

**DECLARATION
OF
COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
RIVERVIEW CONDOMINIUMS**

TABLE OF CONTENTS

ARTICLE 1 IMPOSITION OF COVENANTS.....	1
Section 1.1 Purpose.....	1
Section 1.2 Intention of Declarant.....	1
Section 1.3 Development and Use.....	1
Section 1.4 Declaration.....	1
Section 1.5 Covenants Running With the Land.....	1
ARTICLE 2 DEFINITIONS.....	2
ARTICLE 3 NAME, DIVISION INTO RESIDENTIAL UNITS.....	5
Section 3.1 Name.....	5
Section 3.2 Association.....	5
Section 3.3 Units.....	5
Section 3.4 Percentage Share.....	6
Section 3.5 Limited Common Area.....	6
Section 3.6 General Common Area.....	7
Section 3.7 Use of Units, Limited Common Area and General Common Area.....	7
ARTICLE 4 USE RESTRICTIONS.....	7
Section 4.1 Use of Residences.....	7
Section 4.2 Lease of Residences.....	8
Section 4.3 Conveyance of Units.....	8
Section 4.4 Nuisances.....	8
Section 4.5 Household Pets.....	8
Section 4.6 Vehicular Parking, Storage and Repairs.....	8
Section 4.7 Hazardous Activities.....	9
Section 4.8 Sounds and Odors.....	9
Section 4.9 Restrictions on Trash and Materials.....	9
Section 4.10 Signs.....	9
Section 4.11 Temporary Structures.....	9
Section 4.12 Outside Storage and Clotheslines.....	10
Section 4.13 Common Areas; Obstructions and Removals.....	10
Section 4.14 Declarant's Exemption.....	10
Section 4.15 Compliance with Law.....	10
Section 4.16 Rules and Regulations.....	10
Section 4.17 Use of Exterior Maintenance Area.....	10
Section 4.18 Drainage.....	11
Section 4.19 Restriction on Signs.....	11
ARTICLE 5 MAINTENANCE, PARTY WALLS, LANDSCAPING AND SPECIAL EASEMENT.....	11
Section 5.1 Maintenance.....	11
Section 5.2 Special Easement.....	12
Section 5.3 Maintenance Contract.....	12
Section 5.4 Owner's Responsibility.....	12
Section 5.5 Owner's Failure to Maintain or Repair.....	13
Section 5.6 Party Walls.....	13
ARTICLE 6 ARCHITECTURAL CONTROL.....	14
ARTICLE 7 MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS.....	15
Section 7.1 The Association.....	15
Section 7.2 Transfer of Membership.....	15
Section 7.3 Membership.....	15
Section 7.4 Declarant Control.....	15

Section 7.5	Owner's and Association's Address for Notices.....	15
ARTICLE 8	ASSOCIATION DUTIES.....	16
Section 8.1	Association Management Duties.....	16
Section 8.2	Reserve Account.....	16
Section 8.3	Owner's Negligence.....	16
Section 8.4	Delegation of Management and Maintenance Duties.....	16
Section 8.5	Acquiring and Disposing of Personal Property.....	17
Section 8.6	Issuance of Rules and Regulations.....	17
Section 8.7	Enforcement of Association Documents.....	17
Section 8.8	Identity of Community Board and Managing Agent.....	17
Section 8.9	Payments to Working Capital Account.....	17
Section 8.10	Implied Rights.....	17
Section 8.11	Books and Records of the Association.....	17
Section 8.12	LIMITATION OF LIABILITY OF ASSOCIATION.....	18
ARTICLE 9	ASSESSMENTS.....	18
Section 9.1	Obligation.....	18
Section 9.2	Purpose of Assessments.....	18
Section 9.3	Budget.....	18
Section 9.4	Annual Assessments.....	19
Section 9.5	Due Dates for Assessment Payments.....	19
Section 9.6	Apportionment of Annual Assessments.....	19
Section 9.7	Special Assessments.....	19
Section 9.8	Default Assessments.....	20
Section 9.9	Lien for Assessments.....	20
Section 9.10	Effect of Nonpayment of Assessments.....	20
Section 9.11	Successor's Liability for Assessments.....	21
Section 9.12	Waiver of Homestead Exemption; Subordination of Association's Lien for Assessments.....	22
Section 9.13	Statement of Status of Assessments.....	22
ARTICLE 10	MECHANIC'S LIENS.....	23
Section 10.1	No Liability.....	23
Section 10.2	Indemnification.....	23
Section 10.3	Association Action.....	23
ARTICLE 11	PROPERTY RIGHTS OF OWNERS AND RESERVATIONS BY DECLARANT.....	24
Section 11.1	Owners' Easements.....	24
Section 11.2	Recorded Easements.....	24
Section 11.3	Declarant's Rights Incident to Construction and Marketing.....	24
Section 11.4	Other Easements.....	24
Section 11.5	General Maintenance Easement.....	25
Section 11.6	Easements of Access for Repair, Maintenance, and Emergencies.....	25
Section 11.7	Drainage Easement.....	25
Section 11.8	Association as Attorney-in-Fact.....	25
Section 11.9	Delegation of Use.....	25
Section 11.10	Reservation of Easements, Exceptions, and Exclusions.....	25
Section 11.11	Emergency Access Easement.....	26
Section 11.12	Governmental Requirements.....	26
Section 11.13	Declarant Easements.....	26
ARTICLE 12	INSURANCE AND FIDELITY BONDS.....	26
Section 12.1	General Insurance Provisions.....	26
Section 12.2	Cancellation.....	27

Section 12.3	Policy Provisions.....	27
Section 12.4	Insurance Proceeds.....	27
Section 12.5	Association Policies.....	28
Section 12.6	Insurer Obligation.....	28
Section 12.7	Repair and Replacement.....	28
Section 12.8	Common Expenses.....	28
Section 12.9	Fidelity Insurance.....	28
Section 12.10	Worker's Compensation Insurance.....	29
Section 12.11	Other Insurance.....	29
Section 12.12	Insurance Obtained by Owners.....	29
ARTICLE 13	ASSOCIATION AS ATTORNEY-IN-FACT.....	29
Section 13.1	Appointment to Association.....	29
Section 13.2	Appointments; General Authority.....	30
ARTICLE 14	DAMAGE OR DESTRUCTION.....	30
Section 14.1	The Role of the Community Board.....	30
Section 14.2	Estimate of Damages or Destruction.....	30
Section 14.3	Repair and Reconstruction.....	31
Section 14.4	Funds for Repair and Reconstruction.....	31
Section 14.5	Disbursement of Funds for Repair and Reconstruction.....	31
Section 14.6	Decision Not to Rebuild Common Area.....	31
Section 14.7	Repairs.....	31
Section 14.8	Notice of Damage or Destruction.....	31
ARTICLE 15	CONDEMNATION.....	32
Section 15.1	Rights of Owners.....	32
Section 15.2	Partial Condemnation; Distribution of Award; Reconstruction.....	32
Section 15.3	Complete Condemnation.....	32
Section 15.4	Notice of Condemnation.....	32
ARTICLE 16	DECLARANT'S RIGHTS REGARDING TRANSFER.....	33
ARTICLE 17	ALTERNATIVE DISPUTE RESOLUTION.....	33
Section 17.1	Agreement to Avoid Litigation.....	33
Section 17.2	Claims.....	33
Section 17.3	Mandatory Procedures.....	34
Section 17.4	Claim for Damages.....	35
ARTICLE 18	MORTGAGEE PROTECTIONS.....	36
Section 18.1	Introduction.....	36
Section 18.2	Percentage of Eligible Mortgage Holders.....	36
Section 18.3	Notice of Actions.....	36
Section 18.4	Consent Required.....	36
Section 18.5	Notice of Objection.....	38
Section 18.6	First Mortgagees' Rights.....	38
Section 18.7	Title Taken by First Mortgagee.....	38
ARTICLE 19	MISCELLANEOUS.....	38
Section 19.1	Special Declarant Rights.....	38
Section 19.2	Term.....	39
Section 19.3	Amendment.....	39
Section 19.4	Unilateral Amendment Rights Reserved by Declarant.....	39
Section 19.5	Recording of Amendments.....	39
Section 19.6	Enforcement.....	39
Section 19.7	Severability.....	40
Section 19.8	Conflict of Provisions.....	40

Section 19.9	Nonwaiver.....	40
Section 19.10	Number and Gender.....	40
Section 19.11	Captions.....	40
Section 19.12	Exhibits.....	40
EXHIBIT A	Property Description.....	A-1
EXHIBIT B	Percentage Shares.....	B-1
EXHIBIT C	Easements and Licenses of Record.....	C-1
EXHIBIT D	Vacation Lease.....	D-1

DRAFT

**DRAFT DECLARATION
OF
COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
RIVERVIEW CONDOMINIUMS**

THIS DECLARATION FOR RIVERVIEW CONDOMINIUMS (this “Declaration”) dated as of _____, 2019, shall be effective upon recordation and is made by Owner Ted Carney, Fraser Riverview LLC (“Declarant”).

Declarant is the owner of certain real property in the County of Grand, Colorado, more particularly described on Exhibit A attached and made part of this Declaration by this reference (the “Property”). Declarant hereby makes the following grants, submissions, and declarations:

**ARTICLE 1
IMPOSITION OF COVENANTS**

Section 1.1 Purpose . The purpose of this Declaration is to create a residential planned community pursuant to the Colorado Common Interest Ownership Act as set forth in Article 33.3, Title 38, Colorado Revised Statutes, within the Property.

Section 1.2 Intention of Declarant . Declarant desires to (a) protect the value and desirability of the Community, (b) further a plan for the improvement, sales, and planned community ownership of the Community, (c) create a harmonious and attractive residential development within the Community, **(d) create a sustainable development that shall be responsive to site and natural conditions, minimize disturbance to land and existing vegetation, and make reasonable efforts to preserve such,** (e) abide by the terms of the Colorado Noxious Weed Act (Section 35-5.5-101, Et. Seq., C.R.S) **by prohibiting noxious weeds and plants and encouraging xeriscape landscaping to include, native, and drought-tolerant plant species, wildflowers, grasses, and ornamental nonliving materials, including (but not limited to) decorative rock, wood chips, mulch, brick and paving stone, and** (f) promote and safeguard the health, comfort, safety, convenience, and welfare of the owners of units in the Community.

Section 1.3 Development and Use . The Community consists of twenty (20) Units (hereinafter defined). No additional Units may be established on the Property by subdivision of existing Units or otherwise.

Section 1.4 Declaration . To accomplish the purposes and intentions recited above, Declarant hereby submits the Property, together with all improvements, appurtenances, and facilities relating to or located on the Property now and in the future, to the provisions of the Act, and hereby imposes upon all of the Property, the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions of this Declaration below, and Declarant hereby declares that all of the

Property shall be held, sold, conveyed, encumbered, leased, rented, occupied, and improved subject to the provisions of this Declaration.

Section 1.5 Covenants Running With the Land . All provisions of this Declaration shall be deemed to be covenants running with the land or equitable servitudes, as the case may be. The

benefits, burdens, and other provisions contained in this Declaration shall be binding upon and shall inure to the benefit of Declarant, all Owners (hereinafter defined), and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

ARTICLE 2 DEFINITIONS

The following words when used in this Declaration, unless inconsistent with the context of this Declaration, shall have the following meanings:

Section 2.1 “Act” means the Colorado Common Interest Ownership Act as set forth in Article 33.3, Title 38, Colorado Revised Statutes, as such Act exists on the date hereof, except to the extent that the applicability of future amendments to the Act are mandatory.

Section 2.2 “Annual Assessment” means the Assessment levied annually.

Section 2.3 “Articles” mean the Articles of Incorporation for the Association, currently on file with the Colorado Secretary of State, and any amendments which may be made to those Articles from time to time.

Section 2.4 “Assessments” means the Annual, Special, and Default Assessments levied pursuant to Article 9 below. Assessments are also referred to as a Common Expense Liability as defined under the Act.

Section 2.5 “Association” means the Riverview Condominiums Association, a Colorado nonprofit corporation, and its successors and assigns. The Association acts through its Community Board unless a vote of the Owners is otherwise specifically required by this Declaration or by the Articles or Bylaws.

Section 2.6 “Association Documents” means this Declaration, the Articles and the Bylaws, and any procedures, rules, regulations, or policies adopted under such documents by the Association.

Section 2.7 “Association-Insured Property” shall have the meaning for such term set forth in Section 14.1.

Section 2.8 “Bylaws” means the Bylaws adopted by the Association, as amended from time to time.

Section 2.9 “Common Area” means all the real property and improvements thereon, if any, in which the Association owns an interest for the common use and enjoyment of all of the Owners on a non-exclusive basis, including, without limitation, that property designated as the “Common Area” on the Plat. Such interest may include, without limitation, estates in fee, for terms of years, or easements.

Section 2.10 “Common Expenses” means (i) all expenses expressly declared to be common expenses by this Declaration or the Bylaws; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing, or replacing the Common Area and the Residences and Exterior Maintenance Area (as provided in Article 5 below); (iii) insurance premiums for the insurance carried under Article 12; and (iv) all expenses lawfully determined to be common expenses by the Community Board of the Association.

Section 2.11 "Community" shall mean the planned community created by this Declaration, consisting of the Property, the Units, and any other improvements constructed on the Property and as shown on the Plat.

Section 2.12 "Community Board" means the governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance, and management of the Community and all improvements on the Property.

Section 2.13 "Declarant" means owner, Fraser Riverview LLC and its successors and assigns. No party other than Declarant shall exercise the rights and privileges reserved herein to Declarant unless such party shall receive and record in the Office of the Clerk and Recorder of the County of Grand, Colorado, a written assignment from _Declarant of all or a portion of such rights and privileges.

Section 2.14 "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements for Riverview Condominiums, together with any supplement or amendment to this Declaration, recorded in the Office of the Clerk and Recorder of the County of Grand, Colorado.

Section 2.15 "Director" means a member of the Community Board.

Section 2.16 "Default Assessment" means the Assessments levied by the Association pursuant to Section 9.8 below.

Section 2.17 "Eligible Mortgage Holder" shall mean a First Mortgagee or any insurer or guarantor of a First Mortgage which has notified the Association in writing of its name and address and status as a holder, insurer or guarantor of a First Mortgage. Such notice shall be deemed to include a request that the Eligible Mortgage Holder be given the notices and other rights described in Article 18 below, regardless of whether such Article requires notice to such party.

Section 2.18 "Exterior Maintenance Area" means the exterior of any Residence, and the Lot surrounding the Residence and any improvements on the Lot, as more fully described and restricted in Section 5.1 below.

Section 2.19 "First Mortgage" means any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute and liens for assessments pursuant to the Master Declaration.

Section 2.20 "First Mortgagee" means any person named as a mortgagee or beneficiary in any First Mortgage, or any successor to the interest of any such person under such First Mortgage.

Section 2.21 "Limited Common Area" means those portions of the Common Area, including shared staircases, which are limited to and reserved for the use of the Owners of one or more, but fewer than all, of the Units and include the Parking Space or Parking Spaces that are allocated to a Unit as a Limited Common Element pursuant to the Plat. The Parking Space or Parking Spaces allocated to a Unit as a Limited Common Element, without further reference thereto, shall be used in connection with such Unit to the exclusion of the use thereof by the other Owners, except by invitation. No reference thereto need be made in any instrument of conveyance, encumbrance, or other instrument. Furthermore, Limited Common Area shall include any individual utility lines and fixtures serving a particular Unit or Units. A utility line serving a particular Unit or Units exclusively, without further reference thereto, shall be used in connection with such Unit or Units to the exclusion of the use thereof by other Owners, except by invitation. The Limited Common Area does not include Party Walls. No reference to Limited Common Area need be made in any instrument of encumbrance, conveyance, or other instrument.

Section 2.22 "Lot" means a plot of land subject to this Declaration and designated as a "Lot" or "Parcel" on any subdivision plat of the Property recorded by Declarant in the Office of the Clerk and Recorder of the County of Grand, Colorado.

Section 2.23 "Management Agreement" means any contract or arrangement entered into for purposes of discharging the responsibilities of the Community Board relative to the operation, maintenance, and management of the Community.

Section 2.24 "Managing Agent" means a person, firm, corporation, or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Community.

Section 2.25 "Member" shall mean every person or entity who holds membership in the Association.

Section 2.26 "Mortgage" shall mean any mortgage, deed of trust, or other document pledging any Unit or interest therein as security for payment of a debt or obligation.

Section 2.27 "Mortgagee" means any person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under such Mortgage.

Section 2.28 "Owner" means any record owner, whether one or more persons or entities, of fee simple title to any Unit, and "Owner" also includes the purchaser under a contract for deed covering a Unit with a current right of possession and interest in the Unit, but excludes those having such interest in a Unit merely as security for the performance of an obligation, including a Mortgagee, unless and until such person has acquired fee simple title to the Unit pursuant to foreclosure or other proceedings.

Section 2.29 "Parking Space" and "Parking Spaces" shall have the meaning for such terms set forth in Section 3.5.1.

Section 2.30 "Party Wall" means any common wall adjoining two or more Residences and shall be deemed to include the roofing underlying the portion of the roof over, and the utility lines within a common wall.

Section 2.31 "Percentage Share" means the percentage allocation of Assessments to which an Owner's Unit is subject as set forth in Exhibit B attached hereto and made a part hereof.

Section 2.32 "Permitted Pets" shall have the meaning for such term set forth in Section 4.5.

Section 2.33 "Plat" means the subdivision plat(s) recorded with respect to the Property that creates any Units, and all supplements and amendments thereto.

Section 2.34 "Property" means and refers to that certain real property described on Exhibit A attached to this Declaration.

Section 2.35 "Residence" means a townhome dwelling constructed on a Lot.

Section 2.36 "Special Assessment" means an assessment levied pursuant to Section 9.7 below on an irregular basis.

Section 2.37 “Special Declarant Rights” means those rights provided for in the Act and reserved to Declarant pursuant to this Declaration, including but not limited to the provisions of Section 19.1.

Section 2.38 “Successor Declarant” means any party or entity to whom Declarant assigns any or all of its rights, obligations, or interest as Declarant, as evidenced by an assignment or deed of record executed by both Declarant and the transferee or assignee and recorded in the Office of the Clerk and Recorder of the County of Grand, Colorado, designating such party as a Successor Declarant.

Section 2.39 “Unallocated Parking Spaces” shall have the meaning for such term set forth in Section 3.5.1.2.

Section 2.40 “Unit” means a Lot together with all improvements thereon, including a Residence, and all easements and rights-of-way appurtenant thereto. Unit is also referred to as a Unit under the Act.

Section 2.41 “Vehicle” shall have the meaning for such term set forth in Section 4.6.1.

Each capitalized term not otherwise defined in this Declaration or in the Plat shall have the same meanings specified or used in the Act.

ARTICLE 3 NAME, DIVISION INTO RESIDENTIAL UNITS

Section 3.1 Name . The name of the Community is Riverview Condominiums. The Community is a planned community pursuant to the Act. The Community is comprised of Units, which include the Units shown on the Plat together with all improvements thereon, and Common Area, which is to be owned by the Association for the common use and benefit of all Owners, including the property designated as “Common Area” on the Plat.

Section 3.2 Association . Declarant has caused the Association to be incorporated under the laws of the State of Colorado as a nonprofit corporation with the purpose of exercising the functions as set forth in this Declaration. The Association governs the entire Community, including (i) management, maintenance and repair of the Common Area, including all drive aisles, parking and other Common Areas within the Community, (ii) all buildings and other improvements in the Community (except for the inside of Residences) and all landscaping in the Community, (ii) collection of assessments from the Owners, (iii) establishment and enforcement of the rules and regulations of the Community, and (iv) the other rights and responsibilities assigned to the Association in this Declaration. The Association is run by a Community Board, which is initially appointed by the Declarant and later elected by the Owners.

Section 3.3 Units . The Community will have twenty (20) Units.

3.3.1 Identification of Units. The identification number of each Unit is shown as its lot number on the Plat.

3.3.2 Description of Units.

3.3.2.1 Each Unit, including (i) the appurtenant obligation to pay such Unit's Percentage Share of Common Expenses calculated pursuant to Article 9, (ii) the appurtenant ownership interest in the Common Area, (iii) the appurtenant right to use certain Limited Common Area (including

the exclusive right to use the Parking Space allocated to such Unit), and (iv) the appurtenant right to membership and vote in the Association pursuant to Section 7.3, shall be inseparable (except as provided in Sections 3.5.1.3 and 3.5.1.4 below), and may be transferred or encumbered only as one Unit.

3.3.2.2 Title to a Unit may be held individually or in any form of concurrent ownership recognized in Colorado. In case of any such concurrent ownership, each co-owner shall be jointly and severally liable for performance and observance of all the duties and responsibilities of an Owner with respect to the Unit in which he owns an interest.

3.3.2.3 Any contract of sale, deed, lease, Mortgage, will or other instrument affecting a Unit may describe it as:

_____[Lot number as set forth on the Plat]_____, Riverview Condominiums, County of Grand, State of Colorado, according to the Land Survey Plat thereof recorded _____, 2019, at Reception No. _____, and as defined and described in the Declaration of Covenants, Conditions, Restrictions and Easements for Riverview Condominiums, recorded _____, 2019, under Reception No. _____ in the office of the Clerk and Recorder for the County of Grand, Colorado (with applicable recording information inserted).

3.3.2.4 Each Unit shall be considered a separate parcel of real property and shall be separately assessed and taxed. Accordingly, the Common Area shall not be assessed separately but shall be assessed with the Units as provided pursuant to Colorado Revised Statutes Subsections 39-1-103(10) and 38-33.3-105(2).

3.3.2.5 No Owner of a Unit shall bring any action for partition or division of the Common Area.

Section 3.4 Percentage Share. The Percentage Share for each Unit is determined according to the following formulas and are set forth in Exhibit B attached hereto:

3.4.1 Percentage Share of Common Expenses and Interest in Common Area. Each Unit shall bear the same percentage share of all common expenses and interest in all common areas.

3.4.2 Votes. Each Unit shall be allocated one vote.

Section 3.5 Limited Common Area.

3.5.1 Parking Spaces. Certain portions of the Common Area are described and identified in the Plat by number as thirty-one (31) parking spaces, two of which are designated disabled, (each a "Parking Space" and collectively, the "Parking Spaces"). Each Parking Space shall be used only for the parking of one motor vehicle subject to reasonable and non-discriminatory rules to be established and enforced by the Association.

3.5.1.1 Allocation to Units. Certain individual Parking Spaces located within the parking areas of the Community may be designated on the Plat as Limited Common Area appurtenant to any individual Unit and reserved for the exclusive use of the Owner or Owners and the tenants, guests, lessees, licensees, permittees and invitees of the Owner or Owners of the Unit to which the Parking Space is allocated; provided, however, any such designation shall not be construed as

granting any Owner of a Unit the ownership of any such Parking Space. In addition to the right of the Association to establish and to enforce rules applicable to the Parking Spaces, a Unit Owner shall have the right to cause to be towed any motor vehicle improperly parked in any Parking Space allocated to such Owner's Unit.

3.5.1.2 Unallocated Parking Spaces. The remaining eleven (11) Parking Spaces are designated on the Plat as "unallocated" or as General Common Area ("Unallocated Parking Spaces"). The Unallocated Parking Spaces are General Common Area that may not be allocated permanently to a particular Unit or Units. The Association will have the right to determine the use of the Unallocated Parking Spaces, including, for example, as guest parking or extra spaces available for exclusive use (for limited periods of time) or non-exclusive use by residents of the Community in a reasonable and non-discriminatory manner.

3.5.1.3 Temporary Assignment of Parking. Notwithstanding Section 3.5.1.1, an Owner to whose Unit a Parking Space is allocated shall have the right to assign, for periods not exceeding one year, the right to use such Parking Space to another Owner or a resident of the Community, provided, however, (i) any such assignment shall be in writing (a copy of which shall be promptly delivered to the Association) and shall provide that the assignment is subject to the terms of this Declaration, (ii) a Parking Space may be used by any assignee only for the uses provided hereinabove, and (iii) any failure of an assignee to comply with the terms of this Declaration, Articles of Incorporation, Bylaws or rules of the Association shall be a default under the assignment, the termination of which assignment shall be enforceable by the Association as a third-party beneficiary, whether or not the assignment contains such a provision. An Owner shall not assign the right to use a Parking Space to anyone who is not an Owner or a resident of the Community.

3.5.2 Utility Lines and Other Improvements. Any utility line or improvement serving one or more but fewer than all Units shall be Limited Common Area allocated to the Unit or Units served. A non-exclusive perpetual easement for the benefit of the Units served by any such Limited Common Area is hereby created for the operation, maintenance, repair and replacement of such Limited Common Area.

Section 3.6 General Common Area . All Common Area other than the Parking Spaces allocated to individual Units as provided in Section 3.5.1 above and utility lines that constitute Limited Common Area in accordance with Section 3.5.2 above are General Common Area for the use and enjoyment of all Unit Owners.

Section 3.7 Use of Units, Limited Common Area and General Common Area . The use and enjoyment of the Units, Limited Common Area and General Common Area are subject to reasonable rules, regulations and fees adopted from time to time by the Association.

ARTICLE 4 USE RESTRICTIONS

Section 4.1 Use of Residences . Each Residence and the Lot on which it is located shall be used and occupied solely for dwelling purposes. Such use and occupancy shall be only as permitted by and subject to the appropriate and applicable governmental zoning and use ordinances, and reasonable rules and regulations adopted from time to time by the Association. Notwithstanding the foregoing, Declarant, for itself and its successors and assigns, hereby retains a right to maintain any Residence or Residences as sales offices, management offices or model residences so long as Declarant, or its successors or assigns, continues to be an Owner of the Lot on which such Residence is located.

Section 4.2 Lease of Residences . Subject to any restriction on leasing or requirement of owner-occupancy of a Lot or Residence imposed in any separate agreement or other document to which an Owner is a party, an Owner shall have the right to lease its Unit upon such terms and conditions as the Owner may deem advisable; provided, however, that (i) any such lease shall be in writing and shall provide that the lease is subject to the terms of this Declaration, the Bylaws and all rules and regulations adopted thereunder, (ii) a Unit may be leased only for the uses provided hereinabove, and (iii) any failure of a lessee to comply with the terms of this Declaration, the Articles, the Bylaws or the rules of the Association shall be a default under the lease enforceable by the Association. Short-term vacation rentals shall be documented by the form of Vacation Lease attached as Exhibit C to this Declaration and all Owners shall provide the HOA with an executed Vacation Lease Agreement no later than 10 days before such leasehold commences.

Section 4.3 Conveyance of Units . All Units, whether or not the instrument of conveyance or assignment shall refer to this Declaration, shall be subject to the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, as the same may be amended from time to time.

Section 4.4 Nuisances . No nuisance, or any use, activity or practice will be permitted on or in any Lot, Residence or the Common Elements which interferes with the peaceful enjoyment or possession and proper use of all or any portion of any other Lot or Residence by the other Lot's residents. No noxious or offensive activity may be carried on, in or upon any Lot, Residence or the Common Elements, or may anything be done or placed on or about any Lot, Residence or the Common Elements which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. Construction activities will be limited to occur between the hours of 8:00am until 6:00pm. Further, no unlawful use will be permitted or made of any Lot or Residence or any part of the Common Elements. All laws, ordinances, and regulations of all governmental bodies having jurisdiction over the Community, will be observed at all times.

Section 4.5 Household Pets . No animals, livestock, birds, poultry, reptiles or insects of any kind can be raised, bred, kept or boarded in or on the Lots, Residences or anywhere in the Community, except that Owners may keep on a Lot or in a Residence a reasonable (as mandated by the more restrictive of the rules of the Association and local laws and ordinances) number of dogs, cats or other domestic animals which are bona fide household pets, as long as such pets are not kept for any commercial purpose and are not kept in such number or in such a way as to create a nuisance to a resident of any other Lot or Residence ("Permitted Pets").

4.5.1 No person shall allow any Permitted Pets owned or controlled by such person to roam within the Community unattended. Permitted Pets shall either be contained indoors or confined within the boundaries of a Lot in a manner approved by the Association. At all other times, Permitted Pets shall be on a leash and under the direct control and supervision of their owners.

4.5.2 Owners are responsible for immediately cleaning up after any use of the Common Elements by their pets.

4.5.3 Each Owner will pay for any damage caused their pets, as well as any costs incurred by the Association as a result of such pets, and any such costs and damages will be subject to all of the Association's rights with respect to the collection and enforcement of assessments, fees, fines and charges as provided in this Declaration.

4.5.4 The Community Board shall have the right to establish rules regarding pets in the Community, including the maximum number and size of pets and the obligations of Owners who choose to keep pets.

4.5.5 Residents who lease may not keep pets of any kind anywhere on the property.

Section 4.6 Vehicular Parking, Storage and Repairs.

4.6.1 No passenger automobiles, trucks, trail bikes, motorcycles, snowmobiles, motorized or non-motorized trailers, boats, personal watercraft or boat or personal watercraft trailers or similar vehicles or business vehicles or any other motorized or non-motorized vehicles (each, a "Vehicle") shall be parked, stored, or in any manner kept or placed on any portion of the Community except within a Parking Space allocated to a Unit as a Limited Common Element pursuant to the Plat or, subject to the limitations provided for in Section 3.5.1.2 above, in an Unallocated Parking Space. Nothing other than passenger automobiles and light duty trucks shall be allowed in parking spaces. One vehicle per unit is permitted with guest parking available.

4.6.2 No abandoned or inoperable Vehicle of any kind may be stored or parked on or about any portion of the Community. An "abandoned or inoperable Vehicle" is defined as any Vehicle which has not been driven under its own propulsion for a period of one week or longer, or which does not have an operable propulsion system installed therein; provided however, that otherwise permitted Vehicles parked by Owners while on vacation, during a period of illness, or during an off-season will not be deemed to be abandoned. If the Association determines a Vehicle is parked or stored in violation of this section, a written notice describing the Vehicle will be personally delivered to the owner, if the owner can be determined, or will be conspicuously placed on the Vehicle if the owner cannot be determined, and if the Vehicle is not removed within a reasonable time thereafter, as determined by the Association in its discretion, the Association will have the right to remove the vehicle at the sole expense of the owner of the Vehicle.

Section 4.7 Hazardous Activities . No activities may be conducted on or in any Lot or Residence or on the Common Elements that are illegal or might be unsafe or hazardous to any person or property. This includes, but is not limited to, discharging firearms, bringing hazardous materials into the Community, having open fires or any other activity reasonably determined by the Community Board to be hazardous. Barbeque units that are contained and attended and in use for cooking purposes are permitted as long as they are located on ground. Barbecue units are prohibited on decks or balconies

Section 4.8 Sounds and Odors . No loud or annoying sounds or noxious or offensive odors are permitted to emanate from any Residence or Lot or from the Common Elements.

Section 4.9 Restrictions on Trash and Materials . No refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scraps or debris of any kind will be kept, stored, or allowed to accumulate in any Lot or Residence or the Parking Space allocated to it as a Limited Common Elements except as permitted in this Section. Outside storage of trash is prohibited. All trash shall be placed in a community-provided dumpster. Trash shall not be left outside of the dumpster. Further, the Association may impose limits and restrictions on the amounts and sources of trash and refuse.

Section 4.10 Signs . No signs of any kind shall be displayed to the public view on or from any portion of the Property except, (i) during the Special Declarant Rights period and as permitted by the Act and Section 19.1 below, signs of Declarant or its affiliates or assigns (which shall be approved by the Committee), (ii) signs required by law, (iii) "For Sale" or "For Rent" signs, the size, number,

design and location of which shall comply with the rules and regulations promulgated by the Association, (iv) signs expressly permitted by law as the lawful exercise of political free speech rights. Permitted signs shall be subject to reasonable regulation by the Community Board.

Section 4.11 Temporary Structures . No temporary structures shall be permitted except as may be determined to be necessary during construction and as specifically authorized by the Association, and except as necessary for the exercise by Declarant of the Special Declarant Rights.

Section 4.12 Outside Storage and Clotheslines . All snow removal equipment, garden maintenance equipment, and other equipment, machinery, tools and furnishings may be required by the Association to be screened, stored within a Residence or other improvement constructed on the Lot in accordance with Article 6 below, or stored at another designated location or locations. The drying or hanging of any laundry or wash outside any building and the use of clotheslines on a Lot shall be subject to the rules and regulations promulgated by the Association from time to time which may regulate, permit, limit or prohibit such activities.

Section 4.13 Common Areas; Obstructions and Removals . There shall be no obstruction of any walkways, driveways or other Common Areas or interference with the free use of those walkways, driveways and other Common Areas except as may be reasonably required in connection with repairs. The Owners, their families, tenants, guests and invitees are granted nonexclusive easements to use the walkways and driveways within the Community which use shall be subject to the rules and regulations promulgated by the Association. Nothing shall be altered on, constructed in, or removed from the Common Area by any Owner without the prior written approval of the Association; provided, however, that this provision shall not preclude the storage or removal of personal property from within the Parking Space allocated to a Unit as Limited Common Area.

Section 4.14 Declarant's Exemption . Nothing contained in this Declaration shall be construed to prevent (i) the exercise by Declarant of any Special Declarant Rights; or (ii) the erection or maintenance by Declarant or its duly authorized agents, or temporary structures, trailers, improvements or signs necessary or convenient to the development, marketing or sale of property within the Community.

Section 4.15 Compliance with Law . No portion of the Property shall be used, occupied, altered, changed, improved or repaired except in compliance with all present and future laws, rules, requirements, orders, directions, ordinances and regulations of the United States of America, State of Colorado, County of Grand, and all other municipal, governmental or lawful authority whatsoever, affecting the Property or the improvements thereon or any part thereof, and of all their departments, bureaus and officials. Furthermore, no Owner shall release, discharge or emit from the Property or dispose of, or allow any person under such Owner's control or direction to release, discharge or emit from the Property or dispose of, any material on, above or under the Property that is designated as a pollutant or contaminant under any federal, state or local law, regulation or ordinance.

Section 4.16 Rules and Regulations . Rules and regulations concerning and governing the Units and/or, the Community may be adopted, amended or repealed from time to time by the Board. The Board may establish and enforce penalties for the violation of any rules and regulations, including, but not limited to assessing and collecting fines for the violation.

Section 4.17 Use of Exterior Maintenance Area . There shall be no obstruction of the Exterior Maintenance Area, nor shall anything be kept or stored on any part of the Exterior Maintenance Area by any Owner except as permitted by any rules, regulations or policies adopted by the Association. Nothing shall be altered on, constructed in, or removed from the Exterior Maintenance Area by any Owner without the prior written approval of the Association in accordance with Article 6 below. No

improvements may be constructed or installed to the Exterior Maintenance Area without the prior written approval of the Association in accordance with Article 6 below, including but not limited to buildings (including but not limited to screened rooms, carports, metal awnings, any type of permanent extended overhang, any structure placed on blocks or other supports that are permanent in nature, and any structure that is not intended to be temporary, i.e. any structure that is not intended to be readily moveable), parking areas, loading areas, fences, walls, hedges, trees or lighting. The planting of non-woody plants of the Exterior Maintenance Area will not require the review or approval of the Association.

Section 4.18 Drainage. No Owner shall do or permit any work, place any landscaping or install any other improvements or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Property, including but not limited to any Exterior Maintenance Area, except to the extent such alteration and drainage pattern is approved in writing by the Community Board, and except for rights reserved to Declarant to alter or change drainage patterns.

Section 4.19 Restriction on Signs. Except as otherwise provided in Section 4.15 and 19.1, no signs or advertising devices of any nature shall be erected or maintained on any Unit or the Common Area, in such a manner as to be visible from any other Unit or the Common Area except signs approved by the Community Board, political signs, signs required by applicable law or legal proceedings, signs which are required by law to be allowed, identification signs for work under construction (as approved by the Community Board), temporary signs to caution or warn of danger or the Association signs necessary or desirable to give directions or advise of rules or regulations. Permitted signs shall be subject to reasonable regulation by the Community Board.

ARTICLE 5

MAINTENANCE, PARTY WALLS, LANDSCAPING AND SPECIAL EASEMENT

Section 5.1 Maintenance. In order to maintain a uniform appearance and a high standard of maintenance within the Community, the Association shall maintain the Residences, Party Walls and the Exterior Maintenance Areas, as more fully set forth below

5.1.1 Residence Structure, Roof and Exteriors. Subject to the insurance responsibilities set forth in Article 12 below, the Association shall maintain and repair the Residences, Party Walls and the Exterior Maintenance Areas except insofar as the obligation for such maintenance and repair is otherwise allocated to the Owners pursuant to this Article 5. The Association's repair and maintenance obligations shall include the exterior of all Lots, including but not limited to, repairing, painting and/or staining of the exterior of the Residences, repairing painting and/or staining of all walls, fences, gates and railings, maintenance and repair of any patios (including decks and porches) unless any of the foregoing are covered by an Owner's insurance, but shall exclude snow and ice removal and exterior window washing. The Association's maintenance and repair obligations shall also include the Residences themselves except for the interior of each Owner's Residence, responsibility for which is allocated to each respective Owner pursuant to Section 5.4 below. The Association shall have the sole discretion to determine the time and manner in which such maintenance shall be performed as well as the color or type of materials used to maintain the Residences. The Association's obligation to maintain and repair shall not extend to any improvements made by an Owner in the Exterior Maintenance Area in accordance with Section 4.17 above and Article 6 below. The Owner shall be responsible for interior and exterior window washing and the repair or replacement of broken window panes and doors. In the event insurance proceeds under Article 12 are payable to an Owner but the maintenance responsibility of the area to which such proceeds relate is the Association's, the Association shall complete any such repair or replacement at the Owner's cost. The cost of any work is performed pursuant to this Section shall be

assessed to the Owner whose Unit is benefited by the work performed in accordance with Sections 9.6 and 9.7 below.

5.1.2 Landscaping, Sidewalks and Driveways. The Association shall maintain landscaping of the Units within the Exterior Maintenance Area and landscaping within the Common Area. Maintenance of the landscaping shall include, but not be limited to, maintaining lawns, trees and shrubs. The Association shall also maintain all sidewalks and driveways within the Community (and the maintenance provided under this Section shall include, with respect to those sidewalks and driveways located within Common Areas but excluding sidewalks located within a Lot, snow removal services). The Association shall provide all irrigation to landscaping within the Exterior Maintenance Area and Common Area, and shall provide all other utilities necessary for the maintenance and upkeep of such landscaping. The maintenance provided under this Section shall be performed at such time and in such a manner as the Association shall determine. The Owner shall be responsible for maintaining and irrigating landscaping within the portion of the Exterior Maintenance Area. The cost of any work is performed pursuant to this Section to an Owner's Exterior Maintenance Area shall be assessed to the Owner whose Unit is benefited by the work performed in accordance with Sections 9.6 and 9.7 below.

5.1.3 Other Common Area. The Association, subject to the rights and obligations of the Owners set forth in this Declaration, shall be responsible for the management and control of the Common Area and all improvements on the Common Area (including furnishings and equipment related thereto), and shall keep it in good, clean, and attractive condition and repair, pursuant to the terms and conditions of this Declaration. Such maintenance obligations will include all utilities, fixtures and equipment serving more than one Residence, , in a Party Wall or in Common Area. An easement for access by the Association to such areas is provided for in Section 11.6 below.

5.1.4 Association's Right to Grant Owner's Maintenance Area. The Association reserves the right to grant the maintenance responsibility of certain areas on each Unit to the Unit Owner, and the Owner is obligated to accept said maintenance responsibility, provided said assignment is done in a uniform and nondiscriminatory manner. Furthermore, the Association shall have the right to promulgate reasonable rules and regulations regarding the maintenance by the Owner.

Section 5.2 Special Easement . The Association and the Community Board and their respective representatives are hereby granted a nonexclusive easement to enter upon the Lots, including but not limited to the Residences and the Exterior Maintenance Area as well as the roof, decks and patios of any Residence, as may be necessary or appropriate to perform the duties and functions which they may be obligated or permitted to perform pursuant to this Article 5.

Section 5.3 Maintenance Contract . The Association or Community Board may employ or contract for the services of an individual or maintenance company to perform certain delegated powers, functions, or duties of the Association to maintain the Common Area of the Exterior Maintenance Area. The employed individual or maintenance company shall have the authority to make expenditures upon prior approval and direction of the Community Board. The Community Board shall not be liable for any omission or improper exercise by the employed individual or management company of any duty, power, or function so delegated by written instrument executed by or on behalf of the Community Board.

Section 5.4 Owner's Responsibility . Each Owner shall have the exclusive right and duty to paint, tile wax, paper, or otherwise decorate or redecorate and to maintain and repair the interior surfaces of the walls, floors, ceilings, and doors of such Owner's Residence and the interior non-supporting walls of his Residence, the surface materials on all walls within the Residence such as plaster, drywall, paneling, wallpaper, paint, or tile, the ceilings and floors within the Residence, and the doors and

windows serving the Residence including interior and exterior window washing and the repair and replacement of broken window panes and doors. The Owner's maintenance and repair obligations will also include all utilities, fixtures and equipment serving such Owner's Residence exclusively and installed within the Owner's Residence commencing at a point where the utilities and related fixtures and equipment enter the. This obligation includes fixtures, equipment and utilities serving the Owner's Residence and is not limited to fixtures, equipment and utilities located within an Owner's Residence. An Owner shall do no act or any work that will impair the structural soundness or integrity of the Residence, any Party Wall or the Common Elements or impair any easement. Each Owner is responsible for maintaining the Exterior Maintenance Area of such Owner's Residence, which shall be maintained in a condition and repair and in harmony with the Community. Each Owner is also responsible for snow and ice removal with respect to all sidewalks and patios (including decks and porches). The Association shall have the right and power to prohibit on a Unit any storage or other activities deemed unsafe, unsightly, unreasonably noisy or otherwise offensive to the senses and perceptible from another Unit or the Common Area. No Owner shall make any addition or other alteration to any portion of the Exterior Maintenance Area without the express consent of the Community Board, as more fully discussed in Section 4.17 above and Article 6 below. In no event may any Owner make any improvements, additions or other alterations on the exterior of the Owner's Residence except in accordance with Article 6 below.

Section 5.5 Owner's Failure to Maintain or Repair. In the event that a Unit and the improvements thereupon are not properly maintained and repaired, and if the maintenance responsibility for the unmaintained portion of the Unit lies with the Owner of the Unit, or in the event that the improvements on the Unit that are insured by the Owner are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after notice to the Owner and with the approval of the Community Board, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit and the buildings and other improvements thereon to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Unit, upon demand. All unreimbursed costs shall be a lien upon the Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid Assessment levied in accordance with Article 9 of this Declaration.

Section 5.6 Party Walls.

5.6.1 Subject to Section 5.1.4 above, repair and maintenance of a Party Wall shall be performed by the Association. Resulting costs shall be a joint expense of the Owners of the Residences sharing such Party Wall allocated in accordance with Sections 9.6 and 9.7 below. The Association and each Owner of a Residence sharing a Party Wall shall have a perpetual easement in and to that part of the Property on which the Party Wall is located, for Party Wall purposes, including maintenance, repair, and inspection. Except as provided in Section 5.6.3, no Owner shall alter or change the Party Wall in any manner, interior decoration excepted, and the Party Wall shall always remain in the same location as when erected.

5.6.2 In the event of damage or destruction of a Party Wall from any cause, other than the negligence or willful misconduct of an Owner or damage occurring in the course of maintenance activities performed by an Owner pursuant to Section 5.4 and 5.6.3 below, the then Owners of the Residences sharing such Party Wall shall, in accordance with this Section 5.6.2 and Sections 9.6 and 9.7 below, bear equally the expense to repair or rebuild said wall to its previous condition, which specifically includes the previous sound transmission coefficient and fire rating, and such Owners, their successors and assigns shall have the right to the full use of said wall so repaired and rebuilt. If an Owner's

negligence or willful misconduct shall cause damage to or destruction of said wall, or if damage occurs in the course of maintenance activities performed by an Owner pursuant to Section 5.4 and 5.6.3, such Owner shall bear the cost of repair and reconstruction to the extent such Owner's negligence caused such damage in accordance with Section 8.3.

5.6.3 The Association and each of the Owners sharing a Party Wall shall have the right to break through the Party Wall for the purpose of repairing or restoring sewage, water and utilities, and the Association shall have the right to break through the Party Wall for the purpose of repairing the structural components, subject, in each instance, to the obligation to restore said wall to its previous structural condition, which specifically includes the previous sound transmission coefficient and fire rating, and the payment to the adjoining Owner of any damage caused thereby. Adjoining Owners shall have the right to make use of the Party Wall provided such use shall not impair the structural support, the sound transmission coefficient or the fire rating of the Party Wall.

5.6.4 Declarant hereby grants to the Association and the Community Board and their respective representatives a nonexclusive easement to enter upon and use the Property on which a Party Wall is located as may be necessary or appropriate to perform the duties and functions which they may be obligated or permitted to perform under this Declaration.

ARTICLE 6 ARCHITECTURAL CONTROL

No exterior or structural addition to or change or alteration to any Lot or Residence (including but not limited to the construction, installation or alteration of any skylight, window (including storm windows), awning, deck, patio, storage building, play set, sand box, security barrier or other installation, door (including storm doors), air conditioning or swamp-cooling units and satellite dishes), the Common Area, or landscaping located in the Exterior Maintenance Area shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Community Board. Approval of certain changes to the Exterior Maintenance Area is also required pursuant to this Article by Sections 4.17 above. The alterations and changes described in this Article shall also be in compliance with and have received all approvals required by any applicable zoning and other laws, rules, and regulations, including the rules and regulations promulgated by the Association. Notwithstanding the foregoing, no improvements shall be constructed within 3 feet of the exterior walls of a neighboring Residence.

The Owner shall make written request to the Community Board for approval of such improvement or installation, including a detailed description and drawings, and the Community Board shall have the right to approve or reject such request in its reasonable discretion. After receiving the approval of the Community Board, the Owner required to obtain such approval shall thereafter obtain all other approvals as may be required by any governmental or quasi-governmental body having jurisdiction over the Property. Any improvement or installation to any portion of a Lot or Residence visible from outside such Residence or to the Common Elements without such prior approval may be removed by the Association, and the costs of such removal, including restoration of the portion of the Community disturbed, shall be reimbursed by such Owner to the Association promptly upon demand. All unreimbursed costs shall be a lien upon the Unit of such Owner until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid Assessment levied in accordance with Section 9.10 of this Declaration. Any improvement or installation approved pursuant to this paragraph shall be maintained by and at the cost of the Owner who requested the same; provided, however, the Association shall have the sole right and responsibility for choosing the color and maintaining the exterior surface (not

including any windows) of each Residence and of the exterior doors serving each Residence, the cost of which shall be treated as a Common Expense pursuant to Article 9.

ARTICLE 7 MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS

Section 7.1 The Association . Every Owner of a Unit shall be a Member of the Association. No Owner, whether one or more persons, shall have more than one membership per Unit owned, but all of the persons owning a Unit shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Unit. Membership shall be appurtenant to and may not be separated from ownership of any Unit.

Section 7.2 Transfer of Membership . An Owner shall not transfer, pledge, or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Unit and then only to the purchaser or Mortgagee of his Unit.

Section 7.3 Membership . The Association shall have one (1) category of membership consisting of all Owners, including the Declarant so long as Declarant continues to own an interest in a Unit. Each Unit shall be entitled to vote in Association matters pursuant to this Declaration and shall be allocated a number of votes as set forth in Section 3.4.2 above. The Association shall not have a vote with respect to any Unit which may be owned by it. Declarant shall be entitled to vote with respect to Units owned by it. Members of the Association may exercise such voting rights subject to and in accordance with the provisions of the Bylaws. All members of the Association shall be entitled to vote on all matters affecting the Community which are presented for a vote to the membership.

Section 7.4 Declarant Control . Notwithstanding anything to the contrary provided for herein or in the Bylaws, Declarant shall be entitled to appoint and remove the members of the Association's Community Board and officers of the Association to the fullest extent permitted under the Act. The specific restrictions and procedures governing the exercise of Declarant's right to so appoint and remove Directors and officers shall be set out in the Bylaws. Declarant may voluntarily relinquish such power evidenced by a notice executed by Declarant and recorded in the Office of the Clerk and Recorder for the County of Grand, Colorado but, in such event, Declarant may at its option require that specified actions of the Association or the Community Board as described in the recorded notice, during the period Declarant would otherwise be entitled to appoint and remove Directors and officers, be approved by Declarant before they become effective.

Section 7.5 Owner's and Association's Address for Notices . All Owners of each Unit shall have one and the same mailing address to be registered with the Association and used by the Association or other Owners for notices, demands, and all other communications regarding Association matters. The Owner or Owners of a Unit shall furnish such address to the Secretary of the Association within five (5) days after transfer of title to the Unit to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized by law to represent the interests of all Owners of the Unit. Notwithstanding the foregoing, the Association shall be entitled to rely upon any such registration or other notice of a change in address of the Owners of the Unit which is signed by less than all of the Owners of such Unit.

If no address is registered or if all of the Owners cannot agree, then the address set forth in the deed to the Unit shall be deemed their registered address until another registered address is furnished as required under this Section.

Any notice delivered to a First Mortgagee in accordance with the terms of this Declaration shall be sent to the address for such party specified in the First Mortgage unless the First Mortgagee notifies the Association in writing of a different address.

All notices and demands intended to be served upon the Community Board shall be sent to the following address or such other address as the Community Board may designate from time to time by notice to all of the Owners:

Edward C. Carney
Fraser Riverview L.L.C.
PO Box #561
Grand Lake, CO 80447

All notices given in accordance with this Section shall be sent by personal delivery, which shall be effective upon receipt; by overnight courier service, which shall be effective one business day following deposit with the courier service; or regular, registered or certified mail, postage prepaid, which shall be effective three (3) days after deposit in the U.S. mail.

ARTICLE 8 ASSOCIATION DUTIES

Section 8.1 Association Management Duties . Subject to the rights and obligations of Declarant and other Owners as set forth in this Declaration, the Association shall be responsible for the administration and operation of the Community and for the exclusive management, control, maintenance, repair, replacement, and improvement of the Common Area (including facilities, furnishings, and equipment related thereto) and, subject to the limitations set forth in Article 5 above, the Residences, Party Walls and Exterior Maintenance Areas, and shall keep the same in good, clean, attractive, and sanitary condition, order, and repair. The expenses, costs, and fees of such management, operation, maintenance, and repair by the Association shall be part of the Assessments, and, subject to the budget approval procedures of Section 9.3 below, prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs, and fees.

Section 8.2 Reserve Account . The Association shall establish and maintain, as part of its budget and out of the installments of the annual Assessments, adequate reserve accounts for maintenance, repair, or replacement of any portion of the Common Area, Residences, Party Walls or the Exterior Maintenance Areas that must be maintained, repaired and/or replaced on a periodic basis by the Association in accordance with Article 5 of this Declaration.

Section 8.3 Owner's Negligence . In the event that the need for maintenance, repair, or replacement of all or any portion of the Common Area, Residences, Party Walls or the Exterior Maintenance Areas is caused through or by the negligent or willful act or omission of an Owner, or by any member of an Owner's family, or by an Owner's guests, invitees, or tenants, then the expenses incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner. If the Owner fails to repay the expenses incurred by the Association within seven (7) days after notice to the Owner of the amount owed, then the failure to so repay shall be a default by the Owner under the provisions of this Section, and such expenses shall automatically become a Default Assessment determined and levied against such Unit, enforceable by the Association in accordance with Sections 9.8, 9.9, and 9.10 below.

Section 8.4 Delegation of Management and Maintenance Duties

. The Community Board may delegate all or any part of its powers and duties to a Managing Agent, including Declarant; however, the Community Board, when so delegating, shall not be relieved of its responsibilities under this Declaration.

Section 8.5 Acquiring and Disposing of Personal Property . The Association may acquire, own, and hold for the use and benefit of all Owners tangible and intangible personal property, and may dispose of the same by sale or otherwise. Each Owner may use such personal property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of other Owners.

Section 8.6 Issuance of Rules and Regulations . The Community Board may make and amend reasonable rules and regulations governing the use and rental of the Residences and the use of the Common Area, which rules and regulations shall be substantially consistent with the rights and duties established in this Declaration. The Community Board shall provide thirty (30) days' written notice prior to the adoption or amendment of any rules and regulations and provide for a reasonable opportunity for Owners to comment at a meeting of the Community Board on the proposed adoption or amendment of any rules and regulations.

Section 8.7 Enforcement of Association Documents . The Association or any aggrieved Owner may take judicial action against any Owner to enforce compliance with such rules and regulations and with the other provisions of the Association Documents to obtain damages for noncompliance or for injunctive relief, or both, all to the extent permitted by law.

Section 8.8 Identity of Community Board and Managing Agent . From time to time, but no less frequently than annually, the Association shall deliver to each Owner a notice containing the names and addresses of the members of the Community Board and the Managing Agent, if any.

Section 8.9 Payments to Working Capital Account . In order to provide the Association with adequate working capital funds, the Association shall collect an amount equal to one (1) month of the then-current annual assessments at the time of the sale of each Unit. The Association shall maintain the working capital funds to meet unforeseen expenditures or to acquire additional equipment or services in connection with the Common Area, Residences, Party Walls and the Exterior Maintenance Areas for the benefit of the members of the Association, subject to the budget approval procedures of Section 9.3 below. Such payments to this fund shall not be considered advance payments of Annual Assessments. The unused portion of the working capital contribution shall be returned to each Owner upon the sale of his Unit, provided that the purchaser of the Unit has contributed the required working capital to the Association.

Section 8.10 Implied Rights . The Association may exercise any and all other rights or privileges given to it by this Declaration, or by the other Association Documents, or as may otherwise be given to it by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Association or reasonably necessary to effectuate any such right or privilege.

Section 8.11 Books and Records of the Association . The Community Board or the Managing Agent, as the case may be, shall keep detailed, accurate records of the receipts and expenditures affecting the Common Area, Residences, Party Walls and the Exterior Maintenance Areas and shall maintain such other books and records as may be required under the Act. Owners and Mortgagees may inspect the records of receipts and expenditures of the Managing Agent or the Community Board at convenient weekday business hours. In addition, the other books, records, and papers of the Association, including this Declaration, the Articles and Bylaws, as well as any

Management Agreement and any rules and regulations of the Association, shall be available for inspection by any Owner or Mortgagee at all times during convenient weekday business hours.

Section 8.12 LIMITATION OF LIABILITY OF ASSOCIATION .
NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR THE COMMON AREA, RESIDENCES, PARTY WALLS AND THE EXTERIOR MAINTENANCE AREA, AND EXCEPT TO THE EXTENT COVERED BY ASSOCIATION INSURANCE AS DESCRIBED IN ARTICLE 12, THE ASSOCIATION SHALL NOT BE LIABLE TO OWNERS FOR INJURY OR DAMAGE, OTHER THAN FOR THE COST OF MAINTENANCE AND REPAIR, CAUSED BY ANY LATENT CONDITION OF THE COMMON AREA, RESIDENCES, PARTY WALLS OR THE EXTERIOR MAINTENANCE AREAS TO BE MAINTAINED AND REPAIRED BY THE ASSOCIATION OR CAUSED BY THE ELEMENTS OR OTHER OWNERS OR PERSONS.

ARTICLE 9 ASSESSMENTS

Section 9.1 Obligation . Each Owner, including Declarant, by accepting a deed for a Unit, is deemed to covenant to pay to the Association:

9.1.1 the Annual Assessments imposed by the Community Board as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Area and, in accordance with and subject to the limitations set forth in Article 5, the Residences, Party Walls and Exterior Maintenance Areas and to perform the functions of the Association;

9.1.2 Special Assessments for capital improvements and other purposes as stated in this Declaration; and

9.1.3 Default Assessments which may be assessed against a Unit for the Owner's failure to perform an obligation under the Association Documents or because the Association has incurred an expense on behalf of the Owner under the Association Documents.

No Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for in this Declaration by not using the Common Area or the facilities contained in the Common Area or by abandoning or leasing his Unit.

Section 9.2 Purpose of Assessments . The Assessments shall be used exclusively to promote the health, safety and welfare of the Owners and occupants of the Community, and for the repair, replacement, improvement, renovation and maintenance of the Common Area and those portions of the Residences, Party Walls and the Exterior Maintenance Areas, responsibility for which is allocated to the Association pursuant to this Declaration, as well as other areas of Association responsibility referred to herein, as more fully set forth in this Article below.

Section 9.3 Budget . Within thirty (30) days after the adoption of any proposed budget for the Association, the Community Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the 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) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting sixty percent (60%) or more of all Owners reject the budget, 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 Community Board. The Community Board shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than

annually. The Community Board shall levy and assess the Annual Assessments in accordance with the annual budget.

Section 9.4 Annual Assessments. Annual Assessments for Common Expenses made shall be based upon the estimated cash requirements as the Community Board shall from time to time determine to be paid by all of the Owners, subject to Section 9.3 above. Estimated Common Expenses shall include, but shall not be limited to, the cost of routine maintenance, repair and operation of the Common Area and those portions of the Residences, Party Walls and the Exterior Maintenance Areas responsibility for which is allocated to the Association pursuant to this Declaration; expenses of management; insurance premiums for insurance coverage as deemed desirable or necessary by the Association; landscaping of the Common Area and those portions of the Exterior Maintenance Areas responsibility for which is allocated to the Association pursuant to this Declaration; care of grounds within the Common Area and the Exterior Maintenance Areas responsibility for which is allocated to the Association pursuant to this Declaration; routine repairs and renovations within the Common Area and those portions of the Exterior Maintenance Area responsibility for which is allocated to the Association pursuant to this Declaration; wages; common water and utility charges for the Common Area and those portions of the Exterior Maintenance Area responsibility for which is allocated to the Association pursuant to this Declaration; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any default remaining from a previous assessment period; and the creation of a reasonable contingency or other reserve or surplus fund for general, routine maintenance, repairs, and replacement of improvements within the Common Area and those portions of the Residences, Party Walls and the Exterior Maintenance Areas responsibility for which is allocated to the Association pursuant to this Declaration, on a periodic basis, as needed. The Association is empowered to pledge its Annual Assessments or any other of its receivables as collateral securing any loan(s) or other obligations of the Association.

Section 9.5 Due Dates for Assessment Payments. Unless otherwise determined by the Community Board, the Annual Assessments and any Special Assessments which are to be paid in installments shall be paid monthly in advance and shall be due and payable to the Association at its office or as the Community Board may otherwise direct in any Management Agreement, without notice (except for the notices required by this Article 9), on the first day of each month. If any such installment shall not be paid within fifteen (15) days after it shall have become due and payable, then the Community Board may assess a "late charge" on the installment in an amount of fifteen percent (15%) of the amount outstanding or such other charge as the Community Board may fix by rule from time to time as provided in the Bylaws to cover the extra expenses involved in handling such delinquent Assessment installment. An Owner's Assessment shall be prorated if the ownership of a Unit commences or terminates on a day other than the first day or last day, respectively, of a month or other applicable payment period.

Section 9.6 Apportionment of Annual Assessments. Each Owner shall be responsible for that Owner's share of the Common Expenses, which shall be divided among the Units on the basis of the Percentage Shares in effect on the date of assessment, as set forth on Exhibit B to this Declaration as provided in Section 3.4.1 above. To the extent any Common Expense relating to Limited Common Elements, one or more Party Walls or one or more Residences disproportionately benefits any Owner or group of Owners, the Community Board may, by a majority of the voting Directors, adjust the assessment for such Common Expense in such proportion as may be appropriate.

Section 9.7 Special Assessments. In addition to the Annual Assessments authorized by this Article, the Association may levy in any fiscal year one or more Special Assessments, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the

Common Area and those portions of the Residences, Party Walls and the Exterior Maintenance Areas responsibility for which is allocated to the Association pursuant to this Declaration, or for any other expense incurred or to be incurred as provided in this Declaration. Any amounts assessed pursuant to this Section shall be assessed to Owners in the same proportion as provided for Annual Assessments in Section 9.6, subject to the requirements that any extraordinary maintenance, repair or restoration work on fewer than all of the Residences, Party Walls or Limited Common Elements shall be borne by the Owners of those affected Residences or Party Walls, or those Units to which those affected Limited Common Elements are allocated, only; and any extraordinary insurance costs incurred as a result of the value of a particular Owner's Residence or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Special Assessments shall be based on a budget adopted in accordance with Section 9.3 above provided that, if necessary, the Association may adopt a new budget pursuant to Section 9.3 prior to levying a Special Assessment. Notice in writing of the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given.

Section 9.8 Default Assessments . All monetary fines and late fees assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment and shall become a lien against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least thirty (30) days prior to the due date.

Section 9.9 Lien for Assessments . The Annual, Special, and Default Assessments (including installments of the Assessments) arising under the provisions of this Declaration (together with any and all interest, costs, late charges, expenses, and reasonable attorneys' fees, including legal assistants' fees, which may arise under the provisions of Section 9.10 below) shall be burdens running with, and a perpetual lien in favor of the Association upon, the specific Unit to which such Assessments apply in accordance with Section 38-33.3-316 of the Act. To further evidence such lien upon a specific Unit, the Association may, but shall not be obligated to, prepare a written lien notice setting forth the description of the Unit, the amount of Assessments on the Unit unpaid as of the date of such lien notice, the rate of default interest as set by the Bylaws and Section 9.10 below, the name of the Owner or Owners of the Unit, and any and all other information that the Association may deem proper. Any such lien notice shall be signed by a member of the Community Board, an officer of the Association, or a Managing Agent and shall be recorded in the Office of the Clerk and Recorder of the County of Grand, Colorado. Any such lien notice shall not constitute a condition precedent or delay the attachment of the lien, but such lien is a perpetual lien upon the Unit and attaches without notice at the beginning of the first day of any period for which any Assessment is levied.

Section 9.10 Effect of Nonpayment of Assessments . If any Annual, Special, or Default Assessment (or any installment of the Assessment) is not fully paid within thirty (30) days after the due date, then as often as the same may happen, (i) the Board may assess "late charges" (in addition to the initial late charge provided for in Section 9.5 above) on any amount of the Assessment which was not paid within such 30-day period or on the amount of Assessment in default, whichever shall be applicable, in the amount of fifteen percent (15%) of the amount outstanding or such other charge as the Community Board may fix by rule from time to time as provided in the Bylaws, for each month or portion thereof that

such amount remains unpaid,¹ (ii) the Association may declare due and payable all unpaid monthly or other installments of the Annual Assessment or any Special Assessment otherwise due during the fiscal year during which such default occurred, (iii) the Association may thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same, and (iv) the Association may proceed to foreclose its lien against the particular Unit in the manner and form provided by Colorado law for foreclosure of real estate mortgages.

An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments (or any installment thereof) may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments. If any such Assessment (or installment thereof) is not fully paid when due and if the Association commences such an action (or counterclaims or cross-claims for such relief in any action) against any Owner personally obligated to pay the same, or proceeds to foreclose its lien against the particular Unit, then all unpaid installments of Annual and Special Assessments and all Default Assessments (including any such installments or Assessments arising during the proceedings of such action or foreclosure proceedings), any late charges under Section 9.5 above, any accrued interest under this Section 9.10, and the Association's costs, expenses, and reasonable attorneys' fees (including legal assistants' fees) incurred for any such action and/or foreclosure proceedings shall be taxed by the court as part of the costs of any such action or foreclosure proceedings and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds from the foreclosure sale of the particular Unit in satisfaction of the Association's lien.

Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to stop or otherwise preclude the Association from again foreclosing or attempting to foreclose its lien for any subsequent Assessments (or installments thereof) which are not fully paid when due or for any subsequent Default Assessments. The Association shall have the power and right to bid in or purchase any Unit at foreclosure or other legal sale and to acquire and hold, lease, or mortgage the Unit, and to convey or otherwise deal with the Unit acquired in such proceedings.

First Mortgagees shall be entitled to cure any delinquency of the Owner of a Unit encumbered by the First Mortgage in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 9.11 Successor's Liability for Assessments. Notwithstanding the personal obligation of each Owner of a Unit to pay all Assessments on the Unit, and notwithstanding the Association's perpetual lien upon a Unit for such Assessments, all successors in interest to the fee simple

¹ For example, if a \$100 assessment due on the first day of a given month (Month 1) is not paid until three months later, then late fees on such amount will be calculated as follows (assuming the late charge established by the Community Board and then in effect is ten percent (10%)):

Amount owed 1 st day of Month 1:	\$100.00
Late fee charged per Section 9.5 if not paid by the 15 th of Month 1:	\$ 10.00
Late fee as of the first day of Month 2: (10% of the \$110 remaining unpaid at the end of Month 1)	\$ 11.00
Late fee as of the first day of Month 3: (10% of the \$121 remaining unpaid at the end of Month 2)	\$ 12.10
*Total cost to bring account current as of the first day of Month 3: (Assumes other amounts due for Months 2 and 3 were timely paid.)	\$133.10

title of a Unit, except as provided in Section 9.12 and Section 9.13 below, shall be jointly and severally liable with the prior Owner or Owners of the Unit for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees against such Unit, without prejudice to any such successor's right to recover from any prior Owner any amounts paid thereon by such successor. However, such successor in interest shall be entitled to rely upon the existence and status of unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees as shown upon any certificate issued by or on behalf of the Association to such named successor in interest pursuant to the provisions of Section 9.13 below.

Section 9.12 Waiver of Homestead Exemption; Subordination of Association's Lien for Assessments . By acceptance of the deed or other instrument of transfer of a Unit, each Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended. The Association's perpetual lien on a Unit for Assessments shall be superior to all other liens and encumbrances except the following:

9.12.1 Real property ad valorem taxes and special assessment liens duly imposed by a Colorado governmental or political subdivision or special taxing district, or any other liens made superior by statute; and

9.12.2 To the extent permitted under the Act, after taking into account the superiority of a certain amount of assessment liens permitted by Section 38-33.3-316(2) of the Act, the lien of any First Mortgage, including any and all advances made by the First Mortgagee and notwithstanding that any of such advances may have been made subsequent to the date of the attachment of the Association's liens.

With respect to the foregoing subpart 9.12.2, to the extent permitted under the Act, any First Mortgagee who acquires title to a Unit by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Unit free of any claims for unpaid Association Assessments, interest, late charges, costs, expenses, and attorneys' fees against the Unit which accrue prior to the time such First Mortgagee or purchaser acquires title to the Unit, and the amount of the extinguished lien may be reallocated and assessed to all Units as a Common Expense at the direction of the Community Board.

All other persons not holding liens described in Section 9.12 above and obtaining a lien or encumbrance on any Unit after the recording of this Declaration shall be deemed to consent that any such lien or encumbrance shall be subordinate and inferior to the Association's future liens for Assessments, interest, late charges, costs, expenses, and attorneys' fees as provided in this Article 9, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

A sale or other transfer of any Unit, including but not limited to a foreclosure sale, except as provided in Section 9.11 above and except as provided in Section 9.13 below, shall not affect the Association's lien on such Unit for Assessments, interest, late charges, costs, expenses, and attorneys' fees due and owing prior to the time such purchaser acquires title and shall not affect the personal liability of each Owner who shall have been responsible for the payment thereof. Further, no such sale or transfer shall relieve the purchaser or transferee of a Unit from liability for, or the Unit from the lien of, any Assessments made after the sale or transfer.

Section 9.13 Statement of Status of Assessments . Upon fourteen (14) calendar days written request (furnished in the manner described below for the response to such request) to a Managing Agent, the Community Board, or the Association's registered agent and payment of a reasonable fee set from time to time by the Community Board, any Owner, prospective purchaser of a Unit, or Mortgagee shall be furnished, by personal delivery or by certified mail, first class postage prepaid, return receipt

requested, to the inquiring party (in which event the date of posting shall be deemed the date of delivery) a statement of the Owner's account setting forth:

9.13.1 The amount of any unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees then existing against a particular Unit;

9.13.2 The amount of the current installments of the Annual Assessment and the date that the next installment is due and payable;

9.13.3 The date of the payment of any installments of any Special Assessments then existing against the Unit; and

9.13.4 Any other information deemed proper by the Association.

Upon the issuance of such a certificate signed by a member of the Community Board, by an officer of the Association, or by a Managing Agent, the information contained therein shall be conclusive upon the Association as to the person or persons to whom such certificate is addressed and who rely on the certificate in good faith. Unless such a statement of status of Assessments is delivered as described above within said fourteen (14) calendar day period, the Association shall have no right to assert a priority lien upon the Unit over the inquiring party's interest for unpaid Assessments which were due as of the date of the request.

ARTICLE 10 MECHANIC'S LIENS

Section 10.1 No Liability . If any Owner shall cause any material to be furnished to his Unit, including but not limited to any Party Wall serving such Owner's Unit, or any labor to be performed therein or thereon, no Owner of any other Unit shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor or materials to his Unit. Nothing herein contained shall authorize any Owner or any person dealing through, with or under any Owner to charge the Common Area or any Unit other than such Owner's Unit with any mechanic's lien or other lien or encumbrance whatever. On the contrary (and notice is hereby given), the right and power to charge any lien or encumbrance of any kind against the Common Area or against any Owner or any Owner's Unit for work done or materials furnished to any other Owner's Unit is hereby expressly denied.

Section 10.2 Indemnification . If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the Common Area or against any other Owner's Unit or an Owner or the Association (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall at his own cost and expense cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within twenty (20) days after the date of filing thereof, and further shall indemnify and save all the other Owners and the Association harmless from and against any and all costs, expenses, claims, losses or damages including, without limitation, reasonable attorneys' fees resulting therefrom.

Section 10.3 Association Action . Labor performed or materials furnished for the Common Area, if duly authorized by the Association in accordance with this Declaration or the Bylaws, shall be deemed to be performed or furnished with the express consent of each Owner and shall be the

basis for the filing of a lien pursuant to law against the Common Area. Any such lien shall be limited to the Common Area and no lien may be effected against an individual Unit or Units.

ARTICLE 11 PROPERTY RIGHTS OF OWNERS AND RESERVATIONS BY DECLARANT

Section 11.1 Owners' Easements . Every Owner has a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Unit, subject to the provisions contained herein. Every Owner shall have a right of access to and from his Unit and Parking Space allocated to his unit as a Limited Common Element. No Owner shall hinder nor permit his guest to hinder reasonable access by any other Owner and his guest to the Units and parking areas.

Section 11.2 Recorded Easements . The Property shall be subject to all easements as shown on any recorded plat affecting the Property and to any other easements and licenses of record or of use as of the date of recordation of this Declaration, which easements and licenses of record are set forth on the attached Exhibit . In addition, the Property is subject to those easements set forth in this Article 11.

Section 11.3 Declarant's Rights Incident to Construction and Marketing . Declarant, for itself and its successors and specific assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Property and the right to store materials on the Property and to make such other use of the Property as may be reasonably necessary or incident to the complete construction and sale of the Community, including, but not limited to, construction trailers, temporary construction offices, sales offices, and directional and marketing signs; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Owner, or family members, guests, tenants, or invitees of any Owner. Declarant, for itself and its successors and specific assigns, hereby retains a right to maintain any Unit or Units as sales offices, management offices, or model residences so long as Declarant, or any Successor Declarant, continues to own, lease, or control a Unit. The use by Declarant of any Unit as a model residence, office, or other use shall not affect the Unit's designation on the Plat as a separate Unit.

Section 11.4 Other Easements.

11.4.1 Each Unit shall be subject to an easement for encroachments created by construction, settling and overhang, previously existing or as designed and constructed by Declarant or as a result of any addition or improvement pursuant to this Declaration including, without limitation, any patios, balconies and decks encroaching into the Common Area. A valid easement for such encroachments and for the maintenance of same, so long as they exist, shall and does exist. In the event any improvement is partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of the adjacent Unit due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the improvements shall stand.

11.4.2 Each Unit is subject to a blanket easement for support and a blanket easement for the maintenance of the structures or improvements presently situated, or to be built in the future, on the Units.

11.4.3 There is hereby created a blanket easement upon, across, over, in and under the Property for the benefit of the Units and the structures and improvements situated thereon, including the Party Walls, for ingress and egress, installation, replacing, repairing and maintaining a common landscape

irrigation system, common drainage system and common fire safety system, if any, and all utilities, including, but not limited to, water, sewer, gas, telephone, cable television and electricity. Said blanket easement includes future utility services not presently available to the Units which may reasonably be required in the future. By virtue of this easement, it shall be expressly permissible for Declarant or the companies providing utilities to erect and maintain the necessary equipment on any of the Units and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the improvements, all in a manner customary for such lines and equipment in the area surrounding the Property, subject to approval by the Association as to locations.

Section 11.5 General Maintenance Easement . An easement is hereby reserved to Declarant, and granted to the Association, and any member of the Community Board or the Managing Agent, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs, to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Association Documents, or to exercise its rights under Article 5 and Article 8 above, including the right to enter upon any Unit, including any Residence, for the purpose of performing maintenance to the Residence, Party Wall or Exterior Maintenance Area, as set forth in Article 5 and Article 8 above.

Section 11.6 Easements of Access for Repair, Maintenance, and Emergencies . Some of the Common Area is or may be located within the Units or may be conveniently accessible only through the Units. The Owners of other Units and the Association shall have the irrevocable right, to be exercised by the Association as the Owners' agent, to have access to each Unit and to all Common Area from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal, or replacement of any of the Common Area therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Area or to any Unit. In addition, an easement is hereby created for such Common Area as it currently exists within the Units. Subject to the provisions of Section 8.3 above, damage to the interior of any part of a Unit resulting from the maintenance, repair, emergency repair, removal, or replacement of any of the Common Area or as a result of emergency repair within another Unit at the instance of the Association or of Owners shall be a Common Expense.

Section 11.7 Drainage Easement . An easement is hereby reserved to Declarant and its successors and assigns and granted to the Association and its officers, agents, employees, successors, and assigns to enter upon, across, over, in, and under any portion of the Community for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water on the Property.

Section 11.8 Association as Attorney-in-Fact . Each Owner, by his acceptance of a deed or other conveyance vesting in him an interest in a Unit, does irrevocably constitute and appoint the Association and/or Declarant with full power of substitution in the Owner's name, place and stead to deal with Owner's interest in order to effectuate the rights reserved by Declarant or granted to the Association, as applicable, with full power, right and authorization to execute and deliver any instrument affecting the interest of the Owner and to take any other action which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Article and this Declaration generally. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written, acknowledged instrument confirming such appointment.

Section 11.9 Delegation of Use . Any Owner may delegate his right of enjoyment to the Common Area to the members of his family, his tenants, guests, licensees, and invitees, but only in accordance with and subject to the limitations of the Association Documents.

Section 11.10 Reservation of Easements, Exceptions, and Exclusions . The Association is hereby granted the right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area, for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, and conduit installation areas, to create other reservations, exceptions, and exclusions with respect to the Common Area for the best interest of all the Owners and the Association and to assign its right to future income, including the right to receive Assessments.

Section 11.11 Emergency Access Easement . A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

Section 11.12 Governmental Requirements . Declarant hereby reserves the right to grant such easements, from time to time, as may be required by any government agency. Such easements shall specifically include, but not be limited to, any public rights-of-way and any environmental easements required by federal, state or local environmental agencies, for so long as the Declarant holds an interest in any Unit subject to this Declaration.

Section 11.13 Declarant Easements . Declarant reserves unto itself, its successors, assigns, lessees, guests, licensees and invitees, for so long as it holds any interest in any Unit, the same easement rights granted to Owners under this Declaration and specific easement rights over and across the Property as it may deem necessary for its use from time to time. Declarant reserves (a) the right to dedicate any access roads and streets serving the Property to public use, to grant road easements with respect thereto and to allow such street or road to be used by owners of adjacent land; and (b) the right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulation of parking or recreational facilities, which may or may not be a part of the Property for the benefit of the Owners, or the Association.

ARTICLE 12 INSURANCE AND FIDELITY BONDS

Section 12.1 General Insurance Provisions . The Association shall maintain, to the extent reasonably available:

12.1.1 Property insurance on the Common Area for special form covered causes of loss; except that the total amount of insurance must be not less than the full insurable replacement costs of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, paving areas, landscaping and other items normally excluded from property policies. Such insurance shall cover all insurable improvements located on or constituting part of the Common Area, if any.

12.1.2 Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Area, the Residences, the Exterior Maintenance Area and the Association, in an amount deemed sufficient in the judgment of the Community Board, insuring the Community Board, the Association, the Managing Agent, and their respective employees, agents, and all persons acting as agents. Declarant shall be included as an additional insured in Declarant's capacity as an Owner and Community Board member. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Area and the Exterior Maintenance Area. The insurance shall cover claims of one or more insured parties against other insured parties.

12.1.3 Physical damage insurance for all Residences, including the Party Walls, except that each Owner may be required to obtain and maintain such insurance pursuant to Section 12.12 below. Such insurance shall cover the full replacement value of the Residences, less applicable deductibles, at the time the insurance is purchased and at each renewal date, exclusive of those items normally excluded from property policies. The insurance coverage shall include, unless the Community Board directs otherwise, fixtures and carpet initially installed in the Residences and replacements thereof up to the value of those initially installed by Declarant. Each Owner shall notify the Association in writing of any additions, alterations or improvements to his Residence which increase the replacement value of his Residence and the Association shall use reasonable effort to obtain insurance on any such additions, alterations or improvements if such Owner requests it to do so and if such Owner shall make arrangements satisfactory to the Association to reimburse it for any additional premiums attributable thereto. In the event of the failure of an Owner to so notify the Association, or in the event additional coverage cannot be obtained by the Association after reasonable effort and a request of the Owner to obtain such additional coverage, or in the event that satisfactory arrangement is not made for the payment of additional premiums by the Owner, the Owner shall be responsible for any deficiency in any resulting insurance loss recovery and the Association shall not be obligated to apply any insurance proceeds to restore the affected Residence to a condition better than the condition existing prior to the making of such additions, alterations or improvements. Any additional premiums attributable to a Residence for which the insurance is increased as herein provided may be the subject of a lien for nonpayment as provided in Section 9.9 hereof in the event the Association pays such premium for a Unit Owner. The physical damage insurance obtained by the Association will not include furniture or other personal property supplied or installed by an Owner.

12.1.4 The Community Board may obtain this insurance upon such terms and conditions as it deems advisable. Prior to obtaining any policy of physical damage insurance or any renewal thereof, and at such other intervals as the Community Board may deem advisable, the Community Board may, but shall not be obligated to, obtain an appraisal from an insurance company, or such other source as the Community Board may determine, of the then-current replacement cost of the Residences (exclusive of the land, excavations, foundations and other items normally excluded from such coverage) subject to insurance carried by the Association, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured.

Section 12.2 Cancellation . If the insurance described in Section 12.1 is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be delivered to all Owners.

Section 12.3 Policy Provisions . Insurance policies carried pursuant to Section 12.1 must provide that:

12.3.1 Each Owner is an insured person under the policy with respect to liability arising out of such Owner's membership in the Association;

12.3.2 The insurer waives its rights to subrogation under the policy against any Owner or member of his household;

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

12.3.4 If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 12.4 Insurance Proceeds . Any loss covered by the property insurance policy described in Section 12.1 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 holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and Mortgagees as their interests may appear. Subject to the provisions of Section 12.7 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.

Section 12.5 Association Policies . The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all or any equitable portion of the deductibles paid by the Association.

Section 12.6 Insurer Obligation . An insurer that has issued an insurance policy for the insurance described in Section 12.1 shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses.

Section 12.7 Repair and Replacement.

12.7.1 Any portion of the Property for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

12.7.1.1 The regime created by this Declaration is terminated;

12.7.1.2 Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or

12.7.1.3 Sixty-seven percent (67%) of the Owners and all directly adversely affected Owners agree in writing not to rebuild.

12.7.2 The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire Common Area is not repaired or replaced, the insurance proceeds attributable to the damaged Common Area 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 insurance proceeds must be distributed to all the Owners or Mortgagees, as their interests may appear in proportion to the Percentage Shares of all the Units.

Section 12.8 Common Expenses . Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses.

Section 12.9 Fidelity Insurance . Fidelity bonds shall, to the extent reasonably available, be maintained by the Association to protect against dishonest acts on the part of its officers,

directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than two (2) months' current Assessments plus reserves as calculated from the then-current budget of the Association. The Association must also secure and maintain, or require to be secured or maintained by any parties handling the collection, deposit, transfer, or disbursement of Association funds, fidelity insurance with aggregate coverage of not less than three (3) months' assessments plus reserves as calculated from the then-current budget of the Association; provided, however, in no event shall the coverage for third parties handling the collection, deposit, transfer, or disbursement of Association funds be less than \$10,000. In addition all funds and accounts of the Association being held by a Managing Agent or other third persons shall be kept in an account separate from the funds of other parties held by such Managing Agent or third party, and all reserves of the Association shall be kept in an account separate from the operational account of the Association. Any such fidelity coverage shall name the Association as an obligee and such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 12.10 Worker's Compensation Insurance . The Community Board shall obtain worker's compensation or similar insurance with respect to its employees, if applicable, in the amounts and forms as may now or hereafter be required by law.

Section 12.11 Other Insurance . The Association shall also maintain insurance to the extent reasonably available and in such amounts as the Community Board may deem appropriate on behalf of Directors against any liability asserted against a Director or incurred by him in his capacity of or arising out of his status as a Director. The Community Board may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties.

Section 12.12 Insurance Obtained by Owners.

12.12.1 The insurance obtained by the Association does not eliminate the need for Owners to obtain insurance for their own benefit. Insurance coverage on the furnishings and other items of personal property belonging to an Owner, casualty and public liability insurance coverage for each Unit and workman's compensation insurance covering work within each Unit associated therewith shall be the responsibility of the Owner of the Unit.

12.12.2 In the event that the Association is unable to obtain or maintain physical damage insurance for the Residences as set out in Section 12.1.3 upon terms deemed reasonable to the Community Board, each Owner shall obtain and at all times maintain physical damage insurance as described in Section 12.1.3 at such Owner's expense, covering the full replacement value of such Owner's Residence, including any Party Walls serving such Residence. The beneficiaries under such policy shall be that Owner, the Association and any and all other Owners sharing a Party Wall with the Owner obtaining such physical damage insurance. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners, including Declarant, should Declarant be the Owner of any Unit.

ARTICLE 13 ASSOCIATION AS ATTORNEY-IN-FACT

Section 13.1 Appointment to Association.

13.1.1 Each and every Owner hereby irrevocably constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for

the purpose of dealing with the Community upon its damage, destruction, condemnation, or obsolescence as provided below in Articles 14 and 15 and with respect to any building encroachment, building code matter or other technical building-related issues. As attorney-in-fact, the Association shall have full and complete authorization, right and power to appear in public hearings concerning such matters, and to make, execute, deliver and record on behalf of each Owner all documents or instruments necessary or appropriate toward finalizing or giving effect to such matters including, without limitation, revocable permits or licenses (and any acceptance and consent related to same), certificates and easements. The appointment of the association as attorney-in-fact gives and grants to said attorney full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or appropriate to be done with respect to finalizing and giving effect to such matters, including preparing and filing the necessary submittals, participating in public hearings and executing, delivering and recording appropriate documents, as fully to all intents and purposes as such Owner could do if personally present, hereby ratifying all that such Owner's attorney shall do or cause to be done by virtue of this power of attorney.

13.1.2 In addition, the Association, or any insurance trustee or substitute insurance trustee designated by the Association, is hereby appointed as attorney-in-fact under this Declaration for the purpose of purchasing and maintaining insurance under Article 12 above, including: the collection and appropriate disposition of the proceeds of such insurance; the negotiation of losses and the execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any insurance trustee, shall hold or otherwise properly dispose of any insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear.

13.1.3 Notwithstanding any other provision of this Declaration to the contrary, the Association may exercise its authority as attorney-in-fact for any purpose permitted pursuant to this Declaration only if, in each and every instance where such exercise is so permitted, the Community Board approves the exercise of such authority by the affirmative vote of a majority of the voting Directors. If the Community Board fails to so approve any exercise of authority as attorney-in-fact, the Association shall have such authority as it may have pursuant to the Act.

Section 13.2 Appointments; General Authority . Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointments of the attorneys-in-fact as provided above. The applicable attorney-in-fact as described above shall have full and complete authorization, right, and power to make, execute, deliver and record any document or instrument with respect to the interest of any Owner and, if applicable, Mortgagee which may be necessary or appropriate to exercise the powers granted to the attorney-in-fact as described in each appointment.

ARTICLE 14 DAMAGE OR DESTRUCTION

Section 14.1 The Role of the Community Board . Except as provided in Section 14.6, in the event of damage to or destruction of all or part of any Common Area improvement, or other property covered by insurance written in the name of the Association under Article 12, the Community Board shall arrange for and supervise the prompt repair and restoration of the damaged property (the property insured by the Association pursuant to Article 12 is sometimes referred to as the "Association-Insured Property").

Section 14.2 Estimate of Damages or Destruction . As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Community

Board shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction. Such costs may also include professional fees and premiums for such bonds as the Community Board or the insurance trustee, if any, determines to be necessary.

Section 14.3 Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 14.4 Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair, replacement, and reconstruction of the Association-Insured Property.

If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement, or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to Section 9.7, levy, assess, and collect in advance from the Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement, or reconstruction.

Section 14.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, then in equal shares per Unit, first to the Mortgagees and then to the Owners, as their interests appear.

Section 14.6 Decision Not to Rebuild Common Area. If Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association and all directly adversely affected Owners agree in writing not to repair and reconstruct improvements within the Common Area and if no alternative improvements are authorized, then and in that event the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with the Act.

Section 14.7 Repairs. All repairs and reconstruction contemplated by this Article shall be performed substantially in accordance with this Declaration, the Plat of the Community and the original plans and specifications for the Community, unless other action is approved by the Association in accordance with the requirements of this Declaration and the other Association Documents.

Section 14.8 Notice of Damage or Destruction. In the event that any portion of the Community is substantially damaged or destroyed by fire or other casualty, then written notice of the

damage or destruction shall be given by the Association to each Owner and First Mortgagee of the affected Units within a reasonable time following the event of casualty damage.

ARTICLE 15 CONDEMNATION

Section 15.1 Rights of Owners . Whenever all or any part of the Common Area shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the Common Area is conveyed in lieu of a taking under threat of condemnation by the Community Board acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 15.2 Partial Condemnation; Distribution of Award; Reconstruction . The award made for such taking shall be payable to the Association as trustee for those Owners for whom use of the Common Area was conveyed and, unless otherwise required under the Act, the award shall be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Owners who represent at least sixty-seven percent (67%) of the votes of all of the Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available for such restoration or replacement in accordance with plans approved by the Community Board. If such improvements are to be repaired or restored, the provisions in Article 14 above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Unit among the Owners, first to the Mortgagees and then to the Owners, as their interests appear.

Section 15.3 Complete Condemnation . If all of the Property is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Area shall be distributed as provided in Section 14.5 above.

Section 15.4 Notice of Condemnation . In the event that any portion of the Community shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner and First Mortgagee.

ARTICLE 16 DECLARANT'S RIGHTS REGARDING TRANSFER

Any right or any interest reserved or contained in this Declaration for the benefit of Declarant may be transferred or assigned by Declarant, either separately or with one or more other such rights or interests, to any person, corporation, partnership, association or other entity, by written instrument executed by both Declarant and the transferee or assignee and recorded in the Office of the Clerk and

Recorder of the County of Grand, Colorado. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such instrument.

Section 17.1 Agreement to Avoid Litigation. The Declarant, the Association, its officers, directors and committee members, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Community, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described herein ("Claims") shall be resolved using the procedures set forth below in lieu of filing suit in any court.

Section 17.2 Claims. Unless specifically exempted below, all claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Association Documents, or the rights, obligations and duties of any Bound Party under the Association Documents or relating to the design or construction of improvements on the Community shall be subject to the provisions of this Section.

17.2.1 Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of this Section:

Any suit by the Association against any Bound Party to enforce the provisions of Article 9 (Assessments).

17.2.2 Any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the architectural standards and use restrictions and rules;

17.2.3 Any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Association Documents;

17.2.4 Any suit in which any indispensable party is not a Bound Party; and

17.2.5 Any suit as to which any applicable statute of limitations would expire within 180 days of giving the notice required below.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth below.

Section 17.3 Mandatory Procedures.

17.3.1 Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

17.3.1.1 The nature of the Claim, including the persons involved and Respondent's role in the Claim;

17.3.1.2 The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

17.3.1.3 Claimant's proposed remedy; and

17.3.1.4 That Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

17.3.2 Negotiation and Mediation.

17.3.2.1 The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Community Board may appoint a representative to assist the Parties in resolving the dispute by negotiation.

17.3.2.2 If the Parties do not resolve the Claim within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspices of a reputable and knowledgeable mediation group providing such services in the County of Grand, or, if the Parties otherwise agree, to an independent agency providing dispute resolution services in the County of Grand, Colorado, area.

17.3.2.3 If Claimant does not submit a claim to mediation within thirty (30) days after Termination of Negotiations, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any person other than the Claimant.

17.3.2.4 Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that the mediation was to be mediated.

17.3.2.5 Within five (5) days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent and the Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

17.3.3 Final and Binding Arbitration.

17.3.3.1 If the Parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, the Claimant shall have fifteen (15) additional days to submit the Claim to arbitration in accordance with the rules of arbitration as may be required by the agency providing the arbitrator. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to persons other than Claimant.

17.3.3.2 This subsection is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of Colorado. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

17.3.4 Allocation of Costs of Resolving Claims.

17.3.4.1 Subject to Section 17.3.4.2 below, each Party shall bear its own costs, including any attorneys' fees incurred, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the arbitration proceeding ("Post Mediation Costs").

17.3.4.2 Any Award, which is equal to or more favorable to Claimant than Claimant's Settlement Demand, shall add Claimant's Post Mediation costs to the Award, such costs to be borne equally by all Respondents. Any Award, which is equal to or less favorable to Claimant than any Respondent's Settlement Offer, shall award to such Respondent its Post Mediation Costs.

17.3.5 Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in this Section. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award including, without limitation, attorneys' fees and court costs.

Section 17.4 Claim for Damages . Damages alleged or awarded in connection with a Claim shall be limited to actual damages. No punitive, incidental, consequential or other damages shall be claimed or awarded.

Notwithstanding anything contained herein to the contrary, any claims, grievances or disputes against Declarant arising out of or relating to the design or construction of improvements on the Community shall require notification to Declarant in writing and provide for a reasonable amount of time for Declarant to correct the defect before any Claim may be made.

Section 17.5 Responsible Governance Policy . The provisions of the foregoing Article 17 shall constitute the Association's responsible governance policy for addressing certain disputes as required under Section 209.5(1)(b)(viii) of the Act.

ARTICLE 18
MORTGAGEE PROTECTIONS

Section 18.1 Introduction . This Article establishes certain standards and covenants which are for the benefit of the holders, insurers, and guarantors of certain Mortgages. This Article is supplemental to, and not in substitution for, any other provisions of this Declaration, but in the case of any conflict, this Article shall control.

Section 18.2 Percentage of Eligible Mortgage Holders . Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgage Holders is required, it shall mean the approval or consent of Eligible Mortgage Holders under Mortgages encumbering Units which in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Units then subject to Mortgages held by Eligible Mortgage Holders.

Section 18.3 Notice of Actions . The Association shall give prompt written notice to each Eligible Mortgage Holder of the following:

18.3.1 Any condemnation loss or any casualty loss which affects a material portion of the Common Area or any Unit in which an interest is held by the Eligible Mortgage Holder.

18.3.2 Any delinquency which remains uncured for 60 days in the payment of Assessments by an Owner whose Unit is encumbered by a Mortgage held by such Eligible Mortgage Holder.

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

18.3.4 Any proposed action which would require the consent of Eligible Mortgage Holders as required in Section 18.4 below.

18.3.5 Any judgment rendered against the Association.

Section 18.4 Consent Required.

18.4.1 Document Changes. No amendment of any material provision of this Declaration described in this Section 18.4.1. may be effective without the vote of at least 67% of the Owners in the Association (subject to Section 19.3 below) and the approval in writing of at least 51% of the Eligible Mortgage Holders. "Material" provisions include any provision affecting the following:

18.4.1.1 Assessments, Assessment liens, or subordination or the priority of Assessment liens.

18.4.1.2 Voting rights.

18.4.1.3 Percentage Share.

18.4.1.4 Reserves for maintenance, repair and replacement of Common Area.

18.4.1.5 Responsibility for maintenance and repairs.

18.4.1.6 Rights to use the Common Area.

18.4.1.7 Expansion or contraction of the Community, or the addition, annexation or withdrawal of property to or from the Community.

18.4.1.8 Insurance or fidelity bonds.

18.4.1.9 Imposition of any restrictions on an Owner's right to sell or transfer his Unit.

18.4.1.10 Imposition of any restrictions on an Owner's right to lease or rent a Unit except as provided in Section 4.2 above.

18.4.1.11 Restoration or repair of the Property after hazard damage or partial condemnation in a manner other than that specified in this Declaration.

18.4.1.12 Termination of this Declaration after the occurrence of substantial destruction or condemnation.

18.4.1.13 The benefits of Eligible Mortgage Holders.

18.4.2 Actions. The Association may not take any of the following actions, except as such rights have been specifically reserved by Declarant under the provisions of this Declaration, without the approval of at least 51% of the Eligible Mortgage Holders:

18.4.2.1 Conveyance, encumbrance, abandonment, partition or subdivision of the Common Area (provided, however, that the granting of easements for public utilities, for construction and maintenance of roads within the Resort, or for other public purposes not inconsistent with the use of the Common Area by the Owners shall not be deemed a transfer within the meaning of this clause).

18.4.2.2 Restoration or repair of the Property (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration.

18.4.2.3 Termination of this Declaration after the occurrence of substantial destruction or condemnation or for any other reason.

18.4.2.4 Merger of the Community with any other common interest community.

18.4.2.5 The granting of easements, leases, licenses or concessions through or over the Common Area (excluding, however, any such grants for public utilities or other public purposes not inconsistent with the use of the Common Area by the Owners).

18.4.2.6 The assignment of the future income of the Association, including its right to receive Assessments.

18.4.2.7 Any action not to repair or replace the General Common Area except as permitted under Articles 14 and 15 above.

18.4.2.8 Any redefinition of Unit boundaries.

18.4.2.9 Conversion of Units into Common Area or Common Area into Units.

Section 18.5 Notice of Objection. Unless an Eligible Mortgage Holder provides the secretary of the Association with written notice of its objection, if any, to any proposed amendment or action outlined above within 60 days following the receipt of notice delivered by certified or registered mail, return receipt requested, of such proposed amendment or action, the Eligible Mortgage Holder shall be deemed conclusively to have approved the proposed amendment or action.

Section 18.6 First Mortgagees' Rights.

18.6.1 Payment of Taxes and Insurance. First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Area or improvements thereon, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area. First Mortgagees making such payments shall be owed immediate reimbursement from the Association.

18.6.2 Payment of Assessments. Eligible Mortgage Holders shall be entitled to cure any delinquency of the Owner of the Unit encumbered by the Eligible Mortgage Holder in the payment of Assessments of which the Eligible Mortgage Holder has received notice under Section 18.3.2. above. In

that event, the Eligible Mortgage Holder shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 18.7 Title Taken by First Mortgagee. Any First Mortgagee who obtains title to the Unit pursuant to the remedies provided in the First Mortgage, including foreclosure of the First Mortgage, shall be liable for all Assessments due and payable as of the date title to the Unit vests in the First Mortgagee under the statutes of Colorado governing foreclosures. Except as provided in the Act, such First Mortgagee shall not be liable for any unpaid dues and charges attributable to the Unit which accrue prior to the date such title vests in the First Mortgagee.

ARTICLE 19 MISCELLANEOUS

Section 19.1 Special Declarant Rights . Until the earlier of (a) the date that is 5 years after the date this Declaration is recorded in the office of the Clerk and Recorder for the County of Grand and (b) the date on which Declarant or Successor Declarant shall have conveyed to parties (other than a Successor Declarant) all Units, Declarant shall have the following Special Declarant Rights with respect to all of the Property:

19.1.1 Completion of Improvements. The right to complete Improvements as indicated on any Plat filed with respect to the Property and the right to complete or add onto any improvements on the Common Area.

19.1.2 Sales Activities. Subject to any requirements imposed by applicable law, the right to maintain sales offices, management offices, model Residences and signs advertising the Property on the Common Area and on Units owned by Declarant. At all times, the model Residences and signs will remain the property of Declarant and may be removed from the Property by Declarant at any time during or promptly after the expiration of the Special Declarant Rights Period.

19.1.3 Easements. The right to use easements through the Common Area for the purpose of making improvements on the Property.

19.1.4 Association Directors and Officers. The right to appoint any officer or director of the Association, as provided in this Declaration or the Bylaws, and subject to the limitations of the Act. The general provisions of Section 19.1 notwithstanding, Declarant shall have this Special Declarant Right subject to the limitations set forth in Section 7.4.

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

Section 19.2 Term . The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity, subject to the provisions of this Declaration and the termination provisions of the Act.

Section 19.3 Amendment . The provisions of this Declaration may be amended or terminated, in whole or in part, from time to time, upon approval of Owners representing sixty-seven percent (67%) or more of the total voting interest in the Association at a meeting of the Owners called for that purpose or by written consent; provided, however, that any provision of this Declaration requiring a

vote of more than sixty-seven percent (67%) of the total voting interest in the Association to be effective may only be amended by a vote of the applicable aggregate voting interest stated in such provision. In addition, (a) a majority of the voting Directors of the Community Board may make, without the approval of the Owners, changes to any Association Documents to the extent necessary to correct a factual error, and (b) any proposed amendment to this Declaration which affects any right of Declarant shall require the prior written approval of Declarant, in addition to the approval requirements otherwise set forth herein.

Section 19.4 Unilateral Amendment Rights Reserved by Declarant . Notwithstanding any provision in this Declaration to the contrary, Declarant, acting alone, reserves to itself the right and power to modify and amend this Declaration to the fullest extent permitted under the Act including, without limitation, to correct clerical, typographical or technical errors, or to comply with the requirements, standards, or guidelines of recognized secondary mortgage markets, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or the Federal National Mortgage Association.

Section 19.5 Recording of Amendments . Any amendment to this Declaration must be executed by the president of the Association and recorded in the Office of the Clerk and Recorder of the County of Grand, Colorado, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying the approval of a sufficient number of Owners of the amendment or that no approval of the Owners was necessary.

Section 19.6 Enforcement . Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges, and other provisions contained in this Declaration, the Articles, the Bylaws, and the rules and regulations of the Association, all as amended, shall be by any proceeding pursuant to Article 17 of this Declaration to the extent required by the terms of this Declaration, or otherwise at law or in equity, against any person or persons, including the Association, violating or attempting to violate any such provision. The Association and any aggrieved Owner shall have the right to institute, maintain, and/or prosecute any such proceedings, and the Association shall further have the right (after notice and an opportunity to be heard) to levy and collect fines for the violation of any provision of the aforesaid documents. In any action instituted or maintained under this Section, 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 under Article 17 or by the Court, as applicable.

Section 19.7 Severability . Invalidation of any of the covenants, restrictions or other provisions contained in this Declaration by judgment or court order shall in no way affect or limit any other provisions which shall remain in full force and effect.

Section 19.8 Conflict of Provisions . In case of any conflict between this Declaration and the Master Association Documents, the Master Association Documents shall control. In case of any conflict between this Declaration and the Articles or the Bylaws, this Declaration shall control. In case of any conflict between the Articles and the Bylaws, the Articles shall control.

Section 19.9 Nonwaiver . Failure by Declarant, the Association, or any Owner or First Mortgagee to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

Section 19.10 Number and Gender

. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular and the use of any gender shall include all genders.

Section 19.11 Captions . The captions to the Articles and Sections and the Table of Contents at the beginning of this Declaration are inserted only as a matter of convenience and for reference, and are in no way to be construed to define, limit or otherwise describe the scope of this Declaration or the intent of any provision of this Declaration.

Section 19.12 Exhibits . All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

DRAFT

Executed as of the ____ day of _____ 2019.

DECLARANT:

By: _____
Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019 by
_____ as _____ of _____.

WITNESS my hand and official seal.

Notary Public

My commission expires: _____

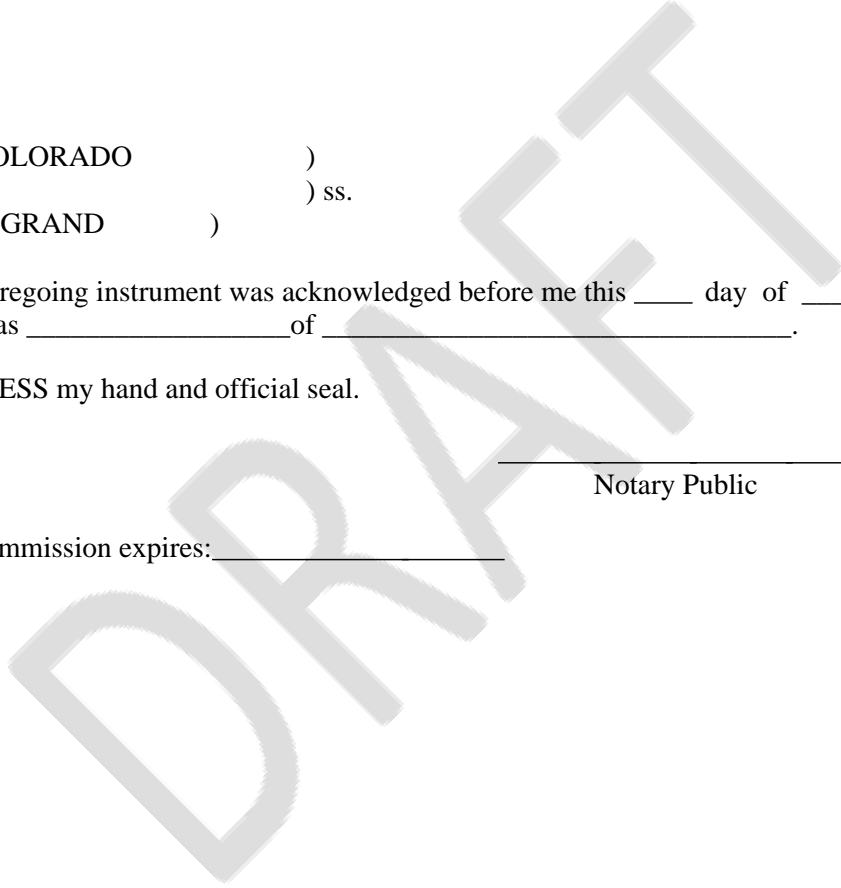


EXHIBIT A

PROPERTY DESCRIPTION

All the property subject to that certain Land Survey Plat, Riverview Condominiums as recorded on _____, 2019, under Reception No. _____ in the office of the Clerk and Recorder of the County of Grand, State of Colorado.

EXHIBIT B

PERCENTAGE SHARES

Unit No.	Votes	Bedrooms	Percentage Share of Common Expenses and Common Elements
1	1	1	5%
2	1	1	5%
3	1	1	5%
4	1	1	5%
5	1	1	5%
6	1	1	5%
7	1	1	5%
8	1	1	5%
9	1	1	5%
10	1	1	5%
11	1	1	5%
12	1	1	5%
13	1	1	5%
14	1	1	5%
15	1	1	5%
16	1	1	5%
17	1	1	5%
18	1	1	5%
19	1	1	5%
20	1	1	5%
Total	20	20	100%

EXHIBIT C

EASEMENTS AND LICENSES OF RECORD

