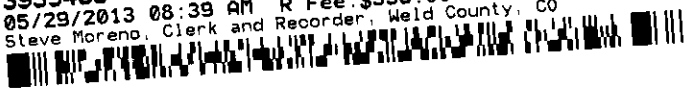


3935465 Pages: 1 of 66
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**MASTER DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
DAYBREAK**

TABLE OF CONTENTS

3935465 Pages: 2 of 66
 05/29/2013 08:39 AM R Fee: \$336.00
 Steve Moreno, Clerk and Recorder, Weld County, CO

	Page
ARTICLE 1 DEFINITIONS.....	1
1.1 “Act”	1
1.2 “Agencies”	1
1.3 “Allocated Interests”	2
1.4 “Additional Land”	2
1.5 “Annexation of Additional Land”	2
1.6 “Apartment Lot”	2
1.7 “Articles of Incorporation”	2
1.8 “Association”	2
1.9 “Board of Directors” or “Board”	2
1.10 “Builder”	3
1.11 “Bylaws”	3
1.12 “Common Elements”	3
1.13 “Common Expenses”	3
1.14 “Community”	3
1.15 “Condominium Unit”	3
1.16 “Declarant”	3
1.17 “Declaration”	3
1.18 “Design Review Committee” or “Committee”	3
1.19 “Development Period”	4
1.20 “Development Rights”	4
1.21 “First Security Interest”	4
1.22 “Improved Lot”	4
1.23 “Improvements”	4
1.24 “Lot”	4
1.25 “Lots That May Be Included”	5
1.26 “Member”	5
1.27 “Owner”	5
1.28 “Period of Declarant Control”	5
1.29 “Permitted Lot”	5

TABLE OF CONTENTS
(continued)

	Page
1.30 “Person”	5
1.31 “Plat”	5
1.32 “Property”	5
1.33 “Recreational Facilities”	5
1.34 “Residence”	6
1.35 “Security Interest”	6
1.36 “Security Interest Holder”	6
1.37 “Service Area”	6
1.38 “Special Declarant Rights”	7
1.39 “Subassociation”	7
1.40 “Subassociation Common Area”	7
1.41 “Supplemental Declaration”	7
1.42 “Town”	7
1.43 “Unimproved Lot”	8
ARTICLE 2 ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS	8
2.1 Association	8
2.2 Membership	8
2.3 One Class of Membership	8
2.4 Management Agreements and Other Contracts	8
2.5 Delegation of Powers	9
2.6 Power to Adopt Rules and Regulations	9
ARTICLE 3 BOARD OF DIRECTORS, MEMBERS AND OFFICERS	9
3.1 Authority of Board of Directors	9
3.2 Election of Part of Board of Directors During Period of Declarant Control	9
3.3 Authority of Declarant During Period of Declarant Control	9
3.4 Termination of Period of Declarant Control	10
3.5 Delivery of Documents by Declarant	10
3.6 Budget	10
3.7 Cooperation with Other Associations and Special Districts; Maintenance of Property Outside of the Community	10



TABLE OF CONTENTS
(continued)

	Page
3.8 Notice and Comment	11
3.9 Charges for Facilities and Services.....	11
ARTICLE 4 COVENANT FOR ASSESSMENTS	11
4.1 Creation of the Lien and Personal Obligation for Assessments	11
4.2 Purpose of Assessments.....	12
4.3 Rate of Annual Assessments.....	12
4.4 Date of Commencement of Annual Assessments.....	12
4.5 Special Assessments	12
4.6 Notice and Quorum for Any Special Assessments.....	13
4.7 Charges for Services to Less than All of the Lots	13
4.8 Assessments for Misconduct.....	14
4.9 Lien for Assessments	14
4.10 Priority of Association Lien.....	14
4.11 Receiver	15
4.12 Certificate of Status of Assessments.....	15
4.13 Effect of Non-Payment of Assessments; Remedies of the Association	15
4.14 Surplus Funds.....	16
4.15 Working Capital Fund.....	16
4.16 Other Charges	16
4.17 Exemptions from Assessments	16
ARTICLE 5 DESIGN REVIEW COMMITTEE.....	17
5.1 Composition of Committee.....	17
5.2 Review by Committee; Requirement for Approval by Governmental Entities	17
5.3 Procedures.....	18
5.4 Delegation and Approval of Subassociation Design Review Committee	18
5.5 Vote and Appeal	18
5.6 Architectural Standards.....	19
5.7 Records	19
5.8 Liability.....	19



TABLE OF CONTENTS
(continued)

	Page
5.9 Variance	19
5.10 Waivers; No Precedent	19
ARTICLE 6 INSURANCE	19
6.1 Insurance	19
6.2 General Provisions of Insurance Policies	21
6.3 Deductibles	21
6.4 Payment of Insurance Proceeds	22
6.5 Association Insurance as Primary Coverage.....	22
6.6 Acceptable Insurance Companies	22
6.7 Insurance to be Maintained by Owners	22
6.8 Annual Review of Insurance Policies	22
6.9 Notice of Cancellation	23
ARTICLE 7 DAMAGE OR DESTRUCTION	23
7.1 Damage or Destruction	23
7.2 Lots	23
ARTICLE 8 EXTERIOR MAINTENANCE	24
8.1 General.....	24
8.2 Association’s Right to Repair, Maintain, Restore and Demolish	25
8.3 Access Easement.....	25
8.4 Owner’s Negligence.....	25
ARTICLE 9 RESTRICTIONS	26
9.1 General Plan.....	26
9.2 Restrictions Imposed.....	26
9.3 Residential Use	26
9.4 Declarant’s Use	26
9.5 Household Pets.....	27
9.6 Temporary Structures; Unsightly Conditions	27
9.7 Miscellaneous Improvements	27
9.8 Vehicular Parking, Storage and Repairs	28




TABLE OF CONTENTS
(continued)

	Page
9.9 Nuisances	29
9.10 No Hazardous Activities; No Hazardous Materials or Chemicals.....	29
9.11 No Annoying Light, Sounds or Odors	30
9.12 Restrictions on Trash and Materials; Trash Collection.....	30
9.13 Rules and Regulations.....	30
9.14 Lots to be Maintained	30
9.15 Leases.....	30
9.16 Maintenance of Grade and Drainage	31
ARTICLE 10 EASEMENTS	31
10.1 Minor Violations of Setback Restrictions.....	31
10.2 Use of Common Elements	31
10.3 Easement for Encroachments.....	32
10.4 Easements for Drainage and Utilities	32
10.5 Easement for Additional Land.....	32
10.6 Association Easement	32
10.7 Emergency Access Easement	33
10.8 Owners' Easements.....	33
10.9 Extent of Owners' Easements.....	33
10.10 Delegation of Use	34
10.11 Conveyance or Encumbrance of Common Elements	34
10.12 Payment of Taxes or Insurance by Security Interest Holders.....	34
ARTICLE 11 SECURITY INTERESTS.....	34
11.1 Applicability	34
11.2 Approval by Members and Security Interest Holders of First Security Interests	34
11.3 Termination of Legal Status.....	36
11.4 Notice of Action.....	37
11.5 Audit	37
11.6 Confirmation of Rights of Security Interest Holders of First Security Interests	37

TABLE OF CONTENTS
(continued)

	Page
ARTICLE 12 DEVELOPMENT OF THE PROPERTY	37
12.1 Development Rights.....	37
12.2 Exercise of Development Rights	39
12.3 Governmental Interests	39
12.4 Common Elements.....	40
12.5 Plats Amendments	41
12.6 Succession to Declarant’s Interests.....	41
ARTICLE 13 GENERAL PROVISIONS	41
13.1 Enforcement and Arbitration	41
13.2 Severability	43
13.3 Conflict of Provisions	43
13.4 Conflict with Act.....	43
13.5 Duration, Revocation, and Amendment.....	43
13.6 Registration of Mailing Address.....	44
13.7 HUD or VA Approval.....	44
13.8 Termination of Community	45
13.9 Eminent Domain	45
13.10 Run with Land; Binding upon Successors.....	45
13.11 Limitation on Liability.....	45
13.12 No Representations or Warranties	45
13.13 Disclaimer Regarding Safety	45
13.14 Dedication of Common Elements.....	46
13.15 Oil and Gas Well Disclosure.....	46

3935465 Pages: 7 of 66
05/29/2013 08:39 AM R Fee:\$336.00
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**MASTER DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
DAYBREAK**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF DAYBREAK (this "Declaration") is made and entered into is this 22nd day of May, 2013, by Community Development Group of Erie, Inc., a Colorado corporation ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property situated in the County of Weld, State of Colorado, which is described on Exhibit A, attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, Declarant desires to subject and place upon the Property certain covenants, conditions, restrictions, easements, reservations, rights-of-way, obligations, liabilities and other charges set forth herein for the purpose of protecting the value and desirability of the Property and for the purpose of furthering a plan for the improvement, sale and ownership of the Property, to the end that a harmonious and attractive development of the Property may be accomplished and the health, comfort, safety, convenience and general welfare of owners in the Property, or any portion thereof, may be promoted and safeguarded; and

WHEREAS, a common interest community may be created pursuant to the Act (as hereinafter defined) only by recording a declaration executed in the same manner as a deed. The declaration must be recorded in every county in which any portion of the common interest community is located and must be indexed in the grantee's index in the name of the common interest community and in the name of the Association (as hereinafter defined), and in the grantor's index in the name of each person executing the declaration. No common interest community is created until the plat or map for the common interest community is recorded.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions, easements, rights-of-way, obligations, liabilities, charges and other provisions set forth herein, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, personal representatives, successors, and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE 1
DEFINITIONS**

1.1 "Act" means the Colorado Common Interest Ownership Act, C.R.S. §§ 38-33.3-101 to -319, as amended.

1.2 "Agencies" collectively means the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage



Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities.

1.3 “Allocated Interests” means the portion of the Common Expenses allocated to each Lot. The Allocated Interest for each Lot shall be a fraction, the numerator of which is the value assigned to the Lot, as more particularly described below, and the denominator of which is the sum of the values assigned to all Lots, as may be adjusted from time to time. For purposes of calculating the Allocated Interests from time to time, and in recognition that the services provided to the Lots will increase as the Lots are improved, each Unimproved Lot is assigned a value of 0, each Permitted Lot upon which one Residence may be constructed pursuant to zoning or other governmental approvals is assigned a value of 0.5, each Permitted Lot upon which multiple Residences may be constructed pursuant to zoning or other governmental approvals is assigned a value of 0.5 multiplied by the number of Residences that may be constructed on that Lot, each Improved Lot upon which one Residence is constructed is assigned a value of 1.0 and each Improved Lot upon which multiple Residences are constructed is assigned a value of 1.0 multiplied by the number of Residences that are constructed on that Lot. Notwithstanding anything above to the contrary, should the Residences on an Apartment Lot be constructed in phases, so that the Town issues a temporary or permanent certificate of occupancy for a Residence(s) on such Lot and additional Residences may still be constructed, such Lot is assigned a value of 0.5 multiplied by the number of Residences that may be, but have not yet been, constructed on such Lot plus 1.0 multiplied by the number of Residences that have been constructed on such Lot. The Allocated Interest for each Lot is subject to change with the annexation of additional property to this Community as provided in Sections 12.1(b) or 12.1(c).

1.4 “Additional Land” means the real property described on Exhibit D attached hereto.

1.5 “Annexation of Additional Land” means an amendment to this Declaration, in the form attached as Exhibit E, recorded pursuant to this Declaration, which annexes additional real property to the Community in accordance with Sections 12.1(b) or 12.1(c).

1.6 “Apartment Lot” means a Lot on which more than one attached Residence is or may be constructed pursuant to zoning or other governmental approvals, but excluding Lots that are or will become Condominiums.

1.7 “Articles of Incorporation” means the Articles of Incorporation of the Association which have been or will be filed with the Secretary of State of the State of Colorado, as amended from time to time.

1.8 “Association” means the Daybreak Master Association, Inc., a Colorado non-profit corporation and a unit owners’ association for the Community organized under Section 301 of the Act.

1.9 “Board of Directors” or “Board” means the body, regardless of name, designated in this Declaration and the Bylaws of the Association to act on behalf of the Association.



1.10 “Builder” means any Person designated by Declarant as a “Builder” who acquires from Declarant one or more Lots for the purpose of constructing thereon a Residence.

1.11 “Bylaws” means the Bylaws of the Association, as amended from time to time.

1.12 “Common Elements” means any real property (which may include, without limitation, platted lots and platted tracts) owned or leased by the Association, other than a Lot (as defined below). The Common Elements at the time of recordation of this Declaration, if any, are described on Exhibit B attached hereto and incorporated herein by this reference.

1.13 “Common Expenses” means all expenditures made or liabilities incurred by or on behalf of the Association pursuant to this Declaration or the Bylaws, including, without limitation, all costs of operating, maintaining, replacing or restoring the Common Elements, other property outside of the Community (to the extent provided for in Section 3.7), or the Association’s personal property, services, programming or functions provided to the Owners and general administrative costs of the Association, together with any allocations to reserves.

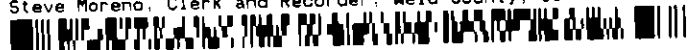
1.14 “Community” means the Property which is subject to this Declaration and additional real property which is annexed and becomes subject to this Declaration, with respect to which a Person, by virtue of such Person’s ownership of a Lot, is obligated to pay for real property taxes, insurance premiums, maintenance or improvement of the Common Elements or other real property described in this Declaration. The name of the Community is “Daybreak”. The Community is a planned community under the Act.

1.15 “Condominium Unit” means a unit within a Condominium. “Condominium” means a common interest community organized in connection with a Supplemental Declaration for a portion of the Community, in which portions of the real estate therein are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the separate ownership portions; an area of this Community is not a Condominium unless the undivided interests in the common elements that are in such area are vested in the owners within such area. For the purposes of this Declaration, any parcel or parcels of land that are platted or otherwise designated for the development of a Condominium shall each be deemed a Lot, until such time as a Condominium is created thereon, and thereafter each Condominium Unit created within such parcel or parcels shall be deemed a Lot, as identified in the Plat and Supplemental Declaration for such Condominium Unit.

1.16 “Declarant” means Community Development Group of Erie, Inc., a Colorado corporation, and any other Person who succeeds to Declarant’s interests in this Declaration pursuant to Section 12.6.

1.17 “Declaration” means this Master Declaration of Covenants, Conditions and Restrictions of Daybreak, including any supplements and amendments thereto and also including the Plat.

1.18 “Design Review Committee” or “Committee” means the committee appointed by the Declarant or by the Association to review and approve or disapprove plans for Improvements, as more fully provided in this Declaration.



1.19 “Development Period” means the period of time during which Declarant is entitled to exercise Special Declarant Rights, except for the right to appoint or remove any officer of the Association or any member of the Board of Directors during any Period of Declarant Control. The Development Period shall commence on the date of recording of this Declaration and terminate upon the earlier to occur of: (a) the date on which Declarant executes and records an instrument by which Declarant voluntarily relinquishes all Special Declarant Rights; or (b) the 30th anniversary of the recording of this Declaration unless reinstated or extended by agreement between Declarant and the Association; provided, however, that the exercise of any Special Declarant Rights pursuant to such agreement shall be subject to such terms as the Board may impose in such agreement.

1.20 “Development Rights” means the rights reserved by Declarant pursuant to Article 12.

1.21 “First Security Interest” means a Security Interest that has priority of record over all other recorded liens except those liens made superior by statute (such as general ad valorem tax liens and special assessments).

1.22 “Improved Lot” means a Lot upon which one or more attached or detached Residences have been constructed, including, without limitation, a Condominium Unit in a Condominium created pursuant to a Supplemental Declaration, pursuant to the Plat or other applicable zoning or governmental approvals, and for which the Town has issued a temporary or permanent certificate of occupancy for Improvements on the Lot. Once the Improvements on a Permitted Lot are complete and the Town has issued a temporary or permanent certificate of occupancy for Improvements on such Lot, a Permitted Lot will automatically become an Improved Lot and the Common Allocations will automatically be adjusted by the Association in accordance with the formula set forth in Section 1.3, all without the necessity of recording an amendment to this Declaration.

1.23 “Improvements” means all exterior improvements, structures, and any appurtenances thereto or components thereof of every type or kind, and all landscaping features, including, but not limited to, buildings, outbuildings, swimming pools, tennis courts, patios, patio covers, awnings, solar collectors, painting or other finish materials on any visible structure, additions, walkways, sprinkler systems, garages, carports, driveways, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior light fixtures, poles, signs, exterior tanks, and exterior air conditioning, cooling, heating and water softening equipment.

1.24 “Lot” means each platted lot shown upon any recorded Plat of the Property, as the same may be amended from time to time, and each Condominium Unit, as defined in this Declaration and as designated in a Supplemental Declaration and its associated condominium map or in the Annexation of Additional Land covering that Condominium Unit, as well as each platted lot or designated Condominium Unit shown upon any recorded Plat as may hereafter be brought within the jurisdiction of the Association, with the exception of the Common Elements, Subassociation Common Area and any publicly dedicated real property. Without limiting the generality of the foregoing, if any platted Lot(s) is designated as Common Elements in this Declaration, or in any Annexation of Additional Land, or any amendment thereto, then such Lot(s) shall constitute Common Elements, as defined above, rather than a Lot. Each Lot shall constitute a

“unit” under the Act; however it shall not be necessary to use the term “unit” as part of a legally sufficient description of a Lot.

1.25 “Lots That May Be Included” means two thousand eight hundred and eighty (2880) Lots, which shall be the Lots That May Be Included that may be subject to this Declaration, including those Lots which may be included if all of the Additional Land is annexed to this Declaration. However, the aforesaid Lots That May Be Included is not a representation or a guarantee as to the actual number of Lots that will ultimately be included in the Community.

1.26 “Member” means each Owner; membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot.

1.27 “Owner” means the Declarant or other Person who owns a Lot, but does not include a Person having an interest in a Lot solely as security for an obligation.

1.28 “Period of Declarant Control” means the period of time from the date of recording of this Declaration until the earlier to occur of: (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots That May Be Included to Owners other than Declarant; (ii) two (2) years after the last conveyance of a Lot by the Declarant in the ordinary course of business; or (iii) two (2) years after any right to add new Lots to the Declaration was last exercised.

1.29 “Permitted Lot” means (a) for any Lot upon which multiple attached or detached Residences may be constructed pursuant to zoning or other governmental approvals, a Lot for which the Town has issued a building permit for at least one Residence on such Lot, or (b) for any Lot upon which one attached or detached Residence may be constructed pursuant to zoning or other governmental approvals, a Lot that is part of a Plat containing at least one Lot for which the Town has issued a building permit for at least one attached or detached Residence to be constructed pursuant to the Plat or other applicable zoning or governmental approvals. Once the Town has issued the applicable building permit, the Allocated Interests for such Lots will automatically be adjusted by the Association in accordance with the formula set forth in Section 1.3, all without the necessity of recording an amendment to this Declaration.

1.30 “Person” means a natural person, a corporation, a partnership, an association, a trust, a limited liability company, a joint venture, or any other entity recognized under the laws of the State of Colorado or any combination thereof.

1.31 “Plat” means all of the subdivision plats for any portion of the Community which may be recorded in the Office of the Clerk and Recorder of Weld County, Colorado, and any condominium map which may be recorded on any portion of the Community in connection with one or more Supplemental Declarations, as the same may be amended or supplemented from time to time. Each Plat constitutes a “map” or “plat” pursuant to the Act. A Plat which includes the Property has been recorded as identified on Exhibit A attached hereto.

1.32 “Property” means the real property described on Exhibit A attached hereto.

1.33 “Recreational Facilities” means those facilities that may be constructed from time to time and located on a portion or portions of the Common Elements, which provide for active and/or passive recreational activities. The Recreational Facilities are (or will be) Common



Elements. Additional Recreational Facilities may be created by Declarant pursuant to Article 12, and will be designated as "Recreational Facilities" in an Annexation of Additional Land. The Recreational Facilities at the time of recordation of this Declaration, if any, are described on Exhibit B attached hereto and incorporated herein by this reference. Notwithstanding anything herein to the contrary, the Recreational Facilities may only be used by those Owners (and their permittees, as provided in the rules and regulations of the Association from time to time) of Lots in the Recreational Facilities Service Area, or as designated by Declarant during the Development Period or by the Association from time to time; provided, however, that during the Development Period, any designation by the Association must have the prior written approval of Declarant.

1.34 "Residence" means a residential dwelling located on a Lot and any fixtures attached and other improvements appurtenant thereto, comprised of one or more connected rooms constituting a separate, independent housekeeping unit for permanent residential occupancy and containing at least one kitchen facility. A Residence may be an attached or detached residential dwelling, a Condominium or a single apartment unit within a Lot.

1.35 "Security Interest" means an interest in real property or personal property in the Community, or any portion thereof, created by contract or conveyance which secures payment or performance of any obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of leases or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation. For purposes of Section 4.10 hereof, and, with respect to notice of cancellation or substantial modification of certain insurance policies, to Section 6.2 hereof, "Security Interest" shall also mean and refer to any executory land sales contract wherein the administrator of Veterans Affairs, an Officer of the United States of America, is the seller, whether such contract is recorded or not, and whether such contract is owned by the said administrator or has been assigned by the administrator and is owned by the administrator's assignee, or a remote assignee, and the records in the Office of the Clerk and Recorder of Weld County, Colorado, show the administrator as having the record title to the Lot.

1.36 "Security Interest Holder" means any Person named as a mortgagee or beneficiary, or in a similar capacity, under any Security Interest (including, for purposes of Section 4.10 hereof, and, with respect to notice of cancellation or substantial modification of certain insurance policies, to Section 6.2 hereof, the administrator of Veterans Affairs, an Officer of the United States of America, and his assigns under any executory land sales contract wherein the said administrator is identified as the seller, whether such contract is recorded or not and the records of the Clerk and Recorder of Weld County, Colorado in which the Community is located, show the said administrator as having the record title to the Lot), or any successor to the interest of any such Person under such Security Interest.

1.37 "Service Area" means a physical portion of the Property comprised of more than one Lot as designated by Declarant during the Development Period or as designated by the Association from time to time; provided, however, that during the Development Period, any designation by the Association must have the prior written approval of Declarant. In no event is the consent of any Owner required to designate a Service Area. The initial Service Area(s), if any, and the specific Lots comprising such Service Area(s) are described on Exhibit F. Lots within a specific Service Area receive special benefits or special services from the Association that the



Association does not provide to the other Lots outside of such Service Area. A Lot may be assigned to one or more Service Areas depending on the number and types of special benefits or special services provided by the Association to such Lot. Service Areas and the specific Lots comprising such Service Areas may be created, deleted or amended by Declarant during the Development Period contemporaneously with an Annexation of Additional Land. Service Areas and the specific Lots comprising such Service Areas may be created, deleted or amended by the Association from time to time (provided, however, that during the Development Period, any designation by the Association must have the prior written approval of Declarant) by recording an amendment to this Declaration. In no event is the consent of any Owner required to create, delete or amend Service Areas or the specific Lots comprising such Service Areas, except that Declarant or the Association, as applicable, must obtain a Lot Owner's consent to withdraw such Lot from a Service Area.

1.38 "Special Declarant Rights" means rights hereby reserved for the benefit of the Declarant to perform the following acts: to build and complete Improvements in the Community; to exercise any Development Right; to maintain sales offices, construction offices, management offices, and signs advertising the Community and sale of Lots; to use easements through the Common Elements for the purpose of making Improvements within the Community or within real property which may be added to the Community; and to grant or create easements for access, utilities, drainage, water and other purposes incidental to development and sale of the Community located in or across Lots owned by Declarant or Common Elements, provided that such easements do not create a permanent, unreasonable interference with the rights of any Owners at the time such easement is created; to merge or consolidate a common interest community of the same form of ownership; to appoint or remove any officer of the Association or any member of the Board of Directors during any Period of Declarant Control; to allocate any of the Common Elements or portions thereof as limited common elements and to allocate such limited common elements among one or more particular Lots; to further subdivide property in the Community to create and designate additional Lots, Common Elements and Subassociation Common Area; or to exercise any other rights of the Declarant as set forth in the Act or this Declaration. All of the Special Declarant Rights may be exercised by the Declarant with respect to any portion of the Property. Declarant may exercise any or all of these Special Declarant Rights at any time and from time to time. Except for the right to appoint or remove any officer of the Association or any member of the Board of Directors during any Period of Declarant Control, such rights shall terminate automatically upon expiration of the Development Period. The right to appoint or remove any officer of the Association or any member of the Board of Directors during any Period of Declarant Control shall terminate automatically upon expiration of the Period of Declarant Control.

1.39 "Subassociation" means any unit owners' association organized and established or authorized pursuant to one or more Supplemental Declarations, the membership of which is composed of Owners of Lots within the area covered by the Supplemental Declaration.

1.40 "Subassociation Common Area" means any property owned or leased by a Subassociation or which a Subassociation is obligated or elects to maintain, other than a Lot, in accordance with the provisions of a Supplemental Declaration.



1.41 “Supplemental Declaration” means a written declaration under the Act which creates a common interest community and which may be recorded on any portion of the Property which is subject to this Declaration.

1.42 “Town” means the Town of Erie, Colorado.

1.43 “Unimproved Lot” means any Lot that is neither a Permitted Lot nor an Improved Lot.

ARTICLE 2 ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

2.1 Association. The Association has been or will be formed as a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act. The Association shall have the duties, powers and rights set forth in this Declaration, and in its Articles of Incorporation and Bylaws. The Association shall have a Board of Directors to manage the affairs of the Association, as more fully provided in this Declaration, and in the Association’s Articles of Incorporation and Bylaws.

2.2 Membership. The membership of the Association at all times shall consist exclusively of all Owners or, following termination of the Community, of all former Owners entitled to distributions of proceeds under the Act or their heirs, personal representatives, successors or assigns. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

2.3 One Class of Membership. The Association shall have one class of voting membership. Each Owner shall be entitled to one (1) vote for each Residence that is or may be constructed on its Lot pursuant to zoning or other governmental approvals, except that no votes allocated to a Lot owned by the Association may be cast. The total number of votes which may be cast in connection with any matter shall be equal to the total number of Residences that are or may be constructed pursuant to zoning or other governmental approvals on Lots then existing in the Community. Except as otherwise provided in 3.2 of this Declaration, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and members of the Board of Directors, and may remove all officers and members of the Board of Directors which have been appointed by the Declarant. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Period of Declarant Control; but, in that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

2.4 Management Agreements and Other Contracts. Any agreement for professional management of the Association’s business or other contract providing for services of the Declarant shall have a maximum term of three (3) years and any such agreement shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon not more than ninety (90) days’ prior written notice; provided, however, that any such management agreement(s) entered into by the Association with a manager or managing agent prior



to termination of the Period of Declarant Control may be subject to review and approval by HUD or VA if, at the time such agreement is entered into, HUD has insurance or VA has a guarantee(s) on one or more Security Interests. Additionally, if the Association delegates its powers relating to the handling of funds to a manager, managing agent or any other Person, such Person must: (a) maintain fidelity insurance coverage or a bond as set forth in Section 6.1(c); (b) maintain all funds and accounts of the Association separate from the funds and accounts of other associations and maintain all reserve accounts of the Association separate from the operational accounts of the Association; and (c) provide for an annual accounting of Association funds and preparation of a financial statement to be presented to the Association.

2.5 Delegation of Powers. In addition to those powers specifically reserved or granted to the Association pursuant to this Declaration, the Board of Directors may delegate certain powers to any Subassociation or special district and may assume any power delegated to it by any Subassociation or special district, as it deems appropriate, and in such case and upon acceptance of such delegation, the members of the board of directors of the delegating party shall have no liability for the acts or omissions of the assuming party with respect to the powers following delegation.

2.6 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 Common Elements and the use of any portion of the Property, including Lots. Any such rules and regulations shall be reasonable and uniformly applied. Such rules and regulations shall be effective only upon adoption by resolution of the Board of Directors. Copies of the currently effective rules and regulations shall be made available to each Owner upon request and payment of the reasonable expense of copying the same. Each Owner shall comply with such rules and regulations and shall see that Persons claiming through such Owner comply with such rules and regulations. The Board of Directors may establish and enforce penalties for the infraction thereof, including, without limitation, the levying and collecting of fines for the violation of any of such rules and regulations. Such rules and regulations shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of a conflict between the rules and regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

ARTICLE 3 BOARD OF DIRECTORS, MEMBERS AND OFFICERS

3.1 Authority of Board of Directors. The affairs of the Association shall be managed by a Board of Directors. Except as provided in this Declaration or the Bylaws, the Board of Directors may act in all instances on behalf of the Association.

3.2 Election of Part of Board of Directors During Period of Declarant Control. No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots That May Be Included to Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots That May Be Included to Owners other than Declarant, not less than thirty-three and one-third percent



(33 1/3%) of the members of the Board of Directors must be elected by Owners other than the Declarant.

3.3 Authority of Declarant During Period of Declarant Control. Except as otherwise provided in this Article 3, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors and may remove all officers and directors of the Board of Directors appointed by it.

3.4 Termination of Period of Declarant Control. Not later than the termination of the Period of Declarant Control, the Owners shall elect a Board of Directors (with the exact number of members of the Board of Directors to be set forth in the Bylaws of the Association), at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. The Board of Directors shall elect the officers. Such Board of Directors members and officers shall take office upon election.

3.5 Delivery of Documents by Declarant. After the Owners other than the Declarant elect a majority of the members of the Board of Directors, the Declarant shall deliver to the Association all property of the Association held by or controlled by the Declarant, if and to the extent required by the Act.

3.6 Budget. Within ninety (90) days after adoption of any proposed budget for the Community, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Association budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) days nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting the budget is rejected by the vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated, then the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

3.7 Cooperation with Other Associations and Special Districts; Maintenance of Property Outside of the Community. The Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with other community association(s) (including any Subassociation) and/or any special district(s) and/or neighboring property owners, to share facilities, to share the costs and/or responsibility for any operations, maintenance, repair or replacement of Common Elements, streets, or other property outside of the Community, owned by or for which a Subassociation, special district or other community association is responsible, or improvements thereon, to perform maintenance, repair or replacement for any person(s) in consideration of payment or reimbursement therefor, to utilize the same contractors, subcontractors, managers or others who may perform services for the Association, any other community association(s) and/or any special district(s) and/or neighboring property owners, or to otherwise cooperate with any other community association(s) and/or any district(s) and/or neighboring property owners in order to increase consistency or coordination, reduce costs, or as may otherwise be deemed appropriate or beneficial by the Board of Directors in its discretion from time to time. The costs and expenses for all such matters, if any, shall be shared or apportioned between the Association and/or any other community associations and/or any



special districts and/or neighboring property owners, as the Board of Directors may determine in its discretion from time to time. Additionally, the Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with any other community associations and/or any special districts to collect assessments, other charges or other amounts which may be due to such entity and to permit any such entity to collect assessments, other charges or other amounts which may be due to the Association; in any such instance, the Association shall provide for remittance to such entity of any amounts collected by the Association or to the Association of any amounts collected by such entity. The Association's power under this Section 3.7 shall expressly include the right, but not the obligation, to provide maintenance of oil and gas operation areas in the vicinity of the Property or the Additional Property which are owned by a special district, and the costs incurred by the Association in connection therewith shall be a part of the Common Expenses. In addition, as required by any development agreement with the Town of Erie, the Association shall maintain the underdrain system that serves the Community, which is located in the public right of way adjacent to the Property. The expenses incurred by the Association in connection with such maintenance shall be a part of the Common Expenses. To the extent there are lateral underdrains that serve only a single Lot, the maintenance of such lateral underdrains shall be the responsibility of the Owner of such Lot.

3.8 Notice and Comment. Whenever the provisions of this Declaration or of the other governing documents of the Association or the Act require that an action be taken after "Notice and Comment" or "Notice and Hearing" and at any other time the Board determines, the affected Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice shall be given to each affected Owner in writing delivered personally or by mail to all affected Owners at such address as appears in the records of the Association. The notice shall be given not less than three (3) days before proposed action is to be taken. The notice shall invite comment (orally or in writing) to the Board before or at the scheduled time of any meeting or hearing.

3.9 Charges for Facilities and Services. The Association shall have the power to establish reasonable and uniformly applied charges for the special or extraordinary use of facilities such as the Common Elements, including, without limitation, the Recreational Facilities. The charges may include reasonable admission or other fees for any special or extraordinary use by Owners or non-Owners of property, facilities or services of the Association, such as the Recreational Facilities, conference rooms, instruction, day care or child care services or similar uses beyond the ordinary and customary use of the Common Elements. Such charges or fees shall be set forth in a schedule of charges or fees adopted from time to time by the Board of Directors.

ARTICLE 4 COVENANT FOR ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation for Assessments. Each Owner, including Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees and shall be personally obligated to pay to the Association: annual assessments or charges, special assessments, and other assessments, charges, fines, fees, interest, late charges, and other amounts, all as provided in this Declaration; with such assessments and other amounts to be established and collected as hereinafter provided. The annual, special and other assessments and other charges, fees and fines, together with interest, late charges, costs, and



reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. The obligation for such payments by each Owner to the Association is an independent covenant with all amounts due, from time to time, payable in full when due without notice or demand (except as otherwise expressly provided in this Declaration), and without set-off or deduction. All Owners of each Lot shall be jointly and severally liable to the Association for the payment of all assessments, fees, charges and other amounts attributable to their Lot during their ownership of such Lot. Each assessment, charge, fee, and all other amounts under this Declaration, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them. The Association's lien on a Lot for assessments and other amounts shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to land subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said lien.

4.2 Purpose of Assessments. The assessments levied by the Association shall be used to pay the Common Expenses, and for maintenance, repair and replacement of the Common Elements or other property outside of the Community to the extent provided for in Section 3.7, and personal property of the Association, as provided in this Declaration, to promote the recreation, health, safety and welfare of the residents of the Lots, and for all of those purposes and activities which may be required of the Association or which the Association may be empowered to pursue pursuant to this Declaration or the Articles of Incorporation or Bylaws of the Association, or by law, including without limitation, maintenance, operation, repair and replacement of drainage facilities, publicly dedicated property and easements.

4.3 Rate of Annual Assessments. Annual assessments shall be fixed at a rate sufficient to meet the expected needs of the Association. The annual assessments shall include an adequate reserve fund for the maintenance, repair and replacement of those items that must be maintained, repaired or replaced on a periodic basis (including without limitation any drainage facilities owned or maintained by the Association), and for the payment of insurance deductibles. All annual assessments shall be assessed against all the Lots in accordance with the Allocated Interests set forth in this Declaration, except as specifically elsewhere provided in this Declaration. If the Allocated Interests are reallocated, annual assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Allocated Interests.

4.4 Date of Commencement of Annual Assessments. Annual assessments shall commence as to all Lots within the Community upon annexation to the Community, or the date assessments are first levied, if assessments have not commenced when the Lot is annexed to the Community. A budget shall be so adopted by the Association no less frequently than annually. The annual assessments shall be due and payable in monthly installments, in advance, or on such other dates, and with such frequency (which may be other than monthly, but not less frequently than annually), as the Board of Directors determines in its discretion from time to time; provided that the first annual assessment shall be adjusted to reflect the time remaining in the first Association fiscal year. Any Owner purchasing a Lot between installment due dates shall pay a pro rata share of the last payment due.



4.5 Special Assessments. In addition to the annual assessments authorized in this Article 4, the Board of Directors may levy, in any fiscal year, a special assessment applicable to that year only, for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital Improvement upon the Common Elements or any portion of real property for which the Association has repair and/or reconstruction obligations, including fixtures and personal property related thereto, or for repair or reconstruction of any damaged or destroyed Improvements located on said real property, or for the funding of any operating deficit incurred by the Association. Any such special assessment requires the approval of Members that are allocated at least two-thirds (2/3) of the votes represented (in person or by proxy) at a meeting of the Members that has been duly called for this purpose pursuant to Section 4.6. Any such special assessment shall be set against each Lot in accordance with the Allocated Interests set forth in this Declaration. A meeting of the Members called for the purpose of considering the establishment of a special assessment shall be held in conformance with Section 4.6.

4.6 Notice and Quorum for Any Special Assessments. Written notice of any meeting called for the purpose of taking any action authorized under Section 4.5 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifteen percent (15%) of all the votes of the Association shall constitute a quorum.

4.7 Charges for Services to Less than All of the Lots.

(a) The Association may, at any time from time to time, provide special benefits or special services (not otherwise required or authorized under this Declaration to be provided by the Association) to any Subassociation, Service Area or single Lot, and the Owners of such affected Lots shall pay the Association for such services as affected or in such manner as may be determined by the Board of Directors in its discretion from time to time, which amounts shall be in addition to the annual and special assessments, and which amounts shall include overhead expenses of the Association for such special benefits or special services. Services which may be provided by the Association pursuant to this Section 4.7 include, without limitation, (a) the construction, care, operation, management, maintenance, upkeep, repair, replacement and renovation of Subassociation Common Area, or Improvements or property owned by such Subassociation; (b) the provision of any special benefits, services, programming or functions to a Service Area, or the construction, care, management, maintenance, upkeep, or repair of the exteriors of Residences or Improvement(s) located on such Lots within a Service Area; (c) the enforcement of the provisions of any document or agreement for, on behalf of, and in the name of the Subassociation or the applicable Owners; (d) the payment of taxes or other amounts for certain Owners with funds provided by such Owners; (e) the procurement of insurance for Owners within a Subassociation or Service Area; or (f) the provision of benefits, items or services to a Lot or the occupants thereof, upon the request of the Owner of such Lot pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which may include, without limitation, landscape maintenance and snow removal).

(b) The Association may, at its election, at any time from time to time, collect the aforesaid costs, fees, expenses and other charges from Owners to whom such services are provided, in advance or arrears, in monthly or other installments, or in addition to and on the same date for payment of, the assessments. Should the Association provide such special benefits or special services to a Subassociation or Service Area, each Lot that is located within such Subassociation or Service Area is subject to, and the Owner of such Lot is liable for, assessments for such Lot's percentage share of the expenses, such percentage to be derived from a fraction, the numerator of which is the Allocated Interest for such Lot and the denominator of which is the sum of the Allocated Interests for every Lot within the subject Subassociation or Service Area. Should the Association provide such special benefits or special services to a Subassociation or Service Area on a regular basis, the Association will set the assessments for a Subassociation or Service Area for each fiscal year at a level that is reasonably expected to produce income for the Association over such fiscal year equal to the expenses set forth in the budget for the Subassociation or Service Area adopted by the Board and not vetoed by the applicable Owners. The Board will budget, adjust and reconcile the assessments attributable to a Subassociation or Service Area in the same manner as annual assessments; provided, however, that the portions of the proposed budget pertaining to any expenses attributable to a Subassociation or Service Area will be deemed approved unless the applicable Owners holding at least sixty-seven percent (67%) of the votes in the Subassociation or Service Area vote to veto such portions of the budget.

4.8 Assessments for Misconduct. If any expense to the Association is caused by the misconduct of any Owner, member of an Owner's family, or tenants, agents, contractors, guests or invitees of Owner or its tenants, the Association may assess that expense exclusively against such Owner and his Lot.

4.9 Lien for Assessments.

(a) The Association has a statutory lien on a Lot for any assessment levied against that Lot or fines imposed against its Owner. Fees, charges, late charges, attorney fees, fines and interest charged pursuant to this Declaration or the Act are enforceable as assessments under this Article 4. The amount of the lien shall include all those items set forth in this Section 4.9 from the time such items become due. If an assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations.

(b) Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessments is required. However, the Board of Directors or managing agent of the Association may prepare, and record in the County in which the applicable Lot is located, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot, and a description of the Lot. If a lien is filed, the costs and expenses thereof shall be added to the assessment for the Lot against which it is filed and collected as part and parcel thereof. The Association's lien may be foreclosed in like manner as a mortgage on real estate.



(c) A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within six (6) years after the full amount of assessments becomes due.

4.10 Priority of Association Lien.

(a) A lien under this Article 4 is prior to all other liens and encumbrances on a Lot except:

(i) Liens and encumbrances recorded before the recordation of the Declaration;

(ii) A First Security Interest on the Lot, which was recorded or perfected before the date on which the assessment sought to be enforced became delinquent; and

(iii) Liens for real estate taxes and other governmental assessments or charges against the Lot.

(b) A lien under this Section is also prior to the First Security Interests described in the preceding subsection (a)(ii) to the extent provided in the Act.

(c) This Section does not affect the priority of mechanics' or materialmen's liens or the priority of liens for other assessments made by the Association. A lien under this Article is not subject to the provisions of part 2 of Article 41 of Title 38, C.R.S. 1973, as amended, or to the provisions of Section 15-11-201, C.R.S. 1973, as amended.

(d) If the Association and any Subassociation(s) have liens for assessments created at any time on the same Lot, those liens shall have equal priority.

4.11 Receiver. In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be due from the Owner prior to or during the pending of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's assessments.

4.12 Certificate of Status of Assessments. The Association shall furnish to an Owner or such Owner's designee or to a Security Interest Holder or its designee, upon written request delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's Lot. The statement shall be furnished within fourteen (14) calendar days after receipt of the request and is binding on the Association, the Board of Directors, and every Owner. If no statement is furnished to the Owner or Security Interest Holder or their designee, delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a lien upon the Lot for unpaid assessments which were due as of the date of the request. The Association shall have the right to charge a reasonable fee for the issuance of such certificates.



4.13 Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid within ten (10) days after the due date thereof may bear interest from the due date at the rate of eighteen percent (18%) per annum, or at such other lawful rate as may be set from time to time by the Board of Directors, and the Board of Directors may charge a late charge in an amount the Board determines from time to time to be sufficient to cover the extra costs and expenses involved in handling such delinquent payment. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot. If a judgment or decree is obtained, including without limitation in a foreclosure action, such judgment or decree shall include a reasonable attorney's fee to be fixed by the court, together with the costs of the action, and may include interest and late charges as above provided. No Owner may be exempt from liability for payment of assessments by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Lot against which the assessments are made. This Article does not prohibit actions or suits to recover sums for which this Declaration creates a lien, nor does this Article prohibit the Association from taking a deed in lieu of foreclosure.

4.14 Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of or provision for reserves shall be retained by the Association as reserves or in other such funds as the Board may direct and need not be paid to the Owners in proportion to their Allocated Interests or credited to them to reduce their future assessments.

4.15 Working Capital Fund. For all Lots except Apartment Lots, the Association or Declarant shall require the first Owner (other than Declarant or a Builder) of any Lot who purchases that Lot from Declarant or a Builder to make a non-refundable contribution to the Association in an amount equal to two (2) times the then current monthly installment of the annual assessment (regardless of whether or not annual assessments have commenced as provided in Section 4.7). For Apartment Lots, the Association or Declarant shall require the first Owner (other than Declarant, but expressly including any Builder) of any Apartment Lot who purchases that Lot from Declarant to make a non-refundable contribution to the Association in an amount equal to two (2) times the then current monthly installment of the annual assessment (regardless of whether or not annual assessments have commenced as provided in Section 4.7). Said contribution shall be collected and transferred to the Association at the time of closing of the sale by Declarant (or by Builder of all Lots except Apartment Lots) of each Lot and shall, until used, be maintained in a segregated account with other such working capital funds for the use and benefit of the Association, including, without limitation, to meet unforeseen expenditures or to purchase equipment, property or services. Such contribution to the working capital fund shall not relieve an Owner from making regular payments of assessments as the same become due. Upon the transfer of his Lot, an Owner shall be entitled to a credit from his transferee (but not from the Association) for the aforesaid contribution to working capital fund.

4.16 Other Charges. The Association may levy and assess charges, costs and fees for the following matters, among others, in such reasonable amount(s) as the Board of Directors may determine in its discretion at any time from time to time, including charges to the Association by its managing agent or other Person; copying of Association or other documents; return check charges; charges for telefaxes; long distance telephone calls; transfer charges or fees upon transfer of ownership of a Lot; charges for notices and demand letters; and other charges incurred by the



Association for or on behalf of any Owner(s). All such charges, costs and fees shall be in addition to the assessments levied by the Association, but shall be subject to all of the Association's rights with respect to the collection and enforcement of assessments.

4.17 Exemptions from Assessments. The following portions of the Community shall be exempt from the Assessments, charges, and liens created under this Declaration and under any Supplemental Declaration: any property owned by a public body; any Common Element or Subassociation Common Area; all utility lines and easements; and any Lot owned by the Association.

ARTICLE 5 DESIGN REVIEW COMMITTEE

5.1 Composition of Committee. Responsibility for promulgating and enforcing architectural standards and design guidelines for the Community and reviewing all applications for Improvements is vested in the Design Review Committee, and not the Association, except as set forth in this Article 5. In no event will the Design Review Committee be deemed a committee of the Board or of the Association. The Association has no role in or jurisdiction over design or architectural review for the Property, except to the extent the Association, acting through the Board, may be authorized to appoint members to the Design Review Committee, as provided for below. The Design Review Committee shall consist of three (3) or more members who shall be natural persons. Until expiration of the Development Period, Declarant shall have the exclusive right, in its full discretion, to appoint and remove all members of the Design Review Committee. Declarant may surrender its right to appoint the members of the Design Review Committee by a recorded instrument executed by Declarant. After such period or upon Declarant's earlier surrender of its right to appoint and remove the members of the Design Review Committee, the Board shall have the exclusive right, in its full discretion, to appoint and remove all members of the Design Review Committee. The members of the Design Review Committee need not be Owners or representatives of Owners, and may, without limitation, be architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by Declarant or, after the Development Period, the Board.

5.2 Review by Committee; Requirement for Approval by Governmental Entities.

(a) No Improvements shall be constructed, erected, placed, planted, applied or installed upon any Lot unless plans and specifications therefor (said plans and specifications to show exterior design, height, materials, color, and location of the Improvements, and type of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the Committee), shall have been first submitted to and approved in writing by the Design Review Committee; provided, however, that the Declarant and any Builder who has received written approval from Declarant for such Improvements shall be exempt from seeking or obtaining Design Review Committee approval during Declarant's or said Builder's development of, construction on, or sales of any Lot or Residences on any Lot. The Design Review Committee shall exercise its reasonable judgment to the end that all Improvements comply with any architectural standards promulgated for the Community and conform to and harmonize with the existing surroundings, Residences, landscaping and structures. The



Design Review Committee may require that the applicant(s) of each submission pay a fee(s) in advance of review to the Design Review Committee for the review and approval process, with such fee(s) to be in such amount(s) as may be set by the Committee in its discretion from time to time; provided that such fee(s) shall be uniform for submissions of a similar nature or cost.

(b) In addition to the required approvals by the Design Review Committee, as provided in this Article 5, the construction, erection, addition, deletion, change or installation of any Improvements on any Lot or relating to any Condominium Unit shall also require the applicant to obtain any necessary or required approval of all governmental entities with jurisdiction thereover, and issuance of all required permits, licenses and approvals by all such entities.

5.3 Procedures. The Design Review Committee shall approve or disapprove all requests for approval within forty-five (45) days after the complete submission of the plans, specifications and other materials and information which the Committee may require in conjunction therewith. If the Design Review Committee fails to approve or disapprove any request within forty-five (45) days after the complete submission to the Committee of the plans, specifications, materials and other information with respect thereto, and if the applicant can prove that the complete submission was received by the Committee (with such proof to be in the form of a signed receipt or a signed return receipt from a registered or certified mail), approval shall not be required and this Article 5 shall be deemed to have been fully complied with.

5.4 Delegation and Approval of Subassociation Design Review Committee. No Supplemental Declaration or Subassociation may require review and approval of the initial residential building, the initial grading of a Lot and the initial Condominium Units by the Subassociation's design review committee. All such initial Improvements constructed upon a Lot shall only require the approval of the Design Review Committee (or Declarant) as required in Section 5.2(a). Thereafter, for Improvements which are constructed subsequent to the construction of the initial Residence, any Supplemental Declaration or Subassociation may also require review and approval by its design review committee. Additionally, the Design Review Committee may delegate the review and approval of Improvements required under this Article 5 to any Subassociation design review committee, and the Design Review Committee may accept from a Subassociation design review committee the delegation of any or all review or approval functions of such committee. Any delegation of design or approval functions by the Design Review Committee to a Subassociation shall be limited to Lots and Subassociation Common Area within the area of the Subassociation and shall be only for Improvements which are constructed upon a Lot or Subassociation Common Area subsequent to the construction of the initial residential building thereon and the issuance of a certificate of occupancy for such initial construction. In the event of any such design review delegation, any procedure used, and any decision rendered concerning an Improvement by a Subassociation design review committee pursuant to the applicable Supplemental Declaration, articles of incorporation, bylaws or design guidelines, if any, shall be deemed to satisfy the requirements of this Article 5. Any delegation of design review and/or approval may be reclaimed by the delegating party upon written notice to the other party.



5.5 Vote and Appeal. A majority vote of the Design Review Committee is required to approve a request for approval, unless the Committee has appointed a representative to act for it, in which case the decision of such representative shall control. In the event a representative acting on behalf of the Committee approves or denies a request for architectural approval, any Owner shall have the right to an appeal such decision to the full Committee, upon a request therefor submitted to the Committee within thirty (30) days after such approval or denial by the Committee's representative.

5.6 Architectural Standards. The Design Review Committee may, at any time from time to time, adopt, enact, issue, promulgate, modify, amend, repeal, re-enact, and enforce architectural standards and design guidelines for the Community, or other standards, to interpret and implement the provisions of this Article 5 and the Declaration, including, without limitation, those relating to procedures, materials to be submitted, specifications of items, types or kinds of Improvements, designs and other matters. The architectural standards and design guidelines may specify acceptable Improvements that may be installed or constructed without prior approval of the Design Review Committee. Any such architectural standards and design guidelines shall be the Daybreak Architectural Design Guidelines as contemplated by the Bridgewater P.U.D. Overlay Map – Amendment No. 1, approved by the Town on June 22, 2011, recorded August 31, 2011, under Reception No. 3789472 of the records of Weld County, Colorado, as the same may be amended from time to time.

5.7 Records. The Design Review Committee shall maintain written records of all applications submitted to it and all actions taken by it thereon and such records shall be available to Members for inspection at reasonable hours of the business day.

5.8 Liability. Neither the Design Review Committee, nor any members thereof, nor any representative of the Committee appointed to act on its behalf, shall be liable in damages to any Person, or to any Owner, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove in regard to any matter within its jurisdiction hereunder.

5.9 Variance. The Design Review Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article 5, in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of any such conditions and restrictions. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or Improvements in the neighborhood and shall not militate against the general intent and purpose hereof.

5.10 Waivers; No Precedent. The approval or consent of the Design Review Committee, or any representative thereof, to any application for architectural approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by the Committee or any representative thereof, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent as to any other matter.

ARTICLE 6 INSURANCE

6.1 Insurance. The Association shall maintain insurance as required by the Act and other applicable law, including the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance, and the cost of said coverage shall be paid by the Association as Common Expenses, or, in the case of insurance provided to benefit less than all of the Lots, in accordance with Section 4.7. In addition, the Association may maintain such insurance on such other property as the Board of Directors may determine in its discretion from time to time, or as may be hereinafter required. Notwithstanding any of the specific insurance requirements specified in this Article, the Association may also consider, in determining the types and amount of insurance it needs to obtain, the then-existing requirements of any of the Agencies with respect to their insurance, guaranty, or purchase of Security Interests.

(a) Property insurance on the Common Elements for broad form coverage causes of loss; except that the total amount of insurance must not be less than the full insurable replacement costs of all the insured Improvements less applicable deductibles at the time the insurance is purchased and at such renewal date, exclusive of land, foundations, excavations and other items normally excluded from such policies.

(b) Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements, insuring the Association in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence, insuring the Board of Directors, the Association, any managing agent, and their respective employees, agents and all Persons acting as agents. The Declarant shall be included as an additional insured in such Declarant's capacity as an Owner and member of the Board of Directors. The Owners shall also be included as additional insureds. The insurance shall cover claims of one or more insured parties against other insured parties.

(c) A policy providing comprehensive fidelity coverage or fidelity bonds to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and/or any independent contractor employed by the Association for the purpose of managing the Community and/or any Owner who disburses funds of the Association, in an amount at least equal to the estimated maximum of funds, including maintenance reserves, in the custody of the Association at any given time; provided, however, that such fidelity coverage or fidelity bonds shall not be in an amount less than two (2) months aggregate assessments on the Lots, plus such reserve funds as calculated from the current budget of the Association. The Association may carry fidelity insurance in amounts greater than required hereinabove and may require any independent contractor employed for the purposes of managing the Community to carry more fidelity insurance coverage than required hereinabove. In the event the Association has delegated some or all of its responsibility for the handling of funds to a manager, managing agent or any other Person, the Association shall require the Person to purchase, at its own expense, a policy of fidelity insurance or bonds in an amount not less than \$50,000 or any higher amount that the Board requires.

(d) If any Common Elements are located within an area identified by the Federal Emergency Management Agency as having special flood hazards, and flood insurance coverage on such parcels has been made available under the National Flood Insurance Program, then such a policy of flood insurance on such parcels in an amount at least equal to the lesser of:

(i) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area; or

(ii) one hundred percent (100%) of current replacement cost of all buildings and other insurable property located within a designated flood hazard area.

(e) In addition, the Association may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate, to the extent that such coverage is reasonably available, including, but not limited to, personal liability insurance to protect directors and officers of the Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Association.

6.2 General Provisions of Insurance Policies. All policies of insurance carried by the Association shall be carried in blanket policy form naming the Association as insured, or its designee as trustee and attorney-in-fact for all Owners, and each Owner shall be an insured person under such policies with respect to liability arising out of any Owner's membership in the Association. The policy or policies shall contain a standard non-contributory Security Interest Holder's clause in favor of each Security Interest Holder and a provision that it cannot be cancelled or materially altered by either the insured or the insurance company until thirty (30) days' prior written notice thereof is given to the insured and each Security Interest Holder, insurer or guarantor of a Security Interest. The Association shall furnish a certified copy or duplicate original of such policy or renewal thereof, with proof of premium payment and a certificate identifying the interest of the Owner in question, to any party in interest, including Security Interest Holders, upon request. Any policy shall also contain waivers of subrogation. All policies shall contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not under the control of the Association.

6.3 Deductibles. The Association may adopt and establish written non-discriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment.

(a) To the extent the Association settles a claim for damages, it shall have the authority to assess negligent Owners causing such loss or benefitting from such repair or restoration all deductibles paid by the Association. In the event that more than any one (1) Lot is damaged by a loss, the Association, in its reasonable discretion, may assess each Owner a pro rata share of any deductible paid by the Association.

(b) Any loss to any Lot or to any Common Elements which the Association has the duty to maintain, repair and/or reconstruct, which falls within the deductible portion of such policy, shall be borne by the Owner who is responsible for the repair and maintenance of the property which is damaged or destroyed. In the event of a joint duty of repair and maintenance of the damaged or destroyed property, then the deductible may be apportioned among the Owners sharing in such joint duty or may be partly or wholly borne by the Association, at the election of the Board of Directors. Notwithstanding the foregoing, after notice and hearing, the Association may determine that a loss, either in the form of a deductible to be paid by the Association or an uninsured loss resulted from the act or negligence of an Owner, his tenants, family members, guests or invitees. Upon said determination by the Association, any such loss or portion thereof may be assessed to the Owner in question and the Association may collect the amount from said Owner in the same manner as any assessment.

6.4 Payment of Insurance Proceeds. Any loss covered by an insurance policy described in Section 6.1 must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any Security Interest Holder. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Association, Owners and Security Interest Holders as their interests may appear. Subject to the provisions of Section 7.1, the proceeds must be disbursed first for the repair or restoration of the damaged property; and the Association, Owners and Security Interest Holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Community is terminated.

6.5 Association Insurance as Primary Coverage. If at the time of any loss under any policy which is in the name of the Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, such Association policy shall be primary insurance not contributing with any of such other insurance. An Owner shall be liable to the Association for the amount of any diminution of insurance proceeds to the Association as a result of policies of insurance of an Owner, and the Association may collect the amount from said Owner in the same manner as any assessment. Any such Owner's policy shall also contain waivers of subrogation.

6.6 Acceptable Insurance Companies. Each insurance policy purchased by the Association must be written by a hazard insurance carrier which is authorized by law to do business in the State of Colorado. The Association shall not obtain any policy where (a) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee, or (b) under the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's Board of Directors, policy holders or members, or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or any Owner from collecting insurance proceeds.

6.7 Insurance to be Maintained by Owners. An insurance policy issued to the Association does not obviate the need for Owners to obtain insurance for their own benefit. Insurance coverage on each Lot and the Improvements thereon, including but not limited to flood insurance, and the furnishings and other items of personal property belonging to an Owner, and

public liability insurance coverage on each Lot, shall be the responsibility of the Owner of such Lot.

6.8 Annual Review of Insurance Policies. All insurance policies carried by the Association shall be reviewed at least annually by the Board of Directors to ascertain that the coverage provided by such policies adequately covers those risks intended to be insured by the Association. In making the aforesaid determination, the Board of Directors or the managing agent of the Association may obtain a written appraisal from a duly qualified real estate or insurance appraiser, or seek other advice or assistance. Any Security Interest Holder shall be furnished with a copy of such appraisal upon request.

6.9 Notice of Cancellation. If the insurance described in Section 6.1 is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefor having been obtained, the Association promptly shall cause notice of that fact to be hand delivered, or sent prepaid by United States Mail, to all Owners. If the insurance described in Section 6.1 is not reasonably available, the Association may carry any other insurance it considers appropriate, including but not limited to insurance as a co-insured or as an additional insured under a Subassociation's policies of insurance.

ARTICLE 7 DAMAGE OR DESTRUCTION

7.1 Damage or Destruction.

(a) Any portion of the Community which is covered by a policy of insurance which is required to be carried by the Association under this Declaration and which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (i) The Community is terminated;
- (ii) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (iii) Sixty-seven percent (67%) of the Owners, including every Owner of a Lot that will not be rebuilt, vote not to rebuild; or
- (iv) Prior to the conveyance of any Lot to a Person other than the Declarant, the holder of a deed of trust or mortgage on the damaged portion of the Community rightfully demands all or a substantial part of the insurance proceeds.

(b) The cost of repair or replacement that is covered by insurance carried by the Association, but which is in excess of insurance proceeds and reserves, is a Common Expense. If the entire Community is not repaired or replaced, the insurance proceeds attributable thereto must be used to restore the damaged area to a condition compatible with the remainder of the Community and, except to the extent that other Persons will be distributees, the remainder of the proceeds must be distributed to all the Owners or lienholders, as their interests may appear, in proportion to the Allocated Interests of all the Lots. If the Owners vote not to rebuild any Lot, that Lot's Allocated Interests are

automatically reallocated upon the vote as if the Lot had been condemned as provided in Section 13.9, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting such reallocations.

7.2 Lots. Any damage to or destruction of any structure located on a Lot shall, except as hereafter provided, be promptly repaired and reconstructed by the Owner thereof using insurance proceeds and personal funds of such Owner. "Repaired and reconstructed," as used in this Section 2, shall mean restoring the structure to substantially the same condition in which it existed immediately prior to such damage or destruction, including having the same boundaries as before. However, if a structure located on a Lot shall be destroyed or so damaged that the structure is no longer habitable, then the Owner of such Lot shall, within a reasonable time not to exceed 120 days after the event resulting in such damage or destruction, either commence and diligently pursue repair or reconstruction of the Residences or demolish the same, provided, however that no Owner of a Lot which is Condominium Unit may elect to demolish such Condominium Unit or attached structures as provided above and any such repair, reconstruction or demolition of a Condominium Unit shall be accomplished in accordance with the terms and provisions of the Supplemental Declaration governing the Condominium Unit. Demolition of a structure shall include removal of any foundation slab, basement walls and floors, regrading of the Lot to a level condition, and the installation of such landscaping as may be required by the Design Review Committee pursuant to a plan submitted to said Committee by the Owner of said Lot. If the Owner of a Lot does not either commence repair, reconstruction or demolition activities within a reasonable time, as provided above, or in the case of a Condominium Unit in accordance with the governing Supplemental Declaration, and diligently pursue the same in conformance with the plans approved by the Design Review Committee, then the Association may, in its reasonable discretion, after providing the notice required in Section 8.2 hereof, enter upon the Lot for the purpose of demolishing the Residences and then landscape the Lot in conformance with approved plans. The cost related to such demolition and landscaping shall be the personal obligation of the Owner of the Lot on which such work is performed and shall be subject to all the terms and provisions applicable to assessments as provided in Article IV hereof, including without limitation, interest, late charges and lien rights.

**ARTICLE 8
EXTERIOR MAINTENANCE**

8.1 General.

(a) Maintenance, repair and replacement of all Common Elements, property outside of the Community to the extent provided in Section 3.7, and Improvements located thereon or on the Common Elements, including, without limitation, any drainage structure or facilities (including without limitation underdrain systems), streets or other public Improvements or publicly dedicated property to the extent required by the local governmental entity as a condition of development of the Community or any part thereof, shall be the responsibility of the Association unless (i) such Improvements or property have been dedicated to and accepted by the local governmental entity for the purpose of maintenance, repair and replacement, (ii) such maintenance, repair and replacement has been authorized by law to be performed and has been accepted by a special district or other municipal or quasi-municipal entity, or (iii) such maintenance, repair and replacement is



performed cooperatively pursuant to Section 3.7. Further, the Association may provide such other maintenance, repair and replacement as the Board of Directors deems appropriate from time to time, including without limitation publicly-dedicated property and the Improvements located thereon. The costs, expenses, fees and other amounts to be expended for the maintenance and repair provided for in this subsection (a) shall, subject to Section 8.4, be collected by the Association as assessments pursuant to Article 4 hereof.

(b) The maintenance, repair and replacement of each Lot, including but not limited to the interior and exterior of the Residences and other Improvements constructed thereon, shall be the responsibility of the Owner of such Lot. The Association and each Owner, and their agents and contractors, are hereby granted an easement for the purpose of maintenance and repair of the Owner's Lot on, over, across, under and through any adjacent Lot upon reasonable notice to the Owner thereof. Any damage occurring to such adjacent Lot or the Improvements thereon in performing such repairs or maintenance shall be the responsibility of the party performing or authorizing such repairs or maintenance. The interior of any Residence shall not be subject to such easements provided for in this Section 8.1(b)

(c) The maintenance, repair and replacement of Subassociation Common Area shall be the responsibility of a Subassociation, as provided in the Supplemental Declaration that creates the Subassociation and includes such Subassociation Common Area.

8.2 Association's Right to Repair, Maintain, Restore and Demolish. In the event any Owner, or any Subassociation with regard to Subassociation Common Area maintenance, shall fail to perform its maintenance, repair, reconstruction and/or demolition obligations in a manner satisfactory to the Board of Directors, the Association may, if said failure continues for a thirty (30) day period after written notice to said Owners or Subassociation by the Board, enter upon said Lot or other property subsequent to the expiration of said thirty (30) day time period to perform any or all of such maintenance, repair or restoration or, pursuant to 7.2, to demolish a structure. The cost of such maintenance, repair, reconstruction and/or demolition shall be the personal obligation of the Owner of the Lot on which such work is performed, and shall be subject to all of the terms and provisions applicable to assessments as provided in Article IV hereof including, without limitation, interest, late charges and lien rights. The Association's cost of the maintenance, repair, reconstruction and/or demolition of Subassociation Common Area shall be the obligation of the Subassociation and shall be subject to reimbursement by the Subassociation, either through direct reimbursement by the Subassociation or through assessments of Owners as provided in Section 4.8 hereof.

8.3 Access Easement. Each Owner shall afford to the Association and the other Owners, and to their contractors, agents or employees, access through such Owner's Lot reasonably necessary for maintenance, repair and replacement of any Common Elements and any other property or Improvements maintained, repaired or replaced by the Association. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on the Common Elements, any other property, or any Lot, the Owner responsible for the damage, or expense to avoid damage, or the Association if it is responsible, is liable for the cost of prompt repair. Further, each Lot shall be subject to an easement in favor of the Association (including its agents, employees and contractors) for performing maintenance, repair and/or reconstruction as provided in this Article 8 during

reasonable hours after reasonable notice to the Owners or occupants of any affected Lot, except that no such notice shall be required in connection with any exterior, non-intrusive maintenance, and except that in emergency situations entry upon a Lot may be made at any time provided that the Owner or occupants of each affected Lot shall be warned of impending emergency entry as early as is reasonably possible. The interior of any Residence shall not be subject to such easements as provided for in this Section 8.3.

8.4 Owner's Negligence. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or reconstruction of or within any property for which the Association has an obligation to maintain, repair or reconstruct, any Lot, or any Improvements located thereon, is caused by the willful or negligent act or omission of any Owner, or by the willful or negligent act or omission of any member of such Owner's family, a tenant of an Owner or by a guest or invitee of such Owner or tenant, the cost of such repair, maintenance, reconstruction or expense to avoid such damage shall be the personal obligation of such Owner; and any costs, expenses and fees incurred by the Association for such maintenance, repair or reconstruction shall be added to the assessment to which such Owner's Lot is subject and shall be subject to all of the terms and provisions of Section 4.8 of this Declaration. A determination of the negligence or willful act or omission of any Owner, or any member of an Owner's family, a tenant of an Owner, or a guest or invitee of any Owner or tenant, and the amount of the Owner's liability therefor, shall be determined by the Association at a hearing after notice to the Owner, provided that any such determination which assigns liability to any Owner pursuant to the terms of this Section 8.4 may be appealed by said Owner to a court of law.

**ARTICLE 9
RESTRICTIONS**

9.1 General Plan. It is the intention of the Declarant to establish and impose a general plan for the improvement, development, use and occupancy of the Lots, all in order to enhance the value, desirability, and attractiveness of the Lots and subserve and promote the sale thereof.

9.2 Restrictions Imposed. This Community is subject to the recorded easements, licenses and other matters listed on Exhibit C attached hereto and incorporated herein by this reference. In addition, the Declarant declares that all of the Lots shall be held and shall henceforth be sold, conveyed, used, improved, occupied, owned, resided upon and hypothecated, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in this Declaration.

9.3 Residential Use. Subject to Section 9.4, Lots shall be used for residential use only, including uses which are customarily incident thereto, and shall not be used at any time for business, commercial or professional purposes; provided, however, that an Owner may use his Lot for professional or home occupation(s) so long as the applicable zoning permits such use, there is no external evidence thereof, and no unreasonable inconvenience to other residents of the Lots is created thereby.

9.4 Declarant's Use. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible and proper for Declarant, the Builders, and their employees, agents and contractors, to perform such reasonable activities, and to maintain upon



portions of the Lots owned thereby such facilities as they deem reasonably necessary or incidental to the development, construction and sale of such Lots, and development and construction of Improvements, specifically including, without limiting the generality of the foregoing, maintaining management offices, signs, model units, construction offices, trailers and sales offices, in such numbers, of such sizes, and at such locations as they determine in their reasonable discretion from time to time. Further, nothing contained in the Declaration shall limit the right of the Declarant or a Builder or require either to obtain approvals: (a) to excavate, cut, fill or grade any property owned by Declarant or such Builder or to construct, alter, demolish or replace any Improvements thereon; (b) to use any structure on any property owned by Declarant or such Builder as a construction, management, model home or sales or leasing office in connection with the development, construction or sale of any property; and/or (c) to require Declarant (or Builders whose plans and specifications have received prior written approval of the Declarant) to seek or obtain the approval of the Design Review Committee or of the Association for any such activity or Improvement by Declarant or such Builder on any property owned by Declarant or such Builder. Notwithstanding the foregoing, neither the Declarant nor any Builder shall perform any activity or maintain any facility on any portion of the Lots in such a way as to unreasonably interfere with or disturb any Owner's use and enjoyment of its Lot, or to unreasonably interfere with the use, enjoyment or access of such Owner, his tenants, family members, guests or invitees, of and to his Lot and to a public right-of-way. Any real estate used as a sales office, management office, construction office or a model home, may be located on a Lot, in which case neither the Lot nor the Improvements thereon shall be a Common Element, or on Common Elements, in which case the Declarant reserves the right to remove the office or model.

9.5 Household Pets. No animals, livestock, birds, poultry, reptiles or insects of any kind shall be raised, bred, kept or boarded in or on the Lots; provided, however, that the Owners of each Lot may keep a reasonable number of dogs, cats or other domestic animals which are bona fide household pets, so long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident of the Lots. The Association shall have, and is hereby given, the right and authority to determine, that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance, or that an Owner is otherwise in violation of the provisions of this Section 9.5, and to take such action(s) as it may deem appropriate to correct the same. An Owner's right to keep household pets shall be coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Association as a result of such pets, and any such costs and damages shall be subject to all of the Association's rights with respect to the collection and enforcement of assessments as provided in Article IV hereof.

9.6 Temporary Structures; Unsightly Conditions. No structure of a temporary character, including, but not limited to, a house trailer, tent, shack, storage shed, or outbuilding shall be placed or erected upon any Lot; provided, however, that during the actual construction, alteration, repair or remodeling of a structure or other Improvements, necessary temporary structures for storage of materials may be erected and maintained by a Person doing such work. Further, no unsightly conditions, structures, facilities, equipment or objects shall be so located on any Lot as to be visible from a street or from any other Lot.

9.7 Miscellaneous Improvements.



(a) No advertising or signs of any character shall be erected, placed, permitted, or maintained on any Lot except for the following: (i) a name plate of the occupant and a street number; (ii) a "For Sale," "Open House" or "For Rent" signs of such size as may be permitted in rules or regulations adopted by the Association; (iii) two (2) security system signs no larger than one hundred (100) square inches each; and (iv) political signs in accordance with the Act. Notwithstanding the foregoing, reasonable signs, advertising, or billboards used by the Declarant or a Builder in connection with the sale or rental of the Lots, or otherwise in connection with development of the Community or construction on the Lots, shall be permissible.

(b) No drying yards, service yards, wood piles or storage areas shall be located on any Lot so as to be visible from a street or from the ground level of any other Lot, except to the extent otherwise provided in rules or regulations adopted by the Association.

(c) The Association or the Design Review Committee may promulgate reasonable rules and regulations, including aesthetic provisions, concerning renewable energy devices and energy efficiency measures in accordance with the Act. As Improvements, such devices and measures and their location on a Lot must conform to the Town's requirements and receive Design Review Committee approval.

(d) Except as may otherwise be permitted by the Design Review Committee, no exterior radio antenna, television antenna, or other antenna, satellite dish, or audio or visual reception device of any type shall be placed, erected or maintained on any Lot, except inside a Residence or otherwise concealed from view; provided, however, that any such devices may be erected or installed by the Declarant or a Builder during its sales or construction in the Community. Notwithstanding the foregoing, neither the restrictions nor the requirements of this Section 9.7(d) shall apply to those antenna (which may include some satellite dishes and other devices) that are specifically covered by the Telecommunications Act of 1996, as amended from time to time. As to antenna which are specifically covered by the Telecommunications Act of 1996, as amended, the Association shall be empowered to adopt rules and regulations governing the types of antenna that are permissible hereunder and, to the extent permitted by the Telecommunications Act of 1996, as amended, establishing reasonable, non-discriminatory restrictions relating to appearance, safety, location and maintenance.

(e) No fences shall be permitted except with the prior approval of the Design Review Committee, and in conformance with any guidelines, rules or regulations regarding the permitted types, locations, materials, and other matters having to do with fences previously approved by the Design Review Committee.

(f) Any exterior lighting installed or maintained on the Lots shall either be indirect or of such controlled focus and intensity so as not to disturb the residents of adjacent or nearby property.

9.8 Vehicular Parking, Storage and Repairs.

(a) No house trailer, camping trailer, boat trailer, hauling trailer, boat, or accessories thereto, truck (rated larger than 1 ton), self-contained motorized recreational vehicle, or other type of recreational vehicle or equipment, may be parked or stored in the Community, unless such parking or storage is within the garage area of any Lot or is suitably screened from view in accordance with the requirements of the Design Review Committee, or within an area designated by the Association for storage and parking of such vehicles, except that any such vehicle may be otherwise parked as a temporary expedient for loading, delivery, or emergency. This restriction, however, shall not restrict trucks or other commercial vehicles which are necessary for construction or for the maintenance of any portion of the Community or any Improvements located thereon.

(b) Except as herein provided, no abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked in the Community in such a manner as to be visible from any portion of the Community. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, or other similar vehicle, which has not been driven under its own propulsion for a period of seventy-two (72) hours or longer, or which does not have an operable propulsion system installed therein, or which is not then currently licensed and registered; provided, however, that otherwise permitted vehicles parked by Owners while on vacation (for a maximum of two (2) weeks) or during a period of illness shall not be deemed to be abandoned.

(c) In the event the Association shall determine that a vehicle is parked or stored in violation of subsections (a) or (b) of this Section 9.8, then a written notice describing said vehicle shall be delivered personally or by certified mail to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the vehicle is not removed within a reasonable time thereafter, as determined by the Association in its discretion from time to time, the Association shall have the right to remove the vehicle at the sole expense of the owner thereof.

(d) No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of vehicles, trailers or boats, may be performed or conducted in the Community unless it is done within completely enclosed structure(s) which screen the sight and sound of the activity from the street and from adjoining property. The foregoing restriction shall not be deemed to prevent, on a Lot, washing and polishing of any motor vehicle, boat, trailer, motor-driven cycle, or other vehicle, together with those activities normally incident and necessary to such washing and polishing.

9.9 Nuisances. No nuisance shall be permitted in the Community or any portion thereof, nor any use, activity or practice which interferes with the peaceful enjoyment or possession and proper use of the Community or any portion thereof. As used herein, the term "nuisance" shall not include any activities of Declarant or a Builder which are reasonably necessary to the development and construction of, and sales activities in, the Community; provided, however, that such activities of the Declarant or a Builder shall not unreasonably interfere with any Owner's use and enjoyment of his Lot, or with any Owner's ingress and egress to or from his Lot and a public way.

9.10 No Hazardous Activities; No Hazardous Materials or Chemicals. No activities shall be conducted on any Lot or within Improvements constructed on any Lot which are unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Lot. No open fires shall be lighted or permitted on any Lot except (a) in a contained barbecue unit while attended and in use for cooking purposes, (b) subject to applicable laws regulating outdoor fires and/or fireplaces and the use thereof, within an interior or exterior fireplace, fire pit, chiminea or other contained device designed for such purpose, or (c) any torches, candles, natural gas or propane heating devices or aesthetic devices that do not emit sparks or embers. Further, no hazardous materials or chemicals shall at any time be located, kept or stored in, on or at any Lot except such as may be contained in household products normally kept at homes for use of the residents thereof and in such limited quantities so as to not constitute a hazard or danger to person or property.

9.11 No Annoying Light, Sounds or Odors. No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any Lot which is unreasonably loud or annoying; and no odor shall be permitted from any Lot which is noxious or offensive to others.

9.12 Restrictions on Trash and Materials; Trash Collection.

(a) No refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind shall be kept, stored, or allowed to accumulate except inside the Residence on any Lot nor shall any such items be deposited on a street, unless placed in a suitable, tightly-covered container that is suitably located solely for the purpose of garbage, trash or recycling pickup. No garbage or trash cans or receptacles shall be maintained in an exposed or unsightly manner.

(b) The Board of Directors shall have the right to regulate the number of trash collection service providers permitted to operate within the Community and to require trash and recycled materials to be collected from all Lots by such companies on the same day of each week. The Association, acting through its Board of Directors, is authorized to contract for trash service for all or portions of the Community and determine that the cost of such trash collection shall be paid by the Association as part of the Common Expenses, or that the cost of trash collection shall be paid by each Owner directly to the trash collection company and the Association shall not have any duty to pay the costs of trash collection or to assess the costs thereof to the Owners as assessments.

9.13 Rules and Regulations. Rules and regulations concerning and governing the Lots, Common Elements, and/or this Community may be adopted, amended or repealed from time to time by the Board of Directors, as set forth in Section 2.6 hereof.

9.14 Lots to be Maintained. Each Lot, including the landscaping thereon, shall at all times be well kept in a clean and sightly condition. No trash, litter, junk, boxes, containers, bottles, cans, implements or machinery shall be permitted to remain upon any Lot except as necessary during the period of construction or as provided in Section 9.12. Minimum maintenance requirements include watering (subject to municipal watering restrictions), weekly mowing,



periodic edging and pruning, removal and replacement of dead or dying plant material and elimination of weeds and undesirable grasses.

9.15 Leases. The term “lease,” as used herein, shall include any agreement for the leasing or rental of a Lot, or any portion thereof, and shall specifically include, without limitation, month-to-month rentals and subleases. Any Owner shall have the right to lease his Lot, but all leases shall be in writing and all leases shall provide that the terms of the lease and tenant’s occupancy of the leased premises shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation, Bylaws and rules and regulations of the Association. Owners shall be responsible for ensuring their tenants’ compliance with this Declaration, the Articles of Incorporation, Bylaws and rules and regulations of the Association, and such Owner’s Lot shall be subject to assessments for the misconduct of any tenant in the same manner a Lot is subject to assessments for the misconduct of the Owner.

9.16 Maintenance of Grade and Drainage. Each Owner shall maintain the grading upon his Lot, and the Association shall maintain the grading upon the Common Elements, and any Subassociation shall maintain the grading upon its Subassociation Common Area, at the slope and pitch fixed by the final grading thereof, including landscaping and maintenance of the slopes. Each Owner and the Association agree, for themselves and their successors and assigns, that they will not in any way interfere with the established drainage pattern over any real property which they have a duty to maintain, from adjoining or other real property. In the event that it is necessary or desirable to change the established drainage over any Lot or Common Elements which an Owner or the Association has a duty to maintain, then the party responsible for the maintenance of such real property shall submit a plan to the Design Review Committee for its review and approval, in accordance with the provisions of Article 5 of this Declaration. For purposes of this Section, “established drainage” is defined as the drainage which exists at the time final grading of property is completed.

ARTICLE 10 EASEMENTS

10.1 Minor Violations of Setback Restrictions. If upon the erection of any structure, it is disclosed by survey that a minor violation or infringement of setback lines has occurred, such violation or infringement shall be deemed waived by the Owners of each Lot immediately adjoining the structure which is in violation of the setback, and such waiver shall be binding upon all other Owners. However, nothing contained in this Section 10.1 shall prevent the prosecution of a suit for any other violation of the restrictions, covenants, or other provisions contained in this Declaration. A “minor violation,” for the purpose of this Section 10.1, is a violation of not more than one (1) foot beyond the required setback lines or Lot lines. This provision shall apply only to the original structures and shall not be applicable to any alterations or repairs to, or replacements of, any of such structures. Nothing herein shall be deemed to authorize a knowing and intentional encroachment onto another Lot.

10.2 Use of Common Elements. An easement is hereby granted to the Declarant and each Builder through the Common Elements and Subassociation Common Area as may be reasonably necessary for the purpose of discharging any of Declarant’s or such Builder’s



obligations or exercising any Special Declarant Rights. Subject to the immediately preceding sentence:

(a) No use shall be made of the Common Elements which will in any manner violate the statutes, rules, or regulations of any governmental authority having jurisdiction over the Common Elements;

(b) No Owner shall engage in any activity which will temporarily or permanently deny free access to any part of the Common Elements, nor shall any Owner place any structure whatsoever upon the Common Elements;

(c) The use of the Common Elements shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors; and

(d) No use shall ever be made of the Common Elements which will deny ingress and egress to those Owners having access to their Lots only over Common Elements, and the right of ingress and egress to said Lots is hereby expressly granted.

10.3 Easement for Encroachments. To the extent that any Improvement on any Lot, Common Element or Subassociation Common Area encroaches on any other Lot, Common Element or Subassociation Common Area, a valid easement for the encroachment exists; to the extent any utility service extension line providing service to an individual Lot encroaches on any other Lot, Common Element or Subassociation Common Area, a valid easement for the encroachment exists. Nothing herein shall be deemed to authorize a knowing and intentional encroachment onto another Lot.

10.4 Easements for Drainage and Utilities. Easements and right-of-way for the installation and maintenance of utilities, drainage facilities, public or private Improvements and access thereto are reserved as shown on the Plat or as established by any other instrument of record. Declarant creates and reserves to itself until the expiration of the Development Period, and thereafter to the Association, a blanket non-exclusive easement upon, over and across the Common Elements and Subassociation Common Area for the construction, operation, maintenance, repair and replacement of utilities, drainage and facilities therefor and other appurtenances thereto.

10.5 Easement for Additional Land. The Declarant hereby reserves, for the use and benefit of the Additional Land a non-exclusive, perpetual easement and right of way for pedestrian and vehicular access, ingress and egress, on, over and across the roads, driveways, streets, sidewalks, accessways, Common Elements and Subassociation Common Area, now or hereafter constructed, erected, installed or located in or on the Community for utilities and the construction, location, erection, installation, storage, maintenance, repair, renovation, replacement and use of any utilities Improvements that may now or hereafter serve the Additional Land (herein collectively the "Additional Land Easement"). By virtue of this Additional Land Easement, the Declarant generally intends to provide for pedestrian and vehicular access and for utilities services to those portion(s) of the Additional Land which have not been included, from time to time, in the Community pursuant to Sections 12.1(b) or 12.1(c). Hence, the Additional Land Easement shall be in effect for each portion of the Additional Land, from and after recording of this Declaration,

but shall cease to be effective as to each portion of the Additional Land at such time as both of the following have occurred with respect to such portion of the Additional Land: annexation of such portion of the Additional Land to this Declaration pursuant to the Sections 12.1(b) or 12.1(c); and expiration of the Declarant's right to withdraw such portion of the Additional Land from this Declaration.

10.6 Association Easement. Easements to perform its maintenance and enforcement duties and as necessary to exercise its powers pursuant to this Declaration are hereby granted by Declarant to the Association, its officers, agents, employees, and assigns, upon, across, over, in, and under the Community together with the right to make such use of the Community as may be necessary and appropriate in carrying out such maintenance and enforcement duties. All conveyances of Lots hereafter made, whether by Declarant or other Person, shall be construed to grant and reserve the easements contained in this Declaration, whether or not specific reference to such easements or to the Declaration appears in the instrument of such conveyance.

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

10.8 Owners' Easements. Subject to Sections 1.33, 10.9 and 10.10, every Owner shall have a non-exclusive right and easement for the purpose of access to their Lots and for use for all other purposes in and to the Common Elements, and such easement shall be appurtenant to and shall pass with the title to every Lot.

10.9 Extent of Owners' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) The terms, provisions, covenants, conditions, restrictions, easements, reservations, uses, limitations, and obligations contained in this Declaration;
- (b) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Elements and to mortgage said property as security for any such loan; provided, however, that the Association may not subject any portion of the Common Elements to a Security Interest unless such is approved by Owners casting at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes of Lots not owned by the Declarant;
- (c) The right of the Association to take such steps as are reasonably necessary to protect the Common Elements against foreclosure;
- (d) The right of the Association to promulgate, amend, repeal, re-enact and publish rules and regulations with which each Member shall strictly comply, including, but not limited to, the right of the Association to regulate and/or restrict vehicular parking and Improvements;
- (e) The right of the Association to suspend the rights of a Member for any period during which any assessment against his Lot or any other amount due from such

Member to the Association remains unpaid and, for a period not to exceed sixty (60) days, for any infraction of the Bylaws of the Association or the Association rules and regulations;

(f) The right of the Association to dedicate or transfer all or any part of the Common Elements to any Person for such purposes and subject to such conditions as may be agreed to by the Owners, provided that no such dedication or transfer shall be effective unless first approved by the Owners entitled to cast at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes of Lots not owned by the Declarant or a Builder, and unless written notice of the proposed agreement and the proposed dedication or transfer is sent to every Owner at least thirty (30) days in advance of any action taken. Notwithstanding the foregoing, the granting of permits, licenses and easements for public utilities, roads or for other purposes reasonably necessary or useful for the proper maintenance or operation of the Community shall not be deemed a transfer within the meaning of this subsection (f);

(g) The right of the Association, through its Board of Directors, to enter into, make, perform or enforce any contracts, leases, agreements, licenses, easements and rights-of-way, for the use of real property or Improvements by Owners, other persons, their family members, guests and invitees, for any purpose(s) the Board of Directors may deem to be useful, beneficial or otherwise appropriate; and

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

10.10 Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Elements to the members of his family, his tenants, or contract purchasers who reside on his Lot. All such Persons shall be subject to the provisions of this Declaration and all rules and regulations of the Association.

10.11 Conveyance or Encumbrance of Common Elements. Portions of the Common Elements may be conveyed or subjected to a Security Interest by the Association only in accordance with the Act and this Declaration if Owners entitled to cast at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes of Lots not owned by a Declarant, agree to that action.

10.12 Payment of Taxes or Insurance by Security Interest Holders. Security Interest Holders shall have the right, jointly or singly, to pay taxes or other charges or assessments which are in default and which may or have become a lien against the Common Elements and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Elements, and any Security Interest Holders making any such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE 11 SECURITY INTERESTS

11.1 Applicability. This Article 11 shall become applicable upon, and only upon, the inclusion into this Declaration of any Condominium Unit.

11.2 Approval by Members and Security Interest Holders of First Security Interests.
Notwithstanding any provisions of this Declaration to the contrary, the Association shall not:

(a) except as provided by statute, in case of condemnation or substantial loss to the Condominium Units and/or Common Elements, unless it has obtained the prior written approval of the Owners (other than the Declarant) casting at least sixty-seven percent (67%) of the votes in the Association and of those Security Interest Holders holding at least sixty-seven percent (67%) of the First Security Interests (based upon one vote for each First Security Interest on a Condominium Unit owned):

(i) by act or omission seek to abandon or terminate the Community;

(ii) change the pro rata interest or obligations of any Condominium Unit in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condemnation awards, or determine the pro rata share of ownership of each Condominium Unit in the Common Elements (however, this requirement will be deemed waived to the extent necessary to allow phasing, add-ons, or annexations in accordance with this Declaration);

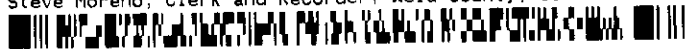
(iii) partition or subdivide any Condominium Unit;

(iv) seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements by act or omission. The granting of easements for public utilities or other public purposes consistent with the intended use of the Common Elements by the Community is not a transfer within the meaning of this clause. (However, this requirement will be deemed waived to the extent necessary to allow phasing, add-ons, or annexations, in accordance with this Declaration);

(v) use hazard insurance proceeds for losses to any Condominium property (whether Condominium Units or Common Elements) for other than the repair, replacement, or reconstruction of such Condominium property.

(b) Unless it has obtained the consent of Owners who represent at least sixty-seven percent (67%) of the total votes in the Association, and of Security Interest Holders of First Security Interests who represent at least fifty-one percent (51%) of the votes of Condominium Units that are subject to such First Security Interests (and who have submitted a written request that the Association notify them of any proposed action requiring the consent of a specified percentage of Security Interest Holders of First Security Interests), add or amend any material provisions of this Declaration, the Articles of Incorporation or Bylaws of the Association which govern any of the following, provided that the implied approval of any Security Interest Holder of a First Security Interest shall be assumed if such Security Interest Holder fails to submit a response to any written proposal for an amendment within thirty (30) days after such Security Interest Holder receives proper notice of the proposal delivered by certified or registered mail with a "return receipt" requested:

(i) voting rights;



- (ii) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of assessment liens;
- (iii) reductions in reserves for maintenance, repair, and replacement of Common Elements;
- (iv) responsibility for maintenance and repairs;
- (v) reallocation of interests in the Common Elements, or rights to their use;
- (vi) redefinition of any Condominium Unit boundaries;
- (vii) convertibility of Condominium Units into Common Elements or vice versa;
- (viii) expansion or contraction of the Community, or the addition, annexation or withdrawal of property to or from the Community (However, this requirement will be deemed waived to the extent necessary to allow phasing, add-ons, or annexations, in accordance with this Declaration);
- (ix) hazard or fidelity insurance requirements;
- (x) imposition of any restrictions on the leasing of Condominium Units;
- (xi) imposition of any restrictions on an Owner's right to sell or transfer his or her Condominium Unit;
- (xii) a decision by the Association (if the Community consists of fifty (50) or more Condominium Units) to establish self-management if professional management had been required previously by the Declaration, the Articles of Incorporation, or Bylaws of the Association, or by a Security Interest Holder of a First Security Interest who has submitted a written request that the Association notify them on any proposed action requiring the consent of a specified percentage of Security Interest Holders of First Security Interests;
- (xiii) restoration or repair of the Community (after a damage or partial condemnation) in a manner other than that specified in the Declaration, the Articles of Incorporation, or Bylaws of the Association; or
- (xiv) any provisions that expressly benefit Security Interest Holders, or insurers or guarantors of Security Interests.

11.3 Termination of Legal Status. Any action to terminate the legal status of the Community after substantial destruction or condemnation occurs shall be agreed to by Owners who represent at least sixty-seven percent (67%) of the total votes in the Association and by Security Interest Holders of First Security Interests who have submitted a written request that the

Association notify them on any proposed action requiring the consent of a specified percentage of Security Interest Holders of First Security Interests and who represent at least fifty-one percent (51%) of the votes of the Condominium Units that are subject to such First Security Interests. Termination of the legal status of the Community for reasons other than substantial destruction or condemnation of the Community shall be permitted if agreed to by Security Interest Holders of First Security Interests who have submitted a written request that the Association notify them of any proposed action requiring the consent of a specified percentage of such Security Interest Holders of First Security Interests and who represent at least sixty-seven percent (67%) of the votes of the Condominium Units subject to First Security Interests.

11.4 Notice of Action. Upon written request to the Association, identifying the name and address of the Security Interest Holder of a First Security Interest or insurer or guarantor of the First Security Interest, and the Residences address of the Condominium Unit which is subject to such First Security Interest, each Security Interest Holder of a First Security Interest, or insurer or guarantor of a First Security Interest, shall be entitled to timely written notice of:

(a) any condemnation loss or casualty loss which affects either a material portion of the Community or any Condominium Unit subject to a First Security Interest held, insured or guaranteed by such Security Interest Holder, insurer or guarantor of a First Security Interest;

(b) any delinquency in the payment of assessments or charges owed to the Association by the Owner of the Condominium Unit subject to a First Security Interest held, insured or guaranteed by such Security Interest Holder, insurer or guarantor, when such delinquency remains uncured for a period of sixty (60) days;

(c) any lapse, cancellation or material modification of any insurance policy maintained by the Association; and

(d) any proposed action that requires the consent of a specified percentage of Security Interest Holders of First Security Interests as provided in this Article 11.

11.5 Audit. If at any time the Community includes at least fifty (50) Condominium Units, the Association shall thereafter provide an audited statement for the preceding fiscal year to any Security Interest Holder of a First Security Interest, insurer or guarantor of any First Security Interest, who submits a written request for such audit; and such audit shall be made available within one hundred twenty (120) days of the Association's fiscal year end. When the Community consists of fewer than fifty (50) Condominium Units and there is not an audited statement available, any Security Interest Holder will be allowed to have an audited statement prepared at its own expense.

11.6 Confirmation of Rights of Security Interest Holders of First Security Interests. No provision of this Declaration, the Articles of Incorporation, or Bylaws of the Association give (or are intended to give) any Owner, or any other party, priority over any rights of the Security Interest Holder of a First Security Interest, pursuant to its First Security Interest, in the case of payment to the Owner of insurance proceeds or condemnation awards for losses to or taking of Condominium Units and/or Common Elements.

**ARTICLE 12
DEVELOPMENT OF THE PROPERTY**

12.1 Development Rights. Declarant hereby reserves the following Development Rights for the duration of the Development Period:

(a) **Withdrawal of Property.** To the extent permitted by the Act, Declarant reserves the right to amend this Declaration to withdraw all or any portion of the Property from the Community from time to time whether originally described in this Declaration or annexed into the Property pursuant to Sections 12.1(b) or 12.1(c). Declarant shall effect each such withdrawal by recording an amendment to the Declaration. Upon withdrawal of any portion of the Property, such portion shall become a part of the Additional Land and the Allocated Interests for each remaining Lot shall be recalculated in accordance with the formula in Section 1.3. Any amendment to the Declaration used to effectuate a withdrawal pursuant to this Section 12.1(a) shall not require the consent of any Person other than the Owner of the portion of the Property to be withdrawn, if other than Declarant. If the portion of the Property to be withdrawn includes any of the Common Elements, the Association shall consent to such withdrawal upon the request of Declarant.

(b) **Annexation of Additional Land.** Declarant reserves the unilateral right, but not the obligation, to annex from time to time all or any portion of the Additional Land into the Community, causing it to be made part of the Property and subject to the provisions of this Declaration; provided, however, that such right of annexation shall apply only to those portions of the Additional Land owned in fee simple by Declarant at the time of annexation or for which the owner has consented to such annexation. With respect to any portion of the Additional Land annexed into the Community pursuant to this Section 12.1(b), Declarant reserves the unilateral right to create additional Lots and Common Elements within and from such annexed portion of the Additional Land as deemed appropriate by Declarant in its complete discretion. No annexation of any portion of the Additional Land by Declarant pursuant to this Section 12.1(b) shall require the consent or approval of any other Owner or any Security Interest Holder, except as provided in Article 11. Declarant shall effect each such annexation by recording an Annexation of Additional Land. Upon and only upon the recording of such an Annexation of Additional Land, the restrictions of this Declaration shall apply to the annexed portion of the Additional Land in the same manner as if the annexed portion had been originally subject to this Declaration. An Annexation of Additional Land annexing all or any portion of the Additional Land must contain, in addition to the requirements of Section 210 of the Act, (i) a reference to this Declaration, which reference shall state the date of recording and the recording information for this Declaration; (ii) a statement that the provisions of this Declaration shall apply to the annexed portion of the Additional Land; and (iii) an adequate legal description of the annexed portion of the Additional Land.

(c) **Annexation of Other Property.** To the extent permitted by the Act, Declarant reserves the right, but has no obligation, to annex from time to time additional property, other than Additional Land, into the Community, causing such property to be made part of the Property and subject to the provisions of this Declaration; provided, however, that such right of annexation shall apply only to real property owned in fee



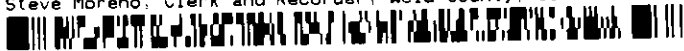
simple by Declarant at the time of annexation or for which the owner or owners of such real property has consented to such annexation. Declarant shall effect each such annexation by recording an Annexation of Additional Land in accordance with the procedures set forth in Section 12.1(b), provided that references to “the annexed portion of the Additional Property” shall be deemed to refer to the property being annexed pursuant to this Section 12.1(c).

(d) Designation for Public Purposes. Declarant reserves the right to designate or dedicate sites within the Property for public or quasi-public facilities as provided in Section 12.3.

(e) Creation and Conversion of Common Elements. Declarant reserves the right to establish, create and convert Common Elements and limited common elements as provided in Section 12.4.

(f) Subdivision and Replatting. Declarant reserves the unilateral right to subdivide any of the Lots into additional Lots, and to change the boundary line of or replat any Lots or other portions of the Property owned by Declarant as deemed appropriate by Declarant in its complete discretion. The Declarant hereby reserves, as a Special Declarant Right for itself and a right for Builders, in order to build and complete Improvements in the Community, the right to move any Lot lines with the consent of the Owners of each Lot whose Lot line is being moved. Such Lot line adjustments may be done by the Declarant or a Builder, if at all, for the purpose of accommodating Improvements which are constructed or are to be constructed.

12.2 Exercise of Development Rights. Declarant shall exercise any Development Right by preparing, executing and recording an Annexation of Additional Land or an amendment to the Declaration, as necessary to effectuate the exercise of such Development Right, which document shall be accompanied by any amendment or supplement to the Plats, as required by the Act. If the exercise of Development Rights by Declarant results in the creation of additional Lots or a reduction in the number of Lots, then the Allocated Interests for each Lot shall be automatically recalculated pursuant to the formula prescribed in Section 1.3. If Declarant, by exercising any Development Right, creates any new Common Elements, then the document shall describe such newly created Common Elements, and in the case of limited common elements, designate the Lot or Lots to which such limited common elements are allocated. Declarant may, but shall not be obligated to, exercise any or all of the Development Rights with respect to any portion of the Property or the Additional Land, in such order and at such times as Declarant elects, if at all, in Declarant’s sole and absolute discretion, and the exercise of some or all of the Development Rights with respect to a portion of the Property or the Additional Land shall not require that such Development Rights be exercised with respect to any other portion of the Property or the Additional Land. For purposes of the foregoing and Section 210(4) of the Act, any “portion” of the Property or the Additional Land means any separately platted Lot or separately platted tract that is a Common Element (i.e., Declarant may withdraw any separately platted Lot or any separately platted tract that is a Common Element from the Community without the need to withdraw any other Lot or Common Element). Except as expressly provided to the contrary in this Declaration, Declarant’s exercise of any Development Right shall not require the consent of any other Owner or Security Interest Holder.



12.3 Governmental Interests. For so long as Declarant owns any of the Property or the Additional Land, Declarant may designate and dedicate sites for fire, police and utility facilities, public schools and parks, and other public or quasi-public facilities within Lots owned by Declarant, the Common Elements, or Lots not owned by Declarant provided the owner of such Lot consents. Should such a site include Common Elements, the Association shall take whatever action is required with respect to such site to permit such use, including conveyance or dedication of the site, if so directed by Declarant. Such a site may also include other Lots not owned by Declarant provided the owner of such Lot(s) consents. Subject to Declarant's consent during the Development Period, but otherwise within the discretion of the Board, the Association may dedicate portions of the Common Elements to the Town or to any other local, state or federal governmental or quasi-governmental entity, subject to such approval as may be required by Section 10.9(f).

12.4 Common Elements.

(a) **Generally.** The initial Common Elements are described on Exhibit B. Declarant shall be responsible for completing the construction of any Improvements that Declarant determines will be located on or that will constitute such Common Elements, including, without limitation, the Recreational Facilities, landscaping, monuments, signage, drainage facilities, public trails, sidewalks, fences, walls and plantings; provided, however, that Declarant may prescribe and transfer and any Builder may assume responsibility for completing the construction of any portion of the Common Elements in connection with the sale of any Lot or Lots to such Builder. To the extent any Builder so assumes such construction obligations, or otherwise assumes or undertakes for Declarant to complete any infrastructure or other Improvements on the Property, or any public rights-of-way or public areas related thereto, such Builder shall become solely obligated to discharge such assumed responsibilities at its sole cost and expense, and shall become obligated to complete the applicable Improvements free and clear of any claims for mechanic's liens. If any such lien claims arise and are recorded against any portion of the Property (other than property owned by the assuming Builder), the assuming Builder shall be obligated to secure a recorded release and discharge of the claim within thirty (30) days after the filing thereof, and shall indemnify Declarant and the Association against any liability, loss, costs or expenses, including attorneys' fees, that either of them may incur in connection with the lien claim (including any sums that either of them may elect to pay to secure a release of the claim if the Builder fails to secure such release in accordance with the foregoing provisions). The Association, at its election, may agree to reimburse Declarant for sums incurred by Declarant which are indemnified under the foregoing provisions, in which case the Association's reimbursement obligation will also fall within the indemnity. All such indemnified amounts shall be due and payable within thirty (30) days after demand therefor, and, if owed to the Association, may be levied as specific assessments against any Lot owned by such indemnifying Builder pursuant to Section 4.7. Declarant may also require that the assuming Builder, at the Builder's expense and prior to commencing construction, post or furnish performance and payment bonds for the assumed or undertaken Improvements in form and content satisfactory to Declarant, as well as notices which are sufficient under Colorado law to preclude any resulting mechanic's lien claim against the Property (other than property owned by the assuming Builder). Declarant (or a Builder who has taken title to such portions of the Property in



connection with agreeing to construct the Improvements thereon) will convey those Common Elements to be owned by the Association (whether in fee simple or as an easement) to the Association by bargain and sale deed upon substantial completion of the Improvements to be located thereon (except that any conveying Builder shall furnish any warranties of title required pursuant to any agreement with Declarant).

(b) Conversions. For the duration of the Development Period, Declarant reserves the unilateral right to convert any Lot or other portion of the Property into Common Elements or limited common elements, so long as the pertinent Lot or portion of the Property is owned by Declarant or by an Owner who has agreed to the conversion with Declarant. In addition, for the duration of the Development Period, Declarant reserves the unilateral right to convert any Common Elements described on Exhibit B into limited common elements and to allocate such limited common elements among particular Lots as Declarant, in its discretion, deems appropriate.

(c) Association's Obligation. The Association shall accept any grant, conveyance or dedication to it of any Common Elements made pursuant to this Declaration, whether by Declarant or by a Builder.

12.5 Plats Amendments. Declarant reserves the right to amend the Plats as it applies specifically to any Lot or other portion of the Property or the Additional Land owned by Declarant, or owned by another Owner with such Owner's consent, in order to create any easements necessary for the orderly development of the Property or the Additional Land, or in order to create any easements for the use and convenience of the Association and the Owners. By taking title, each Owner of any Lot covenants and agrees to furnish cooperation (including any consent as required by the Town) in connection with and not object to such proposed amendment so long as the amendment is sought in a manner that complies with the procedures prescribed in the Town's subdivision ordinance. No Owner required to cooperate with a proposed amendment to the Plats pursuant to this Section 12.5 shall be required to incur any costs or expenses in connection with such cooperation.

12.6 Succession to Declarant's Interests. The rights and interests reserved to or otherwise allocated in favor of Declarant under this Declaration may be assigned or transferred by Declarant, at its election and in whole or in part, to another Owner or other transferee, but only by a recorded instrument in accordance with the requirements of Section 304 of the Act. Each transferee of any portion of the Property, by such transferee's acceptance of the transfer or conveyance of record, and any third party transferee or owner of any portion of the Additional Land, by its consent to an Annexation of Additional Land (or any related consent or similar documentation) by which the pertinent Additional Land is annexed into the Property, shall be bound by and subject to all of Declarant's rights and interests under this Declaration governing the transfer of those rights and interests. Each such transferee and each Owner, and their successors in interest, shall be bound to execute and deliver such documents as Declarant may require from time to time in order to verify and confirm Declarant's rights and interests under this Declaration.



ARTICLE 13 GENERAL PROVISIONS

13.1 Enforcement and Arbitration.

(a) Except for those claims subject to Section 13.1(c), enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in this Declaration, the Articles of Incorporation, Bylaws or rules and regulations of the Association, as supplemented and amended, may be by any proceeding at law or in equity against any Person(s) (including, without limitation, the Association) violating or attempting to violate any such provision. The Association and any aggrieved Owner shall have the right to institute, maintain and prosecute any such proceedings, and the Association shall further have the right to levy and collect fines for the violation of any provision of any of the aforesaid documents. In any action instituted or maintained under this Section 13.1(a), the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the court. Failure by the Association or any Owner to enforce any covenant, restriction or other provision herein contained, or any other provision of any of the aforesaid documents, shall in no event be deemed a waiver of the right to do so thereafter.

(b) The Association shall not institute litigation or administrative proceedings for declaratory relief, injunctive relief or for claims for monetary damages in excess of Twenty Five Thousand Dollars (\$25,000.00) in its own name, on behalf of itself or two (2) or more Owners against any Person, including Declarant or any Builder, alleging a defect in the design, construction or physical condition or other alleged defect of the Common Elements, Lots or Improvements related thereto without first obtaining the affirmative vote of Members to whom a majority of all votes in the Association are allocated. The amount of \$25,000.00 shall be increased annually for each subsequent fiscal year of the Association beginning in the year 2013, in an amount equal to the United States Department of Labor Bureau of Labor Statistics final consumer price index for the Denver-Boulder metropolitan statistical area for the preceding calendar year. The amount shall not be decreased if the final consumer price index for the preceding year decreases.

(c) Any claim, controversy or dispute over or related to: (i) the design, construction or physical condition of the Common Elements, Lots, or Improvements related thereto and made against the Declarant, any Builder or the Association, which shall be deemed a "Construction Dispute;" or (ii) the enforcement of the provisions of the Declaration or that concerns or requires the application of any provision of this Declaration, the Bylaws or of the Act, or any related agreements, but shall expressly exclude: (v) any action by any party to seek, obtain, or enforce a temporary restraining order, a preliminary injunction or similar equitable order or decree; (w) any action by any party to compel arbitration, or any award or decision of any arbitration conducted pursuant to this Section 13.1(c); (x) any action to assess or collect any Assessments or to enforce any Assessment lien; (y) any action to enforce the architectural control provisions set forth in Article 5; or (z) any action relating to the enforcement or discharge of any mechanic's lien; shall be resolved by binding arbitration in accordance with the Uniform Arbitration Act of

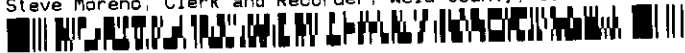


1975, C.R.S. §13-22-201, et seq., as amended (or if such Act is repealed, then such other uniform state arbitration law enacted in its place). Any such arbitration proceeding may be required by an aggrieved person upon written notice delivered to the Association, the Declarant or other person(s), as the case may be, before the date when commencement of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute of limitations. No such demand for arbitration shall be made after the date when such proceedings would be barred by the applicable statute of limitations. The American Arbitration Association (AAA), or other arbitrator mutually acceptable to the parties, shall administer all aspects of arbitrations conducted hereunder, including the selection of arbitrators, pursuant to the AAA's Commercial Arbitration Rules (or other rules mutually acceptable to the parties). Arbitration hereunder shall be before a three-person panel of arbitrators for any dispute involving claims and counterclaims in the aggregate of One Hundred Thousand Dollars (\$100,000.00) or more unless the parties agree to a single arbitrator, and shall be resolved before a single arbitrator for such disputes involving claims and counterclaims, in the aggregate, of less than One Hundred Thousand Dollars (\$100,000.00). Each arbitrator shall possess the requisite experience and expertise in respect to matters to which the controversy relates to enable him or her to perform his or her arbitral duties competently. The cost of the arbitrator(s) and of any hearing transcript shall be divided equally between the parties. Any and all discovery in conjunction with such arbitration shall be limited to information directly relevant to the controversy or claim in arbitration and shall be concluded within forty-five (45) days after the appointment of the arbitrator or arbitration panel.

(d) No party shall be entitled to receive any award of damages in connection with the arbitration of a dispute other than such party's direct damages, and Declarant, the Association and any Owner shall be deemed to have waived their right to receive any damages in a dispute other than direct damages, including without limitation, the right to receive indirect damages such as special damages and consequential damages, and the right to receive punitive or exemplary damages. BY TAKING TITLE TO A LOT, EACH OWNER ACKNOWLEDGES AND AGREES THAT SUCH OWNER HAS WAIVED AND SHALL BE DEEMED TO HAVE WAIVED THE RIGHT TO ANY AWARD OF DAMAGES IN CONNECTION WITH THE ARBITRATION OF A DISPUTE OTHER THAN SUCH OWNER'S DIRECT DAMAGES. Judgment upon the arbitrator's determination shall be entered and enforced by the district court for the County in which the Community is located. In the event that any judicial proceeding is allowed or had herein, in order to expedite final resolution of the dispute, each party to the dispute waives any right to a jury trial for claims and counterclaims relating to the dispute.

(e) This Declaration and the provisions hereof shall be governed by and construed in accordance with the laws of the State of Colorado.

13.2 Severability. All provisions of the Declaration, the Articles of Incorporation and Bylaws of the Association are severable. Invalidation of any of the provisions of any such documents, by judgment, court order or otherwise, shall in no way affect or limit any other provisions which shall remain in full force and effect.



13.3 Conflict of Provisions. In case of any conflict between this Declaration and the Articles of Incorporation or Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws of the Association, the Articles of Incorporation shall control.

13.4 Conflict with Act. In the event that any of the terms or provisions of this Declaration are in conflict or inconsistent with the Act, the terms or provisions of the Act shall control and govern. In case of any such conflict or inconsistency, the applicable terms and provisions contained in this Declaration shall, to the extent possible, be construed in accordance with the Act, and any conflict with or violation of the Act by any terms or provisions of this Declaration shall not affect, void, or render unenforceable any other term or provision of this Declaration (which shall be in full force and effect in accordance with their terms).

13.5 Duration, Revocation, and Amendment.

(a) Each and every provision of this Declaration shall run with and bind the land in perpetuity. Except as otherwise provided in this Declaration, this Declaration may be amended by a vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

(b) Declarant reserves the right and is granted the power to make amendments to this Declaration or a Plat at any time prior to the expiration of the Development Period to correct clerical, typographical or technical errors.

(c) No action to challenge the validity of an amendment adopted by the Association pursuant to this Section 13.5 may be brought more than one (1) year after the amendment is recorded.

(d) Every amendment to the Declaration must be recorded in every County in which any portion of the Community is located, and is effective only upon recordation.

(e) Except to the extent expressly permitted or required by other provisions of this Declaration, no amendment may create or increase Special Declarant Rights, increase the number of Lots That May Be Included, or change the boundaries of any Lot not owned by the Declarant or a Builder or change the formula used to calculate Allocated Interests of a Lot, or the uses to which any Lot is restricted, in the absence of a vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes allocated to Lots not owned by a Declarant, are allocated.

(f) Amendments to the Declaration that are required by this Declaration to be recorded by the Association may be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

13.6 Registration of Mailing Address. Each Owner and each Security Interest Holder, insurer or guarantor of a Security Interest, shall register his mailing address with the Association, and annual statements, and all other notices or demands intended to be served upon an Owner, or

upon a Security Interest Holder, insurer or guarantor of a Security Interest, shall be personally delivered or sent by first class mail, postage prepaid, addressed in the name of such Person at such registered mailing address. However, if any Owner fails to notify the Association of a registered address, then any notice or demand may be delivered or sent, as aforesaid, to such Owner at the address of such Owner's Lot. All notices, demands, or other notices intended to be served upon the Board of Directors or the Association during the Period of Declarant Control shall be sent by registered or certified mail, postage prepaid, c/o Community Development Group of Erie, Inc., 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado 80302, unless such address is changed by the Association during the Period of Declarant Control; subsequent to the termination of the Period of Declarant Control, the Association shall notify the Owners of a different address for notices.

13.7 HUD or VA Approval.

(a) During the Period of Declarant Control, the following actions shall require, to the extent required by HUD or VA, the prior approval of HUD or VA if, at the time any such action is taken, HUD has insurance or VA has a guarantee(s) on one or more Security Interests: annexation of additional real property; amendment of this Declaration; termination of this Community; or merger or consolidation of the Association.

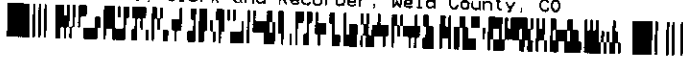
(b) Notwithstanding the provisions hereof, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration which any of the Agencies requires to be amended or repealed as a condition to making, purchasing, insuring or guaranteeing Mortgages, or is required in order to comply with the requirements, standards or guidelines of recognized secondary mortgage markets, HUD, FHA or other Agency, may be amended or repealed solely by Declarant and no approval, consent or vote of any other person or entity shall be required. Any such amendment or repeal shall be effective upon the recordation of a certificate, executed by Declarant, setting forth the amendment or repeal in full.

13.8 Termination of Community. The Community may be terminated only in accordance with the provisions of the Act.

13.9 Eminent Domain. The taking by eminent domain of a Lot(s) Subassociation Common Area or Common Element(s), or any portion thereof, shall be done in accordance with applicable law, including without limitation the Act.

13.10 Run with Land; Binding upon Successors. The benefits, burdens and all other provisions contained in this Declaration shall be covenants running with and binding upon the Community and all real property and Improvements which are now or hereafter a part thereof. The benefits, burdens and all other provisions contained in this Declaration shall be binding upon, and inure to the benefit of the Declarant, the Association and all Owners, and upon and to their respective heirs, personal representatives, successors and assigns.

13.11 Limitation on Liability. The Association, the Board of Directors, the Design Review Committee, the 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 unless the action or failure to act was not in good faith and was done or withheld with malice.



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

13.13 Disclaimer Regarding Safety. DECLARANT AND THE ASSOCIATION HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMUNITY. BY ACCEPTING A DEED TO PROPERTY WITHIN THE COMMUNITY, EACH OWNER ACKNOWLEDGES THAT DECLARANT AND THE ASSOCIATION ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION, BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMUNITY.

13.14 Dedication of Common Elements. Declarant in recording this Declaration has designated certain areas of land as Common Elements intended for the common use and enjoyment of Owners for recreation and other related activities, as provided in this Declaration. The Common Elements owned by the Association are not dedicated hereby for use by the general public but are dedicated to the common use and enjoyment of the Owners as more fully provided in this Declaration.

13.15 Oil and Gas Well Disclosure. All Owners acknowledge the current existence of oil and gas wells and related well facilities located (and the possibility of additional future wells and facilities) within and adjacent to the Property and/or the Additional Land. The oil and gas wells and related well facilities have been placed into operation pursuant to the grant of those certain leases and other interests identified in the real property records of Weld County, Colorado. The location of some of these oil and gas wells may be depicted on one or more Plats. These oil and gas leases and other interests generally permit certain surface activity on the leased premises which activity may include drill sites, gathering pipelines, production sites and facilities, and access roads, all as further described in the leases. Owners and home purchasers will not own any interest in the oil and gas or mineral estate underlying the Property and/or the Additional Land, or the real property adjacent to the Property and/or the Additional Land. There may be ongoing oil and gas operations and production of oil and gas within and adjacent to the Property and Additional Land, including in the vicinity of the Lots, as well as the existence of pipeline easements and access routes across portions of the Property and Additional Land or other real property adjacent to the Property and/or the Additional Land. Additional oil and gas wells may be drilled, and oil and gas operations and production will likely take place within and/or adjacent to the Property and Additional Land, including in the vicinity of the Lots, which oil and gas production will affect portions of the surface of the Property and Additional Land and real estate adjacent to the Property and/or the Additional Land. Heavy drilling equipment will be used in connection with the operation and drilling of oil and gas wells within or adjacent to the Property and Additional Land and in conjunction with any production obtained from successor wells. Such operations may be conducted on a 24 hour/seven days a week basis. As an Owner of a Lot within the Property and/or Additional Land, such Owner will be bound by the terms and provisions of

surface use agreements entered into by Declarant, affiliates of Declarant, and/or third parties, with certain oil and gas operators. These surface use agreements will contain waivers, including a waiver of surface damage payments, a waiver of setback and waivers of other requirements contained in the Rules and Regulations of the Colorado Oil and Gas Commission, as well as a waiver of the right by an Owner of any portion of the surface of the Property and/or Additional Land to object in any forum to the use by oil and gas companies of a portion of the surface of the Property and/or Additional Land.

By acceptance of a deed to a Lot, each Owner recognizes the existence of such oil and gas leases and other interests, and the surface activity associated with such oil and gas leases, and assumes the risk of owning property near or adjacent to an oil and gas well operation. Such risks include, without limitation, injury or damage to person and/or property arising out of, or resulting from the drilling, operation and maintenance of an oil and gas well; noise associated with an oil and gas well operation; explosion and fire; leakage of oil and/or gas from drilling or production facilities; vehicles servicing the oil and gas site (collectively the "Oil and Gas Well Risks"). By acceptance of a deed to a Lot, each Owner hereby releases, waives, and discharges the Declarant, affiliates of Declarant, Builders, Community Development Group of Erie, Inc. and the Association, and their respective officers, directors, members, managers, partners, shareholders, agents and employees, and their respective heirs, representatives, successors and assigns from any and all losses, claims, liabilities, costs, expenses, and damages, arising directly or indirectly from the Oil and Gas Well Risks and from the existence or operation of oil and gas wells pursuant to the leases and interests identified above.

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IN WITNESS WHEREOF, the undersigned has hereunto set its hand this 22nd day of May, 2013.

DECLARANT:

COMMUNITY DEVELOPMENT GROUP OF ERIE, INC., a Colorado corporation

By: [Signature]
Charles R. Bellock
President

STATE OF COLORADO)
) ss.
COUNTY OF Boulder)

The foregoing instrument was acknowledged before me this 22nd day of May, 2013 by Charles R. Bellock as President of COMMUNITY DEVELOPMENT GROUP OF ERIE, INC., a Colorado corporation.

Witness my hand and official seal.

My commission expires: 11-22-2014

[Signature]
Notary Public

MARY JANE DAVIES
NOTARY PUBLIC - STATE OF COLORADO
ID# 19874045755
My Commission Expires Nov. 22, 2014

EXHIBIT A
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
DAYBREAK

Legal Description of the Property:

LOTS 1 THROUGH 7, INCLUSIVE, BLOCK 1,
LOTS 1 THROUGH 11, INCLUSIVE, BLOCK 2,
LOTS 1 THROUGH 19, INCLUSIVE, BLOCK 3, AND
LOTS 1 THROUGH 9, INCLUSIVE, BLOCK 4,
DAYBREAK FILING NO. 1A, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.

LOTS 1 THROUGH 9, INCLUSIVE, BLOCK 1;
LOTS 1 THROUGH 8, INCLUSIVE, BLOCK 2;
DAYBREAK FILING NO. 1B, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.

LOTS 1 THROUGH 26, INCLUSIVE, BLOCK 1,
LOTS 1 THROUGH 9, INCLUSIVE, BLOCK 2,
LOTS 1 THROUGH 10, INCLUSIVE, BLOCK 3,
LOTS 1 THROUGH 7, INCLUSIVE, BLOCK 4,
LOTS 1 THROUGH 21, INCLUSIVE, BLOCK 5,
LOTS 1 THROUGH 13, INCLUSIVE, BLOCK 6,
LOTS 1 THROUGH 17, INCLUSIVE, BLOCK 7, AND
LOTS 1 THROUGH 10, INCLUSIVE, BLOCK 8,
DAYBREAK FILING NO. 1C, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.

LOTS 1 THROUGH 11, INCLUSIVE, BLOCK 1;
LOTS 1 THROUGH 11, INCLUSIVE, BLOCK 2;
LOTS 1 THROUGH 21, INCLUSIVE, BLOCK 3;
LOTS 1 THROUGH 9, INCLUSIVE, BLOCK 4;
LOTS 1 THROUGH 10, INCLUSIVE, BLOCK 5;
LOTS 1 THROUGH 9, INCLUSIVE, BLOCK, 6;
LOTS 1 THROUGH 6, INCLUSIVE, BLOCK 7;
DAYBREAK FILING NO. 1D, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.

TRACTS D, G AND I,
DAYBREAK FILING NO. 1A, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.



TRACTS A AND B,
DAYBREAK FILING NO. 1B, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.

TRACTS A THROUGH C, INCLUSIVE,
DAYBREAK FILING NO. 1C, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.

TRACT A,
DAYBREAK FILING NO. 1D, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.



EXHIBIT B
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
DAYBREAK

Common Elements:

TRACTS D, G AND I,
DAYBREAK FILING NO. 1A, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.

TRACTS A AND B,
DAYBREAK FILING NO. 1B, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.

TRACTS A THROUGH C, INCLUSIVE,
DAYBREAK FILING NO. 1C, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.

TRACT A,
DAYBREAK FILING NO. 1D, TOWN OF ERIE, COUNTY OF WELD, STATE OF
COLORADO.

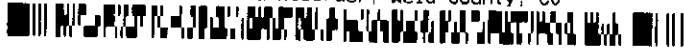
Recreational Facilities:

NONE AS OF THE DATE THAT THIS DECLARATION IS RECORDED.

EXHIBIT C
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
DAYBREAK

The following items which are recorded in the office of the Clerk and Recorder of the County of Weld, Colorado:

1. All oil, gas, minerals and other mineral rights as conveyed in instrument recorded November 30, 1972, under Reception No. 1602712 in Book 681.
2. All oil, gas, minerals and other mineral rights as reserved in instrument recorded November 17, 2000, under Reception No. 2807516, and any and all assignments thereof or interests therein.
3. Terms, conditions and provisions of agreement recorded November 17, 2000 at Reception No. 2807515.
4. Terms, conditions and provisions of Ordinance No. #30-2007 recorded November 19, 2007 at Reception No. 3518315.
5. Terms, conditions and provisions of Surface Use Agreement recorded October 01, 2007 at Reception No. 3508045.
6. Terms, conditions and provisions of Ordinance No. 29-2007 recorded November 19, 2007 at Reception No. 3518316.
7. Terms, conditions and provisions of Bridgewater Annexation Agreement recorded November 19, 2007 at Reception No. 3518317 and First Amendment thereto recorded December 30, 2010 under Reception No. 3741841, Second Amendment recorded October 12, 2011 under Reception No. 3798317 and Third Amendment thereto recorded January 23, 2013 under Reception No. 3904988.
8. Terms, conditions and provisions of Grant of Permanent Avigation Easement Agreement recorded November 19, 2007 at Reception No. 3518318.
9. Bridgewater Annexation Map to the Town of Erie recorded November 19, 2007 under Reception No. 3518319.
10. Bridgewater Zoning Map recorded November 19, 2007 under Reception No. 3518320, Amendment #1 recorded August 31, 2011 under Reception No. 3789471.
11. Bridgewater P.U.D. Overlay Map recorded November 19, 2007 under Reception No. 3518321, Amendment #1 recorded August 31, 2011 under Reception No. 3789472.



12. Mineral Reservation as contained in Quitclaim Deed from Union Pacific Railroad Company to Union Pacific Land Resources Corporation recorded April 14, 1971 under Reception No. 1565713.
13. Oil and Gas Lease between Champlin Petroleum Company and Amoco Production Company, recorded November 30, 1972 under Reception No. 1602713 and any and all assignments thereof, or interest therein.

Affidavit of Lease Extension recorded January 11, 1979 under Reception No. 1778417.
14. Notice of Oil and Gas Interests and Surface Use by HS Resources, Inc. recorded January 23, 2001 under Reception No. 2820924.
15. Request for Notification of Surface Development as evidenced by instrument of public record recorded May 28, 2002 under Reception No. 2954711.
16. Any tax, lien, fee, or assessment by reason of inclusion of subject property in the Bridgewater Metropolitan District No. 1, as evidenced by instrument recorded June 24, 2008, under Reception No. 3562679, the Bridgewater Metropolitan District No. 2, as evidenced by instrument recorded June 24, 2008 under Reception No. 3562680 and the Bridgewater Metropolitan District No. 3, as evidenced by instrument recorded June 24, 2008 under Reception No. 3562681.

Disclosure Statement pursuant to Article IX of the Service Plan for Bridgewater Metropolitan District Nos 1, 2 and 3 recorded August 9, 2012 under Reception No. 3865039.
17. Terms, conditions, provisions, burdens and obligations as set forth in Ordinance #08-2011 recorded August 31, 2011 under Reception No. 3789473.
18. Terms, conditions, provisions, burdens and obligations as set forth in Ordinance #09-2011 recorded August 31, 2011 under Reception No. 3789474.
19. Terms, conditions, provisions, burdens, obligations and easements as set forth and granted in Surface Use Agreement recorded October 18, 2011 under Reception No. 3799568.
20. Easements, conditions, covenants, restrictions, reservations and notes on the Plat of Bridgewater Master Subdivision recorded December 13, 2011 under Reception No. 3811552.
21. Any tax, lien, fee, or assessment by reason of inclusion of subject property in the Northern Colorado Water Conservancy District, as evidenced by instrument recorded March 08, 2012, under Reception No. 3830699 and recorded March 13, 2012 under Reception No. 3831541.
22. Terms, conditions and provisions of Disclosure Statement recorded August 09, 2012 at Reception No. 3865039.



23. Rights of the public in and to the road right of way, eight feet in width, leading to the cemetery grounds from Erie as set forth in Warranty Deed by and between Colorado Coal Company and Trustees of the Town of Erie recorded March 10, 1882 in Book 30 at Page 483.

Note: Said Warranty Deed does not contain a specific legal description for the right of way.

24. Easements, conditions, covenants, restrictions, reservations and notes on the Plat of Daybreak Filing No. 1A, Town of Erie, County of Weld, State of Colorado, recorded on the same day that this Declaration is recorded.
25. Easements, conditions, covenants, restrictions, reservations and notes on the Plat of Daybreak Filing No. 1B, Town of Erie, County of Weld, State of Colorado, recorded on the same day that this Declaration is recorded.
26. Easements, conditions, covenants, restrictions, reservations and notes on the Plat of Daybreak Filing No. 1C Town of Erie, County of Weld, State of Colorado, recorded on the same day that this Declaration is recorded.
27. Easements, conditions, covenants, restrictions, reservations and notes on the Plat of Daybreak Filing No. 1D Town of Erie, County of Weld, State of Colorado, recorded on the same day that this Declaration is recorded.
28. Daybreak Filing No. 1A, Development Agreement, recorded on the same day that this Declaration is recorded.
29. Daybreak Filing No. 1B, Development Agreement, recorded on the same day that this Declaration is recorded.
30. Daybreak Filing No. 1C, Development Agreement, recorded on the same day that this Declaration is recorded.
31. Daybreak Filing No. 1D, Development Agreement, recorded on the same day that this Declaration is recorded.



EXHIBIT D
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
DAYBREAK

Legal Description of the Additional Land:

TRACTS 1 THROUGH 25, INCLUSIVE, BRIDGEWATER MASTER SUBDIVISION FINAL PLAT, TOWN OF ERIE, COUNTY OF WELD, STATE OF COLORADO, RECORDED ON DECEMBER 13, 2011 AT RECEPTION NO. 3811552.

EXCEPTING AND EXCLUDING THE PROPERTY DESCRIBED ON EXHIBIT A ATTACHED TO THIS DECLARATION.



EXHIBIT E
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
DAYBREAK

FORM OF

ANNEXATION OF ADDITIONAL LAND TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
DAYBREAK

COMMUNITY DEVELOPMENT GROUP OF ERIE, INC., a Colorado corporation (the “Declarant”) executes this Annexation of Additional Land to Master Declaration of Covenants, Conditions and Restrictions of Daybreak (the “Annexation”), this ___ day of _____, 20__.

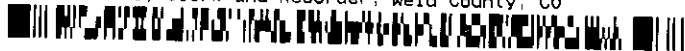
RECITALS

- A. Declarant executed and caused to be recorded that certain Master Declaration of Covenants, Conditions and Restrictions of Daybreak (the “Declaration”) on _____, 201__, at Reception No. _____ of the records of the Office of the Clerk and Recorder of Weld County, Colorado.
- B. Article 12 of the Declaration reserves unto the Declarant the right to annex land to the Declaration by recordation of one or more supplements to the Declaration.
- C. The purpose of this Annexation is to annex certain land into the Declaration and to include certain land within the Community, as defined in the Declaration.

DECLARATION

NOW, THEREFORE, Declarant declares that the property described herein is and shall be held, transferred, sold, conveyed and occupied subject to all of the covenants, conditions, restrictions, easements, charges and liens set forth in the Declaration and shall be binding on all persons having or acquiring any right, title or interest in the property described herein, their heirs, successors, and assigns, and shall inure to the benefit of, be binding upon, and be enforceable by Declarant, its successors in interest, each Owner and his successors in interest, and the Daybreak Master Association, Inc., and its successors in interest. All capitalized terms used herein have the same meaning as set forth in the Declaration.

1. Legal Description of the Property Being Annexed. The property being annexed to the Declaration and the Community by this Annexation is described in Exhibit A, attached hereto and incorporated herein by this reference (the “Annexed Property”). ***[Declarant/“Builder” is the Owner of the Property. –[IF BUILDER, BUILDER NEEDS TO SIGN BELOW AS WELL.]***



2. Annexation. The Annexed Property described in Exhibit A hereof is being annexed to the Declaration and the Community pursuant to the provisions of Section 12.1(b) *[or 12.1(c)]* of the Declaration. A plat containing the Annexed Property is identified on Exhibit A and has been recorded in Weld County, Colorado. Each Lot in the Annexed Property has an identifying number as shown on the recorded plat and as listed on Exhibit A.

3. Common Elements.

(a) *[There are no Common Elements in the Annexed Property][OR][The Common Elements in the Annexed Property are identified on Exhibit ____].*

(b) *[There are no limited common elements in the Annexed Property][OR][The limited common elements in the Annexed Property are identified on Exhibit ____].*

(c) *[There are no Recreational Facilities in the Annexed Property][OR][The Recreational Facilities in the Annexed Property are identified on Exhibit ____].*

4. Effect of Annexation. Upon recording of this Annexation, the Annexed Property, including the Lots and any Common Elements therein, shall be deemed to be included within the Community covered by the Declaration and subject to all of the terms, provisions, covenants, conditions, reservations, charges, and liens set forth in the Declaration, including all assessment obligations set forth in the Declaration. The Annexed Property, including the Lots and any Common Elements located therein, is also expressly subject to all of the provisions of the Articles of Incorporation and the Bylaws of the Association, as more particularly described in the Declaration, the Articles of Incorporation, and the Bylaws. As provided in the Declaration, the Allocated Interests attributable to each Lot in the Annexed Property shall be determined as set forth in the Declaration.

5. *[Subassociation. The Annexed Property may be subject to the jurisdiction of a Subassociation, which Subassociation shall have the right to assess Owners as more fully described and provided for in the Supplemental Declaration of such Subassociation.]*

6. *[Special Provisions.*

(a) *The following is designated a "Builder" as such term is defined in Section 1.10, with respect to the Annexed Property: _____.*

(b) *The Annexed Property shall not be included in the Recreational Facilities Service Area. Exhibit F of the Declaration is hereby deleted and Exhibit F attached hereto shall be inserted in its place [ATTACH EXHIBIT SETTING FORTH ALL LOTS EXCEPT WHICHEVER LOTS ARE NOT INCLUDED IN THE RECREATIONAL FACILITIES SERVICE AREA] [DELETE THIS ENTIRE PROVISION IF ALL LOTS WILL BE INCLUDED IN RECREATIONAL FACILITIES SERVICE AREA].*

(c) *Additional Provisions [INSERT AS APPROPRIATE]*



EXHIBIT F
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
DAYBREAK

SERVICE AREA	LOTS COMPRISING SERVICE AREA
Recreational Facilities Service Area	All Lots

AFTER RECORDING RETURN TO:

RainTree Investment Corp.
7200 S. Alton Way, Suite C-400
Centennial, CO 80112

**ANNEXATION OF ADDITIONAL LAND TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS OF COLLIERS HILL**

DAYBREAK RECOVERY ACQUISITION LLC, a Delaware limited liability company (the "Declarant"), executes this Annexation of Additional Land to Master Declaration of Covenants, Conditions and Restriction of Colliers Hill (the "Annexation"), this 30 day of March, 2017.

RECITALS

A. Declarant is a Declarant under that certain Master Declaration of Covenants, Conditions, and Restrictions of Colliers Hill recorded as Reception No. 3935465 of the records of the Office of the Clerk and Recorder of Weld County, Colorado, as amended by that certain First Amendment to Master Declaration of Covenants, Conditions, and Restrictions of Colliers Hill recorded as Reception No. 4012251 of the records of the Office of the Clerk and Recorder of Weld County, Colorado (collectively, the "Declaration").

B. Article 12 of the Declaration reserves unto the Declarant the right to annex land to the Declaration by recordation of one or more supplements to the Declaration.

C. The purpose of this Annexation is to annex certain land into the Declaration and to include certain land within the Community, as defined in the Declaration.

DECLARATION

NOW, THEREFORE, Declarant declares that the property described herein is and shall be held, transferred, sold, conveyed and occupied subject to all of the covenants, conditions, restrictions, easements, charges and liens set forth in the Declaration and shall be binding on all persons having or acquiring any right, title or interest in the property described herein, their heirs, successors, and assigns, and shall inure to the benefit of, be binding upon, and be enforceable by Declarant, its successors in interest, each Owner and his successors in interest, and the Colliers Hill Master Association, Inc., and its successors in interest. All capitalized terms used herein have the same meaning as set forth in the Declaration.

1. Legal Description of the Property Being Annexed. The property being annexed to the Declaration and the Community by this Annexation is described in Exhibit A, attached hereto and incorporated by this reference (the "Annexed Property"). Declarant is the Owner of the Annexed Property.

16

2. Annexation. The Annexed Property described in Exhibit A hereof is being annexed to the Declaration and the Community pursuant to the provisions of Section 12.1(b) of the Declaration. A plat containing the Annexed Property is identified on Exhibit A and has been recorded in Weld County, Colorado. Each Lot in the Annexed Property has an identifying number as shown on the recorded plat and as listed on Exhibit A.

3. Common Elements.

- (a) There are no Common Elements in the Annexed Property.
- (b) There are no limited common elements in the Annexed Property.
- (c) There are no Recreational Facilities in the Annexed Property.

4. Effect of Annexation. Upon recording of this Annexation, the Annexed Property, including the Lots and any Common Elements therein, shall be deemed to be included within the Community covered by the Declaration and subject to all of the terms, provisions, covenants, conditions, reservations, charges, and liens set forth in the Declaration, including all assessment obligations set forth in the Declaration. The Annexed Property, including the Lots and any Common Elements located therein, is also expressly subject to all of the provisions of the Articles of Incorporation and the Bylaws of the Association, as more particularly described in the Declaration, the Articles of Incorporation, and the Bylaws. As provided in the Declaration, the Allocated Interests attributable to each Lot in the Annexed Property shall be determined as set forth in the Declaration.

[Signature Page Follows]

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


DAYBREAK RECOVERY ACQUISITION LLC,
a Delaware limited liability company

By: [Signature]
Name: Jonathan Shumaker
Title: Authorized Signatory

STATE OF NEW YORK)
) ss.
COUNTY OF WESTCHESTER)

The foregoing instrument was acknowledged before me this 17 day of March, 2017 by JON SHUMAKER, as AUTHORIZED SIGNATORY of Daybreak Recovery Acquisition LLC, a Delaware limited liability company.

Witness my hand and official seal.

[Signature]
Notary Public


My Commission Expires: HSINYI LONKER
Notary Public, State of New York
No. 01L06222074
Qualified in Westchester County
Commission Expires June 1, 2018

EXHIBIT A

Annexed Property

Lots 1 through 15, inclusive, Block 1;
Lots 1 through 11, inclusive, Block 2;
Lots 1 through 7, inclusive, Block 3;
Lots 1 through 8, inclusive, Block 4;
Lots 1 through 12, inclusive, Block 5;
Lots 1 through 13, inclusive, Block 6;
Lots 1 through 14, inclusive, Block 7;
Lots 1 through 22, inclusive, Block 8;
Lots 1 through 16, inclusive, Block 9; and
Lots 1 through 9, inclusive, Block 10,
Colliers Hill Filing No. 4A,
County of Weld,
State of Colorado.

Lots 1 through 5, inclusive, Block 1,
Lots 1 through 14, inclusive, Block 2,
Lots 1 through 12, inclusive, Block 3,
Lots 1 through 24, inclusive, Block 4,
Lots 1 through 8, inclusive, Block 5,
Lots 1 through 19, inclusive, Block 6,
Lots 1 through 27, inclusive, Block 7,
Lots 1 through 16, inclusive, Block 8,
Lots 1 through 8, inclusive, Block 9,
and Lots 1 through 3, inclusive, Block 10,
Colliers Hill Filing No. 4B,
County of Weld,
State of Colorado.



AMENDMENT OF
THE MASTER DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS OF COLLIERS HILL (F/K/A DAY BREAK)
TO ESTABLISH A SERVICE AREA PURSUANT TO SECTION 4.7 OF THE
DECLARATION

This Amendment of the Master Declaration of Covenants, Conditions, and Restrictions of Colliers Hill is made as of the 6th day of October 2020 by Daybreak Recovery Acquisition LLC, a Delaware limited liability company ("Declarant") and Colliers Hill Master Association, Inc. (the "Association").

Recitals:

A. Colliers Hill is a master planned community subject to the terms of the Master Declaration of Covenants, Conditions, and Restrictions of Daybreak recorded on May 29, 2013 in the office of the Weld County Clerk and Recorder at Reception No. 3935465 ("Declaration"), as amended by that First Amendment recorded on March 31, 2014 at Reception No. 4012251 (which First Amendment changed the name of the Declaration to the Master Declaration of Covenants, Conditions, and Restrictions of Colliers Hill). The Association is the unit owners association established pursuant to the Declaration. Daybreak Recovery Acquisition LLC is Declarant and the holder of all Declarant rights under the Declaration as they apply to the Filing 4F Property, as defined below.

B. Section 4.7 of the Declaration allows the Association to provide special benefits or special services to property within a Service Area (special benefits or services that are not provided to areas outside the Service Area). Section 4.7 of the Declaration also allows Association to allocate the costs of the benefits or services to property within the Service Area in accordance with the allocated interests in addition to the Annual or Special Assessments allocated to all Lots within Colliers Hill.

C. Section 1.37 of the Declaration authorizes the Declarant, during the Development Period, as defined in Section 1.19 of the Declaration, to create Service Areas and further authorizes the Association to create Service Areas, for the purpose of providing special benefits and services to the area that has been designated as a Service Area and to allocate the costs of the benefits and services so provided to the property within the Service Area by an amendment of the Declaration; provided, however, that during the Development Period, any designation of a Service Area by the Association must have the prior written Approval of the Declarant.

D. The Association and the Declarant intend to create a Service Area for the purpose of providing special benefits and services to the Lots that are located within that portion of the Community that has been subdivided under the name and style of Colliers Hill Filing No. 4F, Town of Erie, County of Weld, State of Colorado, according to the Final Plat thereof recorded on October 25, 2019 at Reception No. 4535519 in the office of the Weld County Clerk and Recorder (the "Filing 4F Property").

Amendment

NOW, THEREFORE, pursuant to Sections 1.37 and 4.7 of the Declaration, the Association and Declarant hereby amend the Declaration or create a Service Area consisting of the Filing 4F Property to be known as the Colliers Hill Filing No. 4F Service Area as further described below.

A. The recitals set forth above are incorporated into and made a part of this Amendment. The Association will provide the following special services for the benefit of the Lots within the Colliers Hill Filing No. 4F Service Area:

(1) The Association will operate, manage, maintain, care for, repair, replace and renovate the alleyways ("Alleyways") that are constructed on Tracts A, B and C, Colliers Hill Filing No. 4F, Town of Erie, County of Weld, State of Colorado, including but not limited to, the pavement, gutter, storm drainage facilities and other improvements located within the Alleyways;

(2) The Association shall provide snow removal from the front sidewalks and the Alleyways after the snow event ceases, but the extent, degree and timing of snow removal that is performed by the Association shall be determined by the Board of Directors. The Board of Directors shall have the power to create and amend rules, procedures, and policies pertaining to the snow removal from time to time. In no event shall the Association be responsible for removal of ice, or repair of damage, or injuries caused by ice, and Owners and occupants of a Lot are solely responsible for any snow removal from porches, steps or sidewalks on a Lot other than the sidewalk along the front of the Lots;

(3) The Association shall provide landscape maintenance within the front yard of the Lots within the Colliers Hill Filing No. 4F Service Area. The Association's obligation to maintain, repair and replace front yard landscaping does not include any fenced-in or enclosed area on a Lot or side yard areas. The Association's landscape maintenance responsibility includes tending, mowing of grass, weed control and pruning of shrubs and trees to keep such landscape in good condition and repair, and shall be performed in a manner and at such times as the Board of the Association deems necessary from time to time. The Association shall not have any obligation or responsibility to winterize the landscape sprinkler system installed on a Lot by having the sprinkler lines "blown-out" each fall season, and all maintenance of the landscape sprinkler system on a Lot shall be the sole responsibility of the Owner of the Lot. The Association shall have the sole right to determine the times, frequency and extent of performing its landscaping maintenance, repair and/or replacement work and Owners shall not have any right to change the timing or manner of such maintenance, repair and/or replacement. Notwithstanding any limitation in this Declaration, the Association may, in its sole discretion, elect not to replace certain landscape materials or elect to replace certain landscape materials with different types or kinds of landscape materials if the Board determines that the appearance of the Community will not be adversely and materially affected. Each Owner shall provide adequate watering



of landscape plants on such Owner's Lot to keep the same in a good, living condition. Further, if an Owner's failure to adequately water the landscape on the Owner's Lot or other actions cause the living "green" components of the Improvements on the Lot to die and require replacement, or if an Owner fails to keep the landscape sprinkler system on the Owner's Lot in good operating condition and repair, then the Association may perform such landscape replacement or sprinkler system repair and all costs and expenses of any such replacement or repair shall be the sole cost, expense and obligation of the Lot Owner;

(4) The Association shall enforce the terms of the Declaration and any duly adopted rules pertaining to the Alleyways and landscape maintenance; and

(5) The Association shall administer the special services being provided to the Colliers Hill Filing No. 4F Service Area.

B. The Association shall budget and allocate the costs of the foregoing benefits and services provided to the Colliers Hill Filing No. 4F Service Area equally to the Lots within the Colliers Hill Filing No. 4F Service Area to be collected in the same manner and on the same date as payment as the Common Expense Assessment set forth in Article 4 of the Declaration. Costs and expenses cited in Section A (3) above shall also be collected from the Owner responsible for the costs and expenses in the same manner as the Common Expense Assessment.

C. The capitalized terms of this Amendment have the meanings ascribed to them in the Declaration except as otherwise provided herein. In the case of any conflict between this Amendment and the Declaration, this Amendment shall control. The Declaration, as amended by this Amendment, is affirmed, confirmed and ratified.

D. KB Home Colorado Inc., a Colorado corporation, as the Owner of the Lots within the Colliers Hill Filing No. 4F Service Area, executes this Amendment for the sole purpose of evidencing its consent to the terms, provisions and the recording of this Amendment.

[signature pages follow]



IN WITNESS WHEREOF, the undersigned have executed this Declaration effective as of the date first set forth above.

Collier Hills Master Association, Inc.
a Colorado corporation.

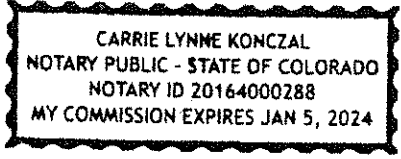
By: *Jerry Richmond*
Name: JERRY B. RICHMOND
Its: BOARD PRESIDENT

STATE OF Colorado)
COUNTY OF Arapahoe) ss.

The foregoing instrument was acknowledged before me this 8 day of October, 2020, by Jerry B. Richmond as Board President of Collier Hills Master Association, Inc., on behalf of the corporation.

WITNESS my hand and official seal.

My Commission Expires: Jan 5, 2024



Carrie L. Konczal
Notary Public

Daybreak Recovery Acquisition LLC,
a Delaware limited liability company

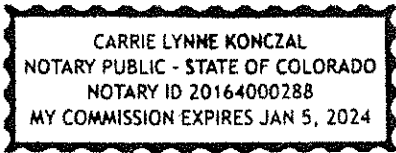
By: Jerry B. Richmond
Name: JERRY B. RICHMOND
Its: AUTHORIZED SIGNATORY.

STATE OF Colorado
COUNTY OF Arapahoe) ss.

The foregoing instrument was acknowledged before me this 8 day of October, 2020, by Jerry B. Richmond as Board president of Daybreak Recovery Acquisition LLC, a Delaware limited liability company., on behalf of the company.

WITNESS my hand and official seal.

My Commission Expires: Jan 5, 2024



Carrie L. Konczal
Notary Public

