declaration, the Architectural Guidelines and the Plans and Specifications approved by the Architectural Control Committee.

(b) Construction and Certificate of Compliance. All Improvements constructed upon a Lot shall be constructed in strict accordance with the plans approved by the Architectural Control Committee. Upon written request of any Owner or his agent, an existing or prospective Mortgagee, or a prospective grantee, and upon payment of a reasonable fee established from time-to-time by the Architectural Control Committee, the Architectural Control Committee shall issue a certificate setting forth generally whether, to the best of the Architectural Control Committee's knowledge, the improvements on a particular Lot are in compliance with the terms and conditions of this Declaration and the Architectural Guidelines.

(c) Condition of Lot Prior to and During Construction. Prior to and during construction of any Building on a Lot, the Owner shall cut weeds and install grass or other suitable groundcover as may be approved by the Architectural Control Committee to eliminate blowing dirt, weeds, and unsightly appearances on the Lot. If such Owner fails to do so, the Board may impose fines and penalties, which shall be pursuant to the schedule of fines and penalties adopted by the Board from time-to-time.

6. Appeal. If any Owner is dissatisfied with the decision of the Architectural Control Committee to approve or deny any application submitted to it, such Owner may appeal the decision to the Board by giving written notice of appeal to the Board, the Architectural Control Committee and the applicant (if other than the appellant). The notice shall be given within ten (10) days after the decision of the Architectural Control Committee. The Board shall hear and consider the appeal at its next regular meeting following the date notice of appeal is given. The appellant, the applicant (if other than the appellant), and the Architectural Control Committee may each have a representative present at the hearing, and shall have the right to present such evidence as may be relevant to the appeal. The Board shall give notice of its decision within ten (10) days after the conclusion of the hearing. If the Architectural Control Committee, the applicant or the appellant is dissatisfied with the decision of the Board, such person or entity may appeal the decision to the Owners. Notice of appeal to the Owners shall be given within ten (10) days of the Board's decision to the Board, the applicant, the appellant (if other than the applicant) and the Architectural Control Committee. The Board shall schedule, and give notice of, a special meeting of the Owners to consider the appeal, which meeting shall be held not less than ten (10) nor more than thirty (30) days following the date that notice of appeal is given to the Board. If a decision of the Architectural Control Committee is appealed to the Board, the decision shall be affirmed unless a majority of all directors then in office (regardless of the number of directors actually present at the meeting) vote to overturn the decision of the Architectural Control Committee. If the decision of the Board is appealed to the Owners, the decision of the Board shall be affirmed unless a majority of all Owners (regardless of the number of Owners actually present at the special meeting called for the purpose of considering the appeal) vote to overturn the Board's decision.

7. No Waiver of Future Approval. The approval by the Architectural Control Committee of any proposal or plans and specifications for any work to be done on a Lot shall not be deemed to constitute a waiver of any right to withhold Approval or Consent to any similar proposals, plans, specifications, drawings, or other matter subsequently or additionally submitted for approval by the same Owner or by another Owner.

8. Damage or Destruction of Improvements. In the event any Duplex Building, or other structure constructed on a Duplex Lot (Townhome Buildings are governed by Article IX hereinabove) is damaged, either in whole or in part, by fire or other casualty, the Duplex Building, or other structure shall be promptly rebuilt or remodeled to comply with this Declaration and the Architectural Guidelines; or in the alternative, if the Duplex Building or other structure is not to be rebuilt, all remaining portions of the damaged structure, including the foundation and all debris, shall be promptly removed from the Lot, and the Lot shall be restored to its natural condition existing prior to the construction of the Duplex Building or other structure.

ARTICLE XV. USE RESTRICTIONS

1. Land Use. No building or other structure shall be erected, altered, placed, or permitted to remain on any Lot other than one Primary Unit and one Secondary Unit per Duplex Lot, one Townhome Unit per Townhome Lot, subject to approval by the Architectural Control Committee, and such additional improvements as may be approved by the Architectural Control Committee, pursuant to the terms of Article XIV hereinabove. All Units shall be used for single family Residential Purposes and such in-home businesses as may be permitted by applicable Laws.

2. Trash Collection. The Association, acting through its Board, shall have the right to require that any trash collection within the Community be performed by one company and that trash be collected from all Lots by such company on the same day of each week. The Board shall select the trash company based on competitive bids. At the option of the Association, the cost of trash collection shall be paid by each Owner directly to the trash collection company, and in such event, the Association shall have no duty to assess the cost of trash collection as a Common Expense. Nothing herein contained shall be construed to prohibit an Owner from personally disposing of trash from his or her Lot. This section shall not apply to a contractor during the construction of a Building or other improvements on a Lot. The contractor may dispose of trash, rubbish, debris, and other construction materials from the Lot either personally or by contracting with a trash collection company. The trash collection company may remove trash, rubbish, debris, and other construction materials from the Lot during the construction of the Building as often as the contractor deems appropriate. All trash receptacles shall have lid tie-downs to protect them from animals. Except during the construction or remodeling of a Building or other improvements on a Lot and except on the day designated for trash collection, all trash receptacles shall be kept in a garage, outbuilding, or screened from view by screening approved by the Architectural Control Committee.

3. No Hazardous Activities. No activities shall be conducted within the Community which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no open fires shall be lighted or permitted except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace. Barbecue grills heated by charcoal or propane shall not be permitted on any Townhome Lot.

4. Vehicle Repair. No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any vehicles, trailers, or boats, may be performed on any Lot unless it is done within a completely enclosed garage which screens the sight and sound of the activity from the street and from adjoining Lots, nor shall any such activity be performed on the Common Areas. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, or motor-driven cycle together with those activities normally incident and necessary to such washing and polishing.

5. Occupancy of Building. In addition to any other restrictions imposed upon Owners by any Law of any Governmental Authority, with regard to the completion of a Building and notwithstanding the issuance of a temporary or permanent certificate of occupancy for the Building by the appropriate Governmental Authority, no Building shall be occupied until all buildings, fences, walls, structures, and other improvements as are set forth in the plans and specifications submitted to and approved by the Architectural Control Committee shall first be constructed and

installed, including, but not limited to, the rough grading of the Lot and the installation of driveways and sidewalks thereon.

6. Restrictions on Leasing. All leases shall be in writing and shall provide that the tenant shall comply in all respects with the provisions of all of the Documents and that any failure by the tenant to comply with the terms and provisions of any of the Documents shall be a default under the lease. The Board may require information forms to be completed and security deposits to be made by tenants. Copies of all leases shall be provided upon request to the Board. The Board may require the use of its approved lease form or the insertion of particular provisions in all leases. After notice and an opportunity for hearing, the Board may require an Owner to evict any tenant who has violated any provision of the Documents. The Association may adopt such reasonable rules and regulations governing the leasing of Townhome Units, Primary Units, and Secondary Units as the Association reasonably determines to be necessary for the protection and/or benefit of all Owners.

7. Violation of Laws. No use shall be made of an Owner's Lot which will in any manner violate any Law of any Governmental Authority having jurisdiction over the use of the Lot. Any violation of any Law shall also be a violation of this Declaration.

8. Marijuana. Marijuana shall not be grown within the Community. Without limiting the generality of the foregoing, Marijuana may not be grown on any Lot or within the interior of any Unit.

8. Maintenance of Lots and Improvements. Owners of Lots shall keep or cause to be kept all fences and other structures located on their Lot in good repair. Rubbish, refuse, garbage, and other solid, semi-solid, and liquid waste shall be kept within sealed containers, shall not be allowed to accumulate on any Lot, and shall be disposed of in a sanitary manner. No Lot shall be used or maintained as a dumping ground for such materials. All containers shall be kept in a neat, clean, and sanitary condition and shall be stored inside a garage or other approved structure, except on trash collection days. No trash, litter, or junk shall be permitted to remain exposed upon any Lot and visible from the Common Areas or other Lots. Burning of trash on any Lot shall be prohibited. No lumber or other building materials shall be stored or permitted to remain on any Lot unless screened from view from other Lots and from the streets, except for reasonable storage during construction.

9. Temporary Structures. No structure of a temporary character, including, by example and not limitation, trailers, converted trailers, shacks, sheds, basements, tents, garages, or accessory buildings, shall be used on any Lot for Residential purposes, temporarily or permanently.

10. Storage of Vehicles. Boats, campers, snowmobiles, all-terrain vehicles, trailers, machines, tractors, semi-tractors, tractor trailers, trucks (except standard pickup trucks), inoperative automobiles and vehicles owned by any Person who is not a resident of the Community shall not be stored, parked, or permitted to remain on any street, Lot, or Common Area, except within fully-enclosed garages, for more than: (a) 12 consecutive hours; (b) a total of 24 hours within any 5 consecutive days; or (c) a total of 120 hours during any 30 consecutive days.

11. Parking. No parking shall be permitted at any time within the Alley or any fire lane.

ARTICLE XVI. DRAINAGE

1. Acknowledgement. The soils within the state of Colorado consist of both expansive soils and low-density soils which will adversely affect the integrity of the Building if the Building and the Lot on which it is constructed are not properly maintained. Expansive soils contain clay minerals which have the characteristic of changing volume with the addition or subtraction of moisture, thereby resulting in swelling and/or shrinking soils. The addition of moisture to low-density soils causes a realignment of soil grains, thereby resulting in consolidation and/or collapse of the soils. All Buildings shall have engineered footings and foundations.

2. Moisture. Each Owner of a Lot shall use his or her best efforts to assure that the moisture content of those soils supporting the foundation and the concrete slabs forming a part of the Building constructed thereon remain stable and shall not introduce excessive water into the soils surrounding the Building.

3. Water Flow. The Owner of a Lot shall not impede or hinder in any way the water falling on the Lot from reaching the drainage courses established for the Lot and the Community.

4. Action by Owner. To accomplish the foregoing, each Owner of a Lot covenants and agrees, among other things:

(a) Not to install Improvements, including, but not limited to, landscaping, items related to landscaping, walls, walks, driveways, parking pads, patios, fences, additions to the Building, outbuildings, or any other item or improvement which will change the grading of the Lot.

(b) To fill with additional soil any back-filled areas adjacent to the foundation of the Building and in or about the utility trenches on the Lot in which settling occurs to the extent necessary from time to time to maintain the grading and drainage patterns of the Lot.

(c) Not to water the lawn or other landscaping on the Lot excessively.

(d) Not to plant flower beds (especially annuals) and vegetable gardens adjacent to or within three (3) feet of the foundation and slabs of the Building.

(e) If evergreen shrubbery and grass is used within five (5) feet of the foundation walls, to water the shrubbery and grass by controlled hand watering and to avoid excessive watering.

(f) To minimize or eliminate the installation of piping and heads for sprinkler systems within five (5) feet of foundation walls and slabs.

(g) To install any gravel beds in a manner which will assure that water will not pond in the gravel areas, whether due to non-perforated edging or due to installation of the base of the gravel bed at a level lower than the adjacent lawn.

(h) To maintain the gutters and downspouts which discharge water into extensions or splash blocks by assuring that (i) the gutters and downspouts remain free and clear of all obstructions and debris; (ii) the water that flows from the extension or the splash block is allowed to flow rapidly away from the foundation and/or slabs; and (iii) the splash blocks are maintained under sill cocks.

(i) To re-caulk construction joints opening up between portions of the exterior slabs and garage slabs in order to thereby seal out moisture.

5. Disclaimer. The Declarant shall not be liable for any loss or damage to any Building, any outbuilding, concrete slab, driveway, sidewalk, or other improvement on any Lot caused by, resulting from, or in any way connected with soil conditions on any Lot.

ARTICLE XVII. SPECIAL DECLARANT RIGHTS

1. Special Declarant Rights. Declarant hereby reserves the right for a period of twenty (20) years after this Declaration is recorded in the office of the County Clerk and Recorder to perform the acts and exercise the rights hereinafter specified (“the Special Declarant Rights”). Declarant’s Special Declarant Rights include the following:

(a) Completion of Improvements. The right to complete improvements indicated on the Plat and in the Development Agreement.

(b) Sales and Marketing. The right to maintain signs within the Community advertising Lots within the Community for sale and the right to maintain a sales office and model Units within the Community.

(c) Construction Easements. The right to use easements within the Community for the purpose of making improvements within the Community.

(d) Control of Association and Executive Board. The right to appoint or remove any officer of the Association and/or any Board member.

(e) Dedications. The right to establish, from time to time, by dedication or otherwise, access, utility, irrigation, and other easements over, across, and upon the Common Areas for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, and open spaces, and irrigation of open spaces, and to create other reservations, exceptions, and exclusions over, across, and upon the Common Areas for the benefit of and to serve the Owners and the Association.

(f) Amend the Declaration. The right to amend this Declaration as may be necessary or reasonably required to comply with the requirements of any First Mortgagee or the secondary lending market.

(g) Consent to Amendment. The right to consent to amendments to this Declaration as provided in Article XIX Section 4 hereinafter.

2. Rights Transferable. Any or all of the Special Declarant Rights created or reserved under this Article for the benefit of the Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in the County Clerk and Recorder's office. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE XVIII. DUPLEX UTILITIES

1. Individual Service Lines for Each Duplex Building. Each Duplex Building shall be served by its own utility lines, and no connection with the water or wastewater utility shall be made by extending the service line from one Duplex Building to another Duplex Building. Each Duplex Building shall be served by a separate utility line; however, the City's Utilities Executive Director may require that a Duplex Building be served by more than one service line.

2. Additional Conditions. The Declarant, for itself and on behalf of all successor Owners of each Duplex Lot, hereby further covenants and agrees that utility services to each Duplex Lot are subject to the foregoing conditions, together with such additional conditions and requirements as the City may, from time to time, establish and impose on its provision of utility services.

3. Covenants Run with the Land. The Covenants contained in this Article shall be a burden on the Duplex Lots, shall run with the land, and shall be binding upon any future Owners and Security Interest Holders of the Duplex Lots, their successors, heirs, personal representatives and assigns and shall continue in effect unless and until either: (i) each structure on the Duplex Lot is served by individual, separate utility lines; or (ii) this Covenant is terminated with the consent of the City, or by operation of law.

4. Enforcement. Should an Owner fail to comply with the limitations and requirements set forth or referenced in this Article, the City shall have the right to discontinue the affected utility service to the Duplex Lot until such time as said failure has been corrected and any related amounts due or other obligations have been fulfilled.

5. City Code. The Covenants contained in this Article are not intended to, nor shall they be construed to, override or supersede or modify any additional or conflicting provisions of the City Code or City Land Use Code that may otherwise apply to the Duplex Lots or utility service thereto.

ARTICLE XIX. GENERAL PROVISIONS

1. Deemed Nuisances. Every violation of this Declaration is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by Law against an Owner shall be applicable. Without limiting the generality of the foregoing, this Declaration may be enforceable as provided below.

(a) Fines for Violations. The Board may adopt a schedule of fines including, but not limited to, fines for failure to abide by the Architectural Guidelines, and fines for failure to obtain any required approval from the Architectural Control Committee.

(b) Removal of Nonconforming Improvements. The Association shall have the right to obtain a court order from a Colorado court of competent jurisdiction to remove any improvement constructed, reconstructed, refinished, altered or maintained upon a Lot in violation of this Declaration.

2. Enforcement. Enforcement of this Declaration shall be by appropriate proceedings at law or in equity against those persons or entities violating or attempting to violate any covenant, condition, or restriction herein contained. Such judicial proceeding shall be for the purpose of removing a violation, restraining a future violation, for recovery of damages for any violation, or for such other and further relief as may be available. Such judicial proceedings may be prosecuted by an Owner, by the Architectural Control Committee, or by the Association acting by and through the Board. In the event it becomes necessary to commence an action to enforce this Declaration, the court shall award to the party that substantially prevails in such litigation, in addition to such damages as the Court may deem just and proper, an amount equal to the costs and reasonable attorney's fees incurred by the prevailing party in connection with such litigation. The failure to enforce or to cause the abatement of any violation of this Declaration shall not preclude or prevent the enforcement thereof or of a further or continued violation, whether such violation shall be of the same or of a different provision of this Declaration.

3. Duration. This Declaration shall run with the land, shall be binding upon all persons owning or acquiring Lots, and shall be in effect in perpetuity unless amended or terminated as provided in CCIOA.

4. Amendment. Except as otherwise provided in this Declaration, this Declaration may be altered or amended at any time by the then record Owners entitled to cast sixty-seven percent (67%) or more of the votes in the Association. Amendments shall be adopted as provided in Section 217 of the Act. Notwithstanding the forgoing, the terms and provisions of this Declaration inure to the benefit of Declarant, are enforceable by Declarant, and shall never be amended without the written consent of Declarant without regard to whether Declarant owns any portion of the Real Estate at the time of such amendment. BY TAKING TITLE TO A LOT, BUILDING OR UNIT EACH OWNER ACKNOWLEDGES AND AGREES THAT THE TERMS OF THIS SECTION ARE A SIGNIFICANT INDUCEMENT TO THE DECLARANT'S WILLINGNESS TO DEVELOP AND SELL THE LOTS, BUILDINGS AND UNITS AND THAT IN THE ABSENCE OF THE PROVISIONS CONTAINED IN THIS SECTION, DECLARANT WOULD HAVE BEEN UNABLE AND UNWILLING TO DEVELOP AND SELL THE LOTS, BUILDINGS AND UNITS FOR THE PRICES PAID BY THE ORIGINAL PURCHASERS.

5. Captions. The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of the Documents or the intent of any provision thereof.

6. Gender. The use of the masculine gender refers to the feminine gender, and vice versa, and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so require.

7. Waiver. No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

8. Invalidity. The invalidity of any provision of the Documents does not impair or affect in any manner the validity, enforceability, or effect of the remainder, and if a provision is declared invalid by judgment or court order, all of the other provisions of the Documents shall continue in full force and effect.

9. Conflict. The Documents are intended to comply with the requirements of CCIOA. If there is any conflict between the Documents and the provisions of CCIOA, the provisions of CCIOA shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

10. No Right of Action Against the Association or Board. No person shall obtain by virtue of this Declaration any right or cause of action against the Association or the Board of Directors or its Manager arising as a result of the enforcement or lack of enforcement of this Declaration.

11. Disclaimer Regarding Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Community that are designed to make occupancy of the Community more secure than it otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within or around the Community, nor shall any of them be held liable for any loss or damage by reason of failure to provide security or by reason of the ineffectiveness of any security measures that might be undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, or that any such systems or security measures undertaken will in any case prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform all of such Owner's Tenants, guests and invitees of the terms of this Subsection 11. Further, each Owner expressly agrees that he or she assumes all risks of loss or damage to persons and to property resulting from the acts or omissions of third parties.

12. Disclaimer Regarding Naturally Occurring Radioactive Material Disclosure And Release. In certain locations in the greater Fort Collins, Colorado metropolitan area, above average levels of naturally occurring radioactive material ("NORM") have been detected. Declarant has not made nor does this Declaration make or contain any representation or warranty, express or implied, concerning the presence, absence, or level of NORM in the soil beneath or adjacent to the Community.

13. Disclaimer Regarding Radon. The Colorado Department of Health and the United States Environmental Protection Agency (the "EPA") have detected elevated

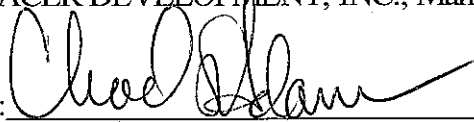
levels of naturally occurring radon gas in certain residential structures throughout Colorado and the EPA has voiced concerns about the possible adverse effects on human health from long term exposure to high levels of radon gas. Neither the Association nor the Declarant is qualified to evaluate all aspects of this very complex and constantly changing issue. Any Owner may conduct their own investigation and consult with such experts as the Owner deems appropriate in order to determine the level of radon gas in such Owner's Duplex Building or Unit, and to determine any mitigation the Owner desires to implement at the Owner's sole cost, risk and expense. Owners acknowledge that the Association is under no obligation with respect to the radon gas levels detected in the Owner's Duplex Building or Unit and nothing contained herein shall create or be interpreted as a representation or warranty, express or implied, concerning the presence or absence of radon in the soils beneath or adjacent to the Community. Each Unit Owner hereby releases the Association and the Declarant from any and all liability with respect to the matters discussed in the foregoing disclosure.

14. Disclaimer Regarding Mold Related Hazards. The presence of some types of mold may cause health problems in certain individuals. The Owners acknowledge that neither the Declarant nor the Board shall be responsible for the potential or actual existence of mold contamination at the Community, or any resulting injury. All Owners with concerns about the likelihood of mold at the Community and the potential impacts of mold are directed to the mold informational pamphlets maintained on the United States Environmental Protection Agency (EPA) website at <http://www.epa.gov/iaq/molds/index.html> for additional information regarding mold.

15. No Development Representation. Each Owner acknowledges current and potential development in and surrounding the Community, including such development outlined in this Declaration. Buildings and properties in certain urban areas have the potential for additional height and densities. This Declaration does not, and is not intended to make any representation regarding development outside of the Community, nor create an obligation to construct and annex additional real property into the Community. Neither the Association nor the Declarant is responsible for establishing City zoning or for the approval of development plans for adjacent lands or to notify the Owners of such development. Each Owner is encouraged to investigate area development as such Owner deems necessary and appropriate prior to the purchase of a Lot.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed as of the day and year first above written.

REVIVE PROPERTIES, LLC,
a Colorado limited liability company
PLACER DEVELOPMENT, INC., Manager

By: 
Chad S. Adams, President

STATE OF NEBRASKA)
) ss.
COUNTY OF KEITH)

The foregoing instrument was acknowledged before me this 17th day of June, 2015, by Chad S. Adams as President of PLACER DEVELOPMENT, INC., Manager of REVIVE PROPERTIES, LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires: 9-13-2016



Gail K Ewert
Notary Public