

**DECLARATION
of
Conditions, Declaration, Restrictions and Easements
for
EAGLERIDGE ESTATES FILING NO. 3**

Pannunzio, Inc., a Colorado corporation (called the "Declarant" in this Declaration), is the sole owner of real property (called the "Community") described as follows:

All of Lot 1, Block 4, Eagleridge Estates Filing No. 2 according to the plat thereof recorded in Reception No. 1702445 on November 16, 2006 of the Pueblo County, Colorado records also known as EAGLERIDGE ESTATES FILING NO. 3, including all lots and tracts and any other easements for drainage or utility or any other purpose, and including the property described on Exhibit "A" attached hereto and incorporated herein by this reference.

**ARTICLE I
PURPOSE AND DEFINITIONS**

Section 101. The purpose of this Declaration is to place protective covenants, conditions, restrictions, reservations, liens and charges upon the Community. The Declarant desires to place these protective covenants, conditions, restrictions, reservations, liens and charges upon the Community to protect the Community's quality residential living environment and also to protect its desirability, attractiveness and value and to exempt the Declarant, the Association, the Lots and Tracts and all other property related to the Community from the Colorado Common Interest Ownership Act (C.R.S. §38-33.3-101, et seq.) as set forth in Colorado Revised Statutes (including C.R.S. §38-33.3-116). Consequently, the Community is hereby subjected to the following easements, covenants, restrictions and conditions (collectively referred to as the "Declaration"), all of which shall run with the Community and shall be binding upon all parties having or acquiring any rights, title or interest in it or any part hereof, and shall inure to the benefit of each Owner thereof and the Declarant.

Section 102. Definitions. The following words and expressions as used in the Declaration have the meanings indicated below unless the context clearly requires another meaning:

- (a) Accessory Building. Detached garages, storage sheds, patios, swimming pools, covers, enclosures, dressing rooms or other similar Structures, recreation facilities, separate guest houses without kitchens, separate servants' quarter without kitchens and other buildings customarily used in connection with the single-family residence.
- (b) Approved Builder. "Approved Builder" shall mean and refer to a contractor that meets all of the following requirements: (a) a contractor licensed in the

City and County of Pueblo; (b) one who has been designated in writing as an Approved Builder by Declarant or Design Review Committee; and (c) one who has submitted to, and obtained approval from the Declarant or Design Review Committee of general plans and specifications for such residential dwelling units.

- (c) Assessments. The Executive Board of the Association may levy various assessments against Owners of Lots as set forth in this Declaration.
- (d) Association. Eagleridge Estates Filing No. 3 Owners Association, Inc., a nonprofit corporation, which shall operate under the Colorado Revised Nonprofit Corporation Act, as amended (the "Nonprofit Act"). See Section 901.
- (e) Association Properties. Parcels A through C and Tracts A and B, Eagleridge Estates Filing No. 3, County of Pueblo, State of Colorado, together with any property conveyed or designated by Declarant subsequently.
- (f) Building Site. A lot as established by the recorded plat of this Community or any resubdivision of any areas within the Community or the combination of two or more Lots or portions thereof as approved by Declarant.
- (g) This Declaration. This Declaration and the provisions contained in it.
- (h) Due Notice. Written notice delivered in accordance with the requirements of this Declaration at least ten (10) days prior to the action required by the notice.
- (i) Executive Board. Governing body of the Association. See definition in Section 902.
- (j) Enumerations Inclusive. A designation which describes parcels or other things as from one number, letter or other designation to another includes both such numbers, letters or other designations and all in between.
- (k) Garden Level. A level of floor space that has a floor to ceiling height of not less than eight feet (8') and which has a ceiling that is not less than three feet (3') above finished grade.
- (l) Gender, Number and Terms. Whenever the context permits, Owner or Owners shall be deemed to refer equally to persons of both sexes and to corporations and to other entities, singular to include plural and plural to include singular. The terms "include", "includes" or "including" shall mean "include without limitation", "includes without limitation" or "including without limitation".
- (m) HOA. Abbreviation for Eagleridge Estates Filing No. 3 Owners Association, Inc.
- (n) Improvement. "Improvements" shall mean and refer to all Structures and any appurtenances thereto or components thereof of every type or kind, including, but not limited to, buildings, outbuildings, swimming pools, patio covers, awnings, painting or other finish material of any exterior surfaces of any visible Structure, additions, walkways, bicycle and/or pedestrian trails, sprinkler pipes, garages, carports, roads, parking areas, concrete, paving, fences, screening walls, retaining walls, stairs, decks, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs,

mailboxes, exterior tanks, solar equipment, satellite dishes, and exterior air conditioning and water softener fixtures, and any alterations, changes or modifications to the foregoing. "Improvements" shall also mean an excavation or fill the volume of which exceeds two cubic yards, and any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel upon or across any Lot.

- (o) Landscape. The treatment of ground surface with live plant materials, wood chips, crushed stone, decorative rocks or mulch materials, or other decorative surfacing materials approved by the Design Review Committee. For purposes of this definition, the word "Landscape" shall include all other forms of the word Landscape, such as Landscaped and Landscaping.
- (p) Lot. Each area designated as a lot in the recorded plat of the Community or any resubdivision of all or a portion of the area included within the Community.
- (q) Lot Lines. Front, side and rear Lot Lines shall be the same as defined in the zoning regulations of the City of Pueblo in effect from time to time. In the absence of such a definition, a front Lot Line is each boundary line (whether one or more) between the Lot and any public street. A corner Lot bordering two public streets has two front Lot Lines. A side Lot Line is any boundary line which meets and forms an angle with a public street, except for such boundary lines which constitute one of the two front Lot Lines on a corner Lot.
- (r) Owner. Person having fee simple legal title to a Lot. If more than one person has such title, all such persons are referred to collectively as "Owner" and shall exercise their rights as an Owner through such one of them as they may designate from time to time.
- (s) Structure. Any thing or device other than trees and Landscaping, the placement of which upon any Building Site might affect its exterior appearance, including by way of illustration and not limitation, any dwelling, building, garage, porch, shed, greenhouse, driveway, walk, patio, swimming pool, tennis court, fence, wall, mailbox, outdoor lighting and lawn ornamentation. Structure shall also mean an excavation or fill, the volume of which exceeds two (2) cubic yards or any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any Lot or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel upon or across any Lot.
- (t) The Community. The area subdivided as Eagleridge Estates Filing No. 3, according to the plat recorded in the office of the Clerk and Recorder of the County of Pueblo and State of Colorado.

**ARTICLE II
DECLARATION TO PRESERVE THE RESIDENTIAL
CHARACTER OF THE COMMUNITY**

Section 201. Property Uses. All Lots and Building Sites in the Community shall be used exclusively for private residential purposes. No dwelling erected or maintained within the Community shall be used or occupied for any purpose other than for a single-family dwelling. No business, profession or other activity conducted for gain shall be carried on or within any Lot or Building Site without the approval of the Design Review Committee.

Section 202. Structures. No Structure shall be erected within the Community except single-family dwellings and those Accessory Buildings and accessory Structures which have been approved by the Design Review Committee. No Structure other than a dwelling with an attached garage for a minimum of one car, no Accessory Building and no trailer, tent or other similar or dissimilar temporary quarters may be used for living purposes. No other Structure may be placed on any Building Site before completion of the dwelling upon such Building Site except with the permission of the Design Review Committee.

Section 203. Construction Type. All construction shall be new. No building previously used at another location, nor any building or Structure originally constructed as a mobile dwelling or Structure, may be moved onto a Lot or Building Site except as expressly hereinafter provided in Section 207 for temporary construction, sales or administration buildings.

Section 204. Storage. No building materials shall be stored on any Lot except temporarily during continuous construction of a building or its alteration or improvement.

Section 205. Completion of Work. A Structure shall not be occupied in the course of original construction until substantially completed. Construction must begin, evidenced by purchasing of a building permit, within six (6) months after the purchase of a Lot from the Declarant. All construction work shall be prosecuted diligently and continuously from the time of commencement until fully completed.

Section 206. Construction Completion. The exterior of the buildings or other Structures must be completed within six (6) months after the commencement of construction except where such completion is impossible or would result in great hardship due to strikes, fires, national emergency or natural calamities. For purposes of this Section 206, "commencement of construction" for a single-family dwelling is defined as the obtaining of the building permit as referenced in Section 205 above, and for all other Structures, is the undertaking of any visible exterior work. If construction is not completed within six (6) months after commencement, or if construction shall cease for a period of sixty (60) days without permission of the Design Review Committee, the Design Review Committee will give the Owner thereof Due Notice of such fact, and if construction work on such Structure is not diligently pursued within thirty (30) days after such notice, the

unfinished Structure or unfinished portion thereof shall be deemed a nuisance and shall be removed forthwith by and at the cost of the Owner.

Section 207. Construction or Sales Offices. Temporary buildings for construction or administration purposes or for sales offices may be erected or maintained only by Declarant or with the permission of the Design Review Committee. Model homes may be used and exhibited only by Declarant or with the permission of the Design Review Committee. Temporary buildings permitted for construction or administration purposes or for sales offices shall be promptly removed when they cease to be used for these purposes.

Section 208. Drilling Structures. No derrick or other Structure designed for use in or used for boring or drilling for water, oil or natural gas shall be permitted upon or above the surface of any Lot, nor shall any water, oil, natural gas, petroleum, asphalt or other hydrocarbon substances be produced from any well located upon, in or under any Lot.

Section 209. Easements. There are hereby reserved to Declarant, its successors and assigns, perpetual, alienable, divisible and releasable easements and the right from time to time to grant such easements to others over, under, in and across each of the five foot (5') strips along and adjoining each rear Lot Line of each Lot, and each of the five foot (5') strips along and adjoining each side Lot Line of each Lot and all utility and drainage easements set forth on the Plat of the Community for the use of all or part of such areas for lines for transmission of electric current or impulses or electronic signals, for heat and fuel lines, for water lines, for utility lines, for drainage and for other similar or dissimilar facilities and purposes, and for any one or more of such purposes.

Section 210. Underground Utilities. All utilities except lighting standards and customary service devices for access, control or use of utilities shall be installed underground.

Section 211. Standard Fence and Maintenance Areas. Declarant reserves the right to construct and maintain a standard fence along the rear Lot Lines of any Lot which borders an open space and the right to install and maintain Landscaping and maintain utility lines adjacent to such standard fences and the adjacent streets (which areas, and the Improvements located thereon, are included in areas which are referred to in this Declaration as "Maintenance Areas"). Entry by Declarant or proper representatives of the Eagleridge Estates Filing No. 3 Owners Association, Inc. ("Association") on a Lot in order to construct and maintain Maintenance Areas shall not be a trespass. The height of the standard fence installed by Declarant may not be increased. Except with the Design Review Committee's approval, no other fence shall be of greater height than the standard fence, and any other fence approved by the Design Review Committee which intersects the standard fence shall be tapered from a distance of eight feet (8') from the intersection upward or downward to the same height as the standard fence at the point where it meets the standard fence. Notwithstanding the foregoing, the Owner of a Lot shall be responsible for maintaining the Maintenance Areas along and within the Lot lines of such

Owner's Lot. The Owners of all Lots adjacent to the standard fence are hereby required to maintain the fence in a condition that is compatible with the other standard fence.

ARTICLE III DENSITY, SETBACK AND QUALITY STANDARDS

Section 301. Limitation on Dwellings. No more than one dwelling shall be erected or maintained within any Lot or Building Site.

Section 302. Conformance to Building Codes. All construction must also conform to the building code, zoning code and Community regulations of the City of Pueblo, which regulations may vary from the provisions of this Section and other Sections.

Section 303. Dwelling Area Requirements. No dwelling shall be erected which, exclusive of basements, porches, patios, covered and unenclosed areas, garages, and any attached Accessory Building, has a gross livable floor area of less than the square footage approved by the Design Review Committee.

Section 304. Height Restrictions. No dwelling or other Structure shall be more than two (2) stories in height except with the prior written permission of the Design Review Committee. Height shall be measured from the highest original ground contour at any point adjoining the foundation perimeter of the Structure to the highest point on the Structure exclusive of standard chimneys. "Original ground contour" shall mean the ground contour established during development of the Lots and existing immediately prior to commencement of construction (as defined in Section 206) of any dwelling or other Structure.

Section 305. Roofs. All roof areas shall be of composite shingles, tile or other material approved by the Design Review Committee. Composite shingles & tiles must be of only those colors approved by the Design Review Committee.

Section 306. Accessory Buildings (Sheds). Any Accessory Building or Structure shall be of the same colors and harmonize in appearance with the dwelling situated on the same Lot. They shall be no taller than 8 feet (8') above ground level and cannot block any drainage easement. They must be less than 100 square feet total and constructed of the same materials and be of the same exterior design and color as dwelling.

Section 307. Roof Projections. No aerial, antenna or microwave system for reception or transmission of radio, television or other electronic signals, or other roof projection, including lightning rods and weathervanes, shall be placed on the roof or any other exterior location of a building or Lot, unless approved by the Design Review Committee. TV dishes less than twenty-eight inches (28") in diameter are allowed with location approved by the Design Review Committee.

Section 308. Owner Maintenance. Each Owner shall maintain the exterior of the dwelling, any Accessory Building and all other Structures, lawns and Landscaping, walks

and driveways, in good condition and shall cause them to be repaired as the effects of damage or deterioration become apparent. Exterior building surfaces and trim shall be repainted periodically and before the surfacing becomes weather-beaten or worn off.

Section 309. Rebuilding or Restoration. Any dwelling or building which may be destroyed in whole or part by fire, windstorm or from any other cause or act of God must be rebuilt or all debris must be removed and the Lot restored to a slightly condition, such rebuilding or restoration to be completed with reasonable promptness and in any event within six (6) months from the time the damage occurred.

Section 310. Fences. All fences shall be constructed of natural rough cedar wood, concrete block, brick or vinyl and shall be no more than six feet (6') high. No other material may be used for fences unless previously approved by the Design Review Committee - specifically no chain link or open wire mesh. The supporting framework of the fence shall be covered on the side facing outward from the Lot on which constructed if it is adjacent to a street, or it is visible from any street or other open space. Except with approval of the Design Review Committee, no fence or hedge more than two feet (2') high shall be installed closer to an adjoining street than the dwelling or any other building located on the Lot is to the street. Fences must be constructed to allow flow of surface water through any drainage easement.

Section 311. Other Architectural Requirements. The Design Review Committee will examine all four (4) elevations of home for style and design and will expect consistency of design and detailing on all exterior elevations. On corner Lots or Lots that will have houses which will be highly visible, the home may be required to provide additional design features. Any exposed concrete foundation of more than six inches (6") will be required to be either stuccoed, bricked or sided. This is pertinent on split levels, garden-levels and walk-outs. All exterior colors and exterior plans, including site plans, must be approved in writing by the Design Review Committee before commencing construction.

ARTICLE IV LIVING ENVIRONMENT STANDARDS

Section 401. Building and Grounds Conditions. Each Owner shall maintain the exterior of the dwelling, any Accessory Building, fence and all other Structures, lawns and Landscaping, walks and driveways, in first class condition and shall cause them to be repaired as the effects of damage or deterioration become apparent; if the Owner fails to properly perform such maintenance, the Design Review Committee may, after giving thirty (30) days' written notice, effect such repairs and maintenance as it deems necessary at the expense of the Owner, in its judgment to maintain the standards of the Community.

Section 402. Garage Doors. Garage doors shall be kept closed except when being used to permit ingress or egress to or from the garage.

Section 403. Maintenance Equipment. All maintenance equipment shall be stored in an enclosed Structure or otherwise adequately screened so as not to be visible from neighboring property or adjoining streets.

Section 404. Clotheslines. All outdoor clothes poles, clotheslines and other facilities for drying or airing of clothing or household goods shall be placed or screened by fence or shrubbery so as not to be visible from neighboring property or adjacent streets.

Section 405. Refuse. No unsightly objects or materials, including ashes, trash, rubbish, garbage, grass or shrub clippings, scrap material or other refuse, or receptacles or containers therefor, shall be stored, accumulated or deposited outside or so as to be visible from any neighboring property or adjoining street, except during refuse collections. After a period of two (2) weeks of continued violation of this Section 405, the Design Review Committee shall have the right to enter upon the Lot involved and remove such unsightly objects or materials at the expense of the Owner. Such an entry shall not be deemed a trespass and the Owner shall be liable for all costs incurred relative thereto.

Section 406. Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor anything done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the Community. No offensive or hazardous activities may be carried on any Lot or in any Structure or part of the Community or Accessory Building. No annoying lights, sounds or odors shall be permitted to emanate from any Lots, homes or Accessory Buildings.

Section 407. Sound Devices. No exterior speakers, horns, whistles, bells or other sound devices except security devices used exclusively for security purposes shall be located, used or placed on any Structure or within any Lot.

Section 408. Landscaping. Within six (6) months after completion of a dwelling or within any extension of that period granted by the Design Review Committee, all yards and open spaces shall be Landscaped and thereafter maintained in lawn or Landscape. For purposes of this Section, the front yard is defined as the area of the Lot between the paved surface of any street adjacent to the Lot and the building setback line on the Lot.

Section 409. Weeds. All yards and open spaces and the entire area of every Lot on which no building has been constructed shall be kept free from plants or weeds infected with noxious insects or plant diseases and from weeds which in the reasonable opinion of the Design Review Committee are likely to cause the spread of infection or weeds to neighboring property, and free from brush or other growth or trash which in the reasonable opinion of the Design Review Committee causes undue danger of fire or an unsightly appearance to the Community.

Section 410. Mowing and Pruning. In order to effect insect, weed and fire control and to prevent and remove nuisances, the Owner of any Lot upon which a building has not been constructed shall mow, cut, prune, clear and remove from the premises

unsightly brush, weeds and other unsightly growth and shall remove any trash which may collect or accumulate on the Lot.

Section 411. Grading Patterns. No material change may be made in the ground level, slope, pitch or drainage patterns of any Lot as fixed by the original finish grading except after first obtaining the prior consent and approval of the Design Review Committee. Grading shall be maintained at all times so as to conduct irrigation and surface waters away from buildings and so as to protect foundations and footings from excess moisture.

Section 412. Animals. No animals, reptiles, insects, fowl, pigs, goats, horses, or other creatures except domesticated birds (not chickens) or fish and other small domestic animals permanently confined indoors and except an aggregate of two (2) domesticated dogs or cats shall be maintained in or on any Lot within the Community and then only if kept as pets. No animal or creature of any kind shall be permitted which in the opinion of the Design Review Committee makes an unreasonable amount of noise or odor or is a nuisance. No animals or creature shall be kept, bred or maintained within the Community for any commercial purposes.

Section 413. Trailers, Campers, etc. No boat, trailer, camper (on or off supporting vehicles), tractor, commercial vehicle, mobile home, motor home, any towed trailer unit or truck, excepting only pickups with or without bed toppers and passenger vans for the private use of the residents of a dwelling as primary transportation on a day-to-day basis, shall be parked within any Lot or Building Site except in a completely enclosed Structure such as a garage, or unless screened in a manner approved by the Design Review Committee so no more than two feet (2') of the vehicle is visible above the enclosure at ground level from any neighboring property or adjoining street. No nonconforming vehicles as described in this Section shall be parked overnight on any street without prior authorization from the Board.

Section 414. Junk Cars. No unused, stripped down, partially wrecked or junk motor vehicle or part thereof shall be permitted to be parked on any street or on any Lot except in an enclosed garage. An unused vehicle shall be any vehicle which is not properly licensed or registered or has remained immobile for more than one (1) week as determined by the Design Review Committee.

Section 415. Vehicle Repairs. No maintenance, servicing, repair, dismantling, sanding or repainting of any type of vehicle, boat, machine or device may be carried on except within an enclosed garage.

Section 416. Signs. The only signs permitted on any Lot or Structure shall be:

- (a) One sign of customary size for offering of the signed property for sale or for rent;
- (b) One sign of customary size for identification of the occupant and address of any dwelling;

- (c) Multiple signs for sale and administration purposes installed by, or with the permission of Declarant during development;
- (d) signs as may be necessary to advise of rules and regulations or to caution or warn of danger; and
- (e) Such signs as may be required by law.

Except for permitted signs, there shall not be used or displayed on any Lot or Structure any signs or any banners, streamers, flags, lights or other devices calculated to attract attention in aid of sale or rental. All permitted signs must be professionally painted, lettered and constructed and placed in a location approved by the Design Review Committee.

ARTICLE V ARCHITECTURAL CONTROL

Section 501. Building Approval. No Structure shall be commenced, erected, placed, moved onto a Lot, permitted to remain on any Lot or altered in any way so as to materially change the Lot's previously existing exterior appearance, except in accordance with plans, specifications and other information submitted to the Design Review Committee and approved by the Design Review Committee no more than one (1) year before start of the construction, alteration or installation. All construction or alteration must be performed by an Approved Builder. Matters which require the approval of the Design Review Committee include the exterior appearance, material, color, height and location of each Structure, covering, drive, walk and fence, and grading of site. In granting or withholding approval, the Design Review Committee shall consider among other things: the adequacy of the materials for their intended use, the harmonization of the external appearance with the surroundings, the proper relation of the Structure or covering to the environment and to surrounding uses, and the degree, if any, to which the proposed Structure or covering will cause intrusions of sound, light or other effect on neighboring sites beyond those reasonably to be expected in a quality urban residential area from considerate neighbors.

Section 502. Submission of Plans. All plans, samples and other materials to be submitted to the Design Review Committee shall be submitted in duplicate. The minimum scale of these plans shall be one-eighth inch equals one foot ($1/8" = 1'$). The plot plan minimum scale shall be one-thirtieth inch equals one foot ($1/30" = 1'$) and shall show the location of all buildings, drives, walks, fences and any other Structures. Proposed new contours throughout the Lot and abutting street elevations on all sides must be shown. Structure plans shall show all exterior elevations and shall indicate and locate on each elevation the materials to be used and designate each exterior color to be used by means of actual color samples. Calculated living area square footage, per Section 303, must be shown on the floor plan pages of plans.

Section 503. Approval Process. All action required or permitted to be taken by the Design Review Committee shall be in writing and any such written statement shall establish the action of the Design Review Committee and shall protect any person relying

on the statement. If the Design Review Committee does not execute and acknowledge such a statement within sixty (60) days after delivery of all required materials to the members of the Design Review Committee, the materials so delivered shall be deemed disapproved for the purpose of this Declaration. The Design Review Committee may charge reasonable fees to cover expenses incurred in review of plans, samples and materials submitted pursuant to this Declaration, exclusive of reimbursement to the members of the Design Review Committee for their services. The Design Review Committee shall be entitled to retain one copy of all approved plans as part of its files and records.

Section 504. Variances. The Design Review Committee shall have the authority to grant for a Lot or Building Site a variance from the terms of one or more of Sections 206, 211, 303, 304, 305, 306, 307, 310 and 311 subject to terms and conditions which may be fixed by the Design Review Committee and will not be contrary to the interests of the Owners and residents of the Community where, owing to exceptional and extraordinary circumstances, literal enforcement of all of those Sections will result in unnecessary hardship. Following an application for a variance:

(a) The Design Review Committee should within sixty (60) days after the request for the variance was delivered, determine whether to grant or deny the variance. If the Design Review Committee fails to act on the request for the variance within sixty (60) days, the variance shall be deemed denied. If a variance affects Section 303, 304, 306, or 310 above, then the Design Review Committee should call a meeting of Owners of Lots in the Community, to be held at the Design Review Committee's principal office, notice of which meeting should be given to the Owners at least ten (10) days in advance, at which meeting all Owners shall have an opportunity to appear and express their views.

(b) Whether or not anyone appears at the meeting in support of or in opposition to the application for variance, the Design Review Committee should within one (1) week after the meeting either grant or deny the variance.

(c) The Design Review Committee shall determine whether or not a variance granted hereunder shall run with the Lot or Building Site for which granted on a case-by-case basis.

(d) If a variance is denied, another application for a variance for the same Lot or Building Site may not be made for a period of one (1) year.

(e) a variance shall not be granted unless the Design Review Committee can reasonably find that most all of the following conditions exist:

- (i) the variance will not authorize the operation of a use other than private, single-family residential use;
- (ii) owing to the exceptional and extraordinary circumstances, literal enforcement of the Sections above enumerated will result in unnecessary hardship;

- (iii) the variance will not substantially or permanently injure the use of other property in the Community;
- (iv) the variance will not alter the essential character of the Community;
- (v) the variance will not weaken the general purposes of this Declaration;
- (vi) the variance will be in harmony with the spirit and purpose of this Declaration;
- (vii) the circumstances leading the applicant to seek a variance are unique to the Lot or Building Site or its Owner, and are not applicable generally to Lots in the Community or their Owners.

ARTICLE VI DESIGN REVIEW COMMITTEE

Section 601. Composition of the Design Review Committee. Declarant shall act as the Design Review Committee until January 1, 2045, or such earlier time as Declarant elects to appoint the committee. On January 1, 2045 or such date as Declarant chooses, Declarant shall appoint a Design Review Committee which shall consist of three (3) individuals, each of whom owns a real property interest in a Lot within the Community. Declarant shall have the continuing right to appoint all three (3) members of the Design Review Committee during the appointment period (as hereinafter defined). The Association shall have the right to appoint such members after the expiration of the appointment period. During the period of development of the Community while Declarant has the right to appoint members of the Design Review Committee, Declarant shall give the Association written notice of the appointment or removal of any member of the Design Review Committee.

Section 602. Non-Liability. Members of the Design Review Committee shall not be liable to any party whatsoever for any act or omission unless the act or omission is in bad faith and amounts to fraud or wanton and willful misconduct.

Section 603. Address of Design Review Committee. The address of the Design Review Committee shall be the Declarant or the Association's address.

Section 604. Meetings of Committee. The Design Review Committee shall meet from time to time as necessary to perform its duties. The Design Review Committee may from time to time, by resolution in writing adopted by a majority of its members, designate a Committee Representative (who may be but need not be one of its members) to take any action or perform any duties for or on behalf of the Design Review Committee, except the granting of approval to any Improvement to property and granting of variances. Decisions of the Committee Representative within the authority of such Committee Representative or the written consent or vote of a majority of the members of the Design Review Committee shall constitute the action of the Design Review Committee.

Section 605. Records of Actions. The Design Review Committee shall report in writing to the Association all final actions of the committee, and the Executive Board shall keep a permanent record of such reported actions.

ARTICLE VII ASSOCIATION PROPERTIES

Section 701. Members' Rights of Use and Enjoyment Generally. Unless otherwise provided in this Declaration, all Members may use, or enjoy the benefits of the Association Properties as appropriate.

Section 702. Right of Association to Regulate Use. The Association, acting through the Executive Board, shall have the power to regulate use of Association Properties by Members and the public to further enhance the overall rights of use and enjoyment of all Members.

Section 703. No Partition of Association Properties. No Owner shall have the right to partition of the Association Properties or any part thereof.

Section 704. Liability of Owners for Damage. Each Owner shall be liable to the Association for any damage to Association Properties or Maintenance Areas or for any expense or liability incurred by the Association, to the extent not covered by insurance, caused by the negligence or willful misconduct of such Owner or any person using the Association Properties through such Owner and for any violation by such Member or any such person of this Declaration or any Rule and Regulation adopted by the Association. The Association shall have the power, as provided elsewhere in this Declaration, to levy and collect a Reimbursement Assessment against an Owner, after notice and hearing, to cover the costs and expenses incurred by the Association on account of any such damage or violation of this Declaration or Rules and Regulations or for any increase in insurance premiums directly attributable to any such damage or violation.

Section 705. Association Duties upon Damage or Destruction. In the event of damage to Association Properties by fire or other casualty or in the event any governmental authority shall require any repair, reconstruction, or replacement of any Association Properties, the Association shall have the duty to repair, reconstruct, or replace the same. Any insurance proceeds payable by reason of damage or destruction of Association Properties by fire or other casualty shall be paid to the Association and shall be used, to the extent necessary, to pay the costs of repair, reconstruction, or replacement. If funds from insurance proceeds or reserves for replacement are insufficient to pay all costs of repair, reconstruction, or replacement of Improvements damaged or destroyed, or if the Association is required to make repairs, replacements, or improvements by governmental authorities, the Association may, in order to make up any deficiency in the insurance proceeds or to pay for the required repair, replacement, or improvement, levy a Special Assessment in accordance with this Declaration or if a Member or group of Members is liable for such damage, levy a Reimbursement Assessment against the responsible Member or group of Members to provide the additional funds necessary. Repair, reconstruction, or replacement of Association Properties shall be done under such contracting and bidding procedures as the Association shall determine are appropriate. If insurance proceeds available to the Association on account of damage or destruction exceed the cost of repair,

reconstruction, and replacement, the Association may use the excess for future maintenance, repair, improvement, and operation of other Association Properties.

Section 706. Association Powers in the Event of Condemnation. If any Association Properties or interests therein are taken under exercise of the power of eminent domain or by private purchase in lieu thereof, the award in condemnation or the price payable shall be paid to the Association, except to the extent payable to any other person with an interest in such property, including any Mortgagee of such property. The Association shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners or other persons therein. Any award or funds received by the Association shall be held by the Association in Maintenance Funds, as a reserve for future maintenance, repair, reconstruction, or replacement of Association Properties or may be used for Improvements or additions to or operation of Association Properties. No Owner shall be entitled to participate as a party or otherwise in any condemnation proceedings.

Section 707. Title to Association Properties on Dissolution of Association. In the event of dissolution of the Association, the Association Properties shall, to the extent permitted by law and reasonably possible, be conveyed or transferred to appropriate public, governmental or quasi-governmental agencies or organizations or to a nonprofit corporation, association, trust, or other organization, to be used, in any such event, for the common benefit of Owners for similar purposes for which the particular Association Property was held by the Association. To the extent the foregoing is not possible, the Association Properties shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Owners in proportion to the number of Lots owned by such Owner in the Community.

ARTICLE VIII DECLARANT'S RIGHTS AND RESERVATIONS

Section 801. Period of Declarant Rights and Reservation. Declarant shall have, retain, and reserve certain rights as hereinafter set forth with respect to the Association and the Association Properties from the date hereof until: January 1, 2045 unless sooner terminated by Declarant in written recorded document. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of property by Declarant to the Association whether or not specifically stated therein and in each deed or other instrument by which any property within the Community is conveyed by or to any Owner. The rights, reservations, and easements hereinafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded, or affected by any amendment of this Declaration, Declarant's consent to any one such amendment shall not be construed as consent to any other amendment.

Section 802. Right to Construct Improvements. Declarant shall have and hereby reserves the right, but shall not be obligated to, construct Improvements on Association Properties at any time and from time to time in accordance with this Declaration for the

improvement and enhancement thereof and for the benefit of the Association and Owners, so long as such construction does not directly result in an increase in the then current Common Assessments applicable to a Lot by more than ten percent (10%). If any construction of Improvements would have such effect, Declarant may nevertheless construct such Improvements so long as Declarant agrees to directly subsidize the Association for the excess expenses. Declarant shall convey or transfer such Improvements to the Association, and the Association shall be obligated to accept title to, care for, and maintain the same as Association Properties as elsewhere provided in this Declaration.

Section 803. Declarant's Rights of Use for Promotion and Marketing. Declarant shall have and hereby reserves rights (which rights may be assigned to Approved Builders, in whole or in part, one or more times), as hereafter provided. This right of assignment applies to any Section or provision of this Declaration including reasonable use of Lots owned by Declarant (or Lots owned by Approved Builders, if such right has been assigned to them) and to reasonable use of the Association Properties and services offered by the Association in connection with the promotion, development, construction of Improvements and marketing of the Community. Without limiting the generality of the foregoing, Declarant may erect and maintain on any part of such Lots and the Association Properties such signs, temporary buildings, and other Structures as Declarant may reasonably deem necessary or proper in connection with the promotion, development, construction of Improvements and marketing of real property within the Community. Declarant and Approved Builders may also use vehicles and equipment on Association Properties for promotional purposes; may permit prospective purchasers of property within the boundaries of the Community who are not Owners or Members of the Association to use Association Properties at reasonable times and in reasonable numbers; and may refer to the Association Properties and to the Association and services offered by the Association in connection with the promotion, development, construction of Improvements and marketing of property within the boundaries of the Community.

Section 804. Declarant's Right to Resubdivide. Declarant shall have the right to resubdivide areas within the Community including existing Lots and road rights-of-way for creation of additional lots for townhome lots or other projects at the sole discretion of the Declarant. Any property which the developer resubdivides shall be subject to Declaration and the creation of a homeowners' association for the property resubdivided. All lots in any resubdivision will remain subject to the provisions of this Declaration requiring that dues shall be paid to the Association at the same rate as all other Lots.

Section 805. Declarant's Approval of Conveyances or Changes in Use. Until termination of the Period of Declarant Rights, the Association shall not, without first obtaining the written consent of Declarant, which consent shall not be unreasonably withheld, convey, change, or alter the use of Association Properties, mortgage the Association Properties, or use Association Properties.

Section 806. Declarant's Rights to Grant and Create Easements. Declarant and the Association, by and through the Executive Board, shall have and hereby reserve the right

to grant or create or be the beneficiary of temporary or permanent easements located in, on, under, over, and across: (a) Lots owned by Declarant; and (b) Association Properties, for access, utilities, drainage, water, and other purposes incident to development and sale of portions of the Community.

Section 807. Declarant's Rights to Convey Additional Property To Association. Declarant shall have and hereby reserves the right, but shall not be obligated to, convey additional real property and Improvements thereon to the Association at any time and from time to time in accordance with this Declaration.

Section 808. Approved Builders. Subject to approval by Declarant, and to the extent of specific assignments from Declarant to an Approved Builder and any limitations contained therein, Approved Builders shall have the right to construct or alter Improvements and complete development and construction on any property owned by the Approved Builder within the Community, including temporary buildings as approved by the Design Review Committee and the right to maintain model homes, temporary buildings, construction trailers, sales trailers or offices for construction or sales purposes, or similar facilities on any property owned by any Approved Builder within the Community; and to post signs subject to approval of the Declarant incidental to promotion, development, construction of Improvements, marketing, or sales of property within the boundaries of the Community. Nothing contained in this Declaration shall limit the right of any Approved Builder or require any Approved Builder to obtain approvals: (a) to excavate, cut, fill, or grade any property owned by any Approved Builder or to construct, alter, demolish, or replace any Improvements on any property owned by any Approved Builder; or (b) to use any Structure on any property owned by any Approved Builder as a construction site (including storage of construction material subject to Declarant's approval of the location of such storage), model home, or real estate sales office in connection with the sale of any property within the boundaries of the Community.

ARTICLE IX ASSOCIATION OPERATION

Section 901. Association. The Association has been or will be formed as a Colorado nonprofit corporation under the Nonprofit Act. The Association shall have the duties, powers, and rights as set forth in the Nonprofit Act, this Declaration and in its Articles of Incorporation and Bylaws. As more specifically set forth hereunder, the Association shall have an Executive Board to manage its affairs. Except as may be provided herein, including the Declarant's rights to appoint and remove, and the Articles of Incorporation or the Bylaws, the Executive Board shall be elected by Owners acting in their capacity as Members of the Association.

Section 902. Association Executive Board. The affairs of the Association shall be managed by an Executive Board. The number, term, and qualifications of the members of the Executive Board shall be fixed in the Articles of Incorporation and Bylaws. The Executive Board may, by resolution, delegate portions of its authority to officers of the Association, but such delegation of authority shall not relieve the Executive Board of the

ultimate responsibility for management of the affairs of the Association. Action by or on behalf of the Association may be taken by the Executive Board or any duly authorized executive committee, officer, agent, or employee without a vote of the Members, except as otherwise specifically provided in this Declaration.

Section 903. Membership in Association. Each Owner of a Lot within the Community shall be a Member of the Association. There shall be one Membership in the Association for each Lot within the Community. The person or persons who constitute the Owner of a Lot shall automatically be the holder of the Membership appurtenant to that Lot, and the Membership appurtenant thereto shall automatically pass with fee simple title to the Lot. Declarant and Approved Builders shall hold a Membership in the Association for each Lot owned by them. Membership in the association shall not be assignable separate and apart from fee simple title to a Lot except that an Owner may assign some or all rights as an Owner and as a Member of the Association to a tenant or Mortgagee and may arrange for a tenant to perform some or all of such Owner's obligations as provided in this Declaration, but no Owner shall be permitted to be relieved of responsibility for fulfillment of the obligations of an Owner under this Declaration.

Section 904. Voting Rights of Members. Each Member shall have the right to cast one vote for each Lot owned by such Member in accordance with the Bylaws. Notwithstanding the foregoing, Declarant, in its sole discretion, shall be entitled to select and appoint members of the Executive Board in accordance with the Bylaws until the expiration of the Period of Declarant Rights as hereinafter defined.

Section 905. Determination of Member Voting Percentages. Notwithstanding anything to the contrary contained in this Declaration, only Members whose voting rights are in good standing under the Association's Bylaws (e.g., voting rights that have not been suspended as provided therein) shall be entitled to vote on Association matters. In accordance therewith, any and all provisions contained herein requiring the approval of a certain percentage of Members of the Association shall be deemed satisfied when the requisite percentage of Members entitled to vote has voted affirmatively for approval.

ARTICLE X DUTIES AND POWERS OF ASSOCIATION

Section 1001. General Duties and Powers of Association. The Association has been formed to further the common interest of the Members. The Association, acting through the Executive Board or persons to whom the Executive Board has delegated such powers, shall have the duties and powers hereinafter set forth and in general, the power to do anything that may be necessary or desirable to further the common interests of the Members, to maintain, improve, and enhance the common interests of the Members, to maintain, improve, and enhance Association Properties, and to improve and enhance the attractiveness, aesthetics, and desirability of the Community.

Section 1002. Duty to Accept Property and Facilities Transferred by Declarant. The Association shall accept title to any real property, including any Improvements thereon

and personal property transferred to the Association by Declarant, and equipment related thereto, together with the responsibility to perform any and all Administrative Functions associated therewith, provided that such property and functions are not inconsistent with the terms of this Declaration as Administrative Functions are described herein. Property interests transferred to the Association by Declarant may include fee simple title, easements, leasehold interests, and licenses to use. Any real property or interest in real property transferred to the Association by Declarant shall be within the boundaries of the Community. Any property or interest in property transferred to the Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Executive Board, be transferred to the Association free and clear of all liens and encumbrances (other than the lien of property taxes not then due and payable), but shall be subject to the terms of this Declaration and easements, Declaration, conditions, restrictions, and equitable servitudes or other encumbrances. Except as otherwise specifically approved by resolution of the Executive Board, no property or interest in property transferred to the Association by Declarant shall impose upon the Association any obligation to make monetary payments to Declarant or any affiliate of Declarant, including any purchase price, rent, charge, or fee.

Section 1003. Duty to Manage and Care for Association Properties. The Association shall manage, operate, care for, maintain, and repair all Association Properties and Maintenance Areas, including offsite easements and all areas maintained by Declarant and the median and right-of-way areas next to roadways, particularly Eagleridge Blvd., and shall keep the same in an attractive and desirable condition for the use and enjoyment of the Members. The Association shall have a responsibility to maintain the water system in all Association Properties and to pay all necessary expenses for repair and replacement of the water system and for the water used to maintain Landscaping.

Section 1004. Duty to Pay Taxes. The Association shall pay all taxes and assessments levied upon the Association Properties and all taxes and assessments payable by the Association. The Association shall have the right to contest any such taxes or assessments provided that the Association shall contest the same by appropriate legal proceedings which shall have the effect of preventing the collection of the tax or assessment and the sale or foreclosure of any lien for such tax or assessment and provided that the Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties that may accrue if the contest of such taxes is unsuccessful.

Section 1005. Duty to Maintain Casualty Insurance. The Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable, property insurance on all insurable Improvements and personal property owned by the Association or that must be owned by the Association in the future, in broad form for causes of loss, including casualty, fire, and extended coverage insurance and, if available at reasonable cost, coverage for vandalism and malicious mischief and, if available and if deemed appropriate, coverage for flood, earthquake, and war risk. Such insurance shall, to the extent reasonably obtainable, be for the full insurable replacement cost of the insured

property, less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavation, foundations and other items normally excluded from property insurance policies.

Section 1006. Duty to Maintain Liability Insurance. The Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable, general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of Association Properties, including officers and directors' liability insurance covering the individual members of the Executive Board and covering public liability for bodily injury and property damage and, if the Association owns or operates motor vehicles, public liability for bodily injury and property damage arising as a result of the ownership and operation of motor vehicles. Such liability insurance for other than motor vehicle liability shall, to the extent reasonably obtainable: (a) have limits of not less than Five Hundred Thousand Dollars (\$500,000.00) per person and One Million Dollars (\$1,000,000.00) per occurrence; (b) insure the Executive Board and individual members of the Executive Board, the Association, the manager, if any, and their respective employees, agents and all persons acting as agents; (c) include the Declarant as an additional insured in such Declarant's capacity as a Member or Executive Board member; (d) include the Members as an additional insured, but only for claims and liabilities arising in connection with the ownership, existence, use or management of Association Properties; and (e) cover claims of one or more insured parties against other insured properties.

Section 1007. General Provisions Respecting Insurance. Insurance obtained by the Association may contain such deductible provisions as good business practice may dictate. If the insurance described is not reasonably available, or if any policy of such insurance is cancelled or renewed without a replacement policy having been obtained, the Association shall promptly cause notice of that fact to be delivered to all Members. The Association may carry any other type of insurance it considers appropriate, in amounts it deems appropriate, to insure the interests of the Association. Insurance policies carried pursuant to this Declaration shall provide that: (a) each Member is an insured person under the policy with respect to liability arising out of such Member's interest in the Association Properties or Membership in the Association; (b) the insurer waives its rights of subrogation under the policy against the Association, each Member, and any person claiming by, through, or under such Member or any other director, agent, or employee of the foregoing; (c) no act or omission by any Member, unless acting within the scope of such Member's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and (d) if at the time of a loss under the policy, there is other insurance in the name of a Member covering the same risk covered by the policy, the Association's policy shall be the primary insurance. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefitting from such repair or restoration for all deductibles paid by the Association. Insurance obtained by the Association shall, to the extent reasonably possible, and provided Declarant reimburses

the Association for any additional premium payable on account thereof, name Declarant as an additional insured and shall contain a waiver of rights of subrogation as against Declarant. Insurance policies and insurance coverage shall be reviewed at least annually by the Executive Board to ascertain whether coverage under the policies is sufficient considering the current values of the Association Properties and in light of the possible or potential liabilities of the Association. The insurance may be provided under blanket policies covering the Association Properties and property of Declarant. In no event shall insurance coverage obtained or maintained by the Association be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees.

Section 1008. Fidelity Bonds Required. The Association shall obtain and keep in force at all times a fidelity bond or bonds for any person handling funds of the Association. Each such bond shall name the Association as obligee and shall be not less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the manager, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate Common Assessments on all Lots plus reserve funds.

Section 1009. Other Insurance and Bonds. The Association shall obtain such other insurance as may be required by law, including workmen's compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity, or other bonds as the Association shall deem necessary or desirable.

Section 1010. Duty to Prepare Budgets. The Association shall prepare Budgets for the Association as elsewhere provided in this Declaration.

Section 1011. Power to Levy and Collect Assessments. The Association may levy and collect Assessments as provided in this Declaration.

Section 1012. Duty to Keep Association Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the Nonprofit Act including financial records sufficiently detailed to provide a statement setting forth the amount of any unpaid Assessments currently levied against an Owner.

Section 1013. Duties with Respect to Design Review Committee Approvals. The Association shall perform functions to assist the Design Review Committee as elsewhere provided in this Declaration.

Section 1014. Power to Acquire Property and Construct Improvements. The Association may acquire property or interests in property for the common benefit of Owners, including Improvements and personal property. The Association may construct and maintain Improvements on property, including fences, and may demolish existing Improvements.

Section 1015. Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal, and enforce Rules and Regulations as may be deemed necessary or

desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of Association Properties, and the use of any other property within the Community, including Lots, and the general restrictions under this Declaration as described therein. Any such Rules and Regulations shall be effective only upon adoption by resolution of the Executive Board. Notice of the adoption, amendment, or repeal of any Rule or Regulation shall be given in writing to each Member at the address for notices to Members as elsewhere provided in this Declaration or the Bylaws, and copies of the currently effective Rules and Regulations shall be made available to each Member upon request and payment of the reasonable expense of copying same. Each Member (including tenants, family members, guests, contractor and all other Related Users) shall comply with the Rules and Regulations and shall cause persons claiming through such Member to comply with the Rules and Regulations. The Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

Section 1016. Power to Enforce Declaration and Rules and Regulations. The Association shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Executive Board deems necessary or desirable to cause compliance by each Member and each person claiming by, through, or under such Member ("Related Users"). Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and the Rules and Regulations by any one or more of the following means: (a) by entry upon any property within the Community after notice and hearing (unless a bona fide emergency exists), without liability to the Owner thereof or the Association, for the purpose of enforcement or causing compliance with this Declaration or the Rules and Regulations; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Declaration or the Rules and Regulations; (d) by suspension, after notice and hearing, of the voting rights of a Member during and for up to ten (10) days following any breach by such Member or a Related User of such Member of this Declaration or the Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (e) by levying and collecting, after notice and hearing, a Reimbursement Assessment against any Member for breach of this Declaration or the Rules and Regulations by such Member or Related User of such Member; and (f) by levying and collecting uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Related User for breach of this Declaration or the Rules and Regulations by such Member or Related User of such Member. In the event that the Association fails to enforce the provisions of this Declaration as provided for herein, each Member shall, upon thirty (30) days' written notice to the Association, have the powers: (a) to enforce the provisions hereof by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration, by mandatory

injunction or otherwise; or (b) to commence or maintain actions and suits to recover damages for breach of any of the provisions of this Declaration.

Section 1017. Power to Grant Easements. The Association shall have the power to grant access, utility, drainage, water facility, and other such easements in, on, over, or under Association Properties, as well as the power to designate portions of the Association Properties for the exclusive use or benefit of Owners or specific Lots.

Section 1018. Power to Convey Property to Governmental Agencies. The Association, with the approval of Members representing at least sixty-seven percent (67%) of the votes entitled to vote shall have the power to grant, convey, dedicate, or transfer any Association Properties or facilities to any public, governmental or quasi-governmental agency or authority for such purposes and subject to such terms and conditions as the Association shall deem appropriate, subject to the provisions contained elsewhere in this Declaration for approval of the same by Declarant with respect to property transferred to the Association by Declarant. Further, to the extent that any easement or right-of-way is required under or across any Association Properties that would not impair or hinder the use of them, the Association shall have the right to grant or convey the same without the consent of the Members.

Section 1019. Power to Borrow Money and Mortgage Property. The Association shall have the power to borrow money and, with approval of Members representing at least sixty-seven percent (67%) of the votes of the Association entitled to vote (excluding the votes of Declarant), to encumber Association Properties as security for such borrowing, subject to provisions elsewhere contained in this Declaration with respect to required approvals and consents to such action. An Agreement to convey or subject the Association Properties to a security interest in accordance with this Section shall be evidenced by the execution of an agreement, or ratification thereof, in the same manner as a deed, by the requisite number of Owners. The agreement shall specify a date after which the agreement will be void unless recorded before that date and shall be effective upon recordation. Repayment of any borrowings shall be made by the Association pursuant to the terms.

Section 1020. Power to Engage Employees, Agents, and Consultants. The Association shall have the power to hire and discharge employees and agents, to retain and pay for a manager, (e.g., management company) and legal and accounting services as may be necessary or desirable in connection with the performance of any duties or the exercise of any powers of the Association under this Declaration.

Section 1021. Power to Enter into Trash Removal Contract. The Association shall have the power and authority to enter into a trash removal contract that provides for exclusive trash removal services for all Lots located within the Community. In the event the Association elects to enter into such trash removal contract, all Owners of Lots in the Community who are currently occupying residences on their Lots must use the services of and shall be entitled to benefits of such trash removal services. The Association shall have the power and authority to pass through and allocate to the Owners of all Lots who

are currently occupying completed residences on their Lots a proportionate share of all costs and expenses charged to the Association under the trash removal contract (the "Trash Removal Allocations") and to levy a Special Assessment for such services in an amount to be determined by the Executive Board. The Association shall have the right to terminate the trash removal services of any Owner of a Lot who fails to pay their proportionate share of the Trash Removal Allocation. No Owners shall have the right to separately contract for any trash removal services unless the Association elects not to enter into a contract for such services as contemplated herein.

Section 1022. Power to Maintain Landscaping. The Association shall have the power and authority to maintain, repair, and replace any Landscaping located on property designated as open space or Association Properties or Maintenance Areas and along the perimeter of the Community and at the entry way and to include the costs and expenses of such Landscaping within the determination of Common Assessments as more particularly provided herein. The Association shall have the power and authority to enter into maintenance and repair contracts to maintain, repair, and replace the Landscaping and other Improvements on Association Properties.

Section 1023. Power and Responsibility to Construct and Maintain Improvements. The Association shall have the power to construct Improvements located on Association Properties or Maintenance Areas. The Association shall have the responsibility to maintain, repair and replace any facilities and other Improvements including Landscaping located on the Association Properties or Maintenance Areas whether constructed by the Association or by Declarant.

Section 1024. Lighting of Association Properties. If the Declarant or the Association installs any lighting (other than normal street lighting) to light Association Properties, the Association shall have the power and responsibility to maintain, repair and replace said lighting and to make payments for all costs of said lighting and include said costs and expenses within the determination of Common Assessments as more particularly provided herein.

Section 1025. General Corporate Powers. The Association shall have all of the ordinary powers and rights of a Colorado corporation formed under the Nonprofit Act, including entering into partnership and other agreements, subject only to limitations upon such powers as may be set forth in this Declaration or in the Articles of Incorporation or Bylaws. The Association shall also have the power to do any and all lawful things that may be authorized, required, or permitted to be done under this Declaration, the Articles of Incorporation or Bylaws and to do and perform any and all acts that may be necessary or desirable for, or incidental to, the exercise of any of the express powers or rights of the Association under this Declaration, the Articles of Incorporation or Bylaws.

Section 1026. Powers Provided by Law. In addition to the powers provided in this Declaration, the Articles of Incorporation, or Bylaws, the Association shall have full power to take and perform any and all actions that may be lawfully taken by the Association under the Colorado Nonprofit Act.

ARTICLE XI BUDGETS AND FUNDS

Section 1101. Maintenance Funds To Be Established. The Association may establish and maintain the following separate Maintenance Funds: (a) an Administrative Functions Operating Fund; and (b) an Administrative Functions Reserve Fund. The Maintenance Funds shall be established as one or more savings or checking accounts at any financial institution in which deposits are insured by an agency of the federal government, each of which accounts shall be held for the Members. Notwithstanding anything else to the contrary contained herein, in no event shall the Association be required to apply any surplus funds of the Association remaining after payment of or provision for common expenses, or any prepayment of or provision for reserves, against any Members' future Common Assessment and may apply such funds to reserves.

Section 1102. Establishment of Other Funds. The Association may establish other funds as and when needed. Nothing herein shall limit, preclude, or impair the authority of the Association to establish other funds for specified purposes authorized by this Declaration. If the Association establishes any additional funds, the Executive Board shall designate an appropriate title for the fund to distinguish it from other funds maintained by the Association.

Section 1103. Deposit of Common Assessments to Maintenance Funds. Money collected by the Association as Common Assessments shall be deposited in the Maintenance Funds in accordance with the following provisions: (a) there shall be deposited to the Administrative Functions Operating Fund that portion of the Common Assessments that, according to the Association Budget for the year, was budgeted for operating costs and expenses of the Administrative Functions; and (b) there shall be deposited to the Administrative Functions Reserve Fund that portion of the Common Assessments that was budgeted for the Reserve Fund for Administrative Functions.

Section 1104. Other Deposits to Maintenance Funds. The Association shall deposit money received by the Association from sources other than Common Assessments in the Maintenance Fund determined by the Executive Board to be most appropriate. For example, the Reimbursement Assessments shall be deposited to the Maintenance Fund from which the costs and expenses were or will be paid that form the basis for the Reimbursement Assessments; and Special Assessments for capital repairs, maintenance, replacements, and Improvements shall be deposited to the Reserve Fund from which such capital costs have been or will be paid. Interest and late charges received on account of delinquent assessments may be allocated among the Maintenance Funds in the same proportions as the delinquent assessments were allocated or, at the discretion of the Executive Board, may be allocated to any one or more of the Maintenance Funds or other funds.

Section 1105. Disbursements from Maintenance Funds. All amounts deposited in the Maintenance Funds shall be used solely for the common benefit of all the Members

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

Section 1106. Authority for Disbursements. The Executive Board shall have the authority to make, or to authorize an agent to make, disbursements of any money in a Maintenance Fund.

Section 1107. Funding of Reserve Funds. The Executive Board, in budgeting and levying Assessments, shall endeavor, whenever possible, to fund the Administrative Functions Reserve Fund by regularly scheduled payments, included as part of the Common Assessments, rather than by Special Assessments. Money in the Administrative Functions Reserve Fund may be used in the discretion of the Executive Board, from time to time, for any purpose for which a Common or Special Assessment may be used.

Section 1108. Annual Budgets. The Executive Board shall cause to be prepared, at least sixty (60) days prior to the commencement of each calendar year, a Budget for such calendar year, including a reasonable provision for contingencies and deposits into the Administrative Functions and Reserve Funds. The Budget shall show, in reasonable detail, the categories of expenses and the amount of expenses in each Maintenance Fund, and shall reflect any expected income of the Association for the coming calendar year, any expected surplus from the prior year, and any existing surplus in any Reserve Fund. The Budget may include an amount for contingencies and amounts deemed necessary or desirable for deposits to create, replenish, or add to the proper Reserve Fund for major capital repairs, replacements, and Improvements, for Association Properties. Within thirty (30) days after the adoption of any Budget, the Executive Board shall cause a copy of the Budget or a summary of it to be distributed to each Member, shall cause a copy of the Budget to be posted at the principal office of the Association, and shall set a date for a meeting of the Owners to consider ratification of the Budget to be held not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the Budget or a summary of it. Such meeting may be concurrent with the annual meeting of Members as provided in the Bylaws. Unless at that meeting a majority of the Owners entitled to vote reject the Budget, the Budget shall be deemed ratified, whether or not a quorum is present. In the event the Budget is rejected, the periodic Budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent Budget proposed by the Executive Board. In the event the Association does not have an address for any Member, such posting shall be deemed delivery to such Member. If the Association publishes a newsletter for Members, the Budget or a summary shall be published in the newsletter. Copies of the Budget shall be made available by the Association to any Members requesting a copy of the same upon payment of the reasonable copying expense.

Section 1109. Payments by Approved Builders. Approved Builders, upon the purchase of a Lot from the Declarant, shall make a non-refundable payment to the Association in the amount of One Hundred Dollars (\$100.00) for each Lot purchased by the Approved Builder. Said funds shall be collected and transferred to the Association at the time of closing of the sale. Said sum shall be held, without interest, by the Association as a working fund in the Administrative Functions Reserve Fund.

Section 1110. Common Assessments.

(a) For each calendar year, the Association may levy a Common Assessment against Owners of the Lots. The Common Assessment shall be the amount levied by the Association for each Lot for each calendar year. The initial Common Assessment shall be Two Hundred Dollars (\$200.00) unless changed by the Association as set forth in this Declaration. The Association may change the amount of the Common Assessment due for each calendar year by majority vote of the Executive Board. The maximum amount of the Common Assessment shall be subject to the provisions of this Section. Each Owner shall be obligated to pay the Common Assessments levied against and allocated to such Owner and the Lot of such Owner, as hereinafter provided. Notwithstanding any other provision in this Declaration, it is the intent of this Declaration that this Community shall be subjected only to Sections 38-33.3-105, 38-33.3-106 and 38-33.3-107, C.R.S. (provisions of the Colorado Common Interest Ownership Act) pursuant to C.R.S. §38-33.3-116(2) and (3). Therefore, notwithstanding any other provisions in this Declaration, the maximum annual average common expense liability of each Lot, exclusive of optional users' fees and any insurance premiums paid by the Association, may not exceed Four Hundred Dollars (\$400.00) as adjusted pursuant to C.R.S. §38-33.3-116(3).

(b) Commencement of Common Assessments. Common Assessments shall commence and be due and payable as to each Lot within the Community as follows: For 2022, Common Assessments shall commence upon the final development of a Lot (June 30, 2022) and shall be prorated for the rest of 2022. For 2023, the Common Assessments shall be due on January 1, 2023 and for each year thereafter, the annual Common Assessments shall be due on January 1 of the successive years. The obligation to pay Common Assessments shall apply to all Lots included within the Community, except those Lots owned by the Declarant or any Approved Builder. The Common Assessment for the calendar year in which a Lot is sold to an Owner, other than the Declarant or Approved Builder, shall be prorated on the basis of the then current calendar year. This prorated amount of the Common Assessment shall be known as the Initial Common Assessment.

(c) Payment of Initial Common Assessment. The Initial Common Assessment shall be paid to the Association at the time of the closing of the sale of a Lot to an Owner other than the Declarant or an Approved Builder.

Section 1111. Apportionment of Common Assessments. For purposes of assessing the Common Assessments, each Lot shall constitute one Lot regardless of the

size, value, location, or use of such Lot. For the purposes of all assessments, including common assessments and supplemental assessments, the term "Lot" shall include, in addition to all Lots as defined herein, all Lots created by any resubdivision of any property within the Community. The amount of the Common Assessment for any year, payable by the Owner of such Lot, shall be computed by multiplying the total amount to be raised by the Common Assessments for that year, as shown in the Association Budget for that year, by a percentage (rounded to the nearest one-tenth of one percent), derived from a fraction, the numerator of which is one and the denominator of which is the total number of Lots in the Community as of the first day of that calendar year.

Section 1112. Supplemental Common Assessments for Deficiencies. Subject to the provision of this Declaration, if the Common Assessments prove inadequate for any reason, including nonpayment of any Owners' Assessments, the Executive Board may from time to time, levy a Supplemental Common Assessment for any of the Maintenance Funds. Such Supplemental Common Assessment shall be assessed against the Owner of each Lot in the same manner as Common Assessments are originally assessed each year by the Executive Board with respect to the particular Maintenance Fund. Written notice of any change in the amount of any annual Common Assessment shall be sent to every Owner, not less than thirty (30) days prior to the effective date of such change.

Section 1113. Maximum Common Assessment. Except as otherwise provided herein, the Executive Board shall not levy a Common Assessment against a Lot in any calendar year that is greater than 110 percent (110%) of the respective Common Assessment assessed against such Lot in the preceding calendar year ("Maximum Common Assessment"), except with the approval of Members representing at least two-thirds (2/3) of the votes of the Association entitled to vote, but not exceeding the maximum set forth in Section 1110(a) of this Declaration.

Section 1114. Supplemental Common Assessments for Other Needs. If the Executive Board levies a Common Assessment in an amount less than the maximum Common Assessment for any calendar year, the Executive Board, by majority vote, may thereafter levy one or more Supplemental Common Assessments during the calendar year, if it determines that the important and essential functions of the Association cannot be funded by the original Common Assessments. In no event shall the sum of the initial and Supplemental Common Assessments, as the case may be, for a calendar year exceed the maximum Common Assessment permitted for that year except as provided in this Declaration.

Section 1115. Approval of Increase in Maximum Common Assessment. If the Executive Board, by majority vote, determines that the important and essential functions of the Association will not be properly funded in any one year, or in any one year and subsequent years by the amount of the Maximum Common Assessment, it may call a meeting of Members entitled to vote requesting approval of a specified increase in the maximum Common Assessment for either one year, or that year and one or more subsequent years. An increase in the maximum Common Assessment for any year, or for any year and all subsequent years shall require the approval of Members representing

two-thirds (2/3) of the entire votes of the Association entitled to vote, but not exceeding the maximum set forth in Section 1110 (a) of this Declaration.

Section 1116. No Disbursements to Abate Nuisances or Zoning Amendments. Nothing in this Declaration shall be construed to permit the Association to use any Assessments to abate any annoyance or nuisance emanating from outside the physical boundaries of the Community or to dispute any change to the zoning or assessment of any property adjacent to or outside the boundaries of the Community.

Section 1117. Payment of Assessments (other than the Initial Common Assessment). Except for the Initial Common Assessment, Common Assessments shall be due and payable in advance to the Association by the assessed Member during the calendar year in quarterly installments, on or before the first day of each quarter during each calendar year, or in such other manner and on such other dates as the Executive Board may designate in its sole and absolute discretion. Notice of the amount of the Common Assessments shall be given to each Member prior to January 1 of each year after the Initial Assessment.

Section 1118. Failure to Levy Assessment. Failure by the Executive Board to levy an Assessment for any year or failure to give notice as set forth in this Declaration shall not be deemed a waiver or modification with respect to any of the provisions of this Declaration or a release of the liability of any Member to pay Assessments, or any installment thereof, for that or any subsequent year. If the Executive Board fails to levy an Assessment for any year or fails to give notice as provided in Section 1117, the Common Assessment for the year for which the Executive Board failed to levy an Assessment or failed to give notice shall be the same as the previous year's Assessment. No abatement of the Common Assessments or any other Assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or Improvements to Association Properties or from any action taken to comply with any law or any determination of the Executive Board or for any other reason.

Section 1119. Special Assessments for Capital Expenditures. In addition to any Common Assessments, the Executive Board may, subject to the provisions of this Declaration, levy Special Assessments for the purpose of raising funds not otherwise provided under the Budget from Common Assessments to construct or reconstruct, repair, or replace capital Improvements upon Association Properties, including necessary personal property related thereto; to add to the Association Properties; to provide for necessary facilities and equipment to offer the services authorized in this Declaration; or to repay any loan made to the Association to enable it to perform the duties and functions authorized in this Declaration. Except as provided in this Declaration, the Executive Board shall not levy Special Assessments without the approval of the Members representing at least two-thirds (2/3) of the Owners of Lots subject to the Special Assessment who are entitled to vote. The Association shall notify Members in writing of the amount of any Special Assessment and of the manner in which, and the dates on which, any such Special Assessment is payable. The Members shall pay any such Special Assessment in the manner so specified.

Section 1120. Reimbursement Assessments. The Executive Board may, subject to the provisions hereof, levy an Assessment against any Owner if the willful or negligent failure of the Owner or a Related User claiming through the Owner to comply with this Declaration, the Articles of Incorporation, the Bylaws, or the Rules and Regulations shall have resulted in the expenditure of funds by the Association to cause such compliance including court costs and attorneys' fees. Such Assessment shall be known as a Reimbursement Assessment and shall be levied only after notice and hearing. The amount of the Reimbursement Assessment shall be due and payable to the Association thirty (30) days after notice to the Owner of the decision of the Executive Board that the Reimbursement Assessment is owing.

Section 1121. Late Charges and Interest. If any Common Assessment, Special Assessment, or Reimbursement Assessment or any installment thereof is not paid within thirty (30) days after it is due, the Owner obligated to pay the Assessment may be required to pay a reasonable late charge to be determined by the Executive Board. Any Assessment or installment of an Assessment that is not paid within thirty (30) days after the date of any Notice of Default given under Section 1123 hereof prior to the recordation of a notice of lien under this Declaration shall bear interest from the date of recordation of the notice of lien at the highest rate then established by statute in Colorado for interest on damages for personal injury or on judgments in other actions, whichever is higher, but not less than eight percent (8%) per annum simple interest.

Section 1122. Attribution of Payments. If any installment payment of a Common Assessment is less than the amount assessed and the payment does not specify the Maintenance Fund or Funds into which it should be deposited, the receipt by the Association from that Owner shall be credited in the following order of priority: (a) to the Administrative Functions Reserve Fund until that portion of the Common Assessment has been satisfied; and (b) to the Administrative Functions Operating Fund. In each of the foregoing cases, receipts shall be credited first to interest, attorneys' fees and other costs of collection, and next to principal reduction, satisfying the oldest obligations first followed by more current obligations, in accordance with the foregoing order of priority.

Section 1123. Notice of Default. If any Common Assessment, Special Assessment, or Reimbursement Assessment or any installment thereof is not paid within thirty (30) days after its due date, the Executive Board may mail a notice of default ("Notice of Default") to the Owner and to each First Mortgagee of the Lot who has requested a copy of the notice. The Notice of Default shall specify: (a) the fact that the installment is delinquent; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the Notice of Default is mailed to the Owner, by which such default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the Assessment or the installments of the Assessment for the then current calendar year, if applicable, and the filing and foreclosure of the lien for the Assessment against the Lot of the Owner. The Notice of Default shall further inform the Owner of any right to cure the default and of any right to bring a court action to assert the non-existence of a default or any other defense of the

Member. If the delinquent Assessment and any late charges or interest thereon are not paid in full on or before the date specified in the Notice of Default, the Executive Board, at its option, may declare all of the unpaid balance of the Assessment to be immediately due and payable without further demand, if applicable, and may enforce the collection of the Assessment and all charges and interest thereon in any manner authorized by law in this Declaration, subject to the protection afforded to Mortgagees under this Declaration.

Section 1124. Remedies to Enforce Assessments. Each Assessment levied hereunder shall be a separate, distinct, and personal debt and obligation of the Owner against whom the same is assessed. In the event of a default in payment of any Assessment or installment thereof, whether Common, Special, or Reimbursement, the Executive Board may, in addition to any other remedies provided under this Declaration or by law, enforce such obligation on behalf of the Association by suit or by filing and foreclosure of a lien as hereinafter provided.

Section 1125. Lawsuit to Enforce Assessments. The Executive Board may bring a suit at law to enforce any Assessment obligation. Any judgment rendered in such action shall include any late charges, interest, and other costs of enforcement, including reasonable attorneys' fees in the amount the court may adjudge, against the defaulting Owner.

Section 1126. Lien to Enforce Assessments. Pursuant to and in accordance with this Declaration, the Association shall have a lien on a Lot for any Assessment levied against that Lot, or fines imposed against its Owner, from the time that this Declaration is recorded. All fees, charges, late charges, attorneys' fees, fines and interest outstanding from such Owner shall be included in such lien. The lien created hereby and under the Act shall be prior to any declaration of homestead rights recorded after the time that the Lot becomes a part of the Community and shall have the priority attached to such lien under the Act and under Colorado law. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. Unless paid or otherwise satisfied, the lien may be foreclosed in the manner for foreclosure of mortgages in the State of Colorado or in any other manner provided under Colorado law.

Section 1127. Estoppel Certificates. Upon the written request of any Owner and any person with, or intending to acquire, any right, title, or interest in the Lot of such Owner, the Association should furnish a written statement setting forth the amount of any Assessments or other amounts, if any, due and accrued and then unpaid with respect to a Lot and the Owner thereof, and setting forth the amount of any Assessment levied against such Lot that is not yet due and payable. Such statement shall, with respect to the person to whom it is issued, be conclusive against the Association and all persons (except those with actual knowledge or acting in bad faith) for all purposes that no greater or other amounts were then due or accrued and unpaid and that no other Assessments have been levied.

Section 1128. No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including any claim that the Association or Executive Board is not properly exercising its duties and powers under this Declaration.

Section 1129. Real Estate Transfer Fee. There may be a transfer fee imposed by the Association, from time to time, in connection with the sale, long-term lease or other conveyance other than the transfer of a Lot from Declarant or from an Approved Builder.

ARTICLE XII

GENERAL PROVISIONS FOR EFFECT OF THE DECLARATION

Section 1201. Captions. Captions, titles and headings in this Declaration are for convenience only and do not expand or limit the meaning of the Section and shall not be taken into account in construing the Section.

Section 1202. Design Review Committee Resolves Questions of Construction. If any doubt or questions shall arise concerning the true intendment or meaning of any of this Declaration, the Design Review Committee shall determine the proper construction of the provision in question and shall set forth in a written instrument duly acknowledged by the Design Review Committee and filed for record with the Clerk and Recorder of Pueblo County, the meaning, effect and application of the provision. This definition will thereafter be binding on all parties so long as it is not arbitrary or capricious. Matters of interpretation involving Declarant shall not be subject to this Section.

Section 1203. Declaration Run With the Land. This Declaration shall run with the land and shall inure to and be binding on each Lot and upon each person or entity hereafter acquiring ownership or any right, title and interest in any Lot in the Community.

Section 1204. Declaration and Cumulative. Each of this Declaration is cumulative and independent. Each provision of this Declaration may be construed separately without reference to any other provisions.

Section 1205. Waivers. Except as this Declaration may be amended or terminated in the manner hereinafter set forth, they may not be waived, modified or terminated and a failure to enforce shall not constitute a waiver or impair the effectiveness or enforceability of this Declaration. Every person bound by this Declaration is deemed to recognize and agree that it is not the intent of this Declaration to require constant, harsh or literal enforcement of them as a requisite of their continuing vitality and that leniency or neglect in their enforcement shall not in any way invalidate this Declaration or any part of them, nor operate as an impediment to their subsequent enforcement and each such person agrees not to plead as a defense in any civil action to enforce this Declaration that this Declaration have been waived or impaired or otherwise invalidated by a previous failure or neglect to enforce them.

Section 1206. Enforcement. The Declarant, Design Review Committee and their agents shall have the right to enter upon any Lot in the Community when necessary and shall not be deemed a trespass for the purposes of:

- (a) inspection of property to determine compliance with Declaration;
- (b) to deliver notification of breach of Declaration; or
- (c) upon the failure by an Owner to cure a breach within thirty (30) days of written notification, the Design Review Committee may at its option make repairs or perform maintenance or otherwise undertake action to cure the breach to restore the appearance of the property involved to a reasonable, attractive condition or otherwise bring such property into compliance with the Declaration. In the event Declarant elects to perform maintenance pursuant to this Section 1206, Declarant will submit to the Owner or persons responsible for the property upon which or for whose benefit such maintenance was performed, a written statement of the costs incurred by the Declarant in performing the maintenance. These costs shall be paid to the Declarant within thirty (30) days after receipt of such notice. If Declarant's costs have not been paid after expiration of this 30-day period, Declarant may thereafter record a lien against the Lot (including Improvements thereon) for all costs (including reasonable attorneys' fees) incurred by Declarant in performing the maintenance and in collecting such costs and foreclosing upon the lien. This lien shall be junior to all other liens or encumbrances of record with respect to the Lot on the date this lien is recorded. This lien may thereafter be foreclosed upon in the manner provided by Colorado law for foreclosing upon real estate mortgages. This lien shall provide all sums expended by Declarant in foreclosing the lien and collecting the amounts due Declarant (including reasonable attorneys' fees) shall be additional indebtedness secured by the lien.

This Declaration is for the benefit of the Declarant, the Owners, jointly and severally, and of the Design Review Committee and may also be enforced by action for damages, suit for injunction, mandatory and prohibitive, and other relief, and by any other appropriate legal remedy, instituted by one or more Owners, the Design Review Committee, or any combination of the two. During the Period of Declarant Rights, the Declarant may enforce this Declaration but is not required to do so. Any and all damages, expenses and costs, including reasonable attorneys' fees, incurred by the Design Review Committee in connection with any successful enforcement proceeding initiated by the Design Review Committee (along or in combination with Owners) or, during the period it is permitted to enforce this Declaration, incurred by Declarant, shall be paid by the party determined to have violated the Declaration. Any party exercising its right to enforce this Declaration shall not be required to post any bond as a condition to the granting of any restraining order, temporary or permanent injunction or other order. The rights and remedies for enforcement of this Declaration shall be cumulative, and the exercise of any one or more of such rights and remedies shall not preclude the exercise of any of the others.

Section 1207. Duration of Restrictions. Unless sooner terminated as provided in this Declaration, the restrictions and other provisions set forth in this Declaration shall remain in force until the year 2045 and shall be automatically renewed for successive periods of ten (10) years unless before the year 2045 or before the end of any ten (10) year extension, there is filed for record with the Clerk and Recorder of Pueblo County an instrument stating that extension is not desired, signed and acknowledged by the Owners of a majority of the Lots in the Community.

Section 1208. Amendment and Extensions. From time to time any one Section of this Declaration may be amended or a new Section may be added to this Declaration by an instrument signed and acknowledged by the Declarant during the Period of Declarant Rights and thereafter by Owners of at least two-thirds (2/3) of the Lots in the Community and filed for record with the Clerk and Recorder of Pueblo County. No amendment shall be made to limit or terminate the responsibility of the Association to maintain all Association Properties or Maintenance Areas, and all other maintenance responsibilities for any areas located within the Community as set forth in this Declaration.

Section 1209. Termination. All Sections of this Declaration (except Section 209 and Article V) may be terminated at any time, and from time to time any Section or Sections of this Declaration (except Section 209 and Article V) may be amended or new Sections may be added to this Declaration by an instrument signed and acknowledged by the Declarant during the Period of Declarant Rights and thereafter by Owners of at least two thirds (2/3) of the Lots in the Community and filed for record with the Clerk and Recorder of Pueblo County. No amendment shall be made to limit or terminate the responsibility of the Association to maintain all Association Properties or Maintenance Areas, and all other maintenance responsibilities for any areas located within the Community as set forth in this Declaration.

Section 1210. Partial Amendments. This Declaration may be amended for only a portion of the Community by a written instrument executed by Declarant during the Period of Declarant Rights and thereafter by one hundred percent (100%) of the then Owners of such portion of the Community if:

- (a) the portion of the Community affected by such amendment contains at least twenty (20) contiguous Lots;
- (b) no Improvements have been erected on any such Lots; and
- (c) Declarant reasonably determines that the amendments will not materially adversely affect the general living environment contemplated by this Declaration for the remaining Lots.

Section 1211. Additional Areas.

(a) Single Unit Residential Lots. From time to time Declarant may include additional areas of Single Unit Residential Lots within the real estate subject to this Declaration, so long as the Veterans Administration and/or Federal Housing Administration approves such addition. Such additions shall be effected by filing with the

Clerk and Recorder of Pueblo County, Colorado, a supplemental declaration, together with a legal description designating the additional area to be included. All areas so added shall be subject to all this Declaration, and any references to the Community in this Declaration shall automatically include such additional areas upon recording the supplemental declaration. Declarant may also impose additional restrictions on areas so added. All areas so added shall be within one mile of, and contiguous to, the Community.

(b) Multi Unit Residential Lots. From time to time Declarant may include additional areas of Multi Unit Residential Lots within the real estate subject to this Declaration. Such additions shall be effected by filing with the Clerk and Recorder of Pueblo County, Colorado a declaration of conditions, Declaration, restrictions and easements together with a legal description designating the additional area to be included. All areas so added shall be subject to this Declaration except as this Declaration may be in conflict with the declaration to be recorded for the additional area of Multi Unit Residential Lots. In that event the declaration so recorded for the Multi Unit Residential Lots shall govern. All areas so added shall be within one mile of, and contiguous to, the Community.

(c) Commercial Lots. From time to time Declarant may include additional areas of Commercial Lots within the real estate subject to this Declaration. Such additions shall be effected by filing with the Clerk and Recorder of Pueblo County, Colorado a declaration of conditions, Declaration, restrictions and easements together with a legal description designating the additional area to be included. All areas so added shall be subject to this Declaration except as this Declaration may be in conflict with the declaration to be recorded for the additional area of Commercial Lots. In that event the declaration so recorded for the Commercial Lots shall govern. All areas so added shall be within one mile of, and contiguous to, the Community.

Section 1212. Severability. If any provision of this Declaration shall be held invalid or become unenforceable, the other provisions of this Declaration shall not be affected or impaired but shall remain in full force and effect.

Section 1213. Action in Writing. Notices, approval, consents, applications and other action provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, application or other action.

Section 1214. Notices. Any writing described in this Declaration, including any communication from the Design Review Committee to an Owner, shall be sufficiently served if delivered by mail, email or otherwise: (a) to the dwelling situate on the Lot owned by that Owner; or (b) if there is no dwelling, then to the address furnished by the Owner to the Design Review Committee and if the Owner has not furnished an address, then to the most recent address of which the Design Review Committee has a record.

Section 1215. Costs and Attorneys' Fees. In any action or proceeding under this Declaration, including enforcement of Declaration or any other provision of this

Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorney fees.

Section 1216. Limitation on Liability. The Association Executive Board, Design Review Committee, Declarant and any member, agent or employee of any of the same shall not be liable to any person for any action or for any failure to act if the action or failure to act was in good faith and without wanton and willful misconduct.

Section 1217. No Representations or Warranties. No representations or warranties or any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Community or any Improvement thereon, its or their physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the Community sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing.

Section 1218. RELEASES, DISCLAIMERS AND INDEMNITIES.

A. THE PROVISIONS OF THIS SECTION SHALL APPLY TO ANY "PROTECTED PARTY" WHICH IS DEFINED AS ANY PERSON OR PARTY, INCLUDING THE DECLARANT, ITS AGENTS, EMPLOYEES, SHAREHOLDERS, CONTRACTORS, BROKERS, SUCCESSORS, ASSIGNS OR ANY PERSON OR PARTY RELATED TO THEM OR ANY PRIOR OWNER OF THE PROPERTY, AGAINST WHOM IS ASSERTED ANY CLAIM, DEMAND, LIABILITY, OBLIGATION OR MATTER WHATSOEVER REGARDING THE CONSTRUCTION, PHYSICAL CONDITION, VALUE, ASSESSMENTS, RESERVES, ASSOCIATION, AND ANY OTHER MATTERS RELATED THERETO IN CONNECTION WITH THE COMMUNITY.

B. OWNERS ACKNOWLEDGE AND UNDERSTAND THAT CERTAIN PHYSICAL AND/OR ENVIRONMENTAL CONDITIONS, INCLUDING MOLD, LEAD, ASBESTOS, RADON GAS, OR ANY OTHER HAZARDOUS OR TOXIC SUBSTANCES, MAY AFFECT THIS COMMUNITY AND THAT ANY PROTECTED PARTY DOES NOT WARRANT AND DISCLAIMS ANY LIABILITY FOR ANY EXISTING OR FUTURE SOIL, ECOLOGICAL OR ENVIRONMENTAL CONDITIONS AFFECTING THE COMMUNITY. OWNERS ACKNOWLEDGE THAT NO ENVIRONMENTAL REPORTS WERE GIVEN TO THEM BUT THAT THEY HAD BEEN ADVISED AND GIVEN A FULL OPPORTUNITY TO INSPECT THE COMMUNITY AND OBTAIN ANY PROFESSIONAL INSPECTION IF THEY SO DESIRED. BY ACCEPTANCE OF A DEED TO A UNIT, EACH OWNER ACCEPTS THE PHYSICAL AND/OR ENVIRONMENTAL CONDITION OF THE COMMUNITY AND ACKNOWLEDGES A FULL, ADEQUATE OPPORTUNITY TO CONDUCT ANY INSPECTIONS THEREOF AND RELEASES AND INDEMNIFIES THE PROTECTED PARTIES FROM ANY FAILURE TO UNDERTAKE SUCH INSPECTIONS. IN ADDITION, OWNERS UNDERSTAND THAT THE SOIL IN THE COLORADO AREA CONTAINS CLAY AND OTHER SUBSTANCES WHICH MAY CAUSE IT TO SWELL WHEN WET AND SO CAN CAUSE EARTH MOVEMENT AROUND A BUILDING'S FOUNDATION. OWNERS, FOR THEMSELVES, THEIR HEIRS, SUCCESSORS,

ASSIGNS AND THEIR ASSOCIATION, WAIVE AND RELEASE THE PROTECTED PARTIES FROM ALL CLAIMS, LIABILITIES, LAWSUITS AND OTHER MATTERS ARISING FROM OR RELATED TO ANY PHYSICAL AND/OR ENVIRONMENTAL CONDITION AT THE COMMUNITY.

C. THE ASSOCIATION SHALL MAINTAIN THE LANDSCAPING, DRAINAGE, AND SPRINKLER SYSTEMS UPON THE PROPERTY IN SUCH A FASHION THAT THE SOIL SURROUNDING THE FOUNDATIONS OF THE BUILDINGS AND OTHER IMPROVEMENTS SHALL NOT BECOME SO IMPREGNATED WITH WATER THAT THEY CAUSE EXPANSION OF OR SHIFTING OF THE SOILS SUPPORTING THE IMPROVEMENTS OR OTHER DAMAGE TO THE IMPROVEMENTS AND DO NOT IMPEDE THE PROPER FUNCTIONING OF THE DRAINAGE, LANDSCAPING, OR SPRINKLER SYSTEMS AS ORIGINALLY INSTALLED. SUCH MAINTENANCE SHALL INCLUDE, WHERE NECESSARY THE REMOVAL OR REPLACEMENT OF IMPROPERLY FUNCTIONING LANDSCAPING, DRAINAGE, OR SPRINKLER SYSTEM ELEMENTS AND SHALL ALSO INCLUDE REGRADING AND RESURFACING WHERE NECESSARY TO PROVIDE FOR ADEQUATE DRAINAGE AND TO PREVENT ANY PONDING; NO CHANGES IN LANDSCAPING SHALL BE MADE IN SUCH A WAY AS TO ENDANGER THE STRUCTURAL INTEGRITY OR THE STABILITY OF ANY OF THE LANDSCAPING, DRAINAGE OR SPRINKLER SYSTEMS, OR THE OTHER IMPROVEMENTS UPON THE PROPERTY. THE ASSOCIATION SHALL INDEMNIFY ANY PROTECTED PARTY FROM ANY LIABILITY, CLAIMS AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, RESULTING FROM ANY BREACH OF THIS SECTION.

D. THE U.S. ENVIRONMENTAL PROTECTION AGENCY ("EPA") STATES THAT EXPOSURE TO ELEVATED LEVELS OF RADON GAS CAN BE INJURIOUS. ANY TEST TO MEASURE THE LEVEL OF RADON GAS CAN ONLY SHOW THE LEVEL AT A PARTICULAR TIME UNDER THE CIRCUMSTANCES OCCURRING AT THE TIME OF TESTING. NO PROTECTED PARTY IS QUALIFIED TO MEASURE RADON GAS OR TO EVALUATE ALL ASPECTS OF THIS COMPLEX AREA OF CONCERN. PRIOR OR SUBSEQUENT TO CLOSING OF THE OWNER'S PURCHASE OF THE UNIT, THE OWNER MAY WISH TO TEST FOR THE PRESENCE OF RADON GAS AND TO PURCHASE OR INSTALL DEVICES THAT MAY BE RECOMMENDED BY QUALIFIED INSPECTOR. ALL PROTECTED PARTIES EXPRESSLY DISCLAIM AND THE OWNER AND THE ASSOCIATION AGREE TO WAIVE AND RELEASE ANY AND ALL PROTECTED PARTIES FROM ANY CLAIMS OF LIABILITY OR RESPONSIBILITY WITH RESPECT TO RADON GAS AND RELATED MATTERS AND TO HOLD HARMLESS FROM ANY CLAIMS OR LIABILITY AGAINST ANY PROTECTED PARTY WITH RESPECT TO RADON GAS AND RELATED MATTERS.

E. FIBERGLASS INSULATION (ALSO KNOWN AS GLASS WOOL) IS COMMONLY USED FOR INSULATION OF HOMES. FIBERGLASS IN VARIOUS THICKNESSES AND VALUES IS USED IN THE AREAS OF WALLS, FLOOR TO CEILING ASSEMBLIES AND CEILING TO ROOF ASSEMBLIES OF HOMES TO PREVENT MOVEMENT OF HEAT AND TO REDUCE NOISE. THE U.S. DEPARTMENT

OF HEALTH AND HUMAN SERVICES PRODUCED A REPORT THAT LISTS GLASS WOOL AS A SUBSTANCE "WHICH MAY BE REASONABLY ANTICIPATED TO BE A CARCINOGEN", BUT THAT REPORT MERELY IDENTIFIES SUBSTANCES SELECTED FOR FURTHER STUDY BECAUSE OF POTENTIAL RISK. THE LISTING OF A SUBSTANCE IN THE REPORT IS NOT AN ASSESSMENT THAT THERE IS A CAUSAL CONNECTION BETWEEN GLASS WOOL AND ILLNESS. THE OWNERS AND THE ASSOCIATION ACKNOWLEDGE THAT FIBERGLASS IS USED IN THE WALL AND FLOOR TO CEILING ASSEMBLIES, AND WAIVE ANY CLAIMS AGAINST THE DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS, ARISING AS A RESULT OF THE USE OF FIBERGLASS INSULATION, AND AGREES TO HOLD DECLARANT, ITS AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS HARMLESS FROM ANY CLAIM OR LIABILITY RESULTING FROM THE EXISTENCE OF FIBERGLASS INSULATION IN THE HOMES WITHIN THE COMMUNITY.

F. EACH OWNER FURTHER DECLARATION AND AGREES THAT NO REPRESENTATION, PROMISE OR WARRANTY, HAS BEEN MADE BY ANY OF THE PROTECTED PARTIES REGARDING THE DEVELOPMENT OF ADJACENT PROPERTIES, THE INVESTMENT POTENTIAL OF THE UNIT, ANY ECONOMIC BENEFITS TO THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, TO BE DERIVED FROM THE MANAGERIAL OR OTHER EFFORTS OF THE RELEASED PARTIES, OR ANY OTHER THIRD PARTY DESIGNATED OR ARRANGED BY ANY PROTECTED PARTY, RELATED TO THE OWNERSHIP OR RENTAL OF THE UNIT, OR REGARDING THE CONTINUED EXISTENCE OF ANY VIEW FROM THE UNIT. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, UNDERSTAND THAT THE PROTECTED PARTIES ARE UNDER NO OBLIGATION WITH RESPECT TO FUTURE PLANS, ZONING OR DEVELOPMENT OF OTHER PROPERTY IN THE AREA. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, UNDERSTAND THAT THE SQUARE FOOTAGES, SIZES AND TYPE OF UNITS HAVE BEEN SET FORTH AT THE SOLE DISCRETION OF THE DECLARANT, AND THAT THE SALES PRICES MAY DECREASE OR INCREASE AT THE SOLE DISCRETION OF THE DECLARANT.

G. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS COVENANT AND AGREE THAT THE PROTECTED PARTIES MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY NATURE REGARDING THE COMMUNITY (ALL OF WHICH ARE HEREBY DISCLAIMED BY THE PROTECTED PARTIES), INCLUDING ANY AS TO THE FITNESS, WORKMANLIKE CONSTRUCTION, SAFETY, MERCHANTABILITY, DESIGN, CONDITION, QUALITY, OR HABITABILITY OF THE UNIT, THE COMMUNITY OR ASSOCIATION PROPERTIES, OR IMPROVEMENTS RELATED THERETO OR ANY ELECTRICAL, PLUMBING, HEATING, GAS, WATER, SEWER, STRUCTURAL COMPONENTS, OR OTHER MECHANICAL OR UTILITY SYSTEMS OR COMPONENTS OR APPLIANCES OR FIXTURES RELATED THERETO. THE OWNERS AND THE ASSOCIATION ACCEPT THE FOREGOING DISCLAIMER OF WARRANTIES AND WAIVE, RELEASE AND INDEMNIFY THE PROTECTED PARTY FROM ALL CLAIMS RELATED THERETO, AND ANY EXPENSES AND ATTORNEY'S FEES INCURRED BY ANY PROTECTED

PARTY, TOGETHER WITH ANY CLAIMS FOR BODILY INJURY, PROPERTY DAMAGE AND INCIDENTAL OR CONSEQUENTIAL DAMAGES MADE BY ANY PERSON OR PARTY.

H. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS AND THE ASSOCIATION COVENANT AND AGREE THAT ANY PROTECTED PARTY SHALL NOT BE LIABLE FOR CLAIMS FOR CONSEQUENTIAL AND/OR PUNITIVE DAMAGES OR FOR CLAIMS RELATING TO THE UNIT, THE LOT, OR TO THE ASSOCIATION PROPERTIES OR ANY IMPROVEMENTS ARISING OR RELATING TO ANY DEFECT IN WORKMANSHIP OR IN ANY MATERIAL USED IN CONSTRUCTION, AND THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, AND THE ASSOCIATION, EXPRESSLY WAIVE AND RELEASE ALL RIGHTS TO SUE FOR A DEFECT IN CONSTRUCTION OF THE UNIT OR THE LOT OR ASSOCIATION PROPERTIES OR IMPROVEMENTS OR BOTH AND SHALL RELY SOLELY ON THE OWNER'S OWN INSPECTION AND EXAMINATION OF THE COMMUNITY AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY PROTECTED PARTY. THE OWNERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS COVENANT AND AGREE THAT THIS DECLARATION WAIVES AND/OR LIMITS RIGHTS AND REMEDIES AND THAT THE SALES PRICES OF THE UNITS ARE BASED IN PART UPON THE RELEASES, WAIVERS AND INDEMNITY CONTAINED IN THIS SECTION AND THE OTHER PROVISIONS OF THE DECLARATION.

I. ANY ACTION, DISPUTE, CLAIM OR CONTROVERSY BETWEEN ANY PERSON OR ENTITY, INCLUDING ANY OWNER AND/OR THE ASSOCIATION, AND ANY PROTECTED PARTY, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND WHETHER OR NOT CONCERNING AN INDIVIDUAL UNIT OR THE COMMON ELEMENTS MAY BE SUBMITTED BY ANY PROTECTED PARTY, AT ITS OPTION, TO BE RESOLVED BY BINDING ARBITRATION AS SET FORTH IN THIS SECTION AND SHALL INCLUDE ALL DISPUTES ARISING OUT OF OR IN CONNECTION WITH ANY CONDITION OF A UNIT OR THE LOT OR ASSOCIATION PROPERTIES OR IMPROVEMENTS, THIS DECLARATION, AND ANY RELATED AGREEMENTS OR INSTRUMENTS AND ANY TRANSACTION CONTEMPLATED HEREBY. IF SO SUBMITTED, SUCH DISPUTES SHALL BE RESOLVED BY BINDING ARBITRATION BEFORE A SINGLE ARBITRATOR IN ACCORDANCE WITH TITLE 9 OF THE U.S. CODE, COLORADO UNIFORM ARBITRATION ACT, C.R.S. §13-22-201, ET. SEQ., AND THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). IN THE EVENT OF ANY INCONSISTENCY BETWEEN SUCH RULES AND THESE ARBITRATION PROVISIONS, THESE PROVISIONS SHALL SUPERSEDE SUCH RULES. ALL STATUTES OF LIMITATIONS THAT WOULD OTHERWISE BE APPLICABLE SHALL APPLY TO ANY ARBITRATION PROCEEDING UNDER THIS SECTION. THE PARTIES SHALL BE ENTITLED TO CONDUCT DISCOVERY AS IF THE DISPUTE WERE PENDING IN A COURT OF LAW IN THE STATE OF COLORADO. IN ANY ARBITRATION PROCEEDING SUBJECT TO THESE PROVISIONS, THE ARBITRATOR IS EMPOWERED TO DECIDE PRE-HEARING MOTIONS THAT ARE SUBSTANTIALLY SIMILAR TO PRE-HEARING MOTIONS TO DISMISS AND MOTIONS FOR SUMMARY ADJUDICATION.

JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. EXCEPT AS OTHERWISE PROVIDED, THE ARBITRATOR SELECTED UNDER THIS SECTION SHALL BE KNOWLEDGEABLE IN THE SUBJECT MATTER OF THE DISPUTE. THE ARBITRATOR SHALL BE SELECTED THROUGH PANELS OF QUALIFIED JUDGES MAINTAINED BY THE DENVER, COLORADO OFFICE OF THE AAA. ALL SUCH ARBITRATION SHALL BE HELD IN COLORADO SPRINGS, COLORADO, AND VENUE SHALL BE PROPER IN THE DISTRICT COURT FOR PUEBLO COUNTY, COLORADO.

J. IN ADDITION TO THE ABOVE PROCEDURES IN THIS SECTION, ANY PERSON OR PARTY ASSERTING ANY CLAIM AS DESCRIBED ABOVE MUST PROVIDE NOTICE AS SET FORTH IN C.R.S. §13-20-803.5 (NOW ENACTED OR HEREAFTER AMENDED) AND DECLARANT AND ANY OTHER PROTECTED PARTY SHALL HAVE AN ABSOLUTE UNLIMITED RIGHT TO REPAIR ANY ITEM DESCRIBED IN THE CLAIM IN ACCORDANCE WITH SAID STATUTE OR AT DECLARANT'S SOLE DISCRETION IN ACCORDANCE WITH DECLARANT'S REPAIR PROCEDURES. FAILURE TO PROVIDE SUCH NOTICE AND SUCH OPPORTUNITY TO REPAIR SHALL COMPLETELY INVALIDATE SUCH CLAIM.

NOTWITHSTANDING ANY PROVISION OF THIS DECLARATION OR OTHERWISE, THE RELEASES, DISCLAIMERS AND PROVISIONS OF THIS SECTION MAY BE MODIFIED OR CHANGED ONLY BY TO THE EXTENT THAT THE DECLARANT EXECUTES AND DELIVERS A WRITTEN AMENDMENT, MODIFICATION OR CHANGE TO ANY OWNER, AND NO OTHER AMENDMENT, MODIFICATION, OR CHANGE OF THIS SECTION AND/OR THE DECLARANT'S RIGHTS UNDER THIS DECLARATION SHALL BE VALID OR ENFORCED WITHOUT THE DECLARANT'S PRIOR WRITTEN CONSENT.

Section 1219. Declarant Rights. In addition to and supplement of all rights reserved by the Declarant under this Declaration or the other Association Documents or otherwise, the Declarant reserves the following rights for the Period of Declarant Rights which period shall commence with the recording of this Declaration and continue until January 1, 2045:

(a) The right to complete or make Improvements indicated on the plats or maps, or otherwise necessary or desirable to complete construction of the Community and related Improvements;

(b) The right to maintain sales offices, management offices and models on Lots or on the Association Properties;

(c) The right to install, assign and/or maintain signs within the Community and to advertise the Community;

(d) The right to use and permit others to use easements and rights through the Association Properties or Maintenance Areas as may be reasonably

necessary for the purpose of making Improvements within the Community or performing other rights under the Declaration.

(e) The right to establish, from time to time, by dedication or otherwise, utility and other easements for purposes including streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions for the benefit of and to serve the Owners within the Community.

(f) The right to enter into, establish, execute, amend, and otherwise deal with contracts, assignments, and agreements for the use, lease, repair, maintenance or regulation of parking and/or recreational facilities, which may or may not be a part of the Community for the benefit of the Owners and/or the Association.

(g) The right to appoint or remove any officer of the Association or any director of the Association during the Period of Declarant Rights and to appoint or remove any member of the Design Review Committee.

(h) The right to amend the Declaration, the Articles of Incorporation, the Bylaws and/or the Rules in connection with the exercise of any Declarant rights or other rights, and to require that any amendments of said documents be approved in writing by Declarant prior to adoption.

(i) The right to amend any provision of this Declaration, the Articles of Incorporation, the Bylaws, the Rules, any planning, zoning or governmental document, any plat for the Community in connection with the exercise of any Declarant rights or other rights.

(j) The right to transfer, assign or delegate any right reserved or granted by this Declaration, law or statute to any person or party to the fullest extent permitted under this Declaration, law or statute.

(k) The right to submit any development document to any governmental entity or official for the construction and completion of the Community.

(l) The right to assign any portion of the various rights within the Community and to establish Maintenance Areas by recorded document.

(m) Any and all other rights of Declarant as set forth in this Declaration, by law or statute; in the event of any conflict, the broadest right reserved by Declarant shall prevail.

Section 1220. Executive Board to Resolve Ambiguities. If any doubt or question shall arise (except as to the Declarant's rights and/or duties hereunder) concerning the true intent or meaning of any of this Declaration, except as to any Section involving rights or powers of the Declarant under this Declaration, the Articles of Incorporation, the Bylaws

or the Rules, the Executive Board of the Association shall, by resolution, determine the proper construction of the provision in question and such resolution shall fix and establish the meaning, effect and application of the provision. The Executive Board's decision shall be final, conclusive and binding on all parties, except for its wanton and willful wrongful acts or omissions and except for its decisions as to any Sections or provision involving the Declarant's rights or powers.

Section 1221. Implied Approval by Mortgagee. Except as to Sections 1218 and 1219, any matter requiring Mortgagee approval will be assumed when that Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested. Any First Mortgagee shall be given notice of any proposed action requiring its consent, if the First Mortgagee has sent a written request to the Association, stating both its name and address and the Lot number or address of the Lot on which it has (or insures or guarantees) the Mortgage.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 16 day of June, 2022.

DECLARANT:

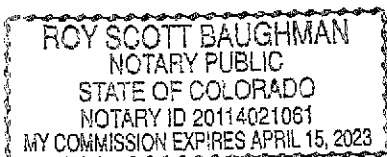
Pannunzio, Inc.,
a Colorado corporation

By: Nick Pannunzio
Its: Designated Agent

STATE OF COLORADO)
) ss.
COUNTY OF PUEBLO)

The foregoing instrument was acknowledged before me this 16 day of JUNE, 2022 by NICK PANNUNZIO as designated agent of Pannunzio, Inc., a Colorado corporation, Declarant.

Witness my hand and official seal.



Roy Scott Baughman
Notary Public
My commission expires: 4/15/2023

EXHIBIT A

Legal Description - Platted Property

LOTS 1 THROUGH 6, BLOCK 1;
LOTS 1 THROUGH 9, BLOCK 2;
LOTS 1 THROUGH 8, BLOCK 3;
LOTS 1 THROUGH 17, BLOCK 4;
LOTS 1 THROUGH 10, BLOCK 5;
LOTS 1 THROUGH 8, BLOCK 6
LOTS 1 THROUGH 18, BLOCK 7;
LOTS 1 THROUGH 18, BLOCK 8;
LOTS 1 THROUGH 9, BLOCK 9;
PARCELS A THROUGH C
AND TRACTS A AND B;
EAGLERIDGE ESTATES, FILING NO. 3, COUNTY OF PUEBLO, STATE OF COLORADO.