

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
RIVER'S EDGE**

Table of Contents

**Declaration of Covenants, Conditions and Restrictions
of
River’s Edge**

ARTICLE I 1
DEFINITIONS..... 1
 Section 1.1 “Association” 1
 Section 1.2 “Board of Directors” or “Board” 1
 Section 1.3 “Building” 2
 Section 1.4 “Bylaws” 2
 Section 1.5 “Common Area” 2
 Section 1.6 “Common Elements” 2
 Section 1.7 “County” 2
 Section 1.8 “Declarant” 2
 Section 1.9 “Duplex Lot” 2
 Section 1.10 “Easements” 2
 Section 1.11 “Improvements” 2
 Section 1.12 “Lot” 2
 Section 1.13 “Mortgage” 2
 Section 1.14 “Mortgagee” 2
 Section 1.15 “Occupant” 3
 Section 1.16 “Owner” 3
 Section 1.17 “Party Wall” 3
 Section 1.18 “Planned Unit Development Designation” 3
 Section 1.19 “Plat” 3
 Section 1.20 “Private Driveways” 3
 Section 1.21 “Private Road” 3
 Section 1.22 “Project” 4
 Section 1.23 “Public Road” 4
 Section 1.24 “Review Board” 4
 Section 1.25 “Rules, Regulations and Policies” 4
 Section 1.26 “Subdivision Plan” 4
 Section 1.27 “Unit” 4
ARTICLE II 4
DECLARATION OF PROPERTY RIGHTS 4
 Section 2.1 Development of the Property 4
 Section 2.2 Plats 4
 Section 2.3 Title to Lot..... 4
 Section 2.4 Owner's Easements of Enjoyment..... 5
 Section 2.5 Delegation of Use..... 5

ARTICLE III.....	5
MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION	5
Section 3.1 Association Membership.....	5
Section 3.2 Voting Rights and Meetings.....	6
Section 3.3 Owners' and Association's Addresses for Notices	6
Section 3.4 Transfer Information	7
Section 3.5 Declarant Control of the Association.....	7
ARTICLE IV	7
ASSOCIATION POWERS AND DUTIES.....	7
Section 4.1 Association Management Duties.....	7
Section 4.2 Association Powers	8
Section 4.3 Actions by Board of Directors	9
Section 4.4 Board of Directors Meetings.....	9
ARTICLE V.....	10
ASSESSMENTS.....	10
Section 5.1 Creation of the Lien and Personal Obligation for Assessments.....	10
Section 5.2 Purposes of Assessments.....	10
Section 5.3 Annual Assessments.....	10
Section 5.4 Supplementary Assessments	11
Section 5.5 Special Assessments.....	12
Section 5.6 Assessment Reserves.....	12
Section 5.7 Allocation of Assessments	12
Section 5.8 Date of Commencement of Annual Assessments; Due Dates.	13
Section 5.9 Certificate of Status of Assessment.....	13
Section 5.10 Effect of Nonpayment of Assessments; Remedies of the Association	13
Section 5.11 Subordination of the Lien to Mortgages	13
Section 5.12 Homestead.....	13
Section 5.13 Recording of Liens	14
ARTICLE VI	14
LIMITATION AND RESTRICTIONS ON BUILDING IMPROVEMENTS	14
Section 6.1 Permitted Improvements on Duplex Lots	14
Section 6.2 Permitted Improvements on Single Family Lots	14
Section 6.3 Prohibited Improvements	14
Section 6.4 Design Review Approval Required	15
Section 6.5 County Approval Required.	15
Section 6.6 Fences.....	15
Section 6.7 Paved Areas and Driveway Construction.....	15
Section 6.8 Restriction on Signs.	15
ARTICLE VII.....	15
GENERAL RESPONSIBILITIES AND RESTRICTIONS.....	15
Section 7.1 Common Elements and Public Road.....	15
Section 7.2 Exterior Maintenance Within Lots.....	16
Section 7.3 Exterior Maintenance of Buildings	16

Section 7.4	Maintenance	16
Section 7.5	Declarant’s Use	17
Section 7.6	Restrictions.....	17
Section 7.7	Easements.....	20
Section 7.8	Enforcement of Covenants.....	21
ARTICLE VIII.....		21
PARTY WALLS OF DUPLEX BUILDINGS		21
Section 8.1	General Terms and Conditions.....	21
Section 8.2	Party Wall Insurance Requirements.....	22
Section 8.3	Party Wall Easements.....	23
Section 8.4	Owner’s Maintenance, Repair and Replacement Obligations	23
Section 8.5	Owners’ Enforcement Rights and Obligations.....	24
ARTICLE IX		26
DESIGN REVIEW		26
Section 9.1.	Approval Required	26
Section 9.2.	Review Standards.....	26
Section 9.3.	Rules.....	27
ARTICLE X.....		27
INSURANCE AND INDEMNIFICATION		27
Section 10.1	Insurance	27
Section 10.2	Insurance Requirements Generally	27
Section 10.3	Association Casualty Insurance	27
Section 10.4	Association Liability and Property Damage Insurance.....	28
Section 10.5	Insurance by Owners.....	28
Section 10.6	Directors and Officers Legal Liability Insurance and Fidelity Insurance..	28
Section 10.7	Other Insurance	28
Section 10.8	Indemnification	28
ARTICLE XI		29
CONDEMNATION.....		29
Section 11.1	Consequences of Condemnation	29
Section 11.2	Proceeds	29
Section 11.3	Reorganization	29
ARTICLE XII.....		30
SPECIAL CONSIDERATIONS.....		30
Section 12.1	Sixty-Seven Percent Vote.....	30
Section 12.2	Majority Vote.	30
ARTICLE XIII.....		30
RIGHTS OF MORTGAGEES.....		30
Section 13.1	Payment of Taxes	30
Section 13.2	Priority to Proceeds	31
Section 13.3	Notification of Default.	31

ARTICLE XIV	31
SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS	31
Section 14.1 Special Declarant Rights	31
Section 14.2 Additional Reserved Rights	31
Section 14.3 Limitations on Special Declarant Rights and Additional Reserved Rights	32
Section 14.4 Interference with Special Declarant Rights.....	32
Section 14.5 Rights Transferable	32
ARTICLE XV.....	32
RESERVATION OF DEVELOPMENT RIGHTS.....	32
Section 15.1 Development and Withdrawal Rights	32
Section 15.2 Maximum Number of Lots.....	33
Section 15.3 Construction Easement.....	33
Section 15.4 Termination of Development Rights.....	33
Section 15.5 Interference with Development Rights	33
Section 15.6 Transfer of Development Rights	34
ARTICLE XVI	34
GENERAL PROVISIONS	34
Section 16.1 Enforcement	34
Section 16.2 Severability.....	34
Section 16.3 Term	34
Section 16.4 Declaration Amendment	34
Section 16.5 Plat Amendment.....	34
Section 16.6 Assignability.....	35
Section 16.7 No Partition or Subdivision.....	35

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
RIVER'S EDGE**

THIS DECLARATION is made this ____ day of _____, 2016, by RIVER'S EDGE DEVELOPMENT, LLC, a Colorado limited liability company, which is hereinafter referred to as "Declarant".

WITNESSETH THAT WHEREAS, Declarant is the owner of certain property in the County of Summit, State of Colorado, more particularly described in Exhibit A attached hereto and incorporated herein, which is hereinafter referred to as the "Property";

WHEREAS, Declarant desires to establish a planned community for the Property, currently planned and approved to include twenty-five (25) residential units, with Common Area and other common facilities, for the benefit of the Owners of property in and residents of that community and to subject the community and the Property to certain covenants, conditions, and restrictions; and

WHEREAS, Declarant has caused to be incorporated under the laws of the State of Colorado, River's Edge Association, a nonprofit corporation, for the purposes of exercising the functions as herein set forth.

NOW, THEREFORE, Declarant hereby submits the Property to the provisions of the Colorado Common Interest Ownership Act, Sections 38-33.33-101, et seq., Colorado Revised Statutes, as it may be amended from time to time (the "Act"); provided that, in the event the Act is repealed, the Act, on the effective date of this Declaration, shall remain applicable; and

FURTHER, Declarant hereby declares that the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title, or interest in said Property, or any part thereof, and their successors, and assigns, and shall inure to the benefit of each Owner thereof.

**ARTICLE I
DEFINITIONS**

Section 1.1 "Association" shall mean and refer to River's Edge Association, a Colorado nonprofit corporation, its successors and assigns.

Section 1.2 "Board of Directors" or "Board" shall mean and refer to the duly elected and qualified members of the Board of Directors of the Association acting in an official capacity.

Section 1.3 “Building” shall mean and refer to all structures containing one (1) or two (2) Units hereafter constructed on the Property.

Section 1.4 “Bylaws” shall mean and refer to the bylaws adopted by the Association for administration of the Association, as they may be amended from time to time.

Section 1.5 “Common Area” shall mean the area of the Property designated as Common Area, Private Road or Private Easement on a Plat, portions of which Common Area as identified on a Plat will be subject to the Development Rights and Special Declarant Rights provided for in this Declaration until the Project is completed.

Section 1.6 “Common Elements” shall mean all of the Common Area, Private Road, Private Easements, and all Improvements thereon or thereto.

Section 1.7 “County” shall mean Summit County, Colorado or the Board of County Commissioners of Summit County, Colorado.

Section 1.8 “Declarant” shall mean and refer to River’s Edge Development, LLC, and its successors and assigns.

Section 1.9 “Duplex Lot” shall mean and refer to each Lot identified as such on a Plat until such time as such Duplex Lot is subdivided to create two (2) Lots, each of which will include one (1) Unit.

Section 1.10 “Easements” shall mean and refer to any easements on the Property or providing access or utilities to the Property and to individual Lots, including, but not limited to, the easements depicted and shown on a Plat for any portion or all of the Property, as well as the easements created in **Section 7.6**.

Section 1.11 “Improvements” shall mean and refer to all improvements now or hereafter constructed on the Property, including, without limitation, Buildings, garages, sheds, decks, fences, walls, alleys, parking areas, driveways, lights, signage, signage lighting, landscaped areas and other related improvements.

Section 1.12 “Lot” shall mean and refer to each separate parcel of property designated on a Plat with the word Lot and a number or number and letter, including Single Family Lots, Duplex Lots, and Lots created by the re-subdivision of any Duplex Lot.

Section 1.13 “Mortgage” shall mean and include all mortgages or deeds of trust which represent a first security interest in one or more Lots, but shall not include mortgages or deeds of trust junior to a first mortgage or first deed of trust or involuntary liens, such as a mechanic's lien or judgment lien.

Section 1.14 “Mortgagee” shall mean and include the holder of any mortgage representing a first security interest in one or more Lots or the beneficiary of any deed of trust

representing a first security interest in one or more Lots, but shall not include the holders of mortgages or beneficiaries of deeds of trust junior to a first mortgage or deed of trust or any claimant of an involuntary lien, such as a mechanic's lien or judgment lien.

Section 1.15 "Occupant" shall mean and refer to any member of an Owner's family, or an Owner's guest, invitee, tenant, employee or licensee, who occupies a Unit or Lot or is on the Common Elements for any period of time.

Section 1.16 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The term "Owner" shall also include the Declarant, or its successors and assigns, with respect to all Lots held in the name of the Declarant.

Section 1.17 "Party Wall" shall mean and refer to each of the support and division walls, including footings, between two (2) Units constructed in one Building subdivided into Lots for each Unit.

Section 1.18 "Planned Unit Development Designation" shall mean the River's Edge Planned Unit Development Designation recorded February 1, 1986 at Reception No. 312400, Summit County, Colorado, as amended.

Section 1.19 "Plat" shall mean and refer to any subdivision plat of or for the Property, including the Plat of River's Edge recorded on the ___ day of _____, 2016 at Reception No. _____, Summit County, Colorado, and such amended, additional or supplemental plats as may be filed for the Property or any portion thereof in the records of the Clerk and Recorder of Summit County, Colorado.

Section 1.20 "Private Driveways" shall mean and refer to each area constructed as a driveway to provide vehicular access to the parking area and garage for each Lot, including such parking areas and areas designated as driveway or access easements on a Plat to provide vehicular and pedestrian access over a portion of another Lot to such Lot or Unit as is adjacent to such easement.

Section 1.21 "Private Road" shall mean and refer to the area designated as Access, Utility, and Drainage Easement on a Plat, and any Improvements thereon or thereto to be maintained by the Association for the common use and enjoyment of the Owners and Occupants of Lots accessed from such Private Road. The Private Road to be maintained by the Association includes those areas identified as such on a Plat, if any, and shall include any portion of the Property designated as such on any subsequent Plat or any amendment, addition or supplement to a Plat, together with all Improvements thereon, if any. Every Owner, and the successors and assigns thereof, shall be deemed to have consented to the use and control of the Private Road by the Association for the benefit and enjoyment of all Owners and Occupants in accordance with the provisions of this Declaration and any Rules, Regulations and Policies of the Association.

Section 1.22 “Project” shall mean the River’s Edge generally as permitted to be developed or constructed in accordance with the Planned Unit Development Designation, as amended, and the Subdivision Plan, as amended.

Section 1.23 “Public Road” shall mean the right of way for River Park Drive dedicated by Declarant to the County with the filing of a Plat.

Section 1.24 “Review Board” shall mean the Review Board to be established in accordance with Article IX of this Declaration.

Section 1.25 “Rules, Regulations and Policies” means any instruments adopted by the Association for the regulation and management of the Property, as such instruments may be amended from time to time.

Section 1.26 “Subdivision Plan” shall mean and refer to the subdivision plat and plan approved by the County for the subdivision of the Property approved by the County on the ___ day of _____, 2016, as such approval and plat or plan may be amended from time to time with the approval of the County.

Section 1.27 “Unit” shall mean and refer to any individual residential space, including the attached garage, constructed within a Building on a Lot.

ARTICLE II DECLARATION OF PROPERTY RIGHTS

Section 2.1 Development of the Property. The development of the Property, which shall be known as Rivers Edge, shall be under the control of the Declarant and shall be carried out generally according to the Planned Unit Development Designation and Subdivision Plan, and the laws of the County.

Section 2.2 Plats. Each Plat sets forth the following: (a) the legal description of real property subject to this Declaration; (b) the linear measurements and location of the exterior boundaries of all or a portion of the Property, of the Easements, and of the Lots, and (c) the designation by number or number and letter of each Lot.

Section 2.3 Title to Lot. Title to a Lot may be held individually or in any form of ownership recognized in the State of Colorado, except that no Lot may be held in any form of timeshare, interval, fractional or similar ownership without the prior written consent of the Association, which consent may include such limitations or restrictions as may be imposed by the Association. Any contract of sale, deed, lease, deed of trust, mortgage, security interest, will or other instrument affecting a Lot may describe it by its designation as shown on a Plat, followed by the name of the development, and reference to the Plat by which the Lot was created. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect a Lot and all appurtenant rights, benefits and burdens thereto as created by the provisions of this Declaration, and each such description shall be so construed.

Section 2.4 Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to suspend the voting rights and right to use of any Common Elements by an Owner or Occupant for any period during which any assessment against the Lot of such Owner or Occupant remains unpaid, and for a period not to exceed sixty (60) days for any infraction of the Rules, Regulations and Policies;

(b) the rights of the Association to convey or subject Common Elements to a security interest and to grant easements over, under, across and through the Common Elements as provided for in **Section 4.2**; and

(c) the right of the Association to close or limit the use of the Common Elements while maintaining, improving, or making repairs therein or thereto.

Section 2.5 Delegation of Use. Any Owner may delegate to his Occupants, in accordance with the Rules, Regulations and Policies, his rights of enjoyment of and to the Common Elements and facilities appurtenant to his Lot.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 3.1 Association Membership. Every Owner shall be a member of the Association and shall remain a member for the period of the Owner's ownership of a Lot. No Owner, whether one or more persons or entities, shall have more than one membership per Lot owned, but all of the persons or entities owning a Lot shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Lot. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot. If title to a Lot is held by more than one individual, by a partnership, association, or other legal entity, or any combination thereof, such individuals or entities shall by written instrument, executed by all such parties and delivered to the Association, appoint and authorize one person or alternate persons to represent the Owners of the Lot. Such representative shall be a person who is an Owner, or a designated board member or officer of a corporate Owner, or a general partner of a partnership Owner, or a manager of a limited liability company Owner, or a comparable representative of any other entity, and such representative shall have the power to cast votes on behalf of the Owners as a member of the Association, and serve on the Board of Directors if elected, subject to the provisions of and in accordance with the procedures more fully described in the Bylaws of the Association. Notwithstanding the foregoing, if the Association has not received the written instrument required above and if only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Lot. If the Association has not received the written instrument required above and if more than one of the multiple Owners are present, the Association may assume that any Owner who casts the vote allocated to that Lot is entitled to do so unless one or more of the other Owners of the Lot promptly protest to the person presiding over

the meeting. If such protest is made, the vote allocated to the Lot may be cast only by written instrument executed by all of the Owners of the Lot who are present at the meeting.

Section 3.2 Voting Rights and Meetings. Each Lot shall have a single vote. A meeting of the Association shall be held at least once each year. Special meetings of the Association may be called by the President, by a majority of the Board of Directors, or by Owners having twenty percent (20%), or any lower percentage specified in the Bylaws, of the total votes in the Association. Not less than ten (10) and no more than fifty (50) days in advance of any meeting, the Secretary or other officer specified in the Bylaws shall cause notice to be hand-delivered or sent prepaid by United States Mail to the mailing address of each Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda including the general nature of any proposed amendment to this Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors. Unless the Bylaws provide otherwise, a quorum is deemed present throughout any meeting of the Association at which persons entitled to cast twenty percent (20%) of the total votes which may be cast for election of the Board of Directors are present, in person or by proxy at the beginning of the meeting.

Section 3.3 Owners' and Association's Addresses for Notices. All Owners of each Lot shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters. The Owner or the representative of the Owners of a Lot shall furnish such registered address to the secretary of the Association within ten (10) days after transfer of title to the Lot to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized to represent the interests of all Owners of the Lot. If no address is registered or if all of the Owners cannot agree, then the address of the Lot shall be deemed their registered address until another registered address is furnished as required under this Section. If the address of the Lot is the registered address of the Owner(s), then any notice shall be deemed duly given if delivered to any person occupying the Unit on the Lot or, if the Unit is unoccupied, if the notice is held and available for the Owners at the principal office of the Association. All notices and demands intended to be served upon the Board of Directors shall be sent to the following address or such other address as the Board of Directors may designate from time to time by notice to the Owner(s):

Board of Directors
Rivers Edge Association
c/o Alpine Edge Management, LLC
117 S. Main Street, Suite 2
P.O. Box 7
Breckenridge, CO 80424

Notices given in accordance with this Section may be delivered or sent: by personal delivery, which shall be effective upon receipt; by overnight courier service, which shall be effective one (1) day after deposit with the courier service; or by regular, registered or certified mail, postage prepaid, which shall be effective three (3) days after deposit in the U.S. mail.

Section 3.4 Transfer Information. All purchasers of Lots shall provide to the Association written notice of the purchaser's name, address, Lot owned, date of transfer, and name of the former Owner within ten (10) days of the date of transfer. The purchaser shall also provide a true and correct copy of the recorded instrument conveying or transferring the Lot or such other evidence of the conveyance or transfer as is reasonably acceptable to the Association. In addition, the Association may request such other information as the Association determines is necessary or desirable in connection with obtaining and maintaining information regarding conveyances and transfers of Lots. The Association shall have the right to charge the purchaser a reasonable administrative fee for processing the transfer in the records of the Association.

Section 3.5 Declarant Control of the Association. Notwithstanding anything to the contrary provided for herein or in the Bylaws, Declarant shall be entitled to appoint and remove the members of the Board of Directors 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 of the Association. Declarant may voluntarily relinquish such power evidenced by a notice recorded in the Summit County, Colorado real estate records, but, in such event, Declarant may, at its option, require that specified actions of the Association or the 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.

ARTICLE IV ASSOCIATION POWERS AND DUTIES

Section 4.1 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 Project; the exclusive management, control, maintenance, repair, replacement, and improvement of the Common Elements, including keeping the same in good, clean, attractive, and sanitary condition, order, and repair; and the maintenance, repair and replacement of the landscaped areas within the Lots and the exterior siding and the exterior surface and waterproof barrier materials of the roofs of the Buildings, except for any maintenance, repair or replacement required as the result of any Owner's negligence, in which case such negligent Owner(s) shall be responsible for such maintenance, repair or replacement. The expenses, costs, and fees of such management, control, operation, maintenance, repair, replacement, and improvement by the Association shall be part of the assessments, and prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs, and fees. The Association shall establish and maintain, out of the installments of the Annual Assessments, an adequate reserve account for maintenance, repair, or replacement of those Common Elements and exterior elements of Buildings that must be maintained, repaired, or replaced on a periodic basis. The Association shall adopt and amend budgets for revenues, expenditures, and reserves which will be the basis for collection of assessments from Owners. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the requirement that it provide statements of status of assessments. All financial and other

records of the Association shall be made reasonably available for examination by any Owner and such Owner's authorized agents.

Section 4.2 Association Powers. The Association, subject to the limitations contained in this Declaration and the Act, shall have the powers necessary for the administration of the affairs of the Association and the upkeep of the Common Elements which shall include, but not be limited to, the power to:

- (a) adopt and amend Bylaws and Rules, Regulations and Policies;
- (b) adopt and amend budgets for revenues, expenditures and reserves;
- (c) collect assessments from Owners;
- (d) hire and terminate a managing agent and other employees, agents, and independent contractors;
- (e) institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Declaration, Bylaws or Rules, Regulations and Policies in the Association's name on behalf of the Association or two or more Owners on matters affecting the Project;
- (f) make contracts and incur liabilities;
- (g) regulate the use, maintenance, repair, replacement and modification of the Common Elements, including, but not by way of limitation, the right to designate, reserve or otherwise restrict the use of Common Elements, such as outdoor parking spaces, in such a manner that they predominately, or exclusively, benefit fewer than all of the Lots;
- (h) cause additional Improvements to be made as part of the Common Elements;
- (i) acquire, hold, encumber, and convey in the Association's name any right, title, or interest to real property or personal property, provided, however, that Common Elements may be conveyed or subjected to a security interest only pursuant to the requirements of the Act, and, provided further, that the Association is not entitled, by act or omission, to seek to abandon, encumber, sell or transfer the Common Elements unless sixty-seven percent (67%) of the Owners give their prior written consent;
- (j) grant easements, including permanent easements, leases, licenses and concessions, through or over the Common Elements;
- (k) impose and receive any payments, fees, or charge for the use, rental, or operation of the Common Elements and for services provided to Owners;

(l) impose charges for late payment of assessments, recover reasonable attorney fees and other legal costs for collection of assessment, and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, Bylaws and Rules, Regulations and Policies of the Association;

(m) impose reasonable charges for the preparation and recordation of amendments to this Declaration or statements of unpaid Assessments;

(n) provide for the indemnification of the Association's officers and Board of Directors and maintain Board of Directors' and officers' liability insurance;

(o) assign the Association's right to future income, including the right to receive assessments, but only to the extent this Declaration expressly provides;

(p) exercise any other powers conferred by the Act, this Declaration, or the Bylaws;

(q) exercise all other powers that may be exercised in this state by legal entities of the same type as the Association; and

(r) exercise any other powers necessary and proper for the governance and operation of the Association.

Section 4.3 Actions by Board of Directors. Except as specifically otherwise provided in this Declaration, the Bylaws or the Act, the Board of Directors may act in all instances on behalf of the Association; provided, however, the Board of Directors may not act on behalf of the Association to amend this Declaration, to terminate the Project, or to elect members of the Board of Directors or determine the qualifications, powers and duties, or terms of office of members of the Board of Directors, but the Board of Directors may fill vacancies in its membership for the unexpired portion of any term.

Section 4.4 Board of Directors Meetings. All meetings of the Board of Directors at which action is to be taken by vote will be open to the Owners, except that meetings of the Board of Directors may be held in executive session without giving notice and without the requirement that they be open to Owners, in the following situations:

(a) no action is taken at the executive sessions requiring the affirmative vote of the members of the Board of Directors; or

(b) the action taken at the executive session involves personnel, pending litigation, contract negotiations, enforcement actions, or matters involving the invasion of privacy of individual Owners, or matters which are to remain confidential by request of the affected parties and agreement of the Board of Directors.

ARTICLE V
ASSESSMENTS

Section 5.1 Creation of the Lien and Personal Obligation for Assessments.

(a) Declarant, for each Lot now or hereafter owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association: (1) Annual Assessments, (2) Supplementary Assessments, and (3) Special Assessments, as such assessments are established and become due as hereinafter provided.

(b) All Annual, Supplementary and Special Assessments, together with interest, at the highest lawful rate as provided by the Act, late charges, costs, and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien in favor of the Association against the Lot against which each such assessment is made. The Association's lien resulting from this paragraph shall be prior to any other lien or claim against a Lot, except for a lien for ad valorem taxes and governmental assessments provided with priority by law, the first priority Mortgage (except to the extent provided by law), and liens and encumbrances recorded before the recordation of this Declaration, and except as otherwise provided in this Declaration. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person, or entity, who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 5.2 Purposes of Assessments. The assessment levied by the Association shall be used exclusively: to promote the health, safety, and welfare of the residents within the Property; for the maintenance of the portions of the Public Road, including snow plowing, which is anticipated not to be provided by the County; for the improvement, maintenance and repair of the Common Elements including landscaped areas and sprinkler or irrigation systems therefor, the Private Road, parking areas and any other Improvements located therein or thereon; for the maintenance and repair of signs wherever located; for the painting, staining or other maintenance, repair and replacement of the exterior siding of each Building; for the maintenance, repair and replacement of the exterior surface and water proof barrier materials of the roofs; for the maintenance, repair and replacement of the landscaped areas, Private Driveways and sidewalks, if any, of each Lot; for the improvement, maintenance and repair of paths, fences, landscaped areas, and other Improvements which may be situated or constructed upon the Common Elements; and for such other improvements, maintenance, repairs, replacements and services as the Association may determine to be in the best interests of the Owners and undertake.

Section 5.3 Annual Assessments.

(a) “Annual Assessments” shall be made for the purposes of providing funds for the normal operations of the Association including, but not limited to: the purposes set forth in **Section 5.2** above; salaries; costs of operating the Association; insurance premiums

for insurance coverage provided for in **Article VIII**; management fees; office costs; adequate reserve funds for maintenance, repair and replacement of the Private Road and those portions of the Common Elements and exterior elements of Buildings that must be replaced on a periodic basis; Improvements to the Common Elements; amounts necessary to pay deficits or debts incurred by the Association; real estate taxes; betterment or other Special Assessments, if any; and funds for any other purpose or purposes of the Association provided for herein. The total amount of money required to be raised by Annual Assessments for each fiscal year shall be the amount, as determined by the Board, necessary to satisfy the costs and expenses of fulfilling such functions and obligations of the Association in such fiscal year, including the payment of reserves, and providing a reasonable carry-over reserve for subsequent fiscal years. To determine the amount required to be raised by Annual Assessments for any fiscal year, the Board shall prepare an annual budget for such fiscal year showing, in reasonable detail, the various matters proposed to be covered by the budget, the estimated income and other funds which will be available in that fiscal year, the estimated total amount of money required to be raised by Annual Assessments to cover such costs and expenses and to provide a reasonable reserve, and the estimated apportionment of the assessments among the Lots. The Board of Directors shall deliver a summary of such budget to the Owners and shall set a date for a meeting of the Owners to consider such budget in such manner as may be provided for in the Bylaws or as required by the Act. Upon request, the Board will furnish a summary of the most recently adopted budget to any Mortgagee. Based on such budget, the Board of Directors shall determine the amount of the annual assessment per Lot for such fiscal period.

(b) If the Board shall fail to establish an annual assessment for any year, the annual assessment for such year shall remain the same as for the year immediately preceding, except that, upon Approval by the Board or by a majority vote of the entire membership of the Association, such annual assessment may be increased or decreased for the remainder of the assessment year as of the first day of the month following such vote.

(c) Annual Assessments shall apply only to Lots now or hereafter subjected to this Declaration and included within the jurisdiction of the Association.

(d) Annual Assessments shall be payable in such periodic installments as may be determined by the Board during each fiscal year.

Section 5.4 Supplementary Assessments. In the event that the Board shall determine, at any time or from time to time, that the amount of the Annual Assessments is not adequate to pay for the costs and expenses of fulfilling the Association's obligations hereunder, one or more "Supplementary Assessments" may be made for the purpose of providing the additional funds required. To determine the amount required to be raised by each Supplementary Assessment, the Board shall revise the annual budget for such fiscal year as provided in **Section 5.3**, or prepare a new budget, a summary of which revised or new budget shall be delivered to each Owner and shall set a date for a meeting of the Owners to consider such budget in such manner as may be provided for in the Bylaws or as required by the Act. Upon request, the Board will deliver a summary of the

revised or new budget to any Mortgagee. Based on such revised or new budget, the Board may make a Supplementary Assessment for such fiscal year against each Lot.

Section 5.5 Special Assessments. A “Special Assessment” for purposes of large or unexpected expenditures that are capital in nature shall be made only upon resolution of the Board of Directors. Except in the case of an emergency, the Board will deliver to all Owners a summary of the Special Assessment and shall set a date for a meeting of the Owners to consider such Special Assessment in the same manner as provided in the Bylaws for consideration of budgets or as required by the Act.

Section 5.6 Assessment Reserves. Each Owner, other than Declarant, shall be required to deposit and maintain continuously with the Association an amount as determined by the Board from time to time, but not to exceed three (3) times the amount of the monthly installments of the annual assessment, such reserve amount to be held without interest accruing to the Owner. This amount shall be used by the Association as a reserve for payment of each Owner's assessments and for working capital of the Association. The advance payment shall not relieve an Owner from making the regular payments of the Annual Assessments, or any portion thereof, as same become due, nor shall the Association be required to deduct from such advance payment sums due for Annual Assessments by an Owner prior to instituting any proceedings against the Owner for delinquent assessments. In the event the Association shall, pursuant to the purposes of this Article, draw delinquent assessments from the reserve created by such advance payment applicable to an Owner, the Owner expressly agrees, following ten (10) days prior written notice from the Association, to repay such amounts to the Association in order to properly maintain the reserve account, and such amount to be repaid shall have the same status as an annual, supplementary or Special Assessment for purposes of **Article V** of this Declaration. Upon the sale of a Lot, an Owner shall be entitled to a credit from his grantee for the remaining balance of such reserve account applicable to the Owner's Lot.

Section 5.7 Allocation of Assessments. Annual, Supplementary and Special Assessments shall be allocated to the Lots in the following manner:

(a) The portion of the Annual Assessments and any Supplementary or Special Assessments allocable to management or the maintenance, repair and replacement of the Common Elements or Improvements thereto or maintenance of River Park Drive shall be allocated equally among the Lots that have been created by the filing of a Plat from time to time and ultimately among the twenty-five (25) Lots authorized to be created on the Property under the Planned Unit Development Designation and the Subdivision Plan. If Declarant reduces the total number of Units by an amendment of the Planned Unit Development Designation or Subdivision Plan, the foregoing portion of the Assessments shall be allocated equally among the reduced total number of platted Lots.

(b) The portion of any Annual Assessments, and any Supplementary or Special Assessments, imposed pursuant to Section 5.2 above for the maintenance, repair and replacement of the exterior elements of each Building for which a certificate of occupancy

from the County has been received shall be allocated equally to each Lot on which there is a Unit for which such certificate of occupancy has been received.

Section 5.8 Date of Commencement of Annual Assessments; Due Dates. The Annual Assessments, and any Supplementary or Special Assessments, provided for herein shall commence as to each Lot on the first day of the month following adoption by the Board of a resolution imposing assessments. Written notice of assessments shall be sent to every Owner.

Section 5.9 Certificate of Status of Assessment. The Association shall, upon written demand by an Owner or such Owner's designee, or by a Mortgagee or its designee, delivered personally or by certified mail, first class postage prepaid, return receipt, to the Association and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth the amount of unpaid assessments currently levied against the Owner's Lot. The statement shall be furnished as provided in the Act. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 5.10 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment or installment not paid within fifteen (15) days after the due date shall bear interest from the due date at such rate as may be established by resolution by the Board of Directors or, if no such rate is established, at the highest rate allowed by the Act. In addition, the Board may establish by resolution a reasonable delinquent or late charge for any assessment not paid when due. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the Association's lien against the Lot, or both. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Lot. In addition to any other remedies herein or by law provided, the lien herein established may be foreclosed by an action in the Summit County, Colorado District Court in the manner of foreclosure of common law mortgages, pursuant to the law and statutes of the State of Colorado, and subject to all the rights and duties therein provided, including redemption. In any civil action to enforce or recover unpaid assessments, the prevailing party shall be entitled to an award of reasonable attorney fees and all costs of collection or foreclosure.

Section 5.11 Subordination of the Lien to Mortgages. Except as provided in **Section 5.1(b)**, the lien for assessments provided for herein shall be subordinate to the lien of any purchase money loan evidenced by a first priority Mortgage of record. Sale or transfer of any Lot shall not affect the lien for said assessments, except that sale or transfer of any Lot pursuant to foreclosure of any such Mortgage, except for such priority amount as is provided for by law. No such sale or transfer pursuant to foreclosure of any such Mortgage shall relieve the Lot from liability for any assessment charges thereafter becoming due, nor from the lien for such assessment charges. Nothing herein shall be deemed to release any Owner from his personal obligation to pay any assessment.

Section 5.12 Homestead. The lien of the Association for unpaid assessments shall be superior to any homestead exemption as is now or may hereafter be provided by Colorado or Federal law. The acceptance of a deed to any Lot subject to this Declaration shall constitute a waiver of the homestead exemption as against said assessment lien.

Section 5.13 Recording of Liens. The Board may immediately record a notice of the Association's lien against the Lot owned by any Owner who fails to pay an assessment installment when due, but the failure to file such a notice will not affect the validity of the lien in favor of the Association established by this **Article V**.

ARTICLE VI
LIMITATION AND RESTRICTIONS ON BUILDING IMPROVEMENTS

Section 6.1 Permitted Improvements on Duplex Lots. No Duplex Lot may contain any Improvements except:

- (a) One (1) Building containing two (2) attached residential Units each with one garage of a size sufficient to enclose at least two (2) automobiles;
- (b) Such shed or other enclosed area for storage, garbage, trash, utilities and other maintenance facilities for each Unit as may be constructed by the Declarant or approved in accordance with this Declaration;
- (c) Such fences, walls, driveways and parking areas as may be constructed by the Declarant or approved in accordance with this Declaration; and
- (d) Landscaping and hardscaping constructed by the Declarant or approved in accordance with this Declaration.

Section 6.2 Permitted Improvements on Single Family Lots. No Single Family Lot may contain any Improvements except:

- (a) One (1) Building containing one (1) residential Unit with one garage of a size sufficient to enclose at least two (2) automobiles;
- (b) Such shed or other enclosed area for storage, garbage, trash, utilities and other maintenance facilities for each Unit as may be constructed by the Declarant or approved in accordance with this Declaration;
- (c) Such fences, walls, driveways and parking areas as may be constructed by the Declarant or approved in accordance with this Declaration; and
- (d) Landscaping and hardscaping constructed by the Declarant or approved in accordance with this Declaration.

Section 6.3 Prohibited Improvements. No structures or buildings of a temporary character (except a sales facility or construction trailer for Declarant's use in selling or developing Lots within the Property) nor any mobile home, house trailer, tent, shack, or other such structure shall be placed or used within the Property, either temporarily or permanently, without prior

approval in accordance with the Master Declaration. Notwithstanding the preceding sentence, necessary appurtenances, modest construction trailers and structures of a temporary nature may be used during the period of performance of construction of any Improvements for which necessary government permits and approval in accordance with the Master Declaration have been obtained, provided that (a) no overnight occupancy shall be permitted in any such appurtenance, trailer or structure, and (b) such appurtenances, trailers or structures shall be removed from the Property on the earlier of (i) the date that is twelve (12) months after the initial use thereof and (ii) the date of substantial completion of said Improvements.

Section 6.4 Design Review Approval Required. Each Owner agrees that he or she will not apply to the County, or any other governmental authority, for permission to construct Improvements on such Owner's Lot without prior approval by the Review Board in accordance with Article IX of this Declaration.

Section 6.5 County Approval Required. No modification or other improvement to a Lot or Unit that requires the approval of the County or other governmental agency shall be made or built until such approval has been obtained.

Section 6.6 Fences. All fences, walls or other barriers on any Lot may be erected only upon prior approval in accordance with this Declaration, and the County, if required.

Section 6.7 Paved Areas and Driveway Construction. Private Driveways and parking areas within the Property must be paved or improved in accordance with such approval as has been obtained in accordance with this Declaration.

Section 6.8 Restriction on Signs. No signs or advertising devices of any nature shall be erected or maintained on any of the Property except signs approved in accordance with this Declaration and by the County, if required. Signs required by law or legal proceedings, address identification signs for work under construction, temporary signs to caution or warn of danger or Association signs necessary or desirable to give directions or advise of terms of the Rules, Regulations and Policies may be permitted without prior approval. In order to provide consistency with respect to any signage allowed on the Property, the Review Board shall have the authority to approve the size and location of signs within the Property and to adopt a standard "for sale" sign to be used by all Owners in connection with any sale of any Lot.

ARTICLE VII GENERAL RESPONSIBILITIES AND RESTRICTIONS

Section 7.1 Common Elements and Public Road. The Association is herewith charged with the direct and continuing responsibility for maintenance, repair, replacement, operation, protection, extension and improvement of the Common Elements and snow plowing and general maintenance of the Public Road.

Section 7.2 Exterior Maintenance Within Lots.

(a) Within Lots and Private Driveways. In addition to the responsibility for the Common Elements set forth in **Section 7.1**, the Association will provide irrigation for maintenance of trees, shrubs, grass or other landscaping within any of the Lots and maintenance (including snow removal), repair and replacement of the Private Driveways and walkways from the Private Road or the Public Road to each Unit. Any such provision of maintenance, repair and replacement shall be on a uniform basis to all Lots.

(b) Owner Cause for Maintenance. In the event that the need for maintenance, repair or replacement of any Common Element, walkway, landscaping, or Private Driveway is caused by any act or omission of any Owner or Occupant of a Lot, the cost of such maintenance, repair or replacement shall be added to and become part of the assessment for such Lot.

(c) Maintenance and Snow Removal By Owners. Each Owner shall be responsible for the maintenance, repair and replacement of, including removal of snow from, the decks or patios within his Lot.

(d) Other Owner Maintenance. Except as otherwise provided herein, each Lot, including all Improvements within such Lot, shall be kept and maintained by the Owner(s) thereof in a clean, safe, and attractive condition and in good repair.

(e) Other Association Maintenance. If any Owner fails to perform any of the responsibilities provided in this Section, the Association may perform such responsibilities and assess the cost thereof against the Lot on for which such responsibilities were performed and collect such amount in the same manner as provided for assessments in **Article V**.

Section 7.3 Exterior Maintenance of Buildings. The Association will be responsible for the painting, staining or other maintenance, repair and replacement of the exterior siding of each Building and for the maintenance, repair and replacement of the exterior surface and water proof barrier materials of the roofs of each Building.

Section 7.4 Maintenance. To the extent not specifically provided for in this Declaration, maintenance, upkeep and repairs of any Building and/or Unit or other Improvements on or to each Lot, including all utilities, fixtures and equipment installed within any lot, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the Lot, shall be the sole responsibility of the Owner thereof and not of the Association. In the event an Owner of any Lot shall fail to maintain his Lot, Building or Unit and the Improvements situated thereon in a manner satisfactory to the Board of Directors, the Association shall have the right, through its agents and employees, to enter upon said Lot and in said Building and Unit and to repair, maintain, and restore the Lot, Building or Unit and the exterior of the Unit and any other Improvements erected thereon. The cost of such maintenance shall be added to and become part of the assessment to which such Lot is subject.

Section 7.5 Declarant's Use. Notwithstanding any provisions to the contrary, Declarant, its successors and assigns, or any agent, contractor, subcontractor or employee of the Declarant, to the extent allowed by law, may complete any Improvements indicated on any Plat or the Subdivision Plan, exercise any development right pertaining to the Property, and maintain, during the period of construction and sale upon such portion of the Property as Declarant deems necessary, facilities incidental to said construction and sale, including, but without limitation, a business or sales office, construction office, management office, signs advertising the Project and the sale of the Lots and Units, one or more model Units and material storage areas. Additionally, Declarant may use any and all Common Elements for construction staging.

Section 7.6 Restrictions.

(a) Storage of Equipment and Vehicles. All boats, snowmobiles, motorcycles, and other recreational type vehicles must be stored in a garage. Motor homes, travel trailers, construction equipment and other oversized machinery and equipment shall not be stored or parked within the Property. This subparagraph shall not prohibit the storage or parking of construction equipment and machinery within the Property during the period of construction activities for which all applicable permits have been obtained.

(b) No Unsightliness. No unsightliness shall be permitted on any Lot. Without limiting the generality of the foregoing: (a) all unsightly structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure, except as otherwise provided herein; (b) refuse, garbage and trash shall be kept in a covered container at all times and any such container shall be kept within an enclosed structure; (c) service areas and facilities for hanging, drying or airing clothing or fabrics shall be kept within an enclosed structure or located behind a Unit and not visible from a public street; (d) pipes for water, gas, sewer, drainage or other purposes, wires, poles, antennas and other facilities for the transmission or reception of audio or visual signals or electricity, utility meters or other utility facilities, gas, oil, water or other tanks shall be kept and maintained within an enclosed structure or below the surface of the ground, unless otherwise approved in accordance with the Master Declaration prior to installation, except that satellite reception equipment no larger than one (1) meter in diameter shall be permitted to be attached to a Unit or located on a Lot, and not in an enclosed structure or below ground, upon the prior written approval of the proposed location thereof in accordance with the Master Declaration; and (e) no metals, bulk materials or scrap or refuse or trash or unused items of any kind shall be kept, stored or allowed to accumulate on any Lot.

(c) Pets. Dogs, cats or customary household pets, not to exceed two (2) pets per Unit, may be kept on a Lot. No wild animal, reptile or bird may be trapped, transported, kept or maintained anywhere within the Property, except for (a) animal control activities of authorized governmental entities and licensed contractors and (b) activities of Owners to trap rodents for the purpose of removal or destruction. No pet may be kept which abnormally or unreasonably interferes with the rights, comforts or convenience of other Owners. For-profit breeding of any animals on the Property is specifically prohibited and no kennels or commercial pet operations are permitted. The Association shall have the authority to include

within the Rules, Regulations and Policies restrictive controls with respect to pets. All pets must be kept on a leash whenever outdoors unless such pet is within an approved fenced area. Pets must not be noisy or obnoxious. Owners or Occupants shall clean up after pets. If an Owner fails to clean up after a pet or if an Owner allows a pet to run free, or if a pet is noisy or obnoxious, the Board may order removal of such pet or pets on a permanent basis and pursue such other enforcement remedies as are provided for in this Declaration, the Bylaws or the Rules, Regulations and Policies.

(d) Restriction on Parking. Parking of vehicles on the Property or any portion thereof is permitted with respect to a Lot only within a garage or parking spaces constructed by Declarant, or by an Owner with the prior approval in accordance with the Master Declaration, and such parking shall be used only by the Owner or Occupants of such Lot or their guests for the parking of personal vehicles. The Association will have the authority to adopt rules and regulations with respect to restrictions on parking and storage, including, but not limited to, parking within any private parking easement or private snow stack easement designated on a Plat and prohibiting the use of a garage for excessive storage resulting in inadequate parking for a Lot. No vehicles of any kind may be parked within the Private Road.

(e) Rental Restrictions. Any Units rented for a period longer than three (3) months must be rented pursuant to a written lease approved in advance by the Board.

(f) Use. No Unit or Lot shall be used, and no Improvements shall be hereafter constructed or converted for a use other than as approved by the County and in accordance with the Master Declaration. No secondary or accessory unit or apartment may be created in any Unit or on any Lot, except as approved by the County and in accordance with the Master Declaration. All uses undertaken shall be wholly compatible with the structure of the Building, the surroundings, and the topography of the land, as well as the legitimate and proper uses of the Property.

(g) Landscaping. Except as required of Declarant pursuant to requirements of the County with respect to the subdivision of the Property or the construction of Buildings, no tree may be cut down and no planting or gardening shall be done, and no fences, hedges, walls, or other structures shall be erected or maintained in or upon any Lot except in accordance with the Master Declaration.

(h) Utilities. An Owner shall not do any act or work that will impair any utility service, Easement or hereditament, nor perform any act nor allow any condition to exist which will adversely affect the other Lots or the Owners thereof.

(i) General Restrictions. By way of enumeration, and not limitation, the use of all the Lots, Buildings and other Improvements located thereon shall be subject to the following restrictions and limitations:

(1) No exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any Lot without prior written approval in accordance with the Master Declaration, except that satellite reception equipment as is allowed pursuant to **Subsection 7.5(b)**;

(2) No wood burning device (stove or fireplace) shall be installed in any Unit, except an emissions limiting fireplace or stove approved by or under federal and state environmental regulations and by the County. Natural gas fireplaces may be installed in the Units.

(3) Refuse piles or other unsightly objects or materials shall not be allowed to be placed or to remain upon the Property. The Association shall have the right to remove such refuse piles or other unsightly objects or materials at the expense of the Owner responsible therefor, and such entry shall not be deemed a trespass if three (3) days prior notice has been given to the Owner and the Owner failed to remove same during said three (3) day period;

(4) No free-standing mailbox or newspaper box shall be erected unless approved in accordance with the Master Declaration;

(5) Trash, garbage or other waste shall be kept and disposed of in a sanitary manner pursuant to Rules, Regulations and Policies adopted by the Association. All containers must have animal proof lids securely in place when outside. The foregoing notwithstanding, the Association may contract with one company for trash removal for all Lots, and adopt Rules, Regulations and Policies pertaining to trash removal which shall be binding upon all Owners.

(6) No tanks of any kind, either elevated or buried shall be erected, placed or permitted upon the Property;

(7) No exterior clotheslines shall be attached to any Unit or permitted or maintained on the Property unless approved in accordance with the Master Declaration;

(8) All furniture, tools, and other personal property shall be kept and maintained in neat condition and in such a manner so that, to the extent possible, the same are concealed from view from any other Lot;

(9) No house trailer, motor home, manufactured housing, recreational vehicle, boat, camper, trailer, snowmobile, motorcycle, commercial vehicle, tent, shack, detached garage, barn, or outbuilding of any kind shall be permitted to be kept on the Property;

(10) No junk vehicle, inoperative vehicle, unlicensed vehicle, or vehicle under repair shall be parked, stored or maintained on the Property for more than two (2) days; and

(11) No noise shall be emitted from any Unit or Lot that would constitute a nuisance to other Owners or Occupants.

Section 7.7 Easements.

(a) Platted and Recorded Easements. Each Lot and the Common Elements shall be subject to: all easements and rights of way as shown on any Plat; all recorded easements and licenses appurtenant to or included in the Property or to which any part of the Property may become subject as set forth on attached Exhibit B; easements and encroachments created by construction, including those for overhangs, roofs, patios and fences; easements for utility and utility services as designed or constructed by the Declarant; easements for vehicular and pedestrian access to and from each Unit, over, across and through driveways as constructed by Declarant on Common Elements or on any other Lot, whether located completely or partially on or shared with such adjacent Lot, and for parking of vehicles, provided that no Owner, tenant, guest or other invitee shall have any right to park any vehicle on any portion of any driveway in a location which hinders vehicular access to or from the Unit or garage located on any other Lot; easements for maintenance of all Improvements and utility services; and easements for access by the Association to effect the purposes set forth in this Declaration, including, but not limited to, the promotion of the health, safety, and welfare of the residents of the Property.

(b) Declarant's Easements. Declarant shall have an easement over the Lots and Common Elements for the purpose of completing the full and final development and improvement of the Property.

(c) Association Easements. The Association, the Board of Directors, and their agents shall have a non-exclusive right and easement to make such use of and to enter into or upon the Common Elements, the Lots and the Units as may be necessary or appropriate for the performance of the duties and functions which they are obligated or permitted to perform under this Declaration and under the Act.

(d) Public Safety Easement. A perpetual, non-exclusive easement is hereby granted to all police, sheriff, fire protection, ambulance, and other similar agencies or persons who enter upon the Property in the lawful performance of their duties.

(e) Easements for Encroachments. There shall be an easement for the benefit of each Lot for any encroachments of roof overhangs, driveways and other similar surface improvements, and other minor encroachments over or into Common Elements or easements, provided that such encroachments were created in the original construction of the Buildings and appurtenant Improvements by Declarant or after the review and approval of subsequent Improvements in accordance with **Article IX** of this Declaration.

(f) Appurtenance of Easements. The easements, uses and rights herein created for an Owner shall be appurtenant to the Lot of that Owner and all conveyances of and other instruments affecting title to a Lot shall be deemed to grant and reserve the

Easements, uses and rights as are provided for herein, even though no specific reference to such easements, uses and rights appears in any such conveyance.

(g) Restoration of Easements. All easement areas, whether in favor of the Declarant, the Association or an Owner shall be kept and maintained in a neat and clean condition in accordance with applicable approvals during all use thereof and, upon completion of use thereof, all easement areas shall be restored to the condition they were in prior to use, all at the expense of the Declarant, the Association or the Owner using such easement.

Section 7.8 Enforcement of Covenants. The Association and/or any Owner are herewith vested with authority by Declarant and are assigned the rights of Declarant to enforce, to the same extent as Declarant might, any and all covenants running with the Property, or with other property in which Declarant, its successors or assigns, have an interest or right of enforcement, including, but not limited to, all covenants contained herein, or in other protective covenants recorded against the Property, if any; provided that the authority and rights herein granted and assigned shall not preclude Declarant from proceeding to enforce any or all of said covenants, whether or not the Association is acting in that regard. The Declarant's right of enforcement shall not be greater than that of the Association or any Owner and shall cease when the Declarant no longer owns any portion of the Property. In any civil action to enforce a covenant created herein, the prevailing party shall be entitled to an award of reasonable attorney's fees.

ARTICLE VIII PARTY WALLS OF DUPLEX BUILDINGS

Section 8.1 General Terms and Conditions.

(a) Party Wall. To the extent not inconsistent with provisions of this Declaration, the general rules of law regarding party walls shall apply to each Party Wall.

(b) Easements. The Owner of each Lot shall have a perpetual and reciprocal easement in and to that part of the adjacent Lot on which a Party Wall is located for the exclusive purposes of mutual support, maintenance, repair and inspection of such Party Wall. For the purpose of repairing and maintaining a Party Wall, the Owner of each Lot is granted the right to enter the adjacent Lot with which it shares a Party Wall to do work necessary in the exercise of the rights provided herein at all reasonable times, or immediately in the event of an emergency.

(c) Use. Each Owner of a Lot shall have the full right to use the Party Wall shared with the adjacent Lot to support joists, cross-beams, studs and other structural members as required for the support of the Unit located upon the Owner's Lot and for the reconstruction or remodeling of such Unit; provided, however, that such use shall not injure the Unit located on the opposite side of such Party Wall and shall not impair the structural support to which such Unit is entitled.

(d) Extension/Modification. No extension or modification of a Party Wall may be made by any Owner, or person acting on behalf of an Owner unless prior written agreement thereto first shall have been obtained from the other Owner sharing the Party Wall, and provided that such agreement expressly refers to this Declaration and is filed of record in the County of Summit, State of Colorado.

(e) Repair and Maintenance. After reasonable notice, the Owner of each Lot shall have the right to break through an appurtenant Party Wall for the purpose of repairing or maintaining utilities located within the Party Wall, subject to the obligation to restore such Party Wall to its previous structural condition at such Owner's sole expense.

(f) Cost. The cost of reasonable repair and maintenance of each Party Wall shall be shared equally and jointly by the Owners of the Lots on either side of such Party Wall, provided that the cost of repairs and maintenance of the finished surface of the Party Wall and of utilities within the Party Wall shall be the sole expense of the Owner of the Lot with the finished surface or serviced by the utilities.

(g) Damage. If a Party Wall is damaged or destroyed, such damage or destruction shall be promptly repaired and reconstructed. Repair and reconstruction means the restoration of the Party Wall to substantially the same condition in which it existed prior to such damage or destruction. To the extent that such damage or destruction of the Party Wall is covered by insurance, the full insurance proceeds shall be used and applied to repair and reconstruct the Party Wall. If the insurance proceeds are insufficient to repair and reconstruct the Party Wall, any such deficiency shall be the joint and equal expense of the Owners who share such Party Wall without prejudice, however, to the right of any Owner to demand a larger contribution from another Owner under any rule of law regarding liability for negligent or willful acts or omissions. Notwithstanding anything contained above to the contrary, if the negligence or willful act or omission of any Owner, his agent or invitee, shall cause damage to, or destruction of, a Party Wall or any utilities within a Party Wall, such Owner shall bear the entire costs of repair or reconstruction of the Party Wall and of any resulting damage to the Unit on the adjacent Lot.

Section 8.2 Party Wall Insurance Requirements.

(a) Hazard and Liability Insurance. Each Owner shall keep his Unit and the Party Wall which is a part thereof, insured against loss or damage by fire and extended coverage perils, including vandalism and malicious mischief, for the full replacement value thereof, and concerning such other risks, of a similar or dissimilar nature, as are or shall hereafter be customarily covered with respect to similar properties including, but not limited to, public liability and property damage insurance against claims for bodily injury or death or property damage arising out of or resulting from activities or negligence occurring on the Owner's Lot. Such insurance shall be issued by a responsible insurance company authorized to do business in the State of Colorado. The policy shall contain a waiver of subrogation.

(b) Certificate of Insurance. Upon request by the Owner of the adjacent Lot sharing a Party Wall, each Owner of a Lot shall provide such Owner of the adjacent Lot with a certificate issued by the insurance company evidencing the existence of the required insurance. In addition, each such insurance policy shall include a provision that it cannot be canceled or substantially modified until after thirty (30) days prior written notice is first given to the Owner of the adjacent Lot.

(c) Additional Insurance. Each Owner may obtain additional insurance at his own expense for his own benefit provided that all such policies shall contain waivers of subrogation and provided, further, that the liability of the carriers issuing insurance covering a Lot hereunder shall not be affected or diminished by reasons of any such insurance carried by the Owner of the adjacent Lot.

Section 8.3 Party Wall Easements.

(a) Encroachments. Each Lot shall be subject to an easement for encroachments of the Unit on the adjacent Lot created by construction, settling or an overhang, whether as designed or constructed. 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 Building 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 Unit shall stand and the Owner of the Unit being rebuilt agrees to repair any damage to the adjacent Unit and return it to its original condition.

(b) Blanket Easement. There is hereby created a blanket easement upon, across, over and under each of the Lots for the benefit of the adjacent Lot and the Unit situated thereon including the Party Wall, for ingress, egress, installation, replacement, repair and maintenance of 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 Lots which may reasonably be required. By virtue of this easement, it shall be expressly permissible for the companies providing utilities to erect and maintain the necessary equipment on any of the Lots and to affix and maintain electrical, gas, water, sewer, telephone or cable television wires, circuits, conduits, lines or pipes under the Units located upon the Lots.

Section 8.4 Owner's Maintenance, Repair and Replacement Obligations.

(a) Maintenance. In performance of any maintenance, repair or replacement of any portion of a Unit, no Owner shall do any act which impairs the structural soundness of the adjacent Unit or the Party Wall.

(b) No Changes. No Owner shall make or suffer any structural or design change, including specifically a color scheme change, either permanent or temporary and of any type or nature whatsoever to the exterior of his Unit without first obtaining the prior

written consent thereto from the Owner of the adjacent Unit, which shall not be unreasonably withheld, and such other consents or approvals as may be required by laws or other covenants, conditions and restrictions applicable to the Lots.

(c) Repair or Replacement. In case of damage or destruction of any Units or part thereof by any cause whatsoever, the Owner of such Unit shall cause such damage or destruction to be repaired and restored as diligently and promptly as possible, applying the proceeds of insurance, if any, but not limited to proceeds from the insurance, for that purpose. Such Unit shall be restored to a condition comparable to that prior to the damage in such manner as is necessary to maintain the common design theme and appearance of the Building.

Section 8.5 Owners' Enforcement Rights and Obligations.

(a) Performance by Other Owners. If an Owner, at any time, shall neglect or refuse to perform or pay his obligations required hereunder ("Defaulting Owner"), the Owner of the adjacent Lot sharing a Party Wall may, but shall not be obligated to, after ten (10) days prior written notice to such Defaulting Owner, unless the circumstances require immediate action, perform the obligation or make the payment, including, but not limited to, the payment of any insurance premiums required hereunder or the undertaking of any other work required hereunder for maintenance, repair or restoration, and such other Owner shall have an easement in and to that part of such Defaulting Owner's Lot and Unit as is reasonable and necessary for such repair, restoration or maintenance.

(b) Collection for Performance. All sums so paid or expended by the other Owner, with interest thereon at the rate of eighteen percent (18%) per annum from the date of such payment or expenditure, shall be payable by the Defaulting Owner upon demand of the other Owner and shall become a lien upon the Defaulting Owner's Lot which lien may be recorded in the Summit County, Colorado real estate records and foreclosed in the manner provided for mortgages in the State of Colorado.

(c) Enforcement. Any failure in performance, breach or violation of any covenant, condition or obligation or other dispute arising out of or relating to this **Article VIII** shall be resolved in accordance with the following:

(1) Mediation. The Owners shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by mediation in accordance with this subparagraph. Any Owner may give another Owner written notice of any breach, any objection to a notice of breach, any failure to cure a breach, or any dispute not resolved in the normal course of business ("Mediation Notice"). Within ten (10) days after receipt of any Mediation Notice, the Owners shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to select an unrelated third party mediator. If the Owners cannot agree on the selection of a mediator twenty (20) days after the Mediation Notice, they each shall appoint an unrelated third party within thirty (30)

days of the Mediation Notice and, within forty (40) days of the Mediation Notice, such third parties shall appoint a neutral third party to mediate the dispute within sixty (60) days of the Mediation Notice.

(2) Arbitration. Any dispute arising out of or relating to this Declaration or the breach, termination or validity thereof which has not been resolved by mediation as set forth above within sixty (60) days of the date of the Mediation Notice, shall be finally settled by binding arbitration conducted in accordance with the terms of this subparagraph, upon written demand for arbitration made by any Owner (“Arbitration Demand”) provided, however, that if one Owner has requested the other to participate in mediation and the other has failed to participate, the requesting Owner may make demand for arbitration before expiration of such sixty (60) days.

(i) As soon as reasonably possible following the Arbitration Demand, but not later than fifteen (15) days after the date of such Demand, the Owners, in good faith, shall attempt to select a mutually acceptable arbitrator to hear and decide the matter or matters in controversy. In the event the Owners cannot agree on a mutually acceptable arbitrator within thirty (30) days after the date of such Demand, each Owner shall appoint an unrelated third party within forty (40) days after the date of such Demand and, within fifteen (15) days of the date of the appointment of the last of such unrelated third parties, such third parties shall appoint an arbitrator to hear and settle the dispute in accordance with the terms and provisions hereof. If any Owner does not appoint an unrelated third party in a timely manner or if such third parties cannot or do not appoint an arbitrator in a timely manner, then any Owner may make application to the District Court for Summit County, Colorado for appointment of an arbitrator.

(ii) The arbitration shall be conducted by a single arbitrator and the decision of the arbitrator shall be final, enforceable, binding and unappealable to any court or tribunal, except as otherwise may be provided by Colorado law. Such decision shall be enforceable with the same force and effect as if issued by any court of competent jurisdiction. The decision of the arbitrator shall be based upon the evidence and facts presented by the Owners and shall be in accordance with Colorado law. The arbitrator is not empowered to award damages in excess of compensatory damages.

(iii) The costs of the arbitration, including reasonable attorney fees, shall be awarded to the prevailing Owner. If there is no prevailing Owner, such fees and costs may be awarded at the discretion of the arbitrator who, in making such award, shall assess the relative good or bad faith of the Owners throughout the dispute.

(iv) All arbitration proceedings shall be conducted to expedite resolution and minimize cost. Disclosures shall be required and discovery shall be allowed and both shall be governed by Rules 26-37 of the Colorado

Rules of Civil Procedure, as amended, except that upon application of either Owner, the arbitrator, in the interest of justice and efficiency, may limit discovery as such arbitrator deems appropriate.

(3) Location. The place of mediation or arbitration shall be Breckenridge, Colorado.

(4) Injunctive Relief. The foregoing notwithstanding, any Owner may seek a temporary restraining order, preliminary injunction or other provisional judicial relief, if in his or her judgment such action is necessary to avoid irreparable damage or to preserve the status quo.

(5) Venue. Each Owner hereby agrees that any action instituted to enforce any provisions hereunder shall be brought in and only in the District Court of Summit County, Colorado.

(6) No Waiver. Failure to enforce any provision of this Declaration shall not operate as a waiver of any such provision, the right to enforce such provision thereafter, or of any other provisions of this Declaration.

ARTICLE IX DESIGN REVIEW

Section 9.1. Approval Required. Other than improvements constructed by Declarant, no Improvements of any kind, no landscaping or hardscaping, no fence or wall, and no other structure of any kind shall be commenced, erected, or maintained upon the Property or any Lot, nor shall any exterior painting, addition, change, or alteration to any part of the Property or any Lot, Unit or Building may be made until satisfactory and complete plans and specifications showing the design, nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing by the Review Board appointed by the Board. Improvements and alterations which are completely within a Building or Unit and which are not visible from the Public Road, Private Road, or an adjacent Lot may be undertaken without such approval. Approval by the Review Board is in addition to and not in lieu of any approval required by the County.

Section 9.2. Review Standards. The Review Board shall review and approve, approve with conditions or reject proposed improvements upon a Lot subject and in accordance with the terms of this Declaration and the Design Guidelines to be adopted by the Board. The Review Board shall attempt to ensure that no Improvements impair the aesthetics or monetary values of the Property or the other Units. The Review Board shall consider such matters as the suitability of improvements (including landscaping) and construction materials; the quality of materials utilized in any proposed improvement; the effect of any improvements on neighboring property; the location, character and method of utilization of all utility lines; the impact of any proposed improvement upon the natural surroundings; and the timely and orderly completion of all such improvements, all as more fully set forth and provided for in the Design Guidelines. The Design Guidelines shall govern the standards, design and execution of all construction on any Lot.

Section 9.3. Rules. The Design Guidelines will include such rules and regulations, including providing for review fees and fines for failure to comply with or violation of the Design Guidelines as are deemed appropriate to govern the proceedings of the Review Board and to enforce the terms of this Article and the Design Guidelines. The Review Board shall consist of three (3) members appointed annually at the annual meeting by the Board. Members of the Review Board must be Owners or representatives of entity Owners as provided for in Section 3.1 above, including representatives of Declarant as long as Declarant owns any portion of the Property. Members of the Review Board also may be members of the Board, and the entire Board may serve as the Review Board.

ARTICLE X INSURANCE AND INDEMNIFICATION

Section 10.1 Insurance. All insurance, other than title insurance, carried in connection with Common Elements or Improvements thereon or thereto shall be governed by the provisions of this **Article X**.

Section 10.2 Insurance Requirements Generally.

(a) Insurance to be Obtained. The Association shall obtain and maintain in full force and effect at all times certain casualty, liability, and other insurance as hereinafter provided. All such insurance shall be obtained, to the extent possible, from responsible companies duly authorized and licensed to do business in the State of Colorado.

(b) Waiver of Subrogation. To the extent possible, the casualty, property, and liability insurance shall: (1) provide for a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees, agents, and members; (ii) provide that the insurance cannot be canceled, invalidated or suspended on account of the conduct of the Association, its officers, directors, employees, and agents; and (iii) provide that the policy of insurance shall not be terminated, canceled or substantially modified without at least thirty (30) days prior written notice to the Association; and provide as required by Section 313 of the Act.

(c) Deductible. Any insurance policy may contain such deductible provisions which the Association deems consistent with good business practice and which shall be consistent with the requirements of the holders of any first Mortgage. Any loss falling within the deductible portion of a policy shall be borne by the Association. The cost and expense of all insurance obtained by the Association shall be paid out of Association funds collected by assessments and otherwise as elsewhere provided in this Declaration.

Section 10.3 Association Casualty Insurance. The Association or its agents shall obtain and maintain at all times casualty insurance coverage for the full replacement cost, or the nearest equivalent available, of any Improvements and personal property owned by the Association.

Section 10.4 Association Liability and Property Damage Insurance. The Association shall obtain and maintain comprehensive general liability insurance including non-owned and hired automobile liability coverage, owned automobile liability coverage (if there are any owned automobiles), personal injury liability coverage covering liabilities of the Association, its officers, directors, employees, agents, and members arising in connection with Ownership, operation, maintenance, occupancy, or use of the Lots and any other area the Association is required to restore, repair, or maintain pursuant to this Declaration with bodily injury and property damage liability limits not less than One Million Dollars (\$1,000,000) for each occurrence and not less than Two Million Dollars (\$2,000,000) aggregate. Each policy shall include a “severability of interest” endorsement.

Section 10.5 Insurance by Owners. Each Owner shall obtain and maintain at all times casualty insurance coverage for the full replacement cost, or the nearest equivalent available, for the Owner’s Unit and liability insurance for the Owner’s Lot and Unit with liability limits of not less than such amounts as may be established from time to time by the Association. A certificate for the foregoing insurance required to be carried by each Owner shall be provided to the Association when title to such Owner’s lot is vested in such Owner, upon the renewal of the insurance and upon replacement of any such insurance policy with another policy. At all times, each Owner also shall be responsible for obtaining insurance for all of the Owner's personal property and furnishings. The Association shall not be responsible for providing any of such insurance.

Section 10.6 Directors and Officers Legal Liability Insurance and Fidelity Insurance. The Association shall maintain adequate directors and officers legal liability insurance and fidelity coverage, if available, to protect against dishonest acts on the part of the directors, officers, trustees, and employees of the Association and all others who handle, or are responsible for handling, funds of the Association. Such fidelity bonds shall (i) name the Association as obligee, (ii) be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, including reserves, (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation, and from and definition of “employee” or similar expression, and (iv) provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premiums) without at least fifteen (15) days written notice to the Association.

Section 10.7 Other Insurance. The Association may obtain such additional insurance coverage against such additional risks or for such higher limits as it may determine to be appropriate.

Section 10.8 Indemnification.

(a) Indemnification. The Association shall indemnify each director, officer, property manager, their respective successors, personal representatives and heirs, against all losses, costs and expenses, including attorney's fees, reasonably incurred by them in connection with any action, suit or proceeding to which they may be made a party be reason of their position with or employment by the Association, except as to matters as to which

such person(s) shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director, officer or property manager in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, officer or property manager is entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common expense, provided, however, that nothing in this Section shall be deemed to obligate the Association to indemnify any member or Owner who is or has been a director, officer or property manager of the Association with respect to any duties or obligations assumed or liabilities incurred by him as a member or Owner under and by virtue of this Declaration.

(b) No Indemnification of Independent Contractors. No independent contractor, including a director, officer, member or Owner providing services to the Association as an independent contractor, shall be protected by this indemnification provision, any indemnification provision provided for in the Bylaws of the Association or any insurance policy obtained by the Association in relating to any such indemnification provision.

ARTICLE XI CONDEMNATION

Section 11.1 Consequences of Condemnation. If at any time or times pursuant to this Declaration, all or any part of the Common Elements shall be taken or condemned by any public authority, or sold or otherwise disposed of in lieu or in avoidance of such condemnation, the provisions of this Article shall apply.

Section 11.2 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereafter called the "Condemnation Award", shall be payable to the Association, which may distribute the Condemnation Award to the Owners or apply such proceeds to the payment of the expenses of the Association in lieu of such distribution. If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent it is relevant and applicable. Disbursement of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

Section 11.3 Reorganization. In the event a partial taking results in the taking of a complete Lot, the Owner thereof automatically shall cease to be a member of the Association and such Owner's interest shall thereupon terminate.

ARTICLE XII
SPECIAL CONSIDERATIONS

Section 12.1 Sixty-Seven Percent Vote. Except as otherwise provided herein, unless at least sixty-seven percent (67%) of the Owners of the Lots (based upon one vote for each Lot) on the Property have given their prior written approval, the Association shall not:

- (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements for the benefit of the Lots, provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Elements shall not be deemed a transfer within the meaning of this clause;
- (b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot or an Owner;
- (c) by act, or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Buildings or Units, or the maintenance of the Common Elements;
- (d) fail to maintain fire and extended coverage on insurable Common Elements and other property of the Association on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value based on current replacement costs;
- (e) use hazard insurance proceeds for losses to any Common Elements or other property for other than the repair, replacement or reconstruction of such property.

Section 12.2 Majority Vote. In all other respects, the affirmative vote of a majority of the membership represented at a meeting of the Association and entitled to vote on the subject matter shall be the act of the Association unless another number is specifically designated as the required affirmative vote by the specific provision of this Declaration under consideration.

ARTICLE XIII
RIGHTS OF MORTGAGEES

Section 13.1 Payment of Taxes. Mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Element and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy, for such Common Element and the Mortgagees making such payment shall be owed immediate reimbursement therefor from the Association. Upon request, the Association shall execute an agreement with a Mortgagee evidencing its entitlement to such reimbursement.

Section 13.2 Priority to Proceeds. Neither the Owner, nor any other party shall have priority over any rights of the Mortgagee of a Lot in the case of a distribution to such Owner of insurance proceeds or any Condemnation Award for losses to or a taking of Common Elements.

Section 13.3 Notification of Default. A Mortgagee is entitled, upon request, to written notification of any default in the performance by an Owner of any obligation under this Declaration which is not cured within sixty (60) days.

ARTICLE XIV SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

Section 14.1 Special Declarant Rights. Declarant hereby reserves the right, from time to time, to perform the acts and exercise the rights hereinafter specified (the “Special Declarant Rights”). Declarant’s Special Declarant Rights include the following:

(a) Completion of Improvements. The right to complete the Improvements constituting the Project and indicated on the Subdivision Plan including the right to store materials and place construction trailers and a temporary construction office on the Property and to make such other use of the Property as may be reasonably necessary to complete construction of the Project.

(b) Sales Management and Marketing. The right to maintain a sales office and model, or combined sales office and model, and the right to maintain signs advertising the Project within the Common Elements until Declarant has conveyed all of their Lots. The sales office and model, or combined sales office and model, may be in any one of the Units, which may or may not be specified on a Plat. Declarant shall have the right to relocate the sales office, model or combined sales office and model from one Unit to another.

(c) Construction Easements. The right to use easements through the Common Elements for the purpose of making Improvements within the Project.

(d) Control of Association and Board of Directors. The right to appoint or remove any officer of the Association or any member of the Board of Directors, to the extent permitted under the Act and provided for in the Bylaws.

(e) Signs. The right to maintain signs on the Common Elements advertising the Project.

Section 14.2 Additional Reserved Rights. In addition to the Special Declarant Rights set forth in **Section 14.1** above, Declarant also reserves the following additional rights (the “Additional Reserved Rights”):

(a) Dedications. The right from time to time to establish, by dedication or otherwise, and to vacate utility and other easements for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, driveways, and to

create other reservations, exceptions, and exclusions for the benefit of and to serve the Owners within the Project.

(b) Use Agreements. 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 and/or recreational facilities, which may or may not be a part of the Project for the benefit of the Owners and/or the Association.

(c) Easement Rights. The rights to an easement over, across and through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations arising under this Declaration or the Act.

(d) Other Rights. The right to exercise any Additional Reserved Rights created by any other provision of this Declaration.

Section 14.3 Limitations on Special Declarant Rights and Additional Reserved Rights. Unless sooner terminated by an amendment to this Declaration executed by the Declarant, any Special Declarant Rights or Additional Reserved Rights may be exercised by the Declarant anywhere on the Property or within the Improvements so long as the Declarant (a) owns any Lot; (b) hold a security interest in any Lot; or (c) for twenty-five (25) years after the date of recording this Declaration, whichever eventuality grants to Declarant the longest possible period for exercise of Special Declarant Rights and Additional Reserved Rights.

Section 14.4 Interference with Special Declarant Rights. Neither the Association nor any Owners may take any action or adopt any Rule, Regulation or Policy that will interfere with or diminish any Special Declarant Rights or Additional Reserved Rights without the prior written consent of the Declarant. In the event any controversy, dispute, or litigation involving exercise of the reserved Special Declarant Rights by Declarant, this Declaration shall be interpreted so as to give the Declarant the broadest, most flexible Special Declarant Rights allowed by the Act.

Section 14.5 Rights Transferable. Any Special Declarant Rights or Additional Reserved Rights created or reserved under this Article for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred and recorded in the Records. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE XV RESERVATION OF DEVELOPMENT RIGHTS

Section 15.1 Development and Withdrawal Rights. Declarant expressly reserves the right to create Lots, Common Elements and Easements and to subdivide Lots on all or any portion of the Property subject to or reserved for future development in this Declaration or on a Plat (the "Development Rights"). Declarant may exercise any or all of the Development Rights reserved in this Declaration at any time with respect to any part or all of the Property. No assurances are made with respect to the boundaries of any Lot that may be developed or the order in which any Lot may be developed. Exercise of any Development Right with respect to any one Lot does not require

the exercise of any such rights on any other portion of the Property. No assurances are made, however, that any further development will occur. Declarant expressly reserves the right to withdraw all or any portion of the Property that is reserved for future development in this Declaration or on a Plat from the Project by recording a document signed by the Declarant and evidencing such withdrawal in the Summit County, Colorado real estate records; provided, however, that no portion of such property may be withdrawn after a Lot in that portion of the Property that has been added has been conveyed to a purchaser. The Declarant alone is liable for all expenses in connection with Property subject to or reserved for future development, except for expenses for maintenance and preservation of any Common Elements or Easements, or other property rights thereon created for the benefit of, and added by grant or otherwise to, the Project, which expenses shall be a common expense included within the assessments made by the Association.

Section 15.2 Maximum Number of Lots. The maximum number of Lots in the Project shall not exceed twenty-five (25) or, if allowed by the Act, the maximum number of Lots allowed by any governmental entity having jurisdiction over the Property, pursuant to any development plan for the Property. Declarant shall not be obligated to expand the Project beyond the number of Lots initially submitted to this Declaration.

Section 15.3 Construction Easement. Declarant expressly reserves the right to perform warranty work, repairs and construction work and to store materials in secure areas, in Lots and in Common Elements, and the future right to control such work and repairs, and the right of access thereto, until completion thereof. All work may be performed by Declarant without the consent or approval of any Owner or Mortgagee. Declarant hereby reserve such easements through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Declarant's reserved construction easements include the right to grant easements to public utility companies and to convey Improvements within those easements or anywhere in the Common Elements.

Section 15.4 Termination of Development Rights. The Development Rights reserved to Declarant, for itself, its successors and assigns, shall expire twenty-five (25) years after the date of recordation of this Declaration in the Summit County, Colorado records, unless the expansion and Development Rights are reinstated or extended by the Association, subject to whatever terms, conditions and limitations the Board of Directors may impose on the subsequent exercise of the expansion and Development Rights by Declarant as provided by the Act.

Section 15.5 Interference with Development Rights. Neither the Association nor any Owner may take any action or adopt any Rule, Regulation or Policy that will interfere with or in any manner limit or diminish any Development Right reserved by this **Article XV** without the prior written consent of the Declarant. In the event of any controversy, dispute or litigation involving exercise of the reserved Development Rights by Declarant, this Declaration shall be interpreted so as to give the Declarant the broadest, most flexible expansion or Development Rights allowed by the Act.

Section 15.6 Transfer of Development Rights. Any Development Rights created or reserved under this **Article XV** for the benefit of the Declarant may be transferred to any person by an instrument describing the rights so transferred and recorded in the Summit County, Colorado real estate records. Such instrument shall be executed by the transferor Declarant and the intended transferee.

ARTICLE XVI GENERAL PROVISIONS

Section 16.1 Enforcement. The Association, or any Owner, shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any provision, covenant, or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any civil action to enforce any provision, covenant, or restriction, the prevailing party shall be entitled to an award of reasonable attorney fees.

Section 16.2 Severability. Invalidation of any one or more of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in force and effect.

Section 16.3 Term. This Declaration, and any amendments or supplements thereto, and all covenants, conditions and restrictions provided for therein, shall run with the land and be binding and in full force and effect in perpetuity, subject to the termination provisions hereof and of the Act.

Section 16.4 Declaration Amendment. Declarant, for a period of ten (10) years from the date of recording of this Declaration, may make such minor and technical amendments to this Declaration as Declarant deems appropriate. Except to the extent that this Declaration and the Act expressly permit or require amendments that may be executed by the Declarant or by the Association, this Declaration, and any amendment or supplement thereto and any Plat, may be amended by a vote or agreement of Owners having at least sixty-seven percent (67%) of the votes in the Association. Any amendment by such a vote of the Owners may be executed by an officer of the Association designated for that purpose or, in the absence of a designation, by the president of the Association. The provisions of this Section notwithstanding, no amendment or termination shall be effective during the period of Declarant control of the Association as provided for in Section 3.5 and no amendment may be made which will interfere with or diminish any of Declarant's rights as provided for in **Articles XIV** and **XV** hereof.

Section 16.5 Plat Amendment. Declarant reserves the right to amend a Plat so as to make minor adjustments to property lines of property then owned by Declarant as Declarant deem appropriate for a period often (10) years from the date such Plat is recorded.

Section 16.6 Assignability. Declarant's right hereunder shall be freely assignable.

Section 16.7 No Partition or Subdivision. The Common Elements shall remain undivided, and no Owner, other person, or other entity shall bring any action for partition, division, or subdivision of the Common Elements. Similarly, no action shall be brought for partition or subdivision of a Lot or Unit between or among the Owners thereof. Each Owner hereby expressly waives any and all such rights of partition or subdivision he may have by virtue of his Ownership of a Lot. This Section shall not, however, be interpreted to prevent adjustments to Lot lines agreed to by the Owners of the Lots affected.

IN WITNESS WHEREOF, River's Edge Development, LLC has caused its name and seal to be hereunto signed and affixed by duly authorized individuals this ____ day of _____, 2016.

RIVER'S EDGE DEVELOPMENT, LLC
a Colorado limited liability company

By: Breckenridge Lands, LLC,
its Manager

By: _____
Thomas M. Begley, Manager

STATE OF COLORADO)
)ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016 by Thomas M. Begley as Manager of Breckenridge Lands, LLC as Manager of River's Edge Development, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires:

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL A, RIVER'S EDGE P.U.D. ACCORDING TO THE REPLAT
THEREOF RECORDED JUNE 8, 1993 AT RECEPTION NO. 444408

EXHIBIT B

EASEMENTS AND LICENSES OF RECORD

1. EASEMENTS, NOTES AND DEDICATIONS AS SHOWN ON THE PLAT FOR RIVER'S EDGE P.U.D. RECORDED JUNE 8, 1993 AT RECEPTION NO. 444408.

2. EASEMENTS, NOTES AND DEDICATIONS AS SHOWN ON THE PLAT OF RIVER'S EDGE RECORDED ON THE ____ DAY OF _____, 201__ AT RECEPTION NO. _____.