

AFTER RECORDING, RETURN TO:

The Retreat Metropolitan District No. 1
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IN GRANTEE INDICES UNDER RETREAT AT
TIMBERRIDGE AND RETREAT METROPOLITAN
DISTRICT NO. 1, A COLORADO QUASI-MUNICIPAL
ENTITY AND POLITICAL SUBDIVISION OF THE
STATE OF COLORADO, AND UNDER GRANTOR,
TIMBERRIDGE DEVELOPMENT GROUP, LLC, A
COLORADO CORPORATION.

DECLARATION

of

Covenants, Conditions, Restrictions and Easements

for

RETREAT AT TIMBERRIDGE

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DECLARATION

of

Covenants, Conditions, Restrictions and Easements

for

RETREAT AT TIMBERRIDGE

This DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR RETREAT AT TIMBERRIDGE ("Declaration") is made effective as of October 30, 2020, by **Elite Properties of America, Inc.**, a Colorado corporation ("Declarant"), as declarant, with the consent of TimberRidge Development Group, LLC, a Colorado limited liability company, as owner of the impacted property ("TDG"). This Declaration is exempt from the provisions of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 et seq. as there are no mandatory assessments created under this Declaration, and there is no obligation to pay for real estate taxes, insurance premiums, maintenance, or improvements or other real estate or common area created under this Declaration.

ARTICLE I GENERAL

Section 1.1 Location. The name of the community subject to this Declaration is "Retreat at TimberRidge," the entirety of which is located in El Paso County, Colorado (the "County").

Section 1.2 Property Affected. TDG owns certain real property in the County described on **Exhibit A** attached hereto and incorporated herein by this reference and desires to subject the property described on **Exhibit A** being made subject to this Declaration. The property described on **Exhibit A** is referred to in this Declaration as the "Community Area."

Section 1.25 Metropolitan District. Pursuant to C.R.S. § 32-1-1004(8), and other provisions of Title 32 of C.R.S., it is the intention of the Declarant to empower the Retreat Metropolitan District No. 1 which may delegate or assign all or some of its obligations hereunder to the Retreat Metropolitan District No. 2 (referenced together herein as "Metropolitan District") to provide certain services to the residents of the Community Area (collectively, the "Services," as hereinafter more fully defined), which may include covenant enforcement, design review, and trash collection.

Section 1.3 Purposes of Declaration. This Declaration is executed and recorded: (a) in furtherance of a common and general plan for those parcels of land which are part of the Community Area; (b) to protect and enhance the quality, desirability, and attractiveness of all property within the Community Area; (c) to provide for the Metropolitan District to hold, maintain, and manage certain common properties and amenities in the Community Area and to perform certain functions for the benefit of owners of land within the Community Area; (d) to define the

duties, powers, and rights of the Metropolitan District; and (e) to define certain duties, powers, and rights of Owners.

Section 1.4 General Scheme and Plan of Community Area. The Community Area created by this Declaration encompasses all of the property described in Exhibit A. Declarant reserves the right to add all or portions of the real property described on Exhibit B attached hereto (the "Expansion Property") to the Community Area. Declarant may elect to add all or portions of the Expansion Property to the Community Area from time to time. If none or only a portion of the Expansion Property is added to the Community Area pursuant to this Declaration, the validity of this Declaration shall not be affected, and this Declaration shall remain in full force and effect as to the real property then comprising the Community Area. **Unless and until a particular portion of the Expansion Property is added to the Community Area, such portion of the Expansion Property shall not be a part of the Community Area and this Declaration shall not apply thereto.** The Community Area shall only include the property described on Exhibit A and those portions of the Expansion Property that have been added to the Community Area pursuant to the terms of this Declaration.

Section 1.5 Declaration. Declarant, with the consent of TDG, hereby declares that the Community Area, and each part thereof, shall, on and after the date this Declaration is recorded, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered, and improved subject to the covenants, conditions, restrictions, easements, limitations, reservations, exceptions, and other provisions set forth in this Declaration, all of which are declared to be a part of and in furtherance of a common and general plan of development, improvement, enhancement, and protection of the Community Area. The provisions of this Declaration are intended to and shall run with the land and, until their expiration in accordance with Section 15.1 hereof, shall bind, be a charge upon, and inure to the mutual benefit of: (a) all of the property within the Community Area and each part or parcel thereof; (b) Declarant and its successors and assigns; (c) the Metropolitan District and its successors and assigns; and (d) all other persons and entities having or acquiring any right, title, or interest in any property which is part of the Community Area or any part or parcel thereof or any Improvement thereon, and their encumbrancers, claimants, heirs, personal representatives, successors, and assigns.

ARTICLE II DEFINITIONS

Unless otherwise expressly provided in this Declaration, the following words and phrases, whenever used in this Declaration, shall have the meanings specified in this Article 2:

Section 2.1 Architectural Committee. "Architectural Committee" shall mean the applicable approving authority then in effect as described in Section 6.1 of this Declaration.

Section 2.2 Metropolitan District Fee. The Metropolitan District is authorized by the Metropolitan District Documents and the Special District Act, Section 32-1-101, et. seq., to impose and collect property taxes and fees to provide services to residents and property owners within the Metropolitan District boundaries. For purposes of this Declaration "Assessment" shall mean fees imposed by the Metropolitan District and include "Common Assessment," pursuant to Section

11.3, a "Special Assessment," pursuant to Section 11.8, and/or a "Site Assessment," pursuant to Section 11.9, as applicable and other fees as imposed by the Metropolitan District.

Section 2.3 Metropolitan District. "Metropolitan District" or "District" shall mean The Retreat Metropolitan District No. 1 a quasi-municipal political subdivision of the state of Colorado and its designees, successors and assigns.

Section 2.4 Metropolitan District Documents. "Metropolitan District Documents" shall mean the various operative documents of the Metropolitan District, whether recorded or adopted at this or a later time or as the same have been or may be amended, modified, supplemented, or otherwise changed from time to time, all of which are incorporated herein by this reference, and shall include the following:

- (a) the Service Plan of the Metropolitan District (the "Service Plan");
- (b) the Bylaws as may be adopted by the Metropolitan District (the "Bylaws");
- (c) this Declaration and all amendments to this Declaration;
- (d) the Plat;
- (e) the Metropolitan District Rules and Regulations;
- (f) the Development Plan; and
- (g) the Community Standards.

Section 2.5 Metropolitan District Property. "Metropolitan District Property" or "Metropolitan District Properties" shall mean, if any, all real and personal property, if any, together with any and all Improvements, now or hereafter located within the Community Area and appurtenances and rights thereto, hereafter owned by the Metropolitan District or which the Metropolitan District hereafter maintains, holds, or uses for the common use and enjoyment of all of the Members and public as provided herein and the Service Plan, without ownership thereof, and for other purposes as may be permitted by this Declaration or a Plat. EACH OWNER HEREBY ACKNOWLEDGES THAT AS OF THE DATE OF THIS DECLARATION THERE ARE NO METROPOLITAN DISTRICT PROPERTIES LOCATED WITHIN THE COMMUNITY AREA.

The Metropolitan District Properties shall also include the Metropolitan District's rights in and to the Water Rights defined in Section 2.29 herein and any additional rights obtained by the Metropolitan District and any well the Metropolitan District elects to construct within the Metropolitan District Property.

The Metropolitan District may, from time to time, be granted Metropolitan District Properties by a Plat of the Expansion Property which is hereafter annexed into the Community Area pursuant to Section 10.4 below. The Metropolitan District Properties shall include the Tracts of land within the Community Area identified on the Plats as real property improvements which will be owned and/or maintained by the Metropolitan District. The Metropolitan District shall be obligated to maintain all aspects of any Metropolitan District Properties that are granted to it, other than those aspects which are specifically identified on the Plats or in the public record as being the obligation of another party.

All of the Metropolitan District Properties will be open to all Members and the public.

Section 2.6 Board. "Board" shall mean the Board of Directors of the Metropolitan District.

Section 2.7 Community Area. "Community Area" shall mean the real property described on Exhibit A, together with any and all Improvements now or hereafter on such real property and appurtenances and rights to such real property. If and when added by the Declarant, the Community Area shall also include those portions of the Expansion Property that have been made subject to this Declaration as provided in Section 1.4 and Section 10.4 hereof. Other than the Expansion Property, the Community Area will not be expanded to include any property, without the written approval of a majority of the Owners in the Community Area.

Section 2.8 Community Standards. "Community Standards" shall mean the Retreat at TimberRidge Design Guidelines and rules and/or regulations, as may be adopted and/or amended from time to time by the Declarant or the Metropolitan District.

Section 2.9 Declarant. "Declarant" shall mean Elite Properties of America, Inc., a Colorado corporation, its successors and assigns. A Person shall be deemed a "successor and assign" of Declarant only if specifically designated in a duly recorded instrument as a successor or assign of Declarant under this Declaration, and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Declaration which are specifically designated in the written instrument, which may be all of them. Notwithstanding the foregoing, a successor to Declarant by consolidation or merger shall automatically be deemed a successor or assign of Declarant under this Declaration.

Section 2.10 Declaration. "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions and Easements for Retreat at TimberRidge, in its entirety, including all attached exhibits and all subsequent amendments.

Section 2.11 Development Plan. "Development Plan" shall mean the P.U.D. Development Plan as approved by the County and recorded within the real property records of the County, and all amendments thereto.

Section 2.12 Intentionally Reserved

Section 2.13 Expansion Property. "Expansion Property" shall mean and refer to the real property described on Exhibit B attached hereto. The Expansion Property, together with all appurtenances thereto and all Improvements now or hereafter located thereon, may be annexed into the Community Area pursuant to Section 10.4 of this Declaration.

Section 2.14 Dwelling Unit. "Dwelling Unit" shall mean an Improvement on a Lot which is intended or used as a single family detached home.

Section 2.15 First Mortgage. "First Mortgage" shall mean and refer to any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the real property records of the County, pertaining to a Lot and having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

Section 2.16 First Mortgagee. "First Mortgagee" shall mean and refer to any Person named as a mortgagee or beneficiary under any First Mortgage or any successor to the interest of any such Person under such First Mortgage.

Section 2.17 Improvements. "Improvements" shall mean all structures and any appurtenances thereto or components thereof of every type or kind, including, but not limited to, Dwelling Units, outbuildings, concrete additions or pavers, swimming pools, hot tubs, basketball backboards and supporting structures, decks, porches, patios, patio covers or screening, awnings, painting or other finish material of any exterior surfaces or any visible structure, additions, walkways, sprinkler pipes, garages, driveways, parking areas, fences, screening walls, retaining walls, stairs, fixtures, Landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, swamp coolers, solar equipment, and exterior air conditioning and water softener fixtures. "Improvements" shall also mean an excavation or fill the volume of which exceeds two cubic yards, and any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel upon or across any Lot.

Section 2.18 Landscape. "Landscape" shall mean a type of Improvement consisting of the treatment of ground surface with live plant materials, wood chips, crushed stone, decorative rocks, mulch materials or other decorative surfacing materials. For purpose of this definition, the word "Landscape" shall include all other forms of the word Landscape, such as "Landscaped" and "Landscaping."

Section 2.19 Leasing. "Leasing" shall mean the regular, exclusive occupancy of a Lot by any Person other than the Owner, provided, however, that a Related Person, other than an occupant, tenant or contract purchaser of any Lot, shall not be considered a tenant and their occupancy does not constitute Leasing.

Section 2.20 Lot. "Lot" shall mean a parcel of land designated as such within the Plat.

Section 2.21 Lot Lines. Front, side and rear "Lot Lines" shall be as follows: a front Lot Line is each boundary line (whether one or more) between the Lot and any street; a side Lot Line is any boundary line which meets and forms an angle with a street except that for a corner Lot with two front Lot Lines, the side Lot Line is the boundary which forms an angle with the street that affords the principal access to the Lot; all other Lot Lines are rear Lot Lines.

Section 2.22 Member. "Member" shall mean an owner of property within the Community Area. Membership in the designation under this Declaration shall be appurtenant to, and may not be severed from, ownership of a Lot.

Section 2.23 Owner. "Owner" shall mean the record title holder, including Declarant, whether one or more Persons, of fee simple title to a Lot, including sellers under executory contracts under Colorado law.

Section 2.24 Person. "Person" shall mean a natural person, a corporation, a limited liability company, a partnership (including general, limited and limited liability partnerships) or

any other public or private entity recognized as being capable of owning real property under Colorado law.

Section 2.25 Plat or Plats. "Plat" or "Plats" shall mean the plat(s) that are the current plats of all or a portion of the Community Area, together with any supplemental plat recorded in the real property records of El Paso County, Colorado for any portion of the Community Areas.

Section 2.26 Related User. "Related User" shall mean: (a) any Person who resides with an Owner within the Community Area; (b) a guest or invitee of an Owner; (c) an occupant, tenant or contract purchaser of any Dwelling Unit on a Lot; and (d) any family member, guest, employee, agent, representative, licensee, contractor, invitee or cohabitant of any of the foregoing Persons.

Section 2.27 Rules and Regulations. "Rules and Regulations" shall mean the rules and regulations, if any, adopted by the Board as provided in Section 8.9 of this Declaration.

Section 2.28 Tract. "Tract" shall mean a parcel of land designated as such within the Plats.

Section 2.29 Water Rights. "Water Rights" consist of the Dawson aquifer not non-tributary groundwater and Laramie-Fox Hills aquifer non-tributary groundwater decreed in Colorado District Court, Water Division 2, Case No. 17CW3002, including the plan for augmentation decreed in Colorado District Court, Water Division 2, Case No. 18CW3002; as such water rights were subsequently conveyed to the Metropolitan District (the "Water Rights").

ARTICLE III COVENANTS TO PRESERVE THE RESIDENTIAL CHARACTER OF THE COMMUNITY AREA

Section 3.1 Property Uses. All Lots will be used exclusively for private single-family residential purposes in accordance with the Community Areas' applicable residential zoning. Elderly Assisted Care Living Facilities, Group Homes, Limited Group Homes (as each such term is defined by the County zoning code) and any other similar or dissimilar group home are each prohibited on a Lot. No Dwelling Unit shall be used or occupied for any purpose other than for a single-family dwelling. No business, profession or other activity conducted for gain shall be carried on or within any Lot or Dwelling Unit; provided that any uses that are permitted under the County home occupation regulations (the "Home Occupation provisions") shall be permitted. If the Home Occupation provisions are hereafter repealed, then for purposes of this Declaration and its enforcement, the provisions of the Home Occupation provisions in effect at the time of the recordation of this Declaration shall be incorporated herein as a part of this Declaration. Any violation of the Home Occupation provisions shall be a violation of this Declaration. Declarant or the Metropolitan District shall have the right, from time to time, to establish Rules and Regulations regarding the use of a Dwelling Unit for any home occupations, including regarding increased traffic within the Community Area and/or the prohibition thereof if required in the Metropolitan District's reasonable judgment based upon the long term projection of available domestic water supplies for the Community Area and the Metropolitan District's Water Rights, including compliance with the terms and conditions of the decrees described in Section 2.29.

Section 3.2 Improvements. Only detached single-family Dwelling Units approved by the Architectural Control Committee and other Improvements which have been approved by the Architectural Control Committee or are otherwise expressly allowed under the terms of this Declaration, or Improvements which Declarant or its designees place or construct within the Community Area, shall be erected on a Lot. All Improvements shall be required to comply with the Development Plan, as applicable. No Improvement, other than a Dwelling Unit, and no trailer, mobile home, tent or other similar or dissimilar temporary quarters may be used for living purposes.

Section 3.3 Construction Type. All construction shall be new. No building previously used at another location nor any building or Improvement originally constructed as a mobile dwelling may be moved onto a Lot except as expressly provided in Section 3.7 for temporary construction, sales, or administration buildings.

Section 3.4 Storage. Following the initial construction of a Dwelling Unit on a Lot, no building materials shall be stored on any Lot except temporarily during continuous construction of an Metropolitan District approved Improvement or its alteration unless such building materials are stored in the garage on the Lot or otherwise enclosed and fully screened in a manner approved by the Architectural Committee.

Section 3.5 Substantial Completion. A Dwelling Unit shall not be occupied in the course of original construction until substantially completed and, if required by applicable law, until a certificate of occupancy has been issued by the Pikes Peak Regional Building Department (the "PPRBD") and any other necessary governmental or quasi-governmental authority. All construction work shall be prosecuted diligently and continuously from the time of commencement until fully completed.

Section 3.6 Construction Completion. The exterior of all Dwelling Units and final grading of Lots must be completed within nine (9) months after the commencement of construction. Landscaping must be completed within six (6) months after the issuance of a Certificate of Occupancy for the Dwelling Unit in accordance with the terms of Section 5.9 of this Declaration. Construction of any Improvements on a Lot, other than a Dwelling Unit and Landscaping, must be completed within nine (9) months after commencement of construction. The deadlines set forth above shall apply, except where such completion is impossible or would result in great hardship due to strikes, fires, national emergency or natural calamities and except if the Architectural Control Committee approves a longer period of construction due to unusual circumstances. For purposes of this Section 3.6, "commencement of construction" for a Dwelling Unit is defined as the obtaining of necessary building permits and the excavation of earth for a foundation, and for all other Improvements is defined as the undertaking of any visible exterior work. If construction is not completed within the above time periods or such later time approved by the Architectural Committee, or if construction shall cease for a period of forty-five (45) days without permission of the Architectural Committee, the Architectural Committee may give the Owner of the Improvements involved written notice of such fact, and if construction on such Improvement is not diligently commenced within thirty (30) days after such notice and thereafter diligently prosecuted to completion, the unfinished Improvement or unfinished portion thereof may be deemed a nuisance and shall be removed forthwith by and at the cost of the Owner. The

time limits established in this Section 3.6 shall not apply to Improvements constructed or installed by Declarant.

Section 3.7 Construction or Sales Offices. Temporary buildings for construction or administration purposes or for sales offices may be erected or maintained only by Declarant or with the permission of the Declarant or the Architectural Committee. Model homes may be used and exhibited as model homes and/or for public purposes only by Declarant or with the permission of the Declarant or the Architectural Committee. Temporary buildings permitted for construction or administration purposes or for sales offices shall be promptly removed when they cease to be used for these purposes.

Section 3.8 Construction Debris. During the progress of construction, the Owner of a Lot or his contractor shall use commercially reasonable efforts to ensure that the Lot is kept free of debris and trash, all of which shall be deposited in the trash container area. When construction is commenced upon a Lot, the Owner shall provide a trash container and cause it to be properly used and maintained during construction. Such trash containers must be placed within the Owner's Lot unless Declarant or the Architectural Committee, in its sole discretion, authorizes its location within the street. The Owner shall use commercially reasonable efforts to ensure that no construction materials, debris or trash shall be allowed on the property of others and any materials, trash or debris blown off the Lot shall be promptly retrieved and disposed of properly. In addition, the Owner of a Lot shall cause all excess dirt which may be generated from excavation on the Lot to be removed from the Lot or street following completion of construction.

Section 3.9 Drilling Structures. No derrick or other Improvement designed for use in or used for boring or drilling for water, oil or natural gas shall be permitted upon or above the surface of any Lot, nor shall any water, oil, natural gas, petroleum, asphaltum or other hydrocarbon substances be produced from any well located upon, in or under any Lot. The foregoing is not intended to prohibit temporary drilling to obtain samples in connection with the investigation of soils or temporary drilling necessary in the construction of Improvements.

Section 3.10 Fire Protection. Each Owner hereby acknowledges that fire protection will be provided to the Community Area by the Black Forest Fire Protection District.

Section 3.11 Standards of Governing Jurisdictions. Owners, together with builders of Dwelling Units, are subject to the rules, regulations, standards and ordinances of various governing jurisdictions, including but not limited to the County, Metropolitan District and PPRBD. In the event that the covenants and requirements of this Declaration conflict with any such rules, regulations, standards or ordinances, the more stringent shall govern.

Section 3.12 Responsibility for Stormwater Compliance. Each Owner acknowledges that the activities involved in the construction on a Lot (the "Construction Activities") are subject to federal, state, and local laws and regulations governing the management of stormwater runoff from construction sites (the "Stormwater Regulation"), including but not limited to, the Colorado Discharge Permit System regulations contained in 5CCR 1002-61 (the "CDPS Regulations").

In addition to and not in limitation of any other obligations contained in this Declaration and/or the Community Standards, each Owner will be responsible for maintaining proper storm

water drainage in and through his or her Lot. Structures, fences, materials and Landscaping that could impede the flow of runoff shall not be placed in drainage easements. Public drainage easements specifically noted on the Plats shall be maintained by the applicable individual Lot Owners unless otherwise indicated.

Section 3.13 Water Rights Restrictions. The use of the Water Rights is restricted by the terms and conditions of the plan for augmentation entered in Colorado District Court, Water Division 2, Case No. 18CW3002. These restrictions limit pumping to an average of 0.32 acre-feet per year per Lot, and irrigation is limited as set forth in Section 5.9 and the Community Standards. Failure of an Owner to comply with the terms of the decrees described herein may result in an order from the State Engineer to curtail, or eliminate pumping to curtail, or eliminate pumping from the Dawson aquifer.

Section 3.14 Water and Sanitary Facilities. Within the Community Area there are certain Lots that will not receive water and sanitary services from Sterling Ranch Metropolitan District and will require the installation and applicable governmental approval of non-evaporative septic systems for sanitary sewer purposes ("Rural Lot(s)"). Each Rural Lot Owner acknowledges that their Lots will require the installation and applicable governmental approval of a domestic water well for water service to the Dwelling Unit. The Water Rights associated with the well permit required to drill/install the domestic water wells are either owned by the Metropolitan District or the Metropolitan District has various other rights therein; Rural Lot Owners shall receive a certificate evidencing Rural Lot Owner's right to use a portion of the Water Rights. In addition to all applicable governmental requirements, each well, and the use, operation and maintenance thereof, will be required to comply with the water restrictions and requirements contained in Article 18 hereunder and the terms and conditions in the decrees as described in Section 2.29 herein. In addition, each Rural Lot Owner hereby acknowledges that, although the Metropolitan District will have the authority to administer and enforce the governmental requirements related to the Water Rights for the Community Area, as provided in this Declaration, the Rural Lot Owners will remain responsible for ensuring compliance with all governmental restriction and requirements related to such Water Rights, including meter readings three (3) each year. Each Rural Lot Owner further acknowledges that the Metropolitan District shall have the right to install wells, in its discretion, within the Metropolitan District Property for Metropolitan District purposes.

ARTICLE IV DENSITY, SETBACK AND QUALITY STANDARDS

Section 4.1 Limitation on Dwellings and Subdivisions. No more than one (1) Dwelling Unit shall be constructed or maintained within any Lot. No Lot shall be replatted or otherwise subdivided without the approval of the Architectural Committee and applications for such approval will not be favored in the absence of extreme hardship. Lot Line adjustments which do not result in an increase in the number of Lots and which are made to accommodate building plans approved by the Architectural Committee may be approved by the Architectural Committee in its sole discretion. This Section does not apply to and shall not restrict Declarant's rights under Article 10. An Owner will be solely responsible for obtaining all required governmental approvals for any such Lot line adjustments and approval by the Architectural Committee shall not remove that obligation.

Section 4.2 Setbacks and Easements. All construction must conform to the setback requirements of the County building code and zoning code, subdivision regulations and all other applicable governmental or quasi-governmental agencies having appropriate jurisdiction for front, rear and side Lot Lines, as of the date of commencement of construction, including without limitation, the setback requirements set forth on the applicable Plat. All Lots are also subject to the minimum setbacks and easements for public utilities and drainage purposes as set forth in the Development Plan.

Section 4.3 Minimum Floor Area. No Dwelling Unit shall be erected which, exclusive of basements below garden level, porches, patios, covered but unenclosed areas, garages and any attached accessory building, has a gross livable floor area less than as follows: (1) if a ranch or single-story Dwelling Unit, 1,000 square feet, and (2) if other than a ranch or single-story Dwelling Unit, 1,200 square feet.

Section 4.4 Height Restrictions. The height of any Dwelling Unit or other Improvements constructed or to be constructed on any Lot within the Community Area is hereby restricted and shall not exceed thirty-five feet (35') in height or such lower height as may be required by the County. Height shall be measured in accordance with the County's height standards and requirements.

Section 4.5 Exterior Colors and Materials. All exterior colors and materials, including roofing materials, used on Dwelling Units and other Improvements must be approved by the Architectural Committee, all in accordance with the Community Standards. Acceptable materials and standards for approval of such subsequent modification, alteration, addition and change may be as established from time to time by the Architectural Committee.

Section 4.6 Antennae and Roof Projections; Satellite Dishes. Except as provided below in this Section, no aerial, antenna, satellite dish, or other device for reception or transmission of radio or television or other electronic signals shall be mounted on the roof of any building, nor shall any such aerial, antenna, satellite dish, or other device be maintained at any exterior location so as to be visible from neighboring properties or adjacent streets. Plans for Improvements, other than FCC Protected Structures, as defined below, must be submitted to and approved by the Architectural Committee prior to installation. If the Architectural Committee disapproves such structure, the party requesting approval may modify its plans to eliminate the Architectural Committee's objections and resubmit them for approval. If any such aerial, antennae, satellite dish, or other device is installed without the approval of the Architectural Committee, the Architectural Committee shall have the rights set forth in this Declaration. Notwithstanding the above, Notwithstanding the foregoing, satellite dishes and antennae that are subject to the rule adopted on August 5, 1996 (and effective on October 14, 1996 as amended) by the Federal Communications Commission pertaining to restrictions on an antenna that is one meter in diameter or less that receives direct broadcast satellite service and video programming via multi-point distribution services and any antenna designed to receive television broadcast signals (collectively, "FCC Protected Structures"), shall be permitted so long as the means, method, and location of such antenna comply with the rules adopted from time to time by the Architectural Committee. No unreasonable delay or unreasonable increase in the cost or installation or maintenance of an FCC Protected Structure shall be imposed by such rules, nor shall the rules prevent reception or otherwise make reception impossible for any Owner who shall seek to install an FCC Protected

Structure, other than for health and safety reasons. Notwithstanding the above, no antenna used to transmit signals to, and/or receive signals from, multiple customer locations will be permitted. As long as reception is not impaired, an antenna shall be placed or screened so it is not visible from neighboring property and in compliance with the Architectural Committee requirements.

Section 4.7 Rebuilding or Restoration. If any Dwelling Unit or other Improvement is destroyed in whole or in part by fire, windstorm or from any other cause or act of God, it must be rebuilt or all debris must be removed and the Lot restored to a slightly condition. Such rebuilding or restoration must be commenced within three (3) months after the damage or destruction occurs and thereafter diligently pursued to completion within a reasonable time, not to exceed one (1) year after the date the damage occurred or such longer period of time as may be approved by the Architectural Committee due to unusual circumstances. If restoration, rebuilding or removal is not completed within the above time periods or such later time approved by the Architectural Committee, or if the restoration, rebuilding or removal shall cease for a period of sixty (60) days without permission of the Architectural Committee, the Architectural Committee will give the Owner of the Lot involved written notice of such fact, and if the restoration, rebuilding or removal of the Improvements is not diligently commenced within thirty (30) days after such notice, the damaged or destroyed Improvements shall be deemed a nuisance. The Metropolitan District shall have the right thereafter to enter upon the Lot involved and remove the damaged or destroyed Improvements at the expense of the Owner. Such an entry and removal shall not be deemed a trespass and the Owner shall be liable for all costs incurred in connection with the removal.

Section 4.8 Fences. The only fences (including, without limitation, privacy fences, animal pens, dog runs and other enclosures) permitted within the Community Area shall be fences constructed by Declarant or those which have been approved by the Architectural Control Committee. The height, location, and material of all fences, animal pens, dog runs, and other similar items must be approved by Declarant or the Architectural Control Committee. Chain link or similar wire fencing shall not be allowed. The total fencing of front yards is not permitted. In addition, no fence or hedge more than two feet high (2') shall be installed or maintained (a) closer than five feet (5') to a side Lot Line adjacent to a street, or (b) closer to a front Lot Line than the dwelling or any other Improvement located on the Lot, except by Declarant or with the written approval of the Architectural Control Committee. The Architectural Control Committee may establish from time to time standards for fences within the Community Area, which shall be enforced pursuant to the terms of this Declaration. All fences within the Community Area will be subject to the provisions contained in Section 4.9 of this Declaration.

Section 4.9 Open Space Fences and Landscaping. Declarant reserves the right (but shall not have the obligation other than as imposed under the Development Plan) to construct or install, in its sole discretion, a fence (the "Open Space Fencing") on Lot lines adjacent to Tracts, and Landscaping in all Tracts. The Open Space Fencing, if installed by Declarant, shall thereafter be maintained and kept in good condition and repair by the District, however in the event District refuses to do so, then upon written notification from the Metropolitan District of that fact, each Owner shall be responsible for maintaining that portion of the Open Space Fencing located adjacent to the Owner's Lot, in the manner prescribed by the Metropolitan District. The height, design, color and/or other aspect of the Open Space Fencing may not be increased, altered or modified by any Lot Owner adjacent to such fencing, except as may be directed by the Metropolitan District in writing. Except as constructed by Declarant or otherwise approved in

writing by the Architectural Control Committee, any fence proposed to be installed on a Lot which abuts an Open Space Fence shall be required to conform, in addition to the overall fencing requirements set forth in Section 4.8 and this Section 4.9, to the fencing standards which may be established from time to time by the Architectural Control Committee for such additional fencing. No additions or attachments shall be made to any Open Space Fencing, other than connecting rear and side Lot fences into the Open Space Fencing. No sign of any type shall be displayed from the Open Space Fencing, other than promotive sales signs for initial Lot or home sales by Declarant or persons authorized by Declarant or the Architectural Control Committee, and not for home resales or unauthorized home builders. Entry on an applicable Lot by Declarant or the District, or their respective agents in order to construct, maintain or repair the Open Space Fencing shall not be deemed a trespass. Except in a case of an emergency, prior notice will be given to the applicable Lot Owner before any such entry by Declarant. Neither District nor Declarant shall be liable for any loss, costs or damages to any applicable Lot Owner within the Community Area on account of its performance of such construction, maintenance or repair, except for any such loss, cost or damage caused by the applicable Person's gross negligence or willful misconduct. The District may from time to time record in the real property records of the County, a map or other documentation confirming the location of Open Space Fencing within the Community Area.

Section 4.10 Underground Utilities. All utilities that will be installed within the Community Area after the date of execution of this Declaration, including, electrical, telephone and cable television service, and excepting lighting standards and customary service devices for access, control or use of utilities, shall be installed underground. The Declarant may grant approval for temporary above ground utility lines as needed during construction. This Section 4.10 shall have no applicability to overhead utilities or aboveground utilities that are or were in place prior to the date of execution of this Declaration.

Section 4.11 Garage and Driveway. The Dwelling Unit on each Lot shall include a minimum of a two-car attached, fully enclosed garage or such equivalent garage arrangements as may be approved by the Architectural Committee. Lot Owners are responsible for constructing driveway, including necessary drainage culverts per County Land Development Code Section 6.3.3.C.2 and 6.3.3.C.3. All driveways shall be improved with concrete unless otherwise approved by the Architectural Committee. No Lot shall contain more than one (1) driveway that directly accesses the garage from a public right of way or flag lot or flag lot stem. No additions, alterations, or modifications (other than repairs or equivalent replacements) shall be permitted to be made to the garage or driveway following initial construction without Architectural Committee approval.

Section 4.12 Access Restriction. All persons or entities having any interest in any of the Lots are required to and shall each arrange and maintain any drives, dwellings, or other Improvements so that ingress and egress to and from their respective Lots is exclusively from a publicly dedicated street and not through other private property or adjoining public lands. There shall be no direct vehicular access from any Lot to a Tract or to or from Vollmer Road.

Section 4.13 Compliance with Building Codes. All construction must also conform to County building codes, zoning codes and subdivision regulations, which regulations may vary from the provisions of this Declaration; provided, however, if this Declaration is more restrictive than such governmental codes and regulations, then the more restrictive provisions of this Declaration shall control.

Section 4.14 General Architectural Standards. The Architectural Committee shall have the right and authority to establish and amend specific architectural standards from time to time as provided in Section 6.2 hereof.

Section 4.15 Tract Use. Each Tract within the Community Area shall be used solely for the purposes for which such Tract was established as set forth on the applicable Plat. Each Owner acknowledges that the Metropolitan District is not and will not at any time be responsible for monitoring the use of any such Tract. Each Owner hereby expressly releases the Declarant, all other Owners of the property within the Community Area, the Metropolitan District and the District from any and all liability related to the existence of all Tracts within the Community Area and the use thereof by an Owner or his Related User.

Section 4.16 Tract Ownership and Maintenance. Each Tract within Retreat at TimberRidge shall be owned and maintained by the respective parties as indicated on the applicable Plat. Tracts A, B, C and D, Retreat at TimberRidge Filing No. 1 shall be owned and maintained by the District. The Metropolitan District and the Declarant are hereby granted the right (but shall not have the obligation) to enter onto any Tract within the Community Area to manage, operate, care for, maintain and repair the same in the event the responsible party fails to perform its obligations after twenty (20) days written notice of such failure.

Section 4.17 Sidewalks / Driveway Maintenance. Each Owner shall maintain and keep in good repair the driveway located within his Lot, together with the sidewalk located within and/or adjacent to his Lot and within the public right of way. Each Owner shall be responsible for snow removal on the sidewalks located within and/or adjacent to his Lot and within the public right of way.

ARTICLE V LIVING ENVIRONMENT STANDARDS

Section 5.1 Building and Grounds Maintenance. Each Owner shall maintain the exterior of the Dwelling Unit and all other Improvements on his/her Lot in good condition and shall cause the Improvements to be repaired in the same manner, style and color as the effects of damage or deterioration become apparent. Each Owner shall keep the vegetation, including turf, within his Lot trimmed and mowed and all Landscaping properly maintained. Each Owner hereby acknowledges that the requirement in this Declaration to maintain each Lot and any Improvement in "good condition" and "properly maintained" shall be based upon a standard of care which is appropriate for single family residential areas in the County that are of a comparable quality and nature and in accordance with the Development Plan. If the Owner fails to properly perform such maintenance, Declarant or the Metropolitan District may, after giving thirty (30) days written notice and at the Owners' expense, effect such repairs and maintenance as it deems necessary in its judgment to maintain the standards of the Community Area and assess the Owner for the cost of such repairs and maintenance as a Site Assessment. Entry to effect such repairs and maintenance shall not be deemed a trespass, and the Owner shall be liable for all costs incurred in connection with the repairs and maintenance.

Section 5.2 Garage Doors. Garage doors shall be kept closed except when being used to permit ingress and egress to or from the garage.

Section 5.3 Outside Storage. When not in use, all equipment for the maintenance of a Lot or Dwelling Unit shall be stored in an enclosed building or otherwise adequately screened so as not to be visible from neighboring properties or adjoining streets.

Section 5.4 Clotheslines. No outdoor clothes poles, clotheslines or other facilities for drying or airing clothing or household goods shall be placed on any Lot, and no laundry or wash shall be dried or hung outside any Dwelling Unit or other Improvement or on any Open Space Fencing.

Section 5.5 Swing Sets and Play Areas. No swingsets, jungle gyms, slides or other similar Improvements shall be installed on a Lot unless substantially screened in a manner permitted by the Community Standards or approved by the Architectural Committee prior to construction or installation of such Improvements.

Section 5.6 Refuse. Following the initial construction of a Dwelling Unit, no unsightly objects or materials, including but not limited to ashes, trash, rubbish, garbage, grass or shrub clippings, scrap material or other refuse, or receptacles or containers therefore, shall be stored, accumulated or deposited outside or so as to be visible from any neighboring property or adjoining street, except during refuse collections. After a period of one (1) week of continued violation of this Section, the Metropolitan District or Declarant shall have the right to enter upon the Lot involved and remove such unsightly objects or materials at the expense of the Owner in addition to the fines and other rights contained in this Declaration. Such an entry shall not be deemed a trespass, and the Owner shall be liable for all costs incurred relative thereto.

Section 5.7 Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor anything done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the Community Area. No offensive or hazardous activities may be carried on within any Lot or in any Dwelling Unit. Excluding the activities authorized pursuant to this Declaration, no annoying lights, sounds or odors shall be permitted to emanate from any Lot or Dwelling Unit.

Section 5.8 Sound Devices. No exterior speakers, horns, whistles, bells or other sound devices, except security and fire alarm devices used exclusively for security purposes, shall be located, used or placed on any Improvement or within any Lot. With the prior approval of the Architectural Committee, an Owner may install exterior stereo speakers, provided that the sound levels from such speakers are not objectionable to neighbors, in the sole discretion of the Board.

Section 5.9 Landscaping. Within six (6) months following receipt of a Certificate of Occupancy for the Dwelling Unit, or within any extension (if any) of that period granted by the Architectural Committee, all yards and open spaces within that Lot shall be Landscaped and thereafter maintained and kept in good condition. Prior to commencing any Landscaping within a Lot, the Owner thereof shall be required to submit his proposed Landscape plan to the Architectural Committee for its approval in accordance with this Declaration. Landscape plans and maintenance shall comply with the requirements of these Covenants, the Community Standards regarding Landscaping. Each Owner acknowledges that the Owner will be solely responsible for maintaining, repairing, and replacing as needed all Landscaping within his Lot. Each Owner further acknowledges neither the Declarant nor the Metropolitan District will have any obligation to maintain, repair, or replace any Landscaping within a Lot. Such maintenance shall include

without limitation, repair or replacement of rock or mulch which is damaged, washed away, or worn.

No Owners shall modify, add to or alter the Landscaping in any way without the express written consent of the Architectural Committee.

Section 5.10 Weeds. All yards and open spaces and the entire area of every Lot on which no building has been constructed shall be kept free from plants and weeds infected with noxious insects or plant diseases and from weeds which, in the reasonable opinion of the Metropolitan District or Declarant, constitute a nuisance or are likely to cause the spread of infection or weeds to neighboring property, and free from brush or other growth or trash which in the reasonable opinion of the Metropolitan District or Declarant causes undue danger of fire.

Section 5.11 Mowing and Pruning. In order to effect insect, weed and fire control and to prevent and remove nuisances, each Owner of a Lot upon which a Dwelling Unit has not been constructed shall mow, cut, prune, clear and remove from his Lot unsightly brush, weeds and other unsightly growth and shall remove any trash which may collect or accumulate on the Lot.

Section 5.12 Grading Patterns. No material change may be made to the ground level, slope, pitch or drainage patterns of any Lot as fixed by the original, approved finish grading plan for a Lot except after first obtaining the prior consent and approval of Declarant or the Architectural Committee. Grading shall be maintained at all times so as to conduct irrigation and surface waters away from buildings and so as to protect foundations and footings from excess moisture. Any construction, grading or swales should direct surface waters to a drainage easement or to the street. Surface waters should not be concentrated and directed differently than the historic direction of flow. Special attention should be paid to the revegetation of approved grades, cuts and fills to eliminate erosion. Each Owner acknowledges that he is responsible for maintaining the Lot's grade and drainage pattern and insuring that drainage is not impeded and is directed to the historic direction of flow.

Section 5.13 Transmitters. No electronic or radio transmitter of any kind other than garage door openers, electronic devices and transmitters permitted by Title 47, Part 15 of the United States Code and remote control devices for televisions, stereos, video cassette recorders and similar equipment shall be operated in or on any Improvement or Lot.

Section 5.14 Animals. No animals, except domesticated birds or fish and other small domestic animals permanently confined indoors and those permitted pursuant to this Section 5.14, shall be permitted within any Lot. Domesticated dogs and domesticated cats may be kept or maintained in or on any Lot within the Community Area only if kept as pets and the total number of which, including service animals, may not exceed three (3) animals, subject at all times to compliance with the Community Standards. No animals shall be kept or maintained within the Community Area for any commercial purposes and no animals shall be bred within the Community Area for any reason. No dogs or other pets shall be chained or enclosed on a Lot outside of the Dwelling Unit for any extended period of time, except by means of underground electronic fences or other invisible barriers or fences. Dogs or pets may also be kept in a dog run or other similar enclosure within a Lot. The location, materials, size, screening and other specifications for the dog run shall be subject to approval by the Architectural Committee. Notwithstanding the above,

no animal of any kind shall be permitted which in the opinion of the Metropolitan District makes an unreasonable amount of noise or odor or is a nuisance. All dogs shall be kept on a leash and cleaned up after and attended to by their Owners when present in the Community Area when outside of the Owner's Lot. An Owner shall be responsible for any damage caused by the pet. The Board may adopt Community Standards and impose such fines as are deemed advisable to enforce these provisions.

Section 5.15 Parking of Vehicles. Parking within the Community Area is limited. Long term parking (more than twenty-four (24) hours) will only be permitted within a completely enclosed garage or other Architectural Committee approved parking structure or a driveway. Temporary parking (less than twenty-four (24) hours) by automobiles will be permitted within a 50' right of way public drive. Long term parking is not permitted within the 50' right of way public drive.

In addition to the above restrictions, no boat, trailer, camper (on or off supporting vehicles), tractor, commercial vehicle, mobile home, motor homes any towed trailer unit or truck shall be parked on any right of way public drive or within any Lot except in a completely enclosed building such as a garage.

The Metropolitan District shall have the right to establish rules, enforcement procedures and fines for parking violations from time to time regarding all parking within the Community Area, including without limitation within the right of way public drives. Such rules will be enforced as provided in Article 14 of this Declaration. No parking signage may also be posted in appropriate areas within the Community Area, but the lack of any such signage will not be a waiver of the parking limitations contained in this Section 5.15 or any rules established from time to time as provided herein.

Section 5.16 Intentionally Reserved.

Section 5.17 Streets and Lanes. Each Owner hereby acknowledges that the streets within the Community Area are public and will become the property of the County, who will have the responsibility for their repair and maintenance.

Section 5.18 Inoperative Vehicles. No unused, stripped down, partially wrecked or inoperative motor vehicle or part thereof shall be permitted to be parked on any right of way public drive or on any Lot unless enclosed in a garage. An unused vehicle shall be any vehicle which is not properly licensed or as otherwise determined by the Metropolitan District. Nothing contained in this Section shall permit or be deemed to permit any Owner to maintain more than one (1) inoperative motor vehicle or part thereof, even if screened, within any portion of a Lot.

Section 5.19 Vehicle Repairs. No maintenance, servicing, repair, dismantling, sanding or repainting of any type of vehicle, boat, machine or device may be carried on except within a garage which screens the sight and sound of the activity from adjoining streets and from neighboring property.

Section 5.20 Signs; Flag Pole. Subject to the rights created by applicable law, the only signs or flag poles permitted on any Lot or Improvement shall be those permitted by the Community Standards. Except for permitted signs, there shall not be used or displayed on any Lot

or Improvement any signs or any banners, streamers, flags, lights or other devices calculated to attract attention in aid of sale or rental, except by Declarant or with the prior written permission of Declarant. All permitted signs must be professionally painted, lettered and constructed. If a permitted sign is not in compliance with the provisions of this Section, the Metropolitan District may, upon notice, require it to be modified or removed.

Notwithstanding the foregoing, nothing in the Metropolitan District Documents shall be deemed to prohibit the display of flags or political signs in accordance with the most restrictive reading of Section 38-33.3-106.5, C.R.S.

Section 5.21 Outdoor Burning. There shall be no outdoor fires on any Lot or any other portion of the Community Area, except fires in grills, braziers and outside fireplaces contained within facilities or receptacles intended for such purpose. In no event shall any such facility or receptacle be used for burning of trash. Any such facilities or receptacles shall be subject to the Community Standards, which may include limitations on the time and manner in which fires will be permitted and may permit the Metropolitan District to impose total outside fire bans when deemed appropriate by the Metropolitan District. No Owner shall permit any condition on such Owner's Lot which creates a fire hazard or is in violation of fire prevention regulations adopted by the County or any governmental authority having jurisdiction and control over outside burning. If any ban on outdoor fires is at any time imposed by the County or a governmental authority having jurisdiction and control over outside burning, such ban shall be observed within the Community Area.

Section 5.22 Drainage. The soils within the state of Colorado consist of both expansive soils and low-density soils which will adversely affect the integrity of the Dwelling Unit or other Improvement and the Lot containing it if not properly maintained. Expansive soils contain clay minerals which have the characteristic of changing volume with the addition or subtraction of moisture, thereby resulting in swelling and/or shrinking soils, and the addition of moisture to low-density soils causes a realignment of soiled grains, thereby resulting in consolidation and/or collapse of the soils.

An Owner shall not permit the moisture content of the soil supporting the foundation and supporting the concrete slabs forming a part of the Dwelling Unit to increase to an extent that would adversely affect the foundation and concrete slabs, and shall not introduce excessive water into the soil surrounding the Dwelling Unit. An Owner shall maintain the grading and drainage patterns of the Lot in accordance with the terms of Section 5.12 of this Declaration.

An Owner shall not impede or hinder in any way the water flowing on his Lot from reaching the drainage courses established for the Lot and the Property or areas shown on the approved drainage plans.

By virtue of the review and submittals provided for in this Declaration, Declarant is in no manner certifying, guaranteeing or otherwise making any representations or warranties with respect to the adequacy, sufficiency or appropriateness of any grading plan applicable to the Lot. Each Owner of a Lot acknowledges and agrees that Declarant shall have no responsibility or liability whatsoever with respect to such issues and each Owner shall be fully and solely responsible for the same.

The Owner of each Lot hereby acknowledges that it is solely responsible for any damage which results, directly or indirectly, from a change in the grading pattern of the Lot in violation of the provisions of this Section or Section 5.12 of this Declaration.

Section 5.23 Hazardous Materials. No materials shall be transported to, from or within the Community Area in such a way as to create a nuisance or hazard. Storage, use or disposal of asbestos or hazardous or radioactive material, as defined in the Comprehensive Environmental Response Compensation and Liability Act of 1980, within the Community Area is prohibited. Any continued or intensive use of pesticides or herbicides is deemed to be a use of hazardous materials.

Section 5.24 Solar Devices, Air Conditioning Units, Etc. All solar devices, exterior air conditioning units and systems, swamp coolers and other similar devices must either be architecturally and aesthetically integrated into the building they serve or be screened from the view of adjacent Lots and streets in a manner satisfactory to the Declarant or Architectural Committee and approved in the manner required by the Community Standards. Except as required by applicable law, no air conditioning unit which is located in a window will be allowed.

Section 5.25 Storage Sheds. No storage sheds of any kind will be permitted to be constructed or installed within any Lot unless expressly approved in writing by the Architectural Committee in accordance with the terms of this Declaration.

Section 5.26 Outside Lighting. The Architectural Committee may establish various standards for exterior lighting, including, without limitation, standards for hue and intensity. All exterior floodlights and spotlights installed or maintained on any Dwelling Unit or other Improvement other than by Declarant must be approved by the Architectural Committee prior to installation and shall comply with the restrictions described in Section 4.10 of this Declaration and applicable provisions of the Community Standards. Declarant shall be allowed to have outdoor lighting for purposes of marketing its model home(s).

Section 5.27 Mandatory Trash Collection. In an effort to avoid multiple trash collections within the Community Area, the Metropolitan District will select, from time to time, one residential trash collection service provider and residential trash collection plan for all Completed Dwelling Units (defined in Section 11.5), which service provider will collect trash on a specified date for the entire Community Area. Owners of Completed Dwelling Units will be obligated to pay the applicable charge for trash services imposed by the Metropolitan District, regardless of whether or not the Metropolitan District has commenced Common Assessments for the Community Area.

Each Owner hereby acknowledges that all Owners of Completed Dwelling Units will be required to use the residential trash collection service (including any limitation in collection amounts and date of collection) selected from time to time by the Metropolitan District and are hereby expressly prohibited from arranging a different or additional trash collection service for any Dwelling Unit. The Metropolitan District will bill each Owner of a Completed Dwelling Units, regardless of whether or not the Dwelling Unit is currently occupied. The trash collection service fee will be as established from time to time by the Metropolitan District and it will be payable quarterly, unless the Board determines to bill more frequently. Each Owner further acknowledges that the Metropolitan District will not be responsible for rebating any trash

collection service charges which it has received in advance, even in the event of a sale of the Dwelling Unit. Each Owner also expressly acknowledges that Lots or Dwelling Units for which a certificate of occupancy has not been issued will not be charged the Site Assessment for residential trash collection since such Lots will not be receiving the benefit of that service. Trash collection service charges may be enforced in the same manner as an Assessment. Any Owner who fails to pay any trash collection service charge for his Lot shall be subject to the same fees, fines, charges, enforcement rights and liens described in the Declaration for nonpayment of an Assessment. Each Owner shall screen all trash receptacles at all times within his Lot other than on the designated trash collection day.

Section 5.28 Leasing. Any Owner shall have the right to lease or allow occupancy of their Lot (and the Dwelling Unit contained thereon) upon such terms and conditions as the Owner may deem advisable, subject to the restrictions of this Declaration, subject to restrictions of record and subject to the following:

(a) Short term occupancies and rentals of less than ninety (90) days, of Dwelling Units, including but not limited to transient, hotel, bed-and-breakfast or vacation-type rentals, are prohibited without prior written permission from the Metropolitan District. Any of the uses set forth in the preceding sentence shall be prohibited for any Dwelling Unit even if such use is determined to be a residential use. Upon the expiration of any lease of at least ninety (90) days, the Owner may thereafter extend that lease on a month-to-month basis. All leases shall be for the entire Dwelling Unit without the subdivision of Dwelling Units for leasing purposes. Subleasing, meaning the leasing or rental of a leased Dwelling Unit or any portion thereof from the tenant under the lease to another Person, is prohibited.

(b) All leases or rental agreements shall be in writing and shall provide that the leases or rental agreements are subject to all terms of this Declaration and the Community Standards. Owners are required to provide tenants with copies of the current Declaration and the Community Standards.

(c) Each Owner who leases his Lot or Dwelling Unit shall provide the Metropolitan District, upon request, with a copy of the current lease and tenant information, including the names of all occupants, vehicle descriptions, including license plate numbers, number and type of pets, and any other information reasonably requested by the Metropolitan District or its agents.

(d) All occupancies, leases and rental agreements of Lots or Dwelling Units shall state that the failure of the tenant, lessee, renter or their guests to comply with the terms of this Declaration shall constitute a default of the occupancy, lease or rental agreement and of this Declaration and such default shall be enforceable by either the landlord or the Metropolitan District, or by both of them.

(e) All occupancies or rentals of Lots or Dwelling Units shall be subject to the right of the Metropolitan District to remove and/or evict the occupant for failure to comply with the terms of this Declaration.

(f) If the Metropolitan District requests that the Owner evict the Owner's tenant based on the terms of this Declaration, and the Owner fails to commence such action within thirty (30) days of the date of the Metropolitan District's request and notice, the Metropolitan District may commence eviction proceedings. Upon failure by the Owner to comply with the Metropolitan District's request to evict, the Owner delegates and assigns to the Metropolitan District, acting through the Board, the power and authority to evict the tenant as attorney-in-fact on behalf of and for the benefit of the Owner. If the Metropolitan District brings an eviction action against the tenant as attorney-in-fact for the Owner, the prevailing party shall be entitled to costs incurred, including but not limited to, reasonable attorneys' fees and court costs. The Metropolitan District shall be entitled to assess the Owner personally with any attorneys' fees and costs awarded, which fees and costs shall also be a lien against the Lot.

(g) All leases shall be for or of the entire Dwelling Unit.

(h) All Owners who reside at a place other than the Lot or Dwelling Unit shall provide to the Metropolitan District an address and phone number(s) where the Owner can be reached in case of emergency or other Metropolitan District business. It is the sole responsibility of the Owner to keep this information current.

(i) The Metropolitan District shall have the authority to adopt rules and regulations regarding leasing, including the implementation of this restriction, and for implementation of other restrictions in this Declaration and as allowed by law.

Section 5.29 Prohibition of Marijuana and Illicit Drug Distribution and Growing. Except for the growth of marijuana for personal use as permitted by Colorado law, no Owner or occupant of a Lot may utilize such Lot or any portion of the Community Area for the purpose of growing or distributing marijuana, medical marijuana, hash oil or any other illicit or recreational drugs. This prohibition may be further clarified by the Board through Rules and Regulations. Owners will be responsible for any damage resulting from a violation of this restriction. Further, no Owner or occupant of a Lot may engage in any activity of practice which, in the sole discretion of the Board, is considered a threat to the health and/or safety of other Owners and residents within the Community Area, including, but not limited to, boarding, creating conditions conducive to indoor fires, allowing Lots to fall into a state of disrepair to the point that rodents or other pests enter, or any other conditions which could cause damage or harm to other Lots in the Community Area.

Section 5.30 Use of Lots. All Lots shall be used only for those uses and/or purposes as allowed by local zoning, control and regulations. Occupancies may also be subject to any Rules and Regulations adopted by the Metropolitan District. Except as provided in this Declaration, all Lots shall be used for residential purposes only as residential dwellings. Commercial and business uses with any adverse external effect on the nature, perception, operation or ambiance of the Community Area as a first class residential community, as reasonably determined by the Board, are prohibited unless approved in writing by the Metropolitan District, are specifically allowed by this Declaration or are allowed pursuant to restrictions of record and by local zoning ordinances and regulations.

Section 5.31 Tanks. No tanks of any kind, elevated or buried, shall be erected, placed or permitted upon any Lot, except for customary barbecue grill tanks or tanks.

Section 5.32 Use of Metropolitan District Property.

(a) No use shall be made of the Metropolitan District Property which will in any manner violate the statutes, rules, or regulations of any governmental authority having jurisdiction over the Metropolitan District Property.

(b) The use of the Metropolitan District Property shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors of the Metropolitan District.

(c) No use shall ever be made of the Metropolitan District Property which will deny ingress and egress for a substantial period of time to those Owners having access to a public street, to their Lots, to their parking areas, or to any recreational facilities completed upon the Metropolitan District Property.

Section 5.33 Lots to be Maintained. Each Lot at all times shall be kept in a clean, sightly, and wholesome condition. No trash, litter, junk, boxes, bottles, cans, implements, machinery, lumber or other building material shall be permitted to remain exposed upon any Lot so that it is visible from any neighboring Lot or street, except as necessary during the construction by Declarant. No condition shall be permitted within any Dwelling Unit, balcony or porch which is visible from other Dwelling Unit or the neighboring property and which is inconsistent with the design integrity of the Community Area as determined by the Board in its sole discretion; such conditions include, but are not limited to, window treatments, draperies, hangings, and articles on porches or common areas or visible through a window. The Board may regulate by Community Standards, the color and appearance of drapes, shades and window coverings, and the use and condition in which patios and porches are required to be maintained.

**ARTICLE VI
ARCHITECTURAL CONTROL**

Section 6.1 Architectural Committee. Until Declarant has sold all of the Lots in the Community Area, or until such earlier time as Declarant elects to assign the right to appoint the Architectural Committee to the Board, the Architectural Committee for the Community Area shall consist of one (1) to three (3) members appointed by Declarant from time to time. After the right to appoint the Architectural Committee for the Community Area has been transferred to the Board, the Architectural Committee for the Community Area shall consist of at least three (3) and not more than five (5) individuals, all of whom shall be appointed by the Board. All references in this Declaration to the Architectural Committee shall be deemed to refer to the Architectural Committee, whether such Architectural Committee is appointed by the Declarant or the Board. The members of the Architectural Committee need not be Members. The Architectural Committee shall exercise the functions assigned to it by this Declaration and the Community Standards, including without limitation, the Design Guidelines, if any, including reviewing and approving all plans for Improvements as provided in this Declaration.

Section 6.2 Design Guidelines / Community Standards. The Architectural Committee may, at any time and from time to time, enact, issue, promulgate, modify, amend, repeal, re-enact, and enforce, design rules, regulations, and standards for the Community Area, including without

limitation, design or architectural guidelines, and provide a guide to interpret and/or implement any provisions of this Declaration (collectively, the "Community Standards"). After the Metropolitan District appoints the Architectural Committee members and such changes to design rules, rules and regulations and standards for the Community Area shall not be effective until approved by formal action of the Board. The Community Standards may, without limitation: (i) contain guidelines to clarify the types of designs and materials that may be considered in design approval; (ii) state requirements for submission in order to obtain review of the Architectural Committee; and/or (iii) may state procedural requirements, or may specify acceptable Improvements that may be installed without the prior approval of the Architectural Committee. Any Community Standards so adopted by the Architectural Committee shall be consistent, and not in conflict with, this Article and this Declaration. If adopted, copies of the Community Standards will be available from the Metropolitan District or the Architectural Committee.

Section 6.3 Approval Required. No Improvement shall be placed, erected, installed, altered or permitted to occur or exist on any Lot, nor shall the exterior of any existing Improvements be altered, nor shall any construction be commenced on any Improvements, unless and until the plans and specifications for such Improvements shall have been submitted to and approved in writing by the Architectural Committee or unless otherwise permitted by the Community Standards. Matters which require the approval of the Architectural Control Committee include but are not limited to:

- (a) the construction, installation, erection or expansion of any building, structure, or other Improvements, including the exterior appearance, finish material, color or texture thereof;
- (b) the installation, addition or modification of Landscaping;
- (c) the demolition or destruction, by voluntary action, of any building, structure or other Improvements;
- (d) the grading, excavation, filling or similar disturbance to the surface of the land; and
- (e) any change or alteration of any previously approved Improvements, including any change of exterior appearance, finish material, color or texture.

Section 6.4 Plans Submissions. All plans, samples and other materials to be submitted to the Architectural Committee shall be submitted in duplicate, together with the fee described in Section 6.5 hereof. The minimum scale of such plans shall be 1/20th inch equals one foot. The plot plan shall show in scale the location of all buildings, drives, walks, fences and any other Improvements. Plans shall show all exterior elevations, and shall indicate and locate on each elevation, the materials to be used and designate each exterior color to be used by means of actual color samples. Landscaping plans shall show the location of all Landscaping elements, including grass, ground cover, shrubs, trees and other landscape materials for all the area of the Lot not covered by Improvements. The size and type of all new plant materials shall be indicated. The Declarant shall have no obligation to retain any submitted plans following action by the Architectural Committee.

In discharging its rights and obligations hereunder, the Architectural Committee makes no representations or warranties to the Owner or any other person or entity concerning the construction of the Improvements on the Lot, and the Architectural Committee shall have no liability or responsibility for defective construction or other similar matters. Each Owner of a Lot acknowledges and agrees that the Declarant, in discharging its rights and obligations hereunder, is not making any warranty or representation, expressed or implied, that any Improvement is suitable for that Lot and each Owner further acknowledges that each Owner, and such Owner's representatives or contractors, are ultimately and fully responsible for any construction techniques, measures and means utilized in the construction of an Improvement upon a Lot.

Section 6.5 Approval Process. All action required or permitted to be taken by the Architectural Committee shall be in writing, and any such written statement shall establish the action of the Architectural Committee and may protect any person relying on the statement. The procedure for submitting requests and obtaining approvals shall be as established from time to time by the Architectural Committee. The Architectural Committee may charge reasonable fees to cover expenses incurred in review of all plans (including without limitation Landscaping plans), samples and materials submitted pursuant to this Declaration, not including reimbursement or compensation to the members of the Architectural Committee for their services. The Architectural Committee shall be entitled to retain one (1) copy of all approved plans as part of its files and records. Approvals of all plans and specifications for an Improvement will automatically expire within one (1) year after approval if construction is not commenced within one (1) year after approval, and if approval so expires, the applicant must resubmit a request for approval of the Improvement.

Section 6.6 Approval Standards. All Improvements to be constructed or installed within the Community Area must comply with the Design Guidelines, if any, and this Declaration. In granting or withholding approval of matters submitted to it, the Architectural Committee shall consider the specific standards and specifications set forth in this Declaration. The Architectural Committee shall have the right to disapprove any plans, specifications or details submitted to it if it determines, in its sole discretion, that the proposed Improvement is not consistent with any provision of this Declaration; the plans and specifications submitted are incomplete; or the plans, specifications or details, or any part thereof, are contrary to the interest, welfare or rights of all or any part of the Community Area, the Metropolitan District or the Owners. If the Architectural Committee believes there may be questions of structural integrity, it may, as part of the approval requirements, require the Owners to obtain certification of the final plans and specifications by a professional architect or engineer licensed in Colorado. The decisions of the Architectural Committee shall be final and binding unless they are clearly arbitrary and there is no rationale to support the Architectural Committee's decision.

Section 6.7 No Liability. Neither Declarant, the Board nor the Architectural Committee or any member thereof shall be liable in damages or otherwise to anyone submitting plans to them for approval or requesting a variance, or to any Owner by reason of mistake in judgment, negligence, nonfeasance or any act or omission in connection with the approval, disapproval or failure to approve the plans, specifications or variance. Approval by the Architectural Committee shall not mean that plans and specifications are in compliance with the requirements of any local building codes, zoning ordinances or other governmental regulations, and it shall be the

responsibility of the Owner or other person submitting plans to the Architectural Committee to comply with all codes, ordinances and regulations.

Section 6.8 Variances. The Architectural Committee shall have the authority to grant for a Lot a variance from the terms of this Declaration or the Community Standards, if any, subject to terms and conditions which may be fixed by the Architectural Committee and will not be contrary to the interests of the Owners and residents of the Community Area where, owing to circumstances, literal enforcement of this Declaration or the Community Standards could result in unnecessary hardship in the sole determination of the Architectural Committee. The Architectural Committee may charge reasonable fees to cover expenses incurred in review of all variances submitted pursuant to this Declaration, not including reimbursement or compensation to the members of the Architectural Committee for their services.

Following an application for a variance:

(a) The Architectural Committee shall, within thirty (30) days after the request for the variance was delivered, determine whether to grant or deny the variance. If the Architectural Committee fails to act on the request for the variance within this thirty (30) day period, the variance shall be deemed not to be granted as of the expiration of such thirty (30) days.

(b) A variance granted hereunder shall run with the Lot for which it is granted.

(c) If a variance is denied, another application for substantially the same variance for the Lot involved may not be made for a period of at least one (1) year from the date of submittal of the original request.

ARTICLE VII METROPOLITAN DISTRICT OPERATION

Section 7.1 Metropolitan District Structure. The Metropolitan District has been formed pursuant to the Special District Act, Section 32-1-101, et seq., C.R.S. (the "Act"). The Metropolitan District shall have the duties, powers and rights set forth in the Metropolitan District Documents and the Act.

Section 7.2 Board of Directors. The affairs of the Metropolitan District shall be managed by an elected Board of Directors pursuant to the Service Plan and the Act. The terms and qualification of the members of the Board of Directors are fixed in the Act and the Service Plan of the Metropolitan District. The Board of Directors may, by resolution, delegate portions of its authority to a manager or to committees, to officers of the Metropolitan District or to agents and employees of the Metropolitan District, but such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for the management of the affairs of the Metropolitan District. Action by or on behalf of the Metropolitan District may be taken by the Board of Directors or any duly authorized committee, officer, agent or employee except as otherwise specifically provided in this Declaration or by Colorado law. All lawful decisions, agreements and undertakings by the Board, or its authorized representatives, shall be binding upon all Members, Owners, Related Users and other Persons.

Section 7.3 Intentionally Reserved.

Section 7.4 Declarant's Reserved Right to Appoint.

(a) Notwithstanding any contrary provision, Declarant hereby reserves the right to appoint the Architectural Committee, to control the Architectural Committee and to appoint and remove the members of the Architectural Committee at all times subsequent to the date of recordation of this Declaration and continuing for a period of twenty (20) years following the date on which this Declaration is recorded (the "Period of Declarant Control"), subject to the following limitations: the Period of Declarant Control shall terminate no later than the earlier of: (i) sixty (60) days after conveyance of seventy-five percent (75%) of all of the Lots that may be created within the Community Area to Owners other than Declarant; (ii) two (2) years after Declarant has last conveyed a Lot in the ordinary course of business; or (iii) two (2) years after any right to add new Lots was last exercised. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Architectural Committee before termination of the Period of Declarant Control, but in that event, Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Architectural Committee, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective. It is hereby expressly acknowledged that any action by Declarant to surrender its authority over the Architectural Committee will in no way limit Declarant's rights and authority with respect to architectural control matters or to consent to modifications to the terms of this Declaration, unless such rights are expressly terminated or waived by Declarant.

(b) Not later than sixty (60) days after conveyance to Owners, other than a Declarant, of twenty-five percent (25%) of the Lots that may be created, at least one (1) member, and not less than twenty-five percent (25%) of the members of the Architectural Committee shall be appointed by the Board as being Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots that may be created to Owners other than Declarant, not less than one-third (1/3) of the members of the Architectural Committee must be appointed by the Board as being Owners other than Declarant.

(c) Except as otherwise provided above, not later than the termination of any Period of Declarant Control, the Board shall appoint member of the Architectural Committee consisting of at least three (3) but not more than five (5) members, at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. These Architectural Committee members shall take office upon termination of the Period of Declarant Control.

ARTICLE VIII DUTIES AND POWERS OF METROPOLITAN DISTRICT

Section 8.1 General Duties and Powers of Metropolitan District. The Metropolitan District has been formed for the purposes set forth in its Service Plan. The Metropolitan District, acting through the Board or representatives to whom the Board has delegated such powers, shall have the duties and powers given governmental, political subdivisions of the state of Colorado pursuant to the Act, including without limitation those hereinafter set forth and, in general, to enforce this Declaration and the Rules and Regulations, to maintain, improve and enhance Metropolitan District Properties, and to improve and enhance the attractiveness, desirability and safety of the Community Area and to use Metropolitan District funds to enforce this Declaration

and the Rules and Regulations of the District. The Metropolitan District shall have and may exercise all powers enumerated in the Act, except as expressly otherwise provided in the Metropolitan District Documents (including Article 14 below) or by Colorado law. Except as expressly otherwise provided in the Metropolitan District Documents or by Colorado law, the Metropolitan District shall act through the Board of Directors, without the vote or meeting of the Members, and the Board may exercise all rights, powers and interests of the Metropolitan District, as described in this Article or elsewhere in the Metropolitan District Documents. The obligations of the Metropolitan District are expressly subject to adequate funding and annual appropriation by the Board.

Section 8.2 Duty to Accept Property and Facilities Transferred by Declarant. The Metropolitan District shall accept title to any property, including without limitation any Improvements thereon, any easement or other right, and personal property transferred to the Metropolitan District by Declarant or by any third party with Declarant's permission, and equipment related thereto, together with the responsibility to perform any and all Metropolitan District functions associated therewith, provided that such property and functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Metropolitan District by Declarant may include fee simple title, easements, leasehold interests and contractual rights or licenses to use property. Any property or interest in property transferred to the Metropolitan District by Declarant shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Metropolitan District free and clear of all liens (other than the lien of property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration. No representation, express or implied, is made that the Declarant will or will not transfer property to the Metropolitan District, except as specifically provided in this Declaration.

Section 8.3 Duty to Manage and Care for Property. To the extent owned by the Metropolitan District, the Metropolitan District shall, to the extent the Metropolitan District determines to be commercially reasonable and financially feasible, manage, operate, care for, maintain and repair all Metropolitan District Properties and Maintenance Areas (defined below) and keep the same in an attractive and desirable condition for the use and enjoyment of the Members; provided, however, the Metropolitan District's maintenance responsibilities for any Metropolitan District Properties and Maintenance Areas shall not commence until Assessments commence. In addition, the Metropolitan District may manage, operate, care for, maintain and repair property other than Metropolitan District Properties, if some or all of the Members will benefit thereby or if such Metropolitan District action is required pursuant to the applicable Plat or the Development Plan. The specific enumeration of the foregoing items shall not be a limitation on the power and authority of the Metropolitan District to maintain other items not specifically listed where such repair and maintenance of other items would be in the common interests of the Metropolitan District and the Owners.

Section 8.4 Duty to Maintain Insurance. The Metropolitan District shall maintain insurance as provided for in Article 12.

Section 8.5 Duty to Levy and Collect Assessments. The Metropolitan District shall levy and collect Assessments as elsewhere provided in this Declaration.

Section 8.6 Power to Provide Security. The Metropolitan District shall have the right, but not the obligation, to provide for the security of the Owners by hiring a security patrol and performing any other functions relating to safety and security authorized by the Board or the Members if it sees fit. Such power shall be exercised pursuant to the Act.

Section 8.7 Power to Acquire and Maintain Property and Construct Improvements. The Metropolitan District may acquire property or interests in property for the common benefit of Owners, including Improvements and personal property. The Metropolitan District may construct or reconstruct Improvements on property and may demolish existing Improvements. The Metropolitan District shall have the power to maintain public of way and to perform maintenance on any portion of the Community Area, whether or not owned by the Metropolitan District.

Section 8.8 Power to Adopt Community Standards. The Metropolitan District may adopt, amend, repeal and enforce such Community Standards as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration and matters related thereto, the operation of the Metropolitan District, the use and enjoyment of Metropolitan District Properties, and the use of any other property within the Community Area, including Lots. Any such Community Standards shall be reasonable and uniformly applied as determined by the Board in its sole discretion. Community Standards shall be effective upon adoption by resolution of the Board of Directors. Written notice of the adoption, amendment or repeal or any rule or regulation shall be provided to all Members by the Metropolitan District, and copies of the currently effective Community Standards shall be made available to each Member upon request and payment of the copying cost. Each Owner, Related User, Member and other Person shall comply with such Community Standards, and each Owner shall be responsible for ensuring that the Related Users of such Owner comply with the Community Standards. Community Standards shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of conflict between the Community Standards and the provisions of this Declaration, the provisions of this Declaration shall prevail.

Section 8.9 Power to Enforce Declaration, Community Standards, and Rules and Regulations. The Architectural Committee, the Metropolitan District or Declarant, including an assignee or delegate thereof, may give notice to the Owner of the Lot where a violation of this Declaration, the Community Standards, or the Rules and Regulations occurs or which is occupied by the persons causing or responsible for the violation, which notice shall state the nature of the violation, and the intent of the Architectural Committee, the Metropolitan District or Declarant to invoke this Section unless within a period stated in the notice (which notice shall not be less than ten (10) calendar days unless a shorter period of time is otherwise provided for in this Declaration, the Community Standards, or the Rules and Regulations), the violation is cured and terminated or appropriate measures to cure and terminate are begun and are thereafter continuously prosecuted with diligence. If the violation is not cured and terminated as required by the notice, the Architectural Committee, the Metropolitan District, or Declarant (whichever gives the notice) may, but shall not be obligated to, cause the violation to be cured and terminated at the expense of the Owner or Owners so notified, and entry upon such Owner's Lot as necessary for such purpose shall not be deemed a trespass. Each Owner of a Lot hereby grants a license to the Declarant, the Metropolitan District and the Architectural Committee for the purpose of entering onto a Lot to remedy violations or breaches of this Declaration, the Community Standards, and/or the Rules and Regulations. Declarant, the Metropolitan District and the Architectural Committee may delegate

their entry and removal rights hereunder to agents and independent contractors. The cost so incurred by the Architectural Committee, the Metropolitan District or Declarant shall be paid by the Lot Owner and the person responsible for the breach and if not paid within thirty (30) days after such Owner has been sent notice of the amount due, such amount, plus interest at the rate of eighteen percent (18%) per annum and costs of enforcement and of collection (including reasonable attorneys' fees), shall be a lien on the ownership interest in the Lot (including improvements thereon) and shall in all respects be the personal obligation of the Owner. Such lien shall be junior to all other liens or encumbrances of record with respect to the Lot on the date this lien is recorded but shall be superior to any homestead or other exemption as is now or may hereafter be provided by Colorado or Federal law. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver of the homestead exemption as against the lien established in this Section 8.10 and Section 11.15. The Architectural Committee, the Metropolitan District or Declarant may bring an action at law for recovery of the costs so incurred by it, plus interest and costs of enforcement and collection against the Owner and may bring an action to foreclose the lien against the Lot and Improvements subject to the lien and there shall be added to the amount of such obligation the costs of enforcement and collection, and the judgment in any such action shall include interest as above provided and the costs of collection, including reasonable attorney's fees. The waiver of homestead exemption set forth above shall apply to any foreclosure action for the lien imposed by this Section 8.10 and Section 11.15. The foregoing specified rights and remedies shall not limit the right of any Lot Owner to enforce this Declaration pursuant to Section 11.15 or as otherwise may be provided herein or by law or equity; provided, however, that only the Declarant, the Metropolitan District and the Architectural Committee shall have the right to proceed under this Section 8.10. In the event that the Declarant, the Metropolitan District or Architectural Committee, whether acting for themselves or through their agents and representatives, elect to exercise the right to enter upon a Lot to remedy a violation of this Declaration, they shall not be liable to the Owner of the Lot for any loss or damage occasioned by the entry on the Lot unless (i) damage is caused to the Lot or Improvements thereon that is unrelated to the remediation of the breach of the Declaration, Community Standards, and/or the Rules and Regulations and (ii) is caused by the willful and wanton acts of the Declarant, the Metropolitan District, or the Architectural Committee. In no event shall there be any liability for damage to an Improvement that is in violation of this Declaration.

Section 8.10 Intentionally Reserved.

Section 8.11 Power to Provide Special Services. The Metropolitan District shall have the power to provide special services beyond this Declaration to a Member or group of Members and any services to any other Person. Any such service or services shall be provided pursuant to the Act, Service Plan and pursuant to an Agreement in writing, or through one or more amendments to this Declaration, which shall provide for payment to the Metropolitan District by such Member or group of Members or other Persons of the costs and expenses which the Metropolitan District estimates it will incur in providing such services, including a fair share of the overhead expenses of the Metropolitan District, and shall contain provisions assuring that the obligation to pay for such services shall be binding upon any heirs, personal representatives, successors and assigns or the Member or group of Members or other Persons, and may be collected in the same manner as a Site Assessment, or, if the written agreement so provides, in installments as part of the Common Assessments or may be collected in any manner permitted by law or statute or the Metropolitan District Documents.

Section 8.12 Power to Operate and Charge for Facilities. The Metropolitan District shall have the power to acquire, create, own and operate any and all such services as it deems appropriate, including, without limitation, Landscape maintenance and to establish user fees for such services. Such user fees shall be as determined from time to time by the Board of Directors.

Section 8.13 Power to Grant Easements. The Metropolitan District shall have the power to grant access, utility, drainage, water facility and any other easements in, on, over or under Metropolitan District Property for any lawful purpose, including, without limitation, the provision of emergency services, utilities, telephone, television, or other uses or services to some or all of the Members or to facilitate the development of the Community Area, including any Expansion Property added thereto.

Section 8.14 Power to Employ Managers. The Metropolitan District shall have the power to retain and pay for the services of a manager or managers to undertake any of the management of any functions for which the Metropolitan District has responsibility under this Declaration to the extent deemed advisable by the Metropolitan District, and may delegate any of its duties, powers or functions to the manager. Notwithstanding any delegation to a manager of any duties, powers or functions of the Metropolitan District, the Metropolitan District and its Board of Directors shall remain ultimately responsible for the performance and exercise of such duties, power and functions. In addition to a manager, the Metropolitan District may employ and pay a consultant, which may be Declarant, an affiliate of Declarant, or a third party, to assist in operating and managing the Metropolitan District after Declarant's reserved rights under 7.5 terminate.

Section 8.15 Power to Engage Employees, Agents and Consultants. The Metropolitan District shall have the power to hire and discharge employees and agents (except as otherwise provided in management contracts) and to retain and pay for such legal and accounting services as may be necessary or desirable in connection with the performance of any duties or the exercise of any powers of the Metropolitan District under the Metropolitan District Documents.

Section 8.16 General Corporate Powers. The Metropolitan District shall have all of the ordinary powers and rights of a Colorado corporation formed under the Act subject to any limitations, restrictions, or requirements expressly set forth in the Metropolitan District Documents.

Section 8.17 Other Powers. The Metropolitan District shall have the power, but not any duty, to sponsor or conduct various community activities or special events of a social or recreational nature, to hire and provide a security or courtesy patrol, which shall be unarmed and shall not be a substitute for the municipal police, and to provide general informational services which may include, without limitation, community newsletter, radio broadcast, cable television services and similar services.

Section 8.18 Duty to Manage and Care for Water Infrastructure.

(a) To the extent owned by the Metropolitan District, the Metropolitan District shall manage, operate, care for, maintain and repair all wells, well sites, well transmission lines and other well Improvements that are within Metropolitan District Property and are dedicated to serving Metropolitan District Property Metropolitan District to maintain other items not

specifically listed where such repair and maintenance of other items would be in the common interests of the Metropolitan District and the Owners.

(b) The Metropolitan District is hereby authorized and shall have the obligation to operate, administer and account for the Water Rights owned or contractually obtained by the Metropolitan District and used within the Community Area. Such administration shall include, without limitation, obtaining water meter readings from each Rural Lot, three (3) times per year, on October 31, on December 1 and February 28 or 29, as applicable, assimilating the data required by the Division Engineer or the State Engineer on required forms and timely providing the required information to the Division Engineer or the State Engineer to assure the compliance with the terms and conditions of the augmentation decree.

(c) In addition, the Metropolitan District shall have the obligations to monitor, report, and enforce water restrictions as described in Article 18 of this Declaration. The specific enumeration of items in this Section 8.18 shall not be a limitation on the power and authority of the Metropolitan District to maintain other items not specifically listed where such repair and maintenance of other items would be in the common interests of the Metropolitan District and the Owners.

(d) The Metropolitan District is hereby granted the authority to create rules and regulation to help insure the compliance with all Water Rights and related limitations for the entire Community Area and to enforce such limitations and rules and regulations by any and all methods provided for in Section 8.18 of this Agreement. The Metropolitan District is also hereby granted an easement to access any and all Lots within the Community Area for purposes of conducting inspections of water systems, meters, meter readings and enforcing compliance with all Water Rights and related limitations, restriction and rules and regulations.

ARTICLE IX METROPOLITAN DISTRICT PROPERTIES

Section 9.1 Right of Metropolitan District to Regulate Use. To the extent that the Metropolitan District hereafter owns, holds or has property, the provisions of this Article 9 shall apply. The Metropolitan District, acting through the Board, shall have the power to regulate use of Metropolitan District Properties by Members and the public to enhance further the overall rights of use and enjoyment of all Members, including without limitation, imposing limits on the times of use and numbers of guests permitted to use the Metropolitan District Properties.

Section 9.2 Property to Be Conveyed to Metropolitan District. The Declarant shall be obligated to convey to the Metropolitan District any Tract of land that is identified on the Plats as a Tract to be owned by the Metropolitan District. The properties to be conveyed to the Metropolitan District shall be conveyed to the Metropolitan District on or before the expiration of the Period of Declarant Control under Section 7.5 and such conveyance shall exclude all water rights, if any. Declarant is not obligated to convey any other real property to the Metropolitan District. The Metropolitan District is hereby obligated to accept title to each such Tract when conveyed by Declarant.

Section 9.3 No Partition of Metropolitan District Properties. No Owner shall have the right to partition or seek partition of the Metropolitan District Properties or any part thereof.

Section 9.4 Liability of Owners for Damage. Each Owner shall be liable to the Metropolitan District for any damage to Metropolitan District Properties or for any expense or liability incurred by the Metropolitan District, to the extent not covered by insurance, which may be sustained by reason of the negligence or willful misconduct of such Owner or a Related User of such Owner of the Metropolitan District Documents. The Metropolitan District shall have the power, as elsewhere provided in this Declaration, to levy and collect a Site Assessment against a Member, Owner, Lot, Related User, or other Person to cover the costs and expenses incurred by the Metropolitan District on account of any such damage or any such violation of the Metropolitan District Documents, including without limitation, the deductible on any insurance of the Metropolitan District, interest, costs, expenses and attorneys' fees, or for any increase in insurance premiums directly attributable to any such damage or violation.

Section 9.5 Damage to Metropolitan District Properties. In the event of damage to or destruction of all or a portion of the Metropolitan District Properties due to fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Metropolitan District to such reconstruction and repair. If the insurance proceeds with respect to such damage or destruction are insufficient to repair and reconstruct the damage or destruction, then the Metropolitan District shall levy a Special Assessment in the aggregate amount of such insufficiency pursuant to this Declaration and shall proceed to make such repairs or reconstruction, unless the Owners and First Mortgagees by a majority vote agree not to repair and reconstruct such damage in accordance with the terms and provisions of this Declaration. No distributions of insurance proceeds shall be made to the Owners, unless made jointly payable to Owners and the First Mortgagees, if any. If insurance proceeds available to the Metropolitan District on account of damage or destruction exceed the cost of repair, reconstruction or replacement, the Metropolitan District may use the excess for future maintenance, repair, and operation of and improvements to Metropolitan District Properties.

Section 9.6 District Maintenance. Each Owner hereby acknowledges that certain Tracts and areas within the Community Area will be designated on a Plat to be maintained by the District, including without limitation those identified in this Declaration.

Section 9.7 District Appropriations. All of the obligations and responsibilities of the Metropolitan District as provided in this Declaration shall be expressly subject to annual appropriation of sufficient funds for such purposes by the Metropolitan District board of directors. Nothing contained herein shall be deemed a multiple fiscal year obligation or debt pursuant to Article X of the Colorado Constitution (TABOR).

ARTICLE X

DECLARANT'S DEVELOPMENT RIGHTS, SPECIAL RIGHTS AND RESERVATIONS

Section 10.1 Period of Declarant's Rights and Reservations. Declarant shall have, retain and reserve certain rights as hereinafter set forth with respect to the Metropolitan District and the Metropolitan District Properties for a period of twenty (20) years after the date this Declaration is recorded in the real property records of the County, or until such earlier date when Declarant ceases

to own any real property within the Community Area, expressly excluding the rights contained in Article 14 and Article 15 of this Declaration which shall survive. The rights and reservations set forth in this Declaration shall be deemed reserved in each conveyance of property by Declarant, whether or not specifically stated therein, and in each deed or other instrument by which any property within the Community Area is conveyed by Declarant. The rights, reservations and easements hereinafter set forth shall be prior and superior to any other provisions of the Metropolitan District Documents and may not, without Declarant's prior written consent, be modified, amended, rescinded, or affected by any amendment of the Metropolitan District Documents. Declarant's consent to any one such amendment shall not be construed as a consent to any other amendment.

Section 10.2 Declarant's Development Rights. For the period stated in Section 10.1, Declarant shall have the following development rights:

- (a) Subject to the limitation contained in this Declaration, Declarant may create additional Lots within the Community Area;
- (b) Declarant may create additional Metropolitan District Properties within the Community Area or convert any of the Declarant owned Lots within the Community Area to Metropolitan District Properties;
- (c) Annex all or portions of the Expansion Property into the Community Area;
and/or
- (d) Declarant may remove Property from the Community Area pursuant to the terms of this Declaration.

All of the development rights set forth above may be exercised by Declarant with respect to all or any portion of the Community Area. No assurances are made by Declarant concerning which portions of the Community Area may be affected by Declarant's exercise of its development rights or the order in which portions of the Community Area may be affected. Declarant is not obligated to exercise any of its development rights and may elect not to exercise any or all of them. If Declarant does exercise a development right in any portion of the Community Area, Declarant is not obligated to exercise that development right in all or any other portion of the remainder of real estate affected by the exercise of the development right or in all or any other portion of the remainder of the Community Area.

Section 10.3 Special Declarant Rights. For the period stated in Section 10.1, and as more particularly set forth in this Article 10 or elsewhere in this Declaration, Declarant shall have the following special Declarant rights:

- (a) to complete any Improvements shown on an applicable Plat;
- (b) to exercise any development rights set forth in Section 10.2;
- (c) to maintain anywhere within the Community Area, sales offices, management offices, signs advertising the Community Area and model homes;

(d) to use easements granted to the Metropolitan District for the purpose of making improvements within the Community Area and completing development of the Community Area; and

(e) to appoint or remove any officer of the Architectural Committee appointed by Declarant.

Section 10.4 Expansion Property.

(a) Right to Expand. Until the expiration period indicated in Section 10.1, Declarant reserves the right to expand the Community Area, without the approval of the Owners or First Mortgagees, to include additional land and one or more additional buildings located upon all or any part of the Expansion Property. By accepting a deed to a Lot, each Owner hereby grants to Declarant a right to expand the Community Area.

(b) Procedure for Expansion. Such expansion may be accomplished by the filing for record by Declarant with the Clerk and Recorder of El Paso County, Colorado no later than the expiration of the period set forth in Section 10.1 an amendment or amendments to this Declaration containing a legal description of the land area to be added to the Community Area, together with any supplemental plats which may be required. Any such amendment or amendments to this Declaration shall also contain a listing of the total number of Lots then contained within the Community Area. The expansion may be accomplished in "phases" by successive amendments.

(c) Effect of Expansion.

(i) In the event of such expansion, the definitions used in the Declaration shall automatically be expanded to encompass and refer to the Community Area as so expanded; e.g., "Community Area" shall mean the real property described on Exhibit A and any portion of the Expansion Property added by any annexation amendment to the Declaration. Similarly, "Lots" shall include those areas located within the real property described on Exhibit A as well as those so designated on any annexation amendment or supplemental plat relating to any Expansion Property which is annexed pursuant to this Section 10.4. References to the Declaration shall mean the Declaration, any annexation amendments and any future amendments to the Declaration.

(ii) Upon recording of the annexation amendment or amendments to the Declaration and any supplemental plat with the Clerk and Recorder of the County, the additional Lots shall be subject to the provisions of the Declaration, as amended.

(iii) Until the expansion of the Community Area is accomplished by recording the annexation amendment(s) to the Declaration and supplemental plat(s), the Expansion Property and any improvements constructed thereon shall not be subject to the Declaration in any way whatsoever, including, but not limited to, consideration for the purpose of apportioning assessments or determining voting rights or privileges. If such expansion does not occur, nothing contained in the Declaration or any amendment shall restrict, impair, hinder, encumber or burden, in any way whatsoever, Declarant's or its successors' or assigns' sole and complete right, title and interest to the Expansion Property and any improvements constructed thereon. The Declarant

alone shall be liable for all expenses of the Expansion Property unless and until annexed hereunder, and shall be entitled to any income and proceeds therefrom. The Declarant's right to annex may be exercised at different times and as to different portions of the Expansion Property, and so no assurances are made hereby regarding the boundaries of any portion of real property which may be annexed hereunder nor the order in which said portion may be annexed.

Section 10.5 Removal Property.

(a) Right to Remove Property from the Community Area. Until the expiration period indicated in Section 10.1, Declarant reserves the right to remove property that it owns or that a consenting third party owns from the Community Area, without the approval of the Owners or First Mortgagees. By accepting a deed to a Lot, each Owner hereby grants to Declarant a right to remove property from the Community Area that Declarant owns or with the consent of the owner thereof.

(b) Procedure for Removal. Such removal may be accomplished by the filing for record by Declarant with the Clerk and Recorder of the County no later than the expiration of the period set forth in Section 10.1 an amendment or amendments to this Declaration containing a legal description of the land area to be removed from the Community Area. Any such amendment or amendments to this Declaration shall also contain a listing of the total number of Lots then contained within the Community Area. The removal may be accomplished in "phases" by successive amendments.

(c) Effect of Removal.

(i) In the event of such removal, the definitions used in the Declaration shall automatically be modified to refer to the Community Area as so modified; e.g., "Community Area" shall mean the real property described on Exhibit A, as it may have been amended, less any property removed from the Community Area pursuant to the terms of this Section. Similarly, "Lots" shall cease to include those areas located within the removed real property. References to the Declaration shall mean the Declaration, any removal amendments and any future amendments to the Declaration.

(ii) Upon recording of the removal amendment or amendments to the Declaration with the Clerk and Recorder of the County, the removed Lots shall no longer be subject to the provisions of the Declaration, as amended.

(iii) Until the removal of real property from the Community Area is accomplished by recording the removal annexation amendment(s) to the Declaration, the real property described on Exhibit A and any improvements constructed thereon shall be subject to the Declaration in all ways, including, but not limited to, consideration for the purpose of apportioning assessments or determining voting rights or privileges. The Declarant's right to remove property from the Community Area may be exercised at different times and as to different portions of the Property, and so no assurances are made hereby regarding the boundaries of any portion of real property that may be removed hereunder nor the order in which said portion may be removed.

Section 10.6 Right to Construct Additional Improvements on Metropolitan District Properties. Declarant shall have and hereby reserves the right, but shall not be obligated, to

construct additional Improvements on Metropolitan District Properties, at Declarant's cost, at any time and from time to time in accordance with this Declaration for the improvement and enhancement of the Metropolitan District Properties and for the benefit of the Metropolitan District and the Owners.

Section 10.7 Declarant's Rights to Use Metropolitan District Properties in Promotion and Marketing. Declarant shall have and hereby reserves the right to use the Metropolitan District Properties and to use services offered by the Metropolitan District in connection with the promotion and marketing of property within the boundaries of the Community Area or nearby areas. Without limiting the generality of the foregoing, Declarant may erect and maintain on any part of the Metropolitan District Properties such signs, temporary buildings and other structures as Declarant may reasonably deem necessary or proper in connection with the promotion, development and marketing of real property within the Community Area; may use vehicles and equipment on Metropolitan District Properties for promotional purposes; and may permit prospective purchasers of property within the boundaries of the Community Area to use Metropolitan District Properties.

Section 10.8 Declarant's Rights to Complete Development of Community Area. No provision of this Declaration shall be construed to prevent or limit Declarant's rights to complete the development of property within the boundaries of the Community Area or nearby areas and to subdivide, re-subdivide, or rezone any portion of such property; to grant licenses, easements, reservations and rights-of-way; to construct or alter Improvements on any property owned by Declarant within the Community Area; to maintain model homes, offices for construction, sales or leasing purposes or similar facilities on any property owned by Declarant or owned by the Metropolitan District within the Community Area; or to post signs incidental to development, construction, promotion, marketing, sales or leasing of property within the boundaries of the Community Area. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approvals to excavate, cut, fill or grade any property owned by Declarant; to make changes or modifications to Article 6 of this Declaration by means of an amendment to this Declaration; to change any Landscaping, grading, drainage, vegetation, or view; or to construct, alter, demolish or replace any Improvements on any property owned by Declarant, or to use any structure on any property owned by Declarant as a construction, model home or real estate sales or leasing office in connection with the sale of any property within the boundaries of the Community Area. Nothing in this Section shall limit or impair the reserved rights of Declarant as may be elsewhere provided in the Metropolitan District Documents, which rights are incorporated in this Section by this reference.

Section 10.9 Maximum Number of Lots. Notwithstanding any other provision of this Declaration, the maximum number of Lots that Declarant may create within the entire potential Community Area is Two Hundred Ten (210) Lots.

ARTICLE XI ASSESSMENTS

Section 11.1 Obligation for Assessments. Each Owner, for each Lot owned within the Community Area, by acceptance of a deed therefor or interest therein, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Metropolitan District,

in the manner, amounts and times prescribed herein, all Assessments applicable to his Lot which are provided for in the Metropolitan District Documents and which shall be both a personal obligation of the Owner and a perpetual lien against his Lot as provided therein and in the Act. Each Owner shall be jointly and severally liable to the Metropolitan District for the payment of all applicable Assessments attributable to him and/or his Lot. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title or interest unless expressly assumed by them; however, until paid, all fees and assessments imposed by the Metropolitan District shall constitute a perpetual lien on a Lot which may be foreclosed pursuant to the Act. No Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for herein by non-use of the Metropolitan District Properties or the facilities contained therein, by non-use of any service provided by the Metropolitan District for all Owners, by abandonment or leasing of his Lot, or by asserting any claims against the Metropolitan District, Declarant or any other person or entity. In addition to the foregoing Assessments, charges, fees and other sums, each Owner shall have the obligation to pay real property ad valorem taxes and special assessments imposed by the Metropolitan District and other Colorado governmental subdivisions against his Lot. All property dedicated to and accepted by the District or another public or governmental authority and the Metropolitan District Properties shall be exempt from Assessments hereunder.

Section 11.2 Purpose of Assessments. The Assessments levied by the Metropolitan District shall be used, all as provided herein, to pay expenses related to the Metropolitan District Property, enforcement of this Declaration, management of the Metropolitan District, maintenance of the Metropolitan District Properties and to promote the recreation, health, safety, and welfare of the residences of the Dwelling Units, and for all of those purposes and activities which may be required of the Metropolitan District or which the Metropolitan District may be empowered to pursue pursuant to this Declaration or any other Metropolitan District Document, including without limitation, maintenance, operation, repair, and replacement of Metropolitan District Properties, drainage facilities, and easements.

Section 11.3 Common Assessments. The Common Assessments may include, but shall not be limited to, the following common expenses:

- (a) expenses of management of the Metropolitan District and its activities;
- (b) special assessments upon the Metropolitan District Properties, both real and personal property, if any;
- (c) premiums for all insurance which the Metropolitan District is required or permitted to maintain;
- (d) common services to Owners as authorized in accordance with the terms of this Declaration;
- (e) expenses to maintain, including without limitation, the cost of Landscaping and care of the Metropolitan District Properties and any recreational or other Metropolitan District Improvements located thereon, if any;
- (f) repairs and maintenance that are the responsibility of the Metropolitan District, including, without limitation, the obligations described in Section 8.3 of this Declaration;

(g) wages for Metropolitan District employees and payments to Metropolitan District contractors;

(h) legal and accounting fees for the Metropolitan District

(i) any deficit remaining from a previous Assessment year;

(j) the creation of reasonable contingencies, surpluses, and sinking funds, and adequate funds for maintenance, repairs and replacement of those elements of Metropolitan District Property or maintenance that must be done or replaced on a periodic basis and are payable in regular installments, rather than by Special Assessments, subject to the provisions of Section 11.19 of this Declaration;

(k) the creation of reasonable contingency reserves for any applicable insurance deductibles and emergencies, subject to the provisions of Section 11.19 of this Declaration;

(l) any other costs, expenses, and fees which may be incurred or may reasonably be expected to be incurred by the Board, in its sole discretion, for the benefit of the Owners under or by reason of this Declaration and to enforce this Declaration; and

(m) trash collection fees and fees for snow removal services.

(n) the cost and expense of operating and administering and accounting for the water system and Water Rights described in this Declaration, enforcing the terms and conditions of the decrees described in Section 2.29 and modifying the terms and conditions of the decrees through water court proceedings and applications.

Common Assessments shall be paid as provided in this Article 11.

Section 11.4 Declarant's Obligation. Until Common Assessments are first levied by the Metropolitan District pursuant to this Article 11, Declarant shall pay all common expenses of the Metropolitan District described in Section 11.3.

Section 11.5 Common Assessment Procedure.

(a) Each Owner acknowledges that benefits accorded to Owners of Lots that contain completed Dwelling Units ("Completed Dwelling Units") are significantly greater than Lots that do not contain Completed Dwelling Units. In recognition of this fact and to establish a clear, reasonable and cost effective administrative process for the commencement of Common Assessments in light of this distinction in benefits, Common Assessments will commence as follows:

(i) The recordation of the Plat for the Community Area described on Exhibit A will be the "Start Date" for Common Assessments for the Lots within the Community Area as initially constituted.

(ii) As of the Start Date, all Lots and Dwelling Units will be subject to Common Assessments in an amount that is the lesser of: (A) ten percent (10%) of the applicable Common Assessment or (B) \$5.00 for the applicable assessment period (without proration).

(iii) Following the Start Date, as of the date a Dwelling Unit is conveyed to a resident so as to constitute a Completed Dwelling Unit (i.e., the sale of the Dwelling Unit to the initial resident), the Completed Dwelling Unit will be assessed at one hundred percent (100%) of Common Assessments (prorated as provided for in Section 11.5(c)).

(b) After this Declaration is recorded, the Board of Directors shall set the total annual Common Assessment for the following year based upon an estimated budget for the Metropolitan District for that year. No later than ninety (90) days before the beginning of each year thereafter, the Board of Directors shall set the total annual Common Assessment based upon an advanced budget of the Metropolitan District's requirements for the following Assessment year. The budget shall be approved by the Board after public hearing and publication of notice as provided in the Act.

(c) After approval of the budget, the Board shall cause to be prepared, delivered or mailed to each applicable Owner as of the billing date, at least thirty (30) days in advance of the date payment is due, a payment statement setting forth the respective annual Common Assessment for Completed Dwelling Units and other Lots. That applicable annual Common Assessment (as adjusted when applicable) shall be payable in advance in **quarterly** installments due on the first (1st) day of each successive quarter unless the Board otherwise directs. All payments of Common Assessments shall be due and payable, without any notice or demand, on the due dates declared by the Board. As of the Start Date, Common Assessments shall be applicable to all Lots, including those owned by Declarant, at the applicable level set forth in this Section. Each Owner who subsequently acquires a Lot shall become responsible for Common Assessments assessed against that Lot as of the date the Lot is transferred to such Owner as provided for in this Section. The first annual Common Assessment on a Completed Dwelling Unit shall be adjusted according to the number of months remaining in the fiscal year as established by the Metropolitan District. The Board may adopt Community Standards requiring the Owner, at the time when Common Assessments first commence upon that Owner's Lot as provided in this Section, to prepay the Common Assessments for the balance of the **quarterly period** and an additional period which shall not exceed an additional twelve (12) months; such prepayment shall not relieve the Owner from any additional requirement to pay working capital pursuant to Section 11.18. Notwithstanding any other provision contained in this Declaration, Common Assessments may first be assessed in the Community Area as of the date to be determined by the Declarant in its sole discretion.

Section 11.6 Rate of Assessments. Common Assessments and Special Assessments shall be sufficient to meet the expected needs of the Metropolitan District on the basis set forth in Section 11.5. Common Assessments and Special Assessments shall be allocated equally and uniformly among every Lot within an applicable category as provided for in Section 11.5. The rate for Common Assessments and Special Assessments shall be determined by dividing the total Common Assessments or Special Assessments, as applicable, payable for any Assessment period, as determined by the ratified budget, by the number of Completed Dwelling Units. The resulting quotient shall be the amount of the Common Assessments or Special Assessments, as applicable,

payable with respect to each Completed Dwelling Unit and the remaining Lots will pay the applicable amount calculated pursuant to Section 11.5 for both Common Assessments and Special Assessments.

Section 11.7 Failure to Fix or Modification of Assessment. The failure by the Board of Directors to levy an Assessment for any period shall not be deemed a waiver or modification with respect to any of the provisions of this Declaration or a release of the liability of any Owner to pay Assessments for that or any subsequent period. Nothing shall prohibit the Board from modifying the Assessment based on actual expenditures and funding requirements of the Metropolitan District.

Section 11.8 Special Assessments. The Board of Directors may, subject to the provisions of this Section, levy Special Assessments for the purpose of raising funds to construct or reconstruct, repair or replace capital Improvements upon Metropolitan District Properties, including personal property relating thereto; to add to the Metropolitan District Properties; to provide for necessary facilities and equipment; to offer the services authorized in this Declaration; to correct any deficit or cost overrun; or to repay any loan made to the Metropolitan District to enable it to perform the duties and functions authorized in this Declaration. Special Assessments shall be equally, uniformly imposed upon Lots that contains a Completed Dwelling Unit as provided in Section 11.5. No Special Assessment shall be assessed until it has been approved in accordance with a procedure substantially identical to the procedure set forth in Section 11.5. At any time that insurance proceeds are insufficient to repair or reconstruct any damaged or destroyed Improvements on the Metropolitan District Properties, or on any other property which the Metropolitan District maintains, the Metropolitan District may levy Special Assessments for the purpose of repair or reconstruction of such damaged or destroyed Improvements; all such Special Assessments shall be equal to the amount by which the costs of repair or reconstruction of Improvements exceeds the sum of insurance proceeds awarded for the damage or destruction, and shall be set in the same manner as other Special Assessments. The Metropolitan District shall notify Owners in writing of the amount of any Special Assessment and of the manner in which, and the dates on which, any such Special Assessment is payable, and the Owners shall pay any such Special Assessment in the manner so specified.

Section 11.9 Site Assessments. The Board of Directors may, subject to the provisions hereof, levy a Site Assessment against any Member, Owner, or Lot if additional services are provided to a Member, Owner or Lot or if the willful or negligent acts or omissions of the Member, Owner or a Related User cause any violation of the Metropolitan District Documents or cause any loss or damage to the Metropolitan District or Metropolitan District Properties or cause any expenditure of funds in connection with the enforcement powers of the Metropolitan District. Except for a default consisting solely of a failure to timely pay any Assessment, including, without limitation, Special Assessments or Common Assessments, which shall not require any notice and hearing, a Site Assessment, other than charges for additional services, shall be levied only after such notice and hearing as may be required by this Declaration. The amount of the Site Assessment shall be due and payable to the Metropolitan District upon notice by the Board that the Site Assessment is owing. Imposition or non-imposition of Site Assessments shall not preclude the Metropolitan District from pursuing simultaneously or subsequently all other legal or equitable rights and remedies.

Section 11.10 Costs of Enforcement, Late Charges and Interest. If any Assessment is not paid within ten (10) days after it is due, the Member, Owner or other Person obligated to pay the Assessment may be additionally required to pay all costs of enforcement, including without limitation, reasonable attorneys' fees, court costs, witness expenses, and all related expenses ("collection expenses"), and to pay a reasonable late charge to be determined by the Board. Any Assessment which is not paid within ten (10) days after the date of any notice of default given under Section 11.12 shall bear interest from the due date at a rate determined by the Board, not to exceed the lower of eighteen percent (18%) per annum, or the maximum percentage permitted by law, from the due date until paid.

If any Owner fails to timely pay Assessments or any money or other sums due to the Metropolitan District, the Metropolitan District may require reimbursement for collection costs and reasonable attorneys' fees and costs incurred as a result of such failure without the necessity of commencing a legal proceeding.

Section 11.11 Attribution of Payments. If any Assessment payment is less than the amount assessed, the sums received by the Metropolitan District from that Owner shall be credited in such order of priority as the Board of Directors, in its discretion, determines.

Section 11.12 Notice of Default and Acceleration of Assessments. If any Assessment is not paid within thirty (30) days after its due date, the Board of Directors may mail a notice of default to the Owner and to each First Mortgagee of the Lot who has requested a copy of such notice. The notice shall substantially set forth (a) the fact that the installment is delinquent; (b) the action required to cure the default; (c) a date not less than twenty (20) days from the date of mailing of the notice by which such default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in the foreclosure of the lien for the Assessment against the Owner's Lot. A default shall not be considered cured unless the past due sums, collection expenses, and all sums coming due through the date of payment are paid to the Metropolitan District. If the delinquent Assessment and any collection expenses, late charges or interest thereon, plus any other sums due as of the date of the payment, are not paid in full on or before the date specified in the notice, the Board, at its option, may enforce the collection of the Assessment and all collection expenses, charges and interest thereon in any manner authorized by law or in the Metropolitan District Documents.

Section 11.13 Remedies to Enforce Assessments. Each Assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the Owner against whom it is assessed. In the event of a default in payment of any Assessment, the Board may, in addition to any other remedies provided under the Metropolitan District Documents or by law, enforce such obligation on behalf of the Metropolitan District by suit or by filing and foreclosure of a lien as hereinafter provided. Each Owner, by acceptance of a deed to a Lot, whether or not it is expressed in such deed, is deemed to covenant and agree to pay to the Metropolitan District all Assessments, together with interest, late charges, and expenses of collection, and this covenant shall be a charge on the land and a continuing lien upon the Lot against which the Assessment is made. The lien created hereby shall exist from the date of each Assessment until all sums are paid, whether or not a Notice of Lien is filed in accordance with Section 11.15.

Section 11.14 Lawsuit to Enforce Assessments. The Board may bring a suit at law to enforce any Assessment obligation. Any judgment rendered in such action shall include any late charge, interest, and other costs of enforcement against the defaulting Owner, including, without limitation, court costs and reasonable attorneys' fees.

Section 11.15 Lien to Enforce Assessments. The Metropolitan District shall have a lien for Assessments (the "Lien") as provided in in the Act. In addition to or in lieu of bringing suit to collect Assessments, the Metropolitan District may foreclose its Lien as provided by law and in this Section. The Board may elect (but is not required to) to file a claim of lien against the Lot of the defaulting Owner by recording a notice ("Notice of Lien") substantially setting forth: (a) the amount of the claimed delinquency, (b) the interest and expenses of collection which has accrued thereon and which shall continue to accrue in accordance with the terms of Section 11.10 of this Declaration, (c) the legal description and street address of the Lot against which the lien is claimed, and (d) the name of the record Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Metropolitan District or other duly authorized agent of the Metropolitan District. The Lien shall have the priority provided by the Act and shall be prior to any declaration of homestead rights recorded after the time that the Lot becomes part of the Community Area. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver by the Owner of the homestead exemption as against said Lien. The Lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Lien, including, without limitation, all collection expenses, court costs, recording costs and filing fees, have been fully paid or satisfied, the Metropolitan District shall execute and record a notice releasing the Notice of Lien, if recorded, upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the cost of preparing and recorded the release of the Notice of Lien. Unless paid or otherwise satisfied, the lien may be foreclosed through a Colorado court of competent jurisdiction in accordance with the laws of the State of Colorado applicable to foreclosure of real estate mortgages (not including public trustee foreclosures of deeds of trust), or in any other manner permitted by law. The Metropolitan District shall have the right and power to bid on the Lot at the sale and to acquire and hold, lease, mortgage, and convey the same. The Lien under this Section shall be subject to the provisions and restrictions of Section 15.6 hereof.

Section 11.16 Estoppel Certificates. Upon the payment of such reasonable fee as may be determined from time to time by the Board of Directors, and upon the written request of any Member or Owner and any Person which has acquired, or intends to acquire, any right, title or interest in the Lot of such Member or Owner, the Metropolitan District shall furnish a written statement setting forth the amount of any Assessments or other amounts, if any, due and accrued and then unpaid with respect to a Lot and the Owner thereof, and setting forth the amount of any Assessment levied against such Lot which is not yet due and payable. Such statement shall, with respect to the Person whom it is issued, if relied thereupon in good faith and without actual knowledge to the contrary, be conclusive against the Metropolitan District.

Section 11.17 No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offset, abatement or reduction thereof shall be permitted for any reason whatsoever, including, without limitation, any claim that the Metropolitan District or the Board of Directors is not properly exercising its duties and powers under this Declaration, or for inconvenience or discomfort arising from any activity of the Metropolitan District Properties, or

the non-use by an Owner of Metropolitan District Properties or services provided by the Metropolitan District or because an Owner claims that a particular function funded by the Assessment does not benefit that Owner directly, or for any other reason.

Section 11.18 Working Capital Fund. The Board may, at its option, require each Lot purchaser, expressly excluding Declarant, at the time of the first transfer of the Lot following the completion of a Dwelling Unit on the applicable Lot, regardless of whether Assessments have commenced for such Lot or at all, and at the time of each transfer of title to the Lot that contains a Completed Dwelling Unit, to make a non-refundable contribution to the Metropolitan District of an amount established from time to time by the Board.. All such contributions shall be maintained in a non-segregated account for the use and benefit of the Metropolitan District for, among other purposes, meeting unforeseen expenditures, funding Metropolitan District deficits, or purchasing additional equipment, property or services. The working capital contribution shall be in addition to the Common Assessment and any Special Assessment, and shall not relieve the Owners from paying all Assessments as they come due. Declarant is excluded from the provisions of this Section because the Metropolitan District and Owners of Lots with Completed Dwelling Units will receive all of the benefits from payments made under this Section.

Section 11.19 Metropolitan District Reserves. Each Owner hereby acknowledges that it has purchased its Lot and Dwelling Unit within the Community Area with the knowledge and consent that the Metropolitan District is not obligated to collect funds to establish reserve funds ("Reserves") for the Metropolitan District until such time as each Lot within the entire Community containing a Completed Dwelling Unit. At such time, the Metropolitan District may establish such Reserves for the Metropolitan District as the Metropolitan District, through its Board in consultation with its property management company, if any, determines to be reasonable in its sole discretion. Each Owner further acknowledges that the Metropolitan District will NOT have any obligation to establish Reserves at a level which will fully fund the replacement of all Metropolitan District Properties, but merely a commercially reasonable offset of such anticipated expenses. The Metropolitan District and each Owner acknowledges that the Reserves are not stagnant and that Reserves will fluctuate from time to time, increasing as Reserves are collected and decreasing when utilized. Declarant covenants that at such time as Declarant no longer has a representative on the Board of Directors of the Metropolitan District, Reserves will be funded in an amount equal to at least 40% of the suggested level of Reserves indicated in a Declarant ordered reserve study compiled by an independent third party (the "Reserve Study"). The Reserve Study will be deemed conclusive and binding on Declarant, the Metropolitan District and each of the Owners.

Section 11.20 Metropolitan District Taxes. Nothing in this Declaration shall relieve or be interpreted or deemed to relieve any Owner of its obligation to pay property taxes duly imposed by the Metropolitan District. Property taxes imposed by the District for general governmental operations may, but shall not be required to be, used to provide enforcement of this Declaration.

ARTICLE XII INSURANCE

Section 12.1 Metropolitan District Insurance. The Metropolitan District shall maintain insurance as required by the Act and other applicable law, including the following types of insurance on the Metropolitan District Property, to the extent that such insurance is reasonably

available, considering the availability, cost and risk coverage provided by such insurance, and the cost of said coverage to be paid by the Metropolitan District as part of the Common Assessments if reasonable. In addition, the Metropolitan District may maintain such insurance on such other property as the Board of Directors may determine in its discretion from time to time, or as may hereafter be required. The Metropolitan District may also consider, in determining the type and amount of insurance it needs to obtain, the then-existing requirements of any applicable governmental agencies.

(a) Property insurance on the Metropolitan District Properties for broad form covered causes of loss; and, if reasonably available, the total amount of insurance must not be less than the full insurable replacement cost of all the insured property less applicable deductibles at the time the insurance is purchased and such renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies.

(b) Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Metropolitan District Property, insuring the Metropolitan District in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence, insuring the Board of Directors, the Metropolitan District, any managing agent and their respective employees, agents and all Persons acting as agents.

(c) A policy providing comprehensive fidelity coverage or fidelity bonds to protect against dishonest acts on the part of officers, directors, trustees and employees of the Metropolitan District and/or any independent contractor employed by the Metropolitan District for the purpose of managing the Community Area and/or any Owner who disburses funds of the Metropolitan District, in an amount at least equal to the estimated maximum of funds, including maintenance reserves, in the custody of the Metropolitan District at any given time. The Metropolitan District may carry fidelity insurance in amounts greater than required hereinabove and may require any independent contractor employed for the purposes of managing the Community Area to carry more fidelity insurance coverage than required hereinabove. In the event the Metropolitan District has delegated some or all of its responsibility for the handling of funds to a managing agent, the Metropolitan District may require the managing agent to purchase, at its own expense, a policy of fidelity insurance or bonds which fully complies with the provisions of this subsection (c).

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

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

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

(e) In addition, the Metropolitan District may obtain insurance against such other risks of similar or dissimilar nature as it shall deem appropriate, to the extent that such coverage is reasonably available, including but not limited to personal liability insurance to protect directors and officers of the Metropolitan District and the members of the Architectural Committee and other representatives.

Section 12.2 Deductibles. The Metropolitan District may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles and any other matters of claims adjustment.

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

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

Section 12.3 Insurance to be Maintained by Owners. An insurance policy issued to the Metropolitan District does not obviate the need for Owners to obtain insurance for their own benefit. Insurance coverage on each Lot, Dwelling Unit and any other Improvements thereon, including but not limited to flood insurance, and the furnishing and other items of personal property belonging to an Owner, and public liability insurance coverage on each Lot and the Improvements thereon, shall be the responsibility of the Owner of such Lot. The Metropolitan District shall have no responsibility regarding the obtaining or continuation of any such insurance. Each Owner shall provide evidence of Owner's insurance if requested by the Metropolitan District.

Section 12.4 Annual Review of Insurance Policies. All insurance policies carried by the Metropolitan District shall be reviewed at least annually by the Board of Directors to ascertain that the coverage provided by such policies adequately covers those risks intended to be insured by the Metropolitan District. In making the aforesaid determination, the Board of Directors or the managing agent of the Metropolitan District may obtain a written appraisal from a duly qualified real estate or insurance appraiser, or seek other advice or assistance.

Section 12.5 Owners' Negligence. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or reconstruction of any or all of the Metropolitan District Property is caused by the willful or negligent act or omission of any Owner, or a Related User of such Owner, the cost of such repair, maintenance or reconstruction shall be the personal obligation of such Owner, and any costs, expenses and fees incurred by the Metropolitan District for such maintenance, repair or reconstruction may be collected as a Site Assessment as provided in this Declaration or by the Metropolitan District exercising any rights or remedies under the Metropolitan District Documents or otherwise as permitted by law. A determination of the negligence or willful act or omission of any Owner's liability therefore shall be determined by the Board at a hearing after any notice required by the Bylaws to be given to the Owner, but any determination by the Board shall be subject to judicial review as appropriate.

ARTICLE XIII EASEMENTS

Section 13.1 Easement for Encroachments. If any portion of an Improvement encroaches upon the Metropolitan District Property, including any future encroachments arising or resulting from erosion or subsidence, or from the repair or reconstruction of an Improvement subsequent to its damage, destruction or condemnation, the Board may grant a valid easement on the surface and for subsurface support below such surface and for the maintenance of same, for so long as such encroachment exists, but subject to any conditions or restrictions imposed by the Board.

Section 13.2 Metropolitan District Easement. An easement to perform its maintenance or other rights or obligations pursuant to this Declaration is hereby granted to the Metropolitan District, its officers, agents, employees and assigns, upon, across, over in and under the Community Area, together with the right to make such use of the Community Area as may be necessary or appropriate in carrying out such maintenance or other rights or obligations.

Section 13.3 Utilities. Declarant hereby creates and reserves to itself until Declarant has sold the last Lot in the Community Area to an Owner other than Declarant, and, thereafter, to the Metropolitan District;

(a) perpetual, alienable, divisible and releasable easements and the right from time to time to grant such easements to others over, under, in and across each of the utility easements of each Lot as shown on the Plat or the Development Plan for use of all or part of such areas for lines for transmission of electric current or impulses or electronic signals, for heat and fuel lines, for water lines, for utility lines, for drainage and for other similar or dissimilar facilities and purposes, and for any one or more of such purposes; and

(b) a blanket easement across, over and under the Metropolitan District Properties for access, utilities, drainage and the installation, replacement, repair and maintenance of utilities, including but not limited to water, sewer, gas, telephone and electricity.

(c) a perpetual easement to access each Lot for purposes of inspecting each Lot for compliance with all Water Rights and related limitations, restriction and rules and regulation and to read water meters.

If any utility or quasi-utility company furnishing a service covered by the easements created herein requests a specific easement by separate recordable document, Declarant reserves and is hereby given the right and authority to grant such easement. The Metropolitan District shall succeed to such right and authority upon conveyance by Declarant of the last Lot in the Community Area to the first Owner thereof, other than Declarant. The easement provided for in this Section shall in no way affect, avoid, extinguish or modify any other recorded easement on the Community Area.

Section 13.4 Easement for Emergency Vehicles. There is hereby granted an easement for emergency vehicles, including fire, police and ambulance, to use the streets in the Community Area for emergency and other official purposes.

Section 13.5 Easements Deemed Created. All conveyance of Lots hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Declaration, whether or not specific reference to such easements or to this Article appears in the instrument of such conveyance.

Section 13.6 Easements of Record. In addition to the easements created in this Article 13 and on the Plat and in Article 4, the Community Area is subject to those easements and other matters currently of record in the County.

Section 13.7 Community Mailboxes. The U.S. Postal Service will locate one or more a "community mailbox" structures within the Community Area, in accordance with U.S. Postal Service and other applicable regulations. The Declarant hereby creates and reserves to the Metropolitan District and the U.S. Postal Service, perpetual, alienable, divisible and releasable easements over, under, in and across the Metropolitan District Property and the first five feet (5') of each Lot adjacent to a public street right of way for use of portions of such areas for the "community mailbox" structure(s). The easement provided for in this Section shall in no way affect, void, extinguish or modify any other easement in the Community Area. Each Owner acknowledges that the Metropolitan District will issue the initial mailbox key to the initial Lot Owner following the completion of construction of the Dwelling Unit and that it will be the responsibility of the initial Lot Owner and each subsequent Lot Owner to transfer the mailbox key to his or her purchaser and failure to do so will require the purchaser to acquire a new mailbox key directly from the U.S. Postal Service and to undertake whatever requirements that may entail. Each Owner acknowledges that the Metropolitan District shall not have any responsibility or obligation regarding the issuance, maintenance or transfer of mailbox keys after issuing the initial key as above provided.

ARTICLE XIV ENFORCEMENT; DISPUTE RESOLUTION

The Metropolitan District, Architectural Committee, Declarant, and all Owners agree to encourage the use of mediation or arbitration in the resolution of disputes pertaining to the Declaration and Metropolitan District Document and the Community Area. Accordingly, each covenants and agrees to be bound by the provisions set forth in this Article.

Section 14.1 Collection of Assessments. Any action or proceeding by the Metropolitan District to collect any Assessments, together with interest, late charges, and expenses of collection, shall precede according to Article 11, and shall not be included within or impacted by this Article 14.

Section 14.2 Enforcement of Declaration, Community Standards, and Metropolitan District Documents by the Architectural Committee, Metropolitan District, or Declarant. The Architectural Committee, the Metropolitan District, or Declarant, including an assignee or delegate thereof, may give notice to the Owner of the Lot where a violation of this Declaration occurs or to the occupant when the Lot at issue is occupied by the persons causing or responsible for the violation, which notice shall state: the nature of the violation, the action required to cure the violation; a date not less than ten (10) days from the date of mailing of the notice by which such violation must be cured (a shorter time period may be stated in the event of emergency); and the intent of the Architectural Committee, the Metropolitan District, or Declarant to invoke this Section. Further action shall be stayed if the violation is cured and terminated or appropriate measures to cure and terminate are begun and are thereafter continuously prosecuted with diligence. If the violation is not cured and terminated, or if appropriate measures to cure and terminate are begun and are not thereafter continuously prosecuted with diligence, as required by the notice, then at any time following an Owner's failure to cure the violation, the Architectural Committee, Metropolitan District, or Declarant (whichever gives the notice, and in their reasonable discretion) may, but shall not be obligated to: (i) impose fines established by the Architectural Committee from time to time and/or elect, for any matter which then presents an emergency situation, to cause the violation to be cured and terminated at the expense of the Owner or Owners so notified, pursuant to Section 14.3 below, (ii) cause the violation to be cured and terminated at the expense of the Owner or Owners so notified, pursuant to Section 14.3 below; (iii) proceed with an action to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief), together with such other ancillary relief as a court may deem necessary in order to enforce any of the provisions of this Declaration; and/or (iv) proceed with the dispute resolution procedure set forth in Section 14.6. Any other disputes between any of the Architectural Committee, the Metropolitan District, and the Declarant, whether in contract, tort or statutory, shall be resolved pursuant to the dispute resolution procedures set forth in Section 14.6 below.

Section 14.3 Entry Upon a Lot to Cure Violation/Liens.

(a) License. Each Owner of a Lot hereby grants a license to the Declarant, the Metropolitan District and the Architectural Committee for the purpose of entering onto a Lot to remedy violations or breaches of this Declaration pursuant to Section 14.2. The Architectural Committee, the Metropolitan District, or Declarant may delegate their entry and removal rights hereunder to agents and independent contractors.

(b) No Liability. In the event that the Architectural Committee, the Metropolitan District, or Declarant, whether acting for themselves or through their agents, officers, members, employees, and representatives, elect to exercise the right to enter upon a Lot to remedy a violation of this Declaration, they shall not be liable to the Owner of the Lot for any loss or damage occasioned by the entry on the Lot unless: damage is caused to the Lot or Improvements thereon that is unrelated to the remediation of the breach of the Declaration, and is caused by the willful and wanton acts of the Architectural Committee, the Metropolitan District, or Declarant.

In no event shall there be any liability for damage to an Improvement that is in violation of this Declaration.

(c) Lien. The costs incurred by the Architectural Committee, the Metropolitan District, or Declarant pursuant to any enforcement pursuant to this Article 14 constitute a perpetual lien pursuant to the Act and shall be paid by the Lot Owner and if not paid within thirty (30) days after such Owner has been sent notice of the amount due, such amount, plus interest at the rate of eighteen percent (18%) per annum and costs of enforcement and of collection (including reasonable attorneys' fees), shall be a lien on the ownership interest in the Lot (including Improvements thereon) and shall in all respects be the personal obligation of the Owner.

(d) Collection. The Architectural Committee, the Metropolitan District, or Declarant may bring an action at law for recovery of fines and/or costs incurred by it pursuant to this Article 14, against the Owner and may bring an action to foreclose the lien against the Lot and Improvements subject to the lien, and the judgment or foreclosure in any such action shall include interest as above provided and the costs of collection, including reasonable attorneys' fees.

(e) Foreclosure of Lien. The Architectural Committee, the Metropolitan District, or Declarant may enforce a lien pursuant to this Article 14 by suit or by filing and foreclosure of the lien as hereinafter provided. Such party may elect (but is not required to) to file a claim of lien against the Lot of the defaulting Owner by recording a notice ("Notice of Article 14 Lien") substantially setting forth: (i) the amount of the claimed delinquency, (ii) the interest and expenses of collection which has accrued thereon and which shall continue to accrue in accordance with the terms hereof, (iii) the legal description and street address of the Lot against which the lien is claimed, and (iv) the name of the record Owner thereof. Such Notice of Article 14 Lien shall be signed and acknowledged by an officer of the entity. Each Owner, by acceptance of a deed to a Lot, whether or not it is expressed in such deed, is deemed to agree to pay all such amounts, and this covenant shall be a charge on the land and a continuing lien upon the Lot. The lien created by this Section shall exist from the date of entry upon the Lot until all sums are paid, whether or not a Notice of Article 14 Lien is filed in accordance herewith. The lien created by this Section shall be junior to all other liens or encumbrances of record with respect to the Lot on the date this lien is recorded but shall be superior to any homestead or other exemption as is now or may hereafter be provided by Colorado or Federal law. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver of the homestead exemption as against the lien established in this Section. When all amounts claimed under the lien have been fully paid or satisfied, the filing entity shall execute and record a notice releasing the Notice of Article 14 Lien, if recorded, upon payment by the Owner of a reasonable fee fixed to cover the cost of preparing and recording the release. Unless paid or otherwise satisfied, the lien may be foreclosed through a Colorado court of competent jurisdiction in accordance with the laws of the State of Colorado applicable to foreclosure of real estate mortgages (not including public trustee foreclosures of deeds of trust), or in any other manner permitted by law. The lien under this Section shall be subject to the provisions and restrictions of Section 15.6 hereof.

Section 14.4 Enforcement of Declaration, Community Standards, and Metropolitan District Documents by an Owner. Any action by a Lot Owner against the Metropolitan District, the Declarant, the Architectural Committee, or any of the officers, directors, partners, members, employees, agents or representatives of the foregoing, or any Owner of another Lot, whether in

contract, tort or statutory, shall proceed pursuant to the dispute resolution procedure set forth in Section 14.6; provided that (i) all actions against the Declarant, or any of its officers, directors, partners, members, employees, agents or representatives, by an Owner related to warranty claims or any other claims related to alleged construction defects of any kind or nature shall be governed solely by the terms of the contract between the Owner (or their predecessor in interest subsequent to Declarant's ownership) and the Declarant or applicable home builder, and by the terms of the limited warranty which was provided to each initial Owner following Declarant as part of such initial Owner's purchase of a home; and (ii) any suit between or among Owners that does not include Declarant or the Metropolitan District as a party, and that asserts a claim independent of the Metropolitan District Documents, is not governed by Section 14.6 unless mutually agreed by such Owners.

Section 14.5 Limited Warranty and Contracts Control. By an Owner's purchase of a Dwelling Unit and by the Metropolitan District's receipt of title to any Metropolitan District Property, all Owners and the Metropolitan District acknowledge that, to the extent allowed by applicable law, all actions related to warranty claims or any other claims related to alleged construction defects of any kind or nature are governed by the terms of the contract between the Owner (or their predecessor in interest subsequent to Declarant's ownership) and the Declarant or home builder, and by the terms of the limited warranty which was provided to each initial Owner following Declarant as part of such initial Owner's purchase of a home, to the fullest extent permitted by law. Dispute Resolution Procedures.

(a) Notice; Negotiation. For any claim governed by this Section 14.5, whether in tort, contract, or statutory, or the election to proceed under this Section, and including any claims against the Metropolitan District's or Declarant's managers, members, officers, agents, employees and/or agents (the "Claim") the claimant ("Claimant") shall, in addition to the requirements set forth elsewhere in this Declaration, give notice to the other Person against whom the claim is asserted ("Respondent"), setting forth: the nature of the claim; the basis or reason for the claim; any other material information regarding the claim; the specific relief and/or proposed remedy sought; and the intent to invoke this Section (the "Notice of Claim"). A Claimant may not deliver such notice during any cure or enforcement period pursuant to Section 14.2. Claimant and Respondent shall use good faith efforts to resolve the Claim through negotiations following delivery of the Notice of Claim, pending mediation pursuant to Section 14.6(b) below.

(b) Mediation. The Claim shall first be submitted to non-binding mediation before a mediator selected by the parties. The cost of the mediation shall be borne equally by all parties. Mediation shall be a condition precedent to arbitrating any dispute. The mediation shall occur within forty-five (45) days' following delivery of the Notice of Claim ("Mediation Period"). In the event that mediation is unsuccessful, either party may demand arbitration pursuant to Section 14.6(c) within thirty (30) calendar days of the date of the mediation.

(c) Arbitration. The Declaration and any and all amendments hereto are and shall be transactions involving interstate commerce and shall be governed by the Federal Arbitration Act. Following the Mediation Period and a written demand for arbitration, the Claim shall be resolved by arbitration administered by the American Arbitration Association in accordance with the current Construction Industry Arbitration Rules with an Arbitrator appointed by Declarant. The costs of the arbitration shall be borne equally by the parties, subject to reallocation

by the Arbiter. Any arbitration award may be enforced through entry of judgment by any court having jurisdiction thereover. Exclusive venue for any arbitration proceeding shall be in the County.

(d) Construction Defect Actions. In the event any Action asserting construction defects in a Dwelling Unit and/or any Metropolitan District Property provided for in C.R.S. Section 13-20-802.5 (construction defects), the provisions of this Section 14.5(d) shall also apply. If any of Claimant's claims relate, in any way, to any work completed by any of Respondent's subcontractors or any materials and/or equipment provided by any of Respondent's suppliers, Respondent, in its sole discretion, may join such subcontractors and/or suppliers to any arbitration proceeding with Claimant. The sole manner which may be used to establish breach of any of Respondent's obligations under this Declaration, any obligations which may exist by law or reason of any statute, any applicable industry standards, and/or Claimant's damages, including, but not limited to, appropriate repair costs, shall be through the testimony of a homebuilder currently licensed by the PPRBD who has built and sold at least fifty (50) homes with a sales price exceeding \$400,000 in the two (2) calendar years immediately preceding the calendar year in which the claim is brought. The Arbiter shall completely exclude the testimony of any tendered expert who does not meet the foregoing qualifications.

(e) Amendment. The terms and each and every provision of Article 14 and Article 15 of this Declaration inures to the benefit of Declarant, are enforceable by Declarant and shall not ever be amended without the written consent of Declarant and without regard to whether Declarant owns any portion of the Community Area, any Lots and/or the status of the Period of Declarant Control. BY TAKING TITLE TO A LOT, EACH OWNER ACKNOWLEDGES AND AGREES THAT THE TERMS OF ARTICLE 14 AND ARTICLE 15 ARE A SIGNIFICANT INDUCEMENT TO DECLARANT'S WILLINGNESS TO DEVELOP AND SELL THE LOTS AND DWELLING UNITS AND THAT IN THE ABSENCE OF THE PROVISIONS CONTAINED IN ARTICLE 14 AND ARTICLE 15, DECLARANT WOULD HAVE BEEN UNABLE AND UNWILLING TO DEVELOP AND SELL THE LOTS AND DWELLING UNITS FOR THE PRICE PAID BY THE ORIGINAL PURCHASERS. THIS PROVISION IS IN ADDITION TO AND NOT CONTRARY TO THE TERMS OF ARTICLE 15 CONCERNING ALL OTHER AMENDMENTS TO THIS DECLARATION.

(f) Accrual of Claims. In the event of any amendment of any provision of this Article in violation of Section 14.6, or in the event Section 14.6 is deemed unenforceable, then and in such event any amendment or modification of the terms of this Article 14 shall only apply prospectively, to claims that accrue following the date of such amendment or modification.

Section 14.6 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Declaration.

Section 14.7 Violations of Law. Any violation of any federal, state, municipal or local law, ordinance, rule or regulation, pertaining to the ownership, occupation or use of any property

within the Community Area, is hereby declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

Section 14.8 Remedies Cumulative. Except as expressly stated herein, each remedy provided under the Metropolitan District Documents is cumulative and not exclusive.

Section 14.9 Costs and Attorneys' Fees. In addition to any other rights provided herein and not by way of limitation thereof, any party which seeks to enforce the Metropolitan District Documents and prevails shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees and expert witness fees. For each claim or defense, including but not limited to counterclaims, cross-claims and third-party claims, and except as otherwise provided herein, in any legal proceeding to enforce or defend the provisions of the Act or the Metropolitan District Documents, the prevailing party shall be awarded on such claim the prevailing party's reasonable collection costs and attorneys' fees and costs incurred in asserting or defending the claim. For any failure to comply with the provisions of the Act or any provision of the Metropolitan District Documents other than the payment of Assessments or any money or other sums due to the Metropolitan District, the Metropolitan District, any Owner or any class of Owners adversely affected by the failure to comply may seek reimbursement for collection costs and reasonable attorneys' fees and costs incurred as a result of such failure to comply without the necessity of commencing a legal proceeding.

In connection with any claim in which an Owner is alleged to have violated a provision of the Act or a provision of the Metropolitan District Documents and in which the Owner prevails because the Owner did not commit the alleged violation: (i) the Owner shall be awarded the Owner's reasonable attorneys' fees and costs incurred in asserting or defending the claim; (ii) the Metropolitan District shall not be awarded court costs and attorneys' fees; and (iii) the Metropolitan District shall be precluded from allocating to the Owner's account with the Metropolitan District any of the Metropolitan District's costs or attorneys' fees incurred in asserting or defending the claim. Nothing in the Metropolitan District Documents shall be construed to mean that an Owner shall be deemed to have confessed judgment to attorney's fees or collection costs.

Section 14.10 Limitations. Notwithstanding any other provision of this Article, no claim or proceedings may be initiated after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitation or statute of repose.

Section 14.11 Liability for Failure of Metropolitan District to Maintain an Action. No director or officer of the Metropolitan District shall be liable to any person for failure to institute or maintain or bring to conclusion a cause of action, mediation or arbitration for a claim if the following criteria are satisfied: (i) the director or officer was acting within the scope of his or her duties; (ii) the director or officer was acting in good faith; and (iii) the act or omission was not willful, wanton or grossly negligent.

Section 14.12 Amendment. Notwithstanding anything to the contrary contained in this Declaration, this Article 14 shall not be amended unless such amendment is approved by Owners in accordance with the Act and is consented to by the Declarant and the Metropolitan District.

Section 14.13 Severability. All provisions of this Article are severable. Invalidation of any of the provisions of this Article, by judgment, court order or otherwise, shall in no way affect or limit the effectiveness of any other provisions of this Article, all of which shall remain in full force and effect.

ARTICLE XV MISCELLANEOUS

Section 15.1 Term of Declaration. Unless amended as herein provided, all provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration shall be effective for twenty (20) years after the date when this Declaration was originally recorded, and, thereafter, shall be automatically extended for successive periods of ten (10) years each unless terminated by vote of 67% of the Owners.

Section 15.2 Amendment of Declaration by Declarant or the Metropolitan District. Declarant is hereby granted the unilateral authority to amend this Declaration as follows:

(a) Until the first Lot subject to this Declaration has been conveyed by Declarant to an Owner, other than a successor Declarant, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration may be amended or terminated by Declarant by the recordation of a written instrument, executed by Declarant, setting forth such amendment or termination.

(b) Declarant may amend the Declaration in accordance with Article 10 as necessary to exercise any of the development rights set forth in Article 10 or elsewhere in this Declaration.

Section 15.3 Amendment of Declaration by Members. Expressly subject to the additional specific requirements contained in Article 14 and Section 15.4, each setting forth specific additional requirements and circumstances for Declarant consent, in this Declaration (including Article 14), and subject to provisions elsewhere contained in this Declaration requiring the consent of the Declarant or others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of the amendment or repeal by vote of 67% of the Members. Every amendment to the Declaration must be recorded in the County and is effective only upon recordation.

Section 15.4 Required Consent of Declarant to Amendment. Any proposed amendment or repeal of any provision of this Declaration shall not be effective unless Declarant has given its written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant or any certificate of amendment or repeal. The foregoing requirement for consent of Declarant to any amendment or repeal shall not terminate when Declarant conveys the last Lot in the Community Area. Each Owner and the Metropolitan District expressly acknowledge Declarant's consent right provided for in this Section and that Declarant's consent right includes without limitation each provision contained in Article 14 and Article 15 of this Declaration.

Section 15.5 Special Rights of First Mortgagees. Any First Mortgagee, upon filing a written request therefore with the Metropolitan District, shall be entitled to (a) receive written notice from the Metropolitan District of any default by the Owner indebted to such First Mortgagee

in the performance of the Owner's obligations under the Metropolitan District Documents, which default is not cured within sixty (60) days after the Metropolitan District learns of such default; (b) examine the books and records of the Metropolitan District during normal business hours; (c) upon request, receive a copy of financial statement, within ninety (90) days following the end of any fiscal year of the Metropolitan District; (d) receive written notice of all meeting of Members; (e) designate a representative to attend any meeting of Members; and (f) receive written notice of dissolution of the Metropolitan District or of this Declaration; (

Section 15.6 Priority of First Mortgage Over Assessments. Each First Mortgagee who recorded its First Mortgage before Assessments have become delinquent and who obtains title to the Lot encumbered by the First Mortgage, whether pursuant to the remedies provided in the mortgage, by judicial foreclosure, or by deed or assignment in lieu of foreclosure, shall take title to the Lot free and clear of any claims for unpaid Assessments or charges against such Lot, other than as provided in the Act. A First Mortgagee shall be deemed to have acquired title to a Lot on the date of receipt of a deed in lieu of foreclosure, on the date of receipt of a Certificate of Purchase from the Public Trustee, or on the date of sale pursuant to a judicial foreclosure and receipt of the Sheriff's Certificate of Purchase, as the case may be.

Section 15.7 First Mortgagee Right to Pay Taxes and Insurance Premiums. Any one or more First Mortgagees, jointly or singly, shall be entitled to pay any taxes or other charges which are in default and which may become or have become a charge against any of the Metropolitan District Properties, and may pay any overdue premiums on hazard insurance policies for any Metropolitan District Properties, or may secure new coverage if the insurance policy on and Metropolitan District Properties lapses, and the First Mortgagees making such payments shall be owed immediate reimbursement therefore from the Metropolitan District.

Section 15.8 Evidence of Required Approvals. Whenever the validity of any amendment to or revocation of this Declaration is conditioned upon voting by a stated percentage of Members and approval by First Mortgagees or Agencies, or both, the recorded document implementing the amendment or revocation shall contain a certification by an officer or the Metropolitan District that the approvals of the required percentages of Members, First Mortgagees and Agencies were obtained. The Metropolitan District shall keep on file in its offices such proxies, letters, minutes of meetings or other documentation as may be required to evidence compliance with applicable approval requirements, but the officer's certificate on the recorded instrument shall be sufficient public notice of compliance.

Section 15.9 Notices. Any notice permitted or required to be given under this Declaration shall be in writing and may be given either personally or by mail. If served by mail, each notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to the Metropolitan District for the purpose of service of such notice, or to the Lot of such Person if no address has been given to the Metropolitan District, and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second (2nd) business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time by notice in writing to the Metropolitan District.

Section 15.10 Persons Entitled to Enforce Declaration. The Metropolitan District (acting by authority of the Board) or any Member (acting on his own behalf), shall have the right to enforce

any or all of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration, unless otherwise expressly stated herein. Each Owner hereby acknowledges that the Metropolitan District's enforcement of the use restrictions contained in this Declaration will be in a manner which is consistent with the Water Rights described in Section 2.29 of this Declaration.

Section 15.11 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Declaration.

Section 15.12 Violations of Law. Any violation of any federal, state, municipal or local law, ordinance, rule or regulation, pertaining to the ownership, occupation or use of any property within the Community Area, is hereby declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

Section 15.13 Remedies Cumulative. Each remedy provided under the Metropolitan District Documents is cumulative and not exclusive.

Section 15.14 Costs and Attorneys' Fees. In addition to any other rights provided herein and not by way of limitation thereof, the party which seeks to enforce the Metropolitan District Documents and prevails, shall be awarded its costs and expenses in connection therewith, including reasonable attorneys' fees and expert witness fees in any action or proceeding under the Metropolitan District Documents.

Section 15.15 Limitation on Liability. The Metropolitan District, the Board of Directors, the Architectural Committee, Declarant, and any member, agent, employee or representative of any of the same shall not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice, and shall be indemnified by the Metropolitan District to the fullest extent permissible by Colorado laws, including without limitation, circumstances in which indemnification is otherwise discretionary under Colorado law, in accordance with and subject to the terms and limitations contained in the Bylaws.

Section 15.16 No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Community Area, or any Improvements thereon, as to its or their physical condition, zoning, compliance with applicable laws, or fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in a writing signed by Declarant.

Section 15.17 Liberal Interpretation. The provisions of the Metropolitan District Documents shall be liberally construed as a whole to effectuate the purposes of the Metropolitan District Documents. The use herein of the word "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters,

whether or not non-limiting language (such as “without limitation” or “but not limited to,” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

Section 15.18 Governing Law. The Metropolitan District Documents shall be construed and governed under the laws of the State of Colorado.

Section 15.19 Severability. Each of the provisions of the Metropolitan District Documents shall be deemed independent and severable, and the invalidity or unenforceability or partial invalidity or partial enforceability or any provision or portion thereof shall not affect the validity or enforceability of any other provision.

Section 15.20 Number and Gender. Unless the context requires a contrary construction, as used in the Metropolitan District Documents, the singular shall include the plural and the plural, the singular and the use of any gender shall include all genders.

Section 15.21 Captions for Convenience. The titles, headings and captions used in the Metropolitan District Documents are intended solely for convenience of reference and are not intended to affect the meaning of any provision of this Declaration.

Section 15.22 Mergers and Consolidation. The Metropolitan District may merge with another incorporated Metropolitan District to the extent permitted by law. Upon a merger or consolidation of the Metropolitan District with another Metropolitan District, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated Metropolitan District or alternatively, the properties, rights and obligations of another Metropolitan District may, by operation of law, be added to the properties, rights and obligations of the Metropolitan District as a surviving corporation pursuant to a merger. The surviving or consolidated Metropolitan District may administer and enforce the covenants, conditions and restrictions established by this Declaration governing the Community Area together with the covenants and restrictions established upon any other property, as one plan. Notwithstanding the foregoing, the Metropolitan District shall have the right to merge into one Metropolitan District upon a vote of the respective boards of directors of such Metropolitan Districts.

Section 15.23 Conflicts in Documents. In case of any conflict between this Declaration and the Articles of Incorporation or the Bylaws of the Metropolitan District, this Declaration shall control. If there is a conflict between the Articles of Incorporation and the Bylaws of the Metropolitan District, the Articles of Incorporation shall control.

Section 15.24 Interpretive Authority Resolves Questions of Construction. If any doubt or questions shall arise concerning the true intent or meaning of any of this Declaration, the Declarant, during the Period of Declarant Control, and thereafter, the Metropolitan District (the “Interpretive Authority”), shall determine the proper construction of the provisions in question and shall set forth in a written instrument duly acknowledged by the Interpretive Authority and filed for record with the Clerk and Recorder of the County, the meaning, effect, and application of the provision. This determination will thereafter be binding on all parties so long as it is not arbitrary nor

capricious. Nothing contained herein will permit the Metropolitan District to interpret the provisions of Article 14 in any manner that limits Declarant's authority and/or rights.

Section 15.25 Water Right Restrictions. Notwithstanding any other provision in this Declaration to the contrary, all provisions addressing the water supply, Water Rights and the augmentation plan including, but not limited to, Sections 2.29, 3.13, 3.14, 8.18 and Article 18 shall neither terminate nor be revoked, changed, or amended except by Order of the Water Court, which may amend, modify, or change such provisions by judicial order, and further provided that the Metropolitan District gives written notice to the Board of County Commissioners of El Paso County by delivering copies of said notice to both the Executive Director, Planning and Community Development and the County Attorney's Office of any such proposed revocation, change, or amendment at least forty-five (45) days prior to seeking an amendment, modification, or change from the Water Court. The Metropolitan District shall not seek any such amendment, modification, or change from the Water Court unless the Metropolitan District receives written approval of any such amendments from the Board of County Commissioners of El Paso County, or the Board of County Commissioners does not respond within the forty-five (45) day notice period, which will be deemed to be the consent of the Board of County Commissioners.

ARTICLE XVI DISCLOSURES

Section 16.1 Statutory Disclosure. Each Lot in the Community Area is located within the boundaries of The Retreat Metropolitan District No 1 or The Retreat Metropolitan District No. 2 and the Black Forest Fire Protection District each a separate quasi-municipal corporation and political subdivision of the State of Colorado, and is subject to separate mill levies to pay indebtedness of the respective Metropolitan District in which the Lot is located. C.R.S. Section 38-35.7-101 requires that the following disclosure be made to you:

SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND EXCESSIVE TAX BURDENS TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYER SHOULD INVESTIGATE THE DEBT FINANCING REQUIREMENTS OF THE AUTHORIZED GENERAL OBLIGATION INDEBTEDNESS OF SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICT SERVICING SUCH INDEBTEDNESS, AND THE POTENTIAL FOR AN INCREASE IN SUCH MILL LEVIES.

Section 16.2 Plats and Development Plan Restrictions. The Development Plan and Plats may each contain general notes and restrictions with which each Owner should familiarize itself.

ARTICLE XVII LANDSCAPE ASSURANCE

Section 17.1 Landscape Assurance Program. In an effort to keep the consistent, quality character of the Community Area prior to and during construction of Improvements and to encourage timely installation of high-quality Landscaping therein, the Metropolitan District may adopt, in which case each Owner agrees to comply with, a Landscape Assurance Program as described in this Article 17. An initial Owner shall, following conveyance of title from the Dwelling Unit builder, transfer to the Metropolitan District the applicable "Landscape Assurance" amount determined by the Metropolitan District from time to time.

Section 17.2 Use of Landscape Assurance. The Metropolitan District shall have the right, but not the obligation, to use the Landscape Assurance in the manner provided for in this Article 17. Any use of the Landscape Assurance will require an Owner to immediately provide the Metropolitan District with additional funds to replenish his Landscape Assurance.

Section 17.3 Correction of Violations. In conjunction with the rights afforded it under Section 15.3 of this Declaration, the Metropolitan District may utilize the Landscape Assurance to remedy violations arising under Section 5.1, Section 5.10, and Section 5.11, and any other violations of this Declaration related to Landscaping.

Section 17.4 Landscaping Installation. In the event that Landscaping is not timely, properly or fully installed on a Lot as required by this Declaration and the Community Standards, the Metropolitan District may install, complete, or repair Landscaping, at the Owner's sole cost, and may utilize the Landscape Assurance in full or in part to offset said costs.

Section 17.5 Landscape Plan Review. Fees charged by the Metropolitan District in conjunction with the review of Landscaping Plans, as submitted in accordance with Section 5.9 and Section 6.4, may be deducted from the Landscape Assurance.

Section 17.6 Refund of Balance. On or before thirty (30) days following the timely and proper installation of Landscaping on a Lot, as determined in the Metropolitan District's sole discretion based on the terms of this Declaration and the Community Standards, any balance of the Landscape Assurance that has not been previously used in accordance with the provisions of this Article 17 shall be paid to the Owner that paid the Landscape Assurance, which right of receipt shall not be transferrable or assignable by said Owner. In the event Landscaping is not timely and properly installed on a Lot, the balance of the Landscape Assurance shall be retained by the Metropolitan District as a penalty, and said retention shall in no way relieve the Owner, his successors or assigns, from the obligation to properly install Landscaping on a Lot at the Owner's sole cost, and shall in no way terminate or otherwise limit any of the Metropolitan District's remedies, arising under this Declaration or at law, in the event of the failure to do so.

ARTICLE 18 WATER RESTRICTIONS AND REQUIREMENTS

Section 18.1 Water and Sanitary Facilities. Water and sewer utilities are the responsibility of each Rural Lot Owner. Each Rural Lot Owner hereby acknowledges that the

Community Area, including but not limited to each Rural Lot contained therein, is subject to the terms, conditions and requirements contained in that certain Findings of Fact, Conclusions of Law and decree issued by the Colorado District Court, Water Division 2, Case No. 17CW3002, including the plan for augmentation decreed in Colorado District Court, Water Division 2, Case No. 18CW3002. Each Rural Lot Owner, subject to any greater restrictions contained in the Decree and all appropriate governmental approval and applicable laws, applicable water permits, Rules and Regulations, may be permitted to drill a domestic water well into the Dawson aquifer on the Rural Lot owned by said Owner and utilize a portion of the Metropolitan District Water Rights for providing a supply of water for ordinary household purposes and exterior irrigation, subject to the following requirements:

- (a) For the purposes of this Declaration, "domestic" purposes include ordinary in-house uses and watering of lawn and garden.
- (b) Each Rural Lot Owner shall be required to provide to the Metropolitan District, at least three (3) times per year, readings of the Owner's totalizing flow meter. Requested information shall be provided to the Metropolitan District within thirty (30) days following delivery to the Owner of the Metropolitan District's request.
- (c) Compliance with all Rules & Regulations Community Standards.
- (d) Each such well shall be equipped with a totalizing flow meter and shall be maintained in good operating condition by the Rural Lot Owner.
- (e) Each Rural Lot must have a non-evaporative septic tank and leach field domestic effluent system duly approved by the Health Department of El Paso County, which may require an engineer designed system, and all plans for same must be approved by the Architectural Control Committee.
- (f) No sanitary or septic facility shall be constructed so as to interfere with the water supply of any adjoining property.
- (g) Water from wells within the Community Area may not be used to initially fill, or, if drained, to refill water to swimming pools. Water from other offsite sources must be used for this purpose. Water from an Rural Lot Owner's well within the Community Area may, however, be used to level off or otherwise supplement the water line in an approved swimming pool, subject to the notice requirement indicated below. Each Owner who elects to level off or otherwise supplement the water level in an approved pool from his or her Community Area well shall be required to notify the Architectural Control Committee of the amount of water utilized during each such supplementing of pool water levels. Each Rural Lot Owner hereby acknowledges that any such use of water from wells within the Community Area will be subject to the restrictions set forth on the decree and may subject such Rural Lot Owner to other water use restrictions, including without limitation a requirement to reduce the irrigated area contained within such Rural Lot.
- (h) The Metropolitan District and each Owner shall be responsible for obligations and costs associated with the plan for augmentation, including but not limited to, construction and pumping of Laramie-Fox Hills wells, or other sources, to replace pumping

and post-pumping depletions to the appropriate stream systems.

Section 18.2 Disclosure. Each Owner hereby acknowledges the State Engineer's following admonition:

"Water in the Denver Basin Aquifer is allocated based on a 100 year aquifer life; however, for El Paso County planning purposes, water in the Denver Basin Aquifer is evaluated based on a 300 year aquifer life. Declarant, the Metropolitan District and all Lot Owners within the Community Area should be aware that the economic life of a water supply based on wells in a given Denver Basin aquifer, including the Laramie-Fox Hill Aquifer and the Dawson Aquifer, may be less than either the 100 years or 300 years indicated due to anticipated water level declines. Furthermore, the water supply plan should not rely solely upon non-renewable aquifers. Alternatively renewable water resources should be acquired and incorporated in a permanent water supply plan that provides future generations with a water supply."

Section 18.3 Water Wells for Each Rural Lot. The Metropolitan District holds title to, or has the right to use, the Water Rights described herein. Each Rural Lot Owner that does not receive central water and sanitary service from Sterling Ranch Metropolitan District is entitled to use a portion of the Water Rights. The use by each Rural Lot Owner of the Water Rights is restricted and regulated by the terms and conditions of the augmentation plan described herein. The use is further limited by the restrictions set forth in this Declaration, and shall be based upon the water requirements of each Rural Lot, including the amount necessary to provide in-house water use together with the limited irrigation provided for herein, and, for Rural Lot Owners permitted pursuant to the requirements contained in this Declaration. Prior to constructing a well into the Dawson aquifer, a Rural Lot Owner shall make application for a well permit from the State of Colorado. Said well permit application shall designate the Metropolitan District as "owner" and shall be approved by the Metropolitan District prior to submission to the State of Colorado. The water court decrees, described herein, approving the plan for augmentation for the wells to be used by each Rural Lot Owner, provides that the State of Colorado shall approve Dawson aquifer wells for each Lot. The Owners shall process all well permits and matters relating thereto through the Metropolitan District. Each Owner and the Metropolitan District hereby acknowledge that the County shall have no obligation for matters related to the issuance of well permits for the Lots or for assisting an Owner with his or her well permit application. Owner shall be responsible for all costs of construction of the Dawson aquifer well that provides water to Owner's Lot and for all maintenance and repair of said well. Owner's Dawson well shall be completed as close as possible to the bottom of the Dawson aquifer. Owner agrees to indemnify and hold harmless the Metropolitan District for any claims made against the Metropolitan District based upon the use of the well that provides water to Owner's Rural Lot, including reasonable costs and attorney's fees in the defense of any such claim. Each owner hereby acknowledges that the Water Rights which are available for use by each Rural Lot Owner in connection with his or her Lot will be evidenced by a certificate indicating that the Rural Lot Owner will be entitled to the share of water described in this Section 18.3 ("Water Certificates"). Each Owner further acknowledges that each Rural Lot Owner's ability to utilize the Metropolitan District's Water Rights will transfer automatically upon the transfer of title to a Rural Lot and such rights are not severable from any Lot. The Metropolitan District shall, therefore, have the right to cancel any previously issued Water Certificates if any Rural Lot Owner fails to transfer his or her Water Certificate to a successor Owner of the Lot. The Metropolitan District shall have the right to establish reasonable fees, from time to time, for

issuance of new Water Certificates to subsequent Rural Lot Owners. Each Rural Lot Owner hereby acknowledges that nothing contained in this Declaration will guaranty any Rural Lot Owner water availability but rather the legal right thereto. Each Owner also hereby acknowledges the location and completion of water well(s) satisfactory to each Owner on the Owner's Lot is the Owner's responsibility and not the Declarant's, Developer, or the Metropolitan District's responsibility.

[Signature Page Follows]

*[Signature Page -- Declaration of Covenants,
Conditions, Restrictions and Easements for Retreat at TimberRidge]*

IN WITNESS WHEREOF, Declarant has executed this Declaration to be effective on the day and year first above written.

DECLARANT:

Elite Properties of America, Inc.,
a Colorado corporation

By: [Signature]
Name: Serold Richardson
Title: V.P.

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 29th day of October, 2019, by Serold Richardson as V.P. of **Elite Properties of America, Inc.**, a Colorado corporation.

Witness my hand and official seal.
My Commission Expires: 08-17-2024.

KATHRYN MARIE LASATER
Notary Public
State of Colorado
Notary ID # 20164022814
My Commission Expires 08-17-2024

[Signature]
Notary Public

CONSENT

This Declaration is hereby consented to by **The Retreat Metropolitan District No. 1**, a quasi-municipal entity and political subdivision of the state of Colorado.

The Retreat Metropolitan District No. 1,

By: 
Name: George Lerz

Title: President

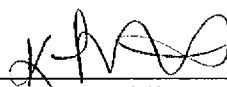
STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 29th day of October, 2020, by George Lerz as President of **The Retreat Metropolitan District No. 1**.

Witness my hand and official seal.

My Commission Expires: 08-17-2024.

KATHRYN MARIE LASATER Notary Public State of Colorado Notary ID # 20164022814 My Commission Expires 08-17-2024
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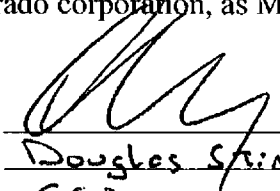
Notary Public

CONSENT

This Declaration is hereby consented to by **TimberRidge Development Group, LLC**, a Colorado limited liability company.

TimberRidge Development Group, LLC,
a Colorado limited liability company,

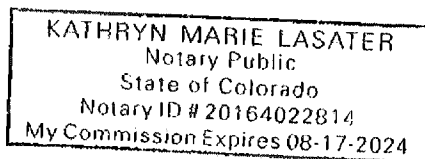
By: Elite Properties of America, Inc.,
a Colorado corporation, as Manager

By: 
Name: Douglas Stimple
Title: CEO

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 28th day of October, 2019 by Douglas Stimple as CEO of Elite Properties of America, Inc., a Colorado corporation, as Manager of TimberRidge Development Group, LLC, a Colorado limited liability company.

Witness my hand and official seal.
My Commission Expires: 08-17-2024.




Notary Public

EXHIBIT A
TO
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR RETREAT AT TIMBERRIDGE

LEGAL DESCRIPTION OF COMMUNITY AREA

Lots 1 through 70, inclusive, and Tracts A through D, inclusive, all within Retreat at TimberRidge
Filing No. 1, El Paso County, Colorado.

EXHIBIT B
TO
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR RETREAT AT TIMBERRIDGE

EXPANSION PROPERTY



619 North Cascade Avenue, Suite 200
Colorado Springs, Colorado 80903
(719)785-0790 (719)785-0799(fax)

JOB NO. 1185.00-09
AUGUST 29, 2019
PAGE 1 OF 2

LEGAL DESCRIPTION: EXPANSION PROPERTY

A PARCEL OF LAND BEING A PORTION OF SECTIONS 21, 22, 27 AND 28, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING ALL OF THOSE PARCELS OF LAND DESCRIBED IN DOCUMENTS RECORDED UNDER RECEPTION NO.'S 219018917 AND 218022138, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE WEST END WHICH IS THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28, BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED "ESI PLS 10376, 2006" AND AT THE EAST END, WHICH IS A 30' WITNESS CORNER TO THE EAST OF THE EAST QUARTER CORNER OF SAID SECTION 28, BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED "ESI 10376, 2006", IS ASSUMED TO BEAR S89°08'28"W A DISTANCE OF 1356.68 FEET.

COMMENCING AT THE CENTER-EAST 1/16 CORNER OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, SAID POINT BEING THE POINT OF BEGINNING;

THENCE N00°30'49"W, ON THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 1270.77 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF VOLLMER ROAD AS DESCRIBED IN A DOCUMENT RECORDED IN BOOK 2678 AT PAGE 430, RECORDS OF EL PASO COUNTY, COLORADO;

THENCE N21°41'10"E, ON SAID EASTERLY RIGHT OF WAY LINE, A DISTANCE OF 1450.84 FEET TO THE SOUTHWESTERLY CORNER OF THE RIGHT OF WAY LINE OF VOLLMER ROAD AS DESCRIBED IN A DOCUMENT RECORDED IN BOOK 2678 AT PAGE 431;

THENCE ON SAID RIGHT OF WAY LINE OF VOLLMER ROAD THE FOLLOWING (4) FOUR COURSES:

1. N89°40'23"E, A DISTANCE OF 761.52 FEET TO A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 28;
2. N00°52'58"W, ON SAID EAST LINE, A DISTANCE OF 30.00 FEET TO THE SOUTHEAST CORNER OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN;
3. N00°37'14"W, ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 21, A DISTANCE OF 30.00 FEET;
4. S89°40'23"W, A DISTANCE OF 736.82 FEET TO POINT ON SAID EASTERLY RIGHT OF WAY LINE OF VOLLMER ROAD;

THENCE N21°41'10"E, ON SAID EASTERLY RIGHT OF WAY LINE, A DISTANCE OF 113.82 FEET;

THENCE S68°18'50"E, A DISTANCE OF 145.93 FEET TO A POINT OF CURVE;
THENCE ON AN ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 22°00'47", A RADIUS OF 560.00 FEET AND A DISTANCE OF 215.15 FEET TO A POINT OF TANGENT;
THENCE N89°40'23"E, A DISTANCE OF 348.92 FEET;
THENCE N88°38'56"E, A DISTANCE OF 477.80 FEET;

THENCE N47°35'42"E, A DISTANCE OF 44.33 FEET;
THENCE N36°59'01"E, A DISTANCE OF 517.38 FEET;
THENCE N56°32'31"E, A DISTANCE OF 489.24 FEET;
THENCE N38°17'19"E, A DISTANCE OF 182.67 FEET;
THENCE N89°41'56"E, A DISTANCE OF 1283.66 FEET TO A POINT ON A LINE 30.00 FEET
WESTERLY AND PARALLEL TO THE EAST LINE OF THE SOUTHWEST QUARTER OF
SECTION 22, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL
MERIDIAN;
THENCE S00°18'04"E, ON SAID PARALLEL LINE, A DISTANCE OF 852.22 FEET TO A
POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 22;
THENCE S88°38'53"W, ON SAID SOUTH LINE, A DISTANCE OF 1300.52 FEET TO THE
NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER
OF SECTION 27, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL
MERIDIAN;
THENCE S00°54'30"E, ON THE EAST LINE OF THE NORTHWEST QUARTER AND THE
EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID
SECTION 27, A DISTANCE OF 3925.63 TO THE SOUTHEAST CORNER OF SAID
NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27;
THENCE S87°35'00"W, ON THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE
SOUTHWEST QUARTER OF SECTION 27, A DISTANCE OF 1332.78 FEET TO THE
SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHWEST
QUARTER OF SECTION 27;
THENCE N00°53'18"W ON THE WEST LINE OF SAID NORTHWEST QUARTER OF THE
SOUTHWEST QUARTER OF SECTION 27, A DISTANCE OF 1316.78 FEET TO THE EAST
QUARTER CORNER OF SAID SECTION 28;
THENCE S89°08'28"W, ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE
NORTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 1326.68 FEET TO THE
POINT OF BEGINNING;

CONTAINING A CALCULATED AREA OF 227.075 ACRES.

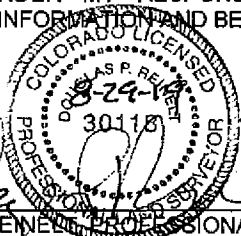
EXCEPTING THERFROM ANY PORTION LYING WITHIN RETREAT AT TIMBERRIDGE
FILING NO. 1, EL PASO COUNTY, COLORADO.

CONTAINING A CALCULATED AREA OF 68.135 ACRES

CONTAINING A NET CALCULATED AREA OF 158.940 ACRES

LEGAL DESCRIPTION STATEMENT:

I, DOUGLAS P. REINELT, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE
OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION WAS
PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY
KNOWLEDGE, INFORMATION AND BELIEF, IS CORRECT.



DOUGLAS P. REINELT, PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 30118
FOR AND ON BEHALF OF CLASSIC CONSULTING
ENGINEERS AND SURVEYORS

August 29, 2019
DATE