

TIMBERS ESTATES HOMEOWNERS ASSOCIATION

CERTIFICATE OF THE HOMEOWNERS ASSOCIATION BOARD

CERTIFICATE OF APPROVAL OF THE THIRD AMENDED AND RESTATED
GENERAL DECLARATION FOR TIMBERS ESTATES

I, Dave Hartvigsen, President of the Timbers Estates Homeowners Association, hereby certify that the Third Amended and Restated General Declaration for Timbers Estates, located in Jefferson County, Colorado, was approved by a vote of 21 in favor, 0 opposed, and 7 abstentions, during the Timbers Estates Homeowners Association meeting held on November 7, 2024 at 6:30 p.m.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand this 24th day of March, 2025.

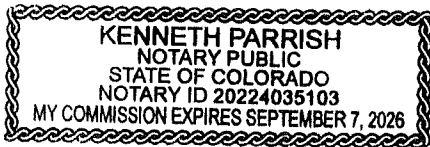
TIMBERS ESTATES HOMEOWNERS
ASSOCIATION, a Colorado nonprofit corporation

By [Signature]
President

STATE OF COLORADO)
)ss.
COUNTY OF JEFFERSON)

The foregoing Certificate was acknowledged before me by Dave Hartvigsen as President of Timbers Estates Homeowners Association, a Colorado nonprofit corporation, on this 24th day of March 2025.

My Commission Expires: September 7, 2026



[Signature]
Notary Public

This "Declaration" was voted
on and approved by a super
majority vote of 21 Yes, 0 No
and 7 non-votes at the Annual
Meeting of the Timbers Estates
HOA, held at 6:30 PM,

THIRD
AMENDED AND RESTATED
GENERAL DECLARATION

November 7, 2024.



FOR

TIMBERS ESTATES

JEFFERSON COUNTY, COLORADO

After recording return to:
CEGR LAW
44 COOK STREET, SUITE 620
DENVER, COLORADO 80206

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EXHIBIT A DESCRIPTION OF THE PROPERTY

**THIRD AMENDED AND RESTATED GENERAL DECLARATION
FOR TIMBERS ESTATES**

This THIRD AMENDED AND RESTATED GENERAL DECLARATION FOR TIMBERS ESTATES (the “**Declaration**”) is made and entered into on as this ____ day of _____ 20__.

RECITALS

A. The original General Declaration for Timbers Estates, Jefferson County, Colorado was recorded in the real property records of the County of Jefferson, State of Colorado, on October 26, 1984, at Reception Number 84100559 (“**Original Declaration**”); and was subsequently amended and supplemented by the Amended and Supplemental General Declaration for Timbers Estates dated November 12, 1988 (unrecorded).

B. The Original Declaration and supplement were fully replaced by that certain Amended and Restated General Declaration for Timbers Estates, Jefferson County, Colorado dated January 4, 2005, and recorded in the real property records of the County of Jefferson, State of Colorado, on May 6, 2005, at Reception Number 2005015110 (the “**2005 Declaration**”).

C. Article XVI, Section 16.03(a) of the 2005 Declaration provides for and allows this Declaration as follows:

Except for provisions of this Declaration regarding the rights and obligations of the Owners, which may not be amended without Owners’ prior written consent, as appropriate, as subject to the right of Mortgages under Article XIV above, Owners may amend any provision of this Declaration at any time by a vote of at least seventy-five percent of the votes allocated to all Lots. If the necessary votes and consent are obtained, the Association shall cause to be recorded in the Jefferson County records an amendment to the Declaration in accordance with the terms and conditions of the Act.

D. Notwithstanding the above, the Colorado Common Interest Ownership Act (CCIOA), at § 38-33.3-2017(1)(a)(I), C.R.S., provides that a declaration amendment requirement of greater than sixty-seven percent (67%) is invalid and established 67% as the threshold majority for approval by the affirmative vote or agreement of unit owners of units to which more than fifty percent (50%) of the votes in the association are allocated.

E. This Declaration has been prepared and determined by the Association and by the Owners that have approved this Declaration to be reasonable and not burdensome.

F. The purposes of this Declaration are to remove unreasonable restrictions on the Community, remove provisions that do not allow the Board to efficiently operate the Community or deal with Community concerns, remove or revise provisions that do not comply with current state law, add provisions that provide proper tools for the Association to effectively solve problems, and add provisions that reflect beneficial state law provisions.

G. The undersigned, being the individuals serving as President and Secretary of the Association, certify that this Declaration has been approved by at least at least sixty-seven (67%) of the eligible votes in the Association, that more than 67% of votes have been allocated to Owners of Lots, and that the vote was a properly conducted vote of the Owners of Lots, either at a meeting duly called for such purpose or via written ballot in lieu of a meeting in accordance with Colorado law.

H. The 2005 Declaration and any prior Declarations are hereby amended and replaced entirely by this Declaration.

ARTICLE I. SUBMISSION/NAMES/DEFINED TERMS

Section 1.1 Submission of Property. The real estate described in *Exhibit A* (the “**Property**”) shall be subject to the provisions of CCIOA applicable to common interest communities created within the State of Colorado before July 1, 1992, as may be amended from time to time, and to the terms and conditions of this Declaration. In the event CCIOA is repealed, CCIOA as applicable on the effective date of this Declaration shall remain applicable. The Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions. This Declaration is made for the purpose of protecting the value and desirability of the Property and shall run with the Property and shall be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, legal representatives, successors and assigns and shall inure to the benefit of each Owner thereof.

Section 1.2 Name and Type. The type of common interest community created hereunder is a planned community as defined in CCIOA. The name of the Association is “Timbers Estates Homeowners Association.”

Section 1.3 Defined Terms. Each capitalized term in this Declaration or on the Plat shall have the meaning specified in CCIOA or as used in CCIOA, unless otherwise defined in this Declaration or as context requires otherwise:

(a) “**Annual Budget**” shall mean the budget approved annually by Association Board of Directors for payment of the expenses of the Association.

(b) “**Articles of Incorporation**” shall mean the Amended and Restated Articles of Incorporation of Timbers Estates Homeowners Association, as filed with the Colorado Secretary State, as may be amended from time to time.

(c) “**Assessment**” shall include all Common Expense Assessments, Special Assessments, Individual Purpose Assessments and any other expense levied against a Lot pursuant to this Declaration or CCIOA, including interest, late fees, attorney fees, fines and costs, with Assessments being limited to Lots 1 through 28.

(d) “**Association**” shall mean and refer to Timbers Estates Homeowners Association or otherwise noted as the HOA, a Colorado nonprofit corporation, and its successors and assigns.

(e) **“Board”** or **“Board of Directors”** or **“Executive Board”** shall mean the body designated in the Governing Documents to act on behalf of the Association. Such Board shall have the same members as the TEMD Board.

(f) **“Bylaws”** shall mean the Bylaws of Timbers Estates Homeowners Association, as may be amended from time to time.

(g) **“CCIOA”** shall mean the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 *et. seq.*, as it may be amended.

(h) **“Common Area”** shall mean all real property for the common use and enjoyment of the Owners, excluding the Lots, together with all improvements located thereon, all such Common Area owned and managed by the Timbers Estates Metropolitan District.

(i) **“Common Expenses”** shall mean expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

(j) **“Covenants”** shall mean the Governing Documents including this Declaration, the Plat, the Articles of Incorporation, the Bylaws, the Design Guidelines, the Rules and Regulations, the Policies of the Association, and CCIOA.

(k) **“Declaration”** shall mean this Third Amended and Restated General Declaration.

(l) **“Design Guidelines”** shall mean a manual of design guidelines for the Property, or other design or architectural guidelines, to interpret and/or implement any provisions of Article 6 of this Declaration, specifically, and this Declaration in general, as more fully provided for in Section 6.3 of this Declaration.

(m) **“Design Review Board”** (DRB) shall mean the committee appointed by the Declarant or the Board of Directors pursuant to this Declaration for the purpose of administering the architectural approval and design review provisions contained in this Declaration. The Design Review Board also has purview over the enforcement of other related sections within the Design Guidelines and Rules and Regulations beyond the architectural provisions.

(n) **“Governing Documents”** shall mean this Declaration, the Plat, the Articles of Incorporation, the Bylaws, the Design Guidelines, the Rules and Regulations, the Policies of the Association, and CCIOA, as any of the same may be amended from time to time.

(o) **“Guests”** shall mean invitees of any Owner for presence on the Property.

(p) **“Improvements”** shall mean all exterior improvements, structures, and any appurtenances thereto or components thereof of every type or kind, and all landscaping features, including but not limited to: buildings, outbuildings, patios, patio covers, awnings, solar collectors, painting or other finish materials on any visible

structure, additions, walkways, garages, carports, driveways, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, trees, shrubs, sod, gravel, exterior light fixtures, poles, basketball hoops, signs, exterior tanks, and exterior facilities for air conditioning, cooling, heating, and water softening situated on or to be built on the Lots.

(q) “**Lot**” shall mean and refer to any of the platted and numbered (1 through 28) residential lots shown upon any recorded subdivision Plat of the Property, together with all appurtenances thereto and improvements now or hereafter located thereon.

(r) “**Member**” shall mean any Owner. The terms “Member” and “Owner” may be used interchangeably.

(s) “**Owner**” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(t) “**Person**” shall mean a natural person, a corporation, a limited liability company, a partnership, a trust, a joint venture, an unincorporated association or any other legal entity or any combination thereof.

(u) “**Plat**” shall mean and refer to the plat of the Timbers Estates Resubdivision recorded in the real property records of the Clerk and Recorder of Jefferson County, Colorado on June 6, 1989, at Reception Number 89048196, as the same may be amended from time to time.

(v) “**Policies**” shall mean any rule, regulation, bylaw, plan, or action approved by the Board of Directors, either by resolution or majority vote.

(w) “**Property**” shall mean the residential lots numbered 1 through 28 and described in Exhibit A hereto and referenced in Article 1, Section 1.1 herein.

(x) “**Released Parties**” shall mean the Board of Directors of the Association, the Design Review Board, and any officer, director, committee member, employee, or volunteer of the Association.

(y) “**Rules and Regulations**” shall mean any written instruments, however identified, which are adopted by the Association for the regulation and management of the Property, and/or clarification of the Governing Documents, including any amendment to those instruments.

(z) “**Special Assessment**” shall mean a special Assessment levied by the Association from time to time to cover previously unbudgeted expenses or expenses in excess of those budgeted, including, without limitation, the costs of any construction restoration, or unbudgeted repairs or replacements of capital improvements that are not covered by the general reserve fund.

(aa) “**TEMD**” shall mean the Timbers Estates Metropolitan District.

(bb) “**TEMD Board**” shall mean the Board of Directors of the Timbers Estates Metropolitan District.

ARTICLE II. PROPERTY RIGHTS IN THE COMMON ELEMENTS/EASEMENTS

Section 2.1 Access. For the purpose of performing any of the functions or obligations required or permitted by this Declaration, and for performing inspections related thereto, the Association, through its duly authorized agents, contractors, employees, officers or the Design Review Board members, shall have the right, after reasonable notice to the Owner or occupants thereof and during regular business hours, to enter upon the exterior portions of any Lot, and such entry shall not be deemed a trespass. In emergency situations, the Association or its agents, contractors, officers, employees, or the Design Review Board members, may enter without notice at any time, but the Owner or other occupants thereof shall be notified as soon as reasonably possible thereafter. In performing repairs or maintenance authorized under this Declaration, the Association shall not be liable for any loss, cost or damage caused by its actions, except on account of its willful misconduct.

Section 2.2 Owners’ Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the rules and regulations of TEMD.

Section 2.3 Delegation of Use. An Owner may delegate, in accordance with the Bylaws and Rules and Regulations adopted by the Board of Directors, his right of enjoyment to the Common Area to the members of his family or his tenants who reside on the Owner’s Lot. If an Owner delegates such rights to use the Common Area to tenants or contract purchasers who reside on the Owner’s Lot, the Owner shall not be entitled to use the Common Area unless also residing on the Owner’s Lot. The TEMD, as owner and manager of the Common Area, has the authority to limit use, in its sole discretion, based on site conditions, weather, construction activity, or other relevant circumstances.

Section 2.4 Disclaimer of Liability. The Association shall be and remain wholly free and clear of any and all liability for, or claims by, all Owners and all Persons, of whatever kind or character, whether sounding in contract or tort, deriving from the occurrence of any injury or damage to any person or property on, or in respect to the use and operation of, the Common Area, or any of its improvements, fixtures, and facilities. For the benefit of the community as a whole, it shall be the affirmative duty and responsibility of each Owner, and each user of the Common Area, to continuously inspect the same for any defects or perils or other unsafe conditions or circumstances, prior to and during such use or enjoyment thereof; and all users of, and visitors to, the Common Area, and its improvements and facilities shall use, enjoy, and visit the same at their own risk and peril. The TEMD, as owner of the Common Area, has the authority to limit this use, in its sole discretion, based on site conditions, weather, construction activity or other undefined potential circumstances. Liability for claims by Owners and all Persons relating to the Common Area shall be borne by TEMD as owner of the Common Area in accordance with TEMD policies and governing law.

ARTICLE III.
THE ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

Section 3.1 General Purposes and Powers of the Association. The Association has been created to perform functions and manage the Property as provided in this Declaration to protect the value and desirability of the Property, to further the interests of the Owners, residents, occupants, tenants, and guests of the Property and Members of the Association, and to promote a harmonious community and responsible leadership. The Association shall have a Board of Directors to manage the affairs of the Association. All Owners and any purchaser of a Lot shall be deemed to have assented to, ratified and approved such designations and management. The Association shall have all power necessary or desirable to effectuate such purposes.

Section 3.2 Authority of the Association. The business affairs of the Association shall be managed by the Board of Directors. The Association shall be governed by CCIOA, the Colorado Common Interest Ownership Act, and the Governing Documents. All corporate or other powers of the Association, unless otherwise specified or expressly reserved to the Members in the Governing Documents or by Colorado law, shall be exercised by or under the authority of the Board of Directors, and the business and affairs of the Association shall be managed under the direction of the Board of Directors. The Board of Directors may, by written resolution, delegate authority to a manager or managing agent for the Association. The Association may exercise any right or privilege and shall perform all duties and obligations expressly granted or reasonably necessary or implied in the Governing Documents to affect such right or privilege or to satisfy such duty or obligation.

Section 3.3 Membership. Every Person who is an Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of a Lot shall be the sole qualification for such membership. When more than one person holds an interest in any Lot, all such persons shall be Members.

Section 3.4 Allocated Interests. The Common Expense Liability and the votes held in the Association are allocated to each Lot as follows:

(a) Unless otherwise provided in this Declaration, the Common Expense Liability allocated to each Lot shall be a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots (28) in the Property.

(b) The number of votes in the Association shall be allocated equally among the Lots with each Lot being allocated one (1) vote.

Section 3.5 Managing Agent. The Association may employ or contract for the services of a managing agent to whom the Board may delegate certain powers, functions or duties of the Association, as provided in the Bylaws of the Association. The Board shall not be liable for any omission or improper exercise by a managing agent of any duty, power or function so delegated by written instrument executed by or on behalf of the Board.

Section 3.6 Right to Notice. Notice of matters affecting the Property shall be given by the Association or through access to Association records, as further provided in the Bylaws or as otherwise provided by the Board of Directors.

Section 3.7 Indemnification. To the fullest extent permitted by law, the Released Parties (as defined in Paragraph 1.3 herein) shall be and hereby are indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer, director, committee member, employee or volunteer of the Association, or any settlements thereof, whether or not they are an officer, director, committee member, employee or volunteer at the time such expenses are incurred.

Section 3.8 Authority of the Board of Directors. The affairs of the Association shall be managed by a Board of Directors, to be elected or appointed as set forth in the Bylaws. Except as otherwise provided in the Governing Documents or by Colorado law, the Board of Directors may act in all instances on behalf of the Association.

Section 3.9 Election of the Board of Directors. The Board of Directors shall have the same members as the then current TEMD Board of Directors. Election of Board members shall occur procedurally and concurrently, and be deemed completed in all aspects, with the statutorily described process for election of the TEMD Board of Directors. Election of the TEMD Board of Directors shall be deemed valid and as a substitute for a separate election of the Association Board of Directors in the TEMD election first occurring after ratification of this Declaration and perpetually thereafter.

ARTICLE IV. COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 4.1 Creation of Lien and Personal Obligation to Pay Assessments. Each Owner, by acceptance of a deed for a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association such Assessments as may be imposed by the Association.

(a) Such Assessments, including but not limited to fees, charges, late fees, attorney fees, fines and interest charged by the Association and additional fees charged by the managing agent, including but not limited to, administration and witness fees, and/or any other charges that may be assessed and/or levied or may be agreed to in the process of collecting past due Assessments, including but not limited to credit card convenience fees from whatever source, shall be the personal obligation of the Owner of such Lot at the time when the Assessment or other charges became or fell due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them. No Owner may become exempt from liability for payment of any Assessment by waiver of the use or enjoyment of the Common Area or by abandonment of the Lot against which the Assessment is made.

(b) The Assessments as imposed by the Association, including fees, charges, late fees, attorney fees, fines and interest charged by the Association, and additional fees charged by the managing agent, including but not limited to, administration and witness fees, and/or any other charges that may be assessed and/or levied or may be agreed to in the process of collecting past due Assessments, including but not limited to credit card

processing fees from whatever source, shall be a charge on the respective Lot generating such charges and shall be a continuing lien upon the Lot against which each such Assessment or charge is made. If any Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due.

(c) All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof, except as provided in this Declaration, shall be permitted by any reason including, without limitation, any claim that the Association is not properly exercising its duties and powers under this Declaration. Except as provided in this Declaration, all Assessments shall be assessed against all Lots based on the Common Expense Liability allocated to each Lot, as set forth in this Declaration.

Section 4.2 Basis of Assessments. The Common Expense Assessment is necessary to fund administration of the Association and enforcement of the Covenants by the Association. The Common Expense Assessment shall be made on an annual basis against all Lots and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such Assessment year. Unless otherwise provided in this Declaration, Common Expenses shall be apportioned among the Lots in accordance with the Common Expense Liability allocated to each Lot as set forth in this Declaration.

Section 4.3 Annual Dues Assessment. The Board of Directors shall set an annual dues assessment subject to ratification by the Owners pursuant to Section 303(4) of CCIOA and as set forth in the Bylaws, as the Bylaws may be amended from time to time. Dues Assessments shall be due and payable in monthly, quarterly or annual installments, or in any other manner, as determined by the Board of Directors. The omission or failure of the Board of Directors to levy the Dues Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay. The Board, in its discretion, may modify, up or down, the Dues Assessment each year.

Section 4.4 Special Assessments. In addition to the annual Dues Assessment, the Association may levy Special Assessments from time to time to cover previously unbudgeted expenses or expenses in excess of those expected or budgeted for architectural review and enforcement. The proposed Special Assessment shall be submitted to the Owners for ratification pursuant to Section 303(4) of CCIOA and as set forth in the Bylaws, as the Bylaws may be amended from time to time. A proposed Special Assessment will be ratified unless Owners representing more than a majority of the total votes in the Association vote, either in person or by proxy, to reject the Special Assessment at a meeting called for such purpose. Special Assessments may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall have the right to require that Special Assessments be paid in advance of the subject services or materials.

Section 4.5 Application of Payments. All payments received on an account of any Owner or the Owner's Lot shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late fees, returned check fees, lien fees and other costs owing or incurred with respect to such Owner pursuant to the Governing

Documents, prior to application of the payment to any Assessments due or to become due with respect to such Owner.

Section 4.6 Effect of Non-Payment of Assessments.

(a) Any Assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within fifteen (15) days after the due date thereof, as established by the Board of Directors, shall bear interest at the rate established by the Board of Directors, up to, but not to exceed eight percent (8%), on a per annum basis to accrue monthly, from the due date, and the Association may assess a reasonable late fee thereon as determined by the Board of Directors.

(b) Failure to make payment within sixty (60) days of the due date thereof shall cause the total amount of such Owner's annual Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board.

(c) Further, the Association may foreclose its lien and/or bring an action at law or in equity, or all of the same, against any Owner personally obligated to pay such overdue Assessments, charges or fees, or monthly or other installments thereof. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor. Likewise, the obtaining of a money judgment shall not preclude the foreclosure of the Association's lien so long as the judgment remains unsatisfied.

(d) Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Lot at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any Assessment lien, and an Owner abandons or leaves vacant his or her Lot, the Board may take possession and rent said Lot or apply for the appointment of a receiver for the Lot without prior notice to the Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a first lien security interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under CCIOA.

Section 4.7 Lien Priority. The lien of the Association under this Article is prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien security interest on the Lot (except as allowed by CCIOA with regard to the limited lien priority allowed to the Association); and (3) liens for real estate taxes and other governmental assessments or charges against the Lot. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under state or

federal law. The acceptance of a deed to a Lot shall constitute a waiver of the homestead exemption as against any Assessment lien imposed by the Association. Sale or transfer of any Lot shall not affect the lien for said Assessments or charges except that sale or transfer of any Lot pursuant to foreclosure of any first lien security interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of Assessment charges if paid as part of the transaction per applicable state law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Lot Owner from continuing liability for any Assessment charges thereafter becoming due, nor from the lien thereof unless paid.

Section 4.8 Surplus Funds. Any surplus funds of the Association exceeding \$50,000 and remaining after payment of or provision for Common Expenses shall be credited to the Owners to reduce future Assessments. It shall be the intent of the Association to maintain a reserve fund comprised of surplus funds of up to \$50,000 for carryover from year to year. Expenditure of such reserve funds shall occur only for purposes benefitting the Association on behalf of the Owners and only after a majority vote of the Owners in favor of such expenditure.

ARTICLE V. ARCHITECTURAL REVIEW

Section 5.1 Composition of the Design Review Board and Appointment. The Design Review Board will consist of three (3) or more natural persons or a separate entity (such as an architectural firm) appointed by the Board of Directors. If no Design Review Board is appointed, the Board of Directors shall act as the Design Review Board. The Board of Directors shall make a concerted effort to appoint and retain a Design Review Board, as reasonably possible given the volunteer nature of the Design Review Board, since the Board of Directors serves an important role in the appeals process if an Owner is dissatisfied with the decision(s) made by the Design Review Board. The power to appoint the Design Review Board, as provided herein, shall include without limitation the power to: a) appoint members to the Design Review Board on the occurrence of a vacancy therein, for whatever reason; b) remove any member of the Design Review Board, with or without cause, at any time; and c) appoint the successors thereof. Each such appointment may be made for such term of office, subject to the aforesaid power of removal, as may be set from time to time in the discretion of the Board of Directors.

Section 5.2 Architectural Review Requirements; Authority of the Design Review Board.

(a) No Improvement may be constructed, erected, placed, altered, planted, applied, installed or modified, upon any Lot, unless the Improvement is in full compliance with all provisions of the Governing Documents in the judgment of the Design Review Board. Prior to constructing, erecting, placing, altering, planting, applying, installing or modifying an Improvement upon any Lot, the Owner of the Lot must submit plans and specifications for the proposed Improvement to the Design Review Board for review and consideration, and then receive approval in writing from the Design Review Board, all in accordance with the Design Guidelines. In consideration of the above, Owners may make minor repairs or remove previously approved Improvements, in their discretion without submittal of plans to the Design Review Board,

provided they do so while preserving the architectural elements of their structures and the character of the community.

(b) The Design Review Board shall endeavor to exercise its reasonable judgment to provide for each proposed Improvement to generally harmonize with the existing surroundings, residences, landscaping and structures for each Lot and the community as a whole with reasonable discretion.

(c) In its review of such plans, specifications and other materials and information, the Design Review Board may require that the applicant pay an architectural review fee and/or reimburse the Design Review Board for the actual expenses incurred by the Design Review Board in the review and approval process. Any architectural review fee shall be paid prior to Design Review Board review. Any reimbursement for costs incurred by the Design Review Board in excess of the initial architectural review fee, if any, shall be collectible by the Association by the same procedures detailed in Article V herein.

Section 5.3 Design Guidelines. The Design Review Board may periodically propose Design Guidelines or revisions or amendments thereto, subject to approval by the Board of Directors. Without limiting the generality of the foregoing, any such Design Guidelines may contain guidelines to clarify the types of designs and materials that may be considered in design approval, may state requirements or modifications for submissions in order to obtain review by the Design Review Board, may state procedural requirements, or may specify acceptable Improvements that may be installed without prior approval of the Design Review Board.

Section 5.4 Procedures. The Design Review Board will review and approve in writing (which may be with conditions and/or requirements), or disapprove, each request for architectural approval within forty-five (45) days after the complete submission to the Design Review Board of the plans and specifications and other materials and information which the Design Review Board may require in conjunction therewith in accordance with the design review procedures set forth in the Design Guidelines. If the Design Review Board fails to review and approve in writing (which may be with conditions and/or requirements), or disapprove, a request for architectural approval within forty-five (45) days after the complete submission of the plans and specifications and other information requested with respect thereto, such request is deemed approved by the Design Review Board.

Section 5.5 Vote and Appeal. If the Board of Directors is not acting as the Design Review Board, an Owner whose plans have been disapproved or conditionally approved by the Design Review Board may appeal any such decision of the Design Review Board to the Board of Directors by submitting a written appeal to the Board of Directors within thirty (30) days of the date of the Design Review Board's disapproval or conditional approval. The Board of Directors shall review the decision of the Design Review Board pursuant to the criteria set forth in this Declaration and the Design Guidelines. Any decision of the Design Review Board may be overruled and reversed on appeal by a majority vote of the Board of Directors by a written decision setting forth the reasons for the reversal when the Board of Directors concludes that the Design Review Board's decision was inconsistent with the criteria set forth in this Declaration and/or the Design Guidelines or otherwise decides to waive the requirement in the Board of

Directors' sole discretion. Any decision made by the Board of Directors acting in the appeals process will be considered final.

Section 5.6 Commencement and Completion of Construction. All improvements approved by the Design Review Board must be commenced within twelve (12) months from the date of approval, and further, completion of the improvements shall occur within eighteen (18) months from the date of commencement. If not commenced or completed within such timeframes, approval shall be deemed revoked by the DRB unless the DRB grants the Owner a written extension of time. The Design Review Board, in its sole discretion, can grant written extensions of time to allow for delays caused by strikes, fires, national emergencies, critical materials shortages, labor shortages, or other intervening forces beyond the control of the Owner.

Section 5.7 Inspection of Work. The Design Review Board and the Board of Directors have the right to inspect any Improvement at any time, including prior to, during, or after completion, to determine whether or not the proposed Improvement is properly planned, is being completed or has been completed in compliance with the approval granted pursuant to this Article.

Section 5.8 Variances. The Design Review Board may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Declaration or the Design Guidelines in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in this Declaration or in the Design Guidelines.

Section 5.9 Waivers. The approval or consent of the Design Review Board of any application for architectural approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the Design Review Board as to any application or other matters subsequently or additionally submitted for approval or consent.

Section 5.10 Liability. Neither the Association nor any of the Released Parties are liable or shall be liable to any Person by reason of any action, including but not limited to failure to act, approval (which may be with conditions and/or requirements), disapproval, or failure to approve or disapprove, in regard to any matter whether for damage or in equity. In reviewing or approving any matter, neither the Association or any of the Released Parties are responsible for any issue related to the Improvements, whether structural or otherwise, and whether submitted for review or otherwise. Neither the Association or any of the Released Parties are responsible for any matter related to safety. Similarly, neither the Association or any of the Released Parties are responsible for the conformance of Improvements with applicable law or compliance with any other standard or regulation, and any approval (which may be with conditions and/or requirements) of any Improvement by the Design Review Board will not be deemed an approval of any such matters, will not be deemed to represent that the Improvement conforms to applicable law or complies with any other standards or regulations, and will not constitute a warranty by the Association or the Released Parties to any applicant of the adequacy of design, workmanship or quality of such work or materials for any applicants' intended use. Neither the Association or any of the Released Parties shall be held liable for matters related to their decisions including, but not limited to soil conditions, ground water, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of

the action, inaction, integrity, financial condition or quality of work of any contractor or its subcontractors, employees or agents, whether or not the Association or any of the Released Parties have approved or featured such contractor as a builder in the Property; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot. In all matters, the Released Parties shall be defended and indemnified by the Association as provided in Section 3.7 of this Declaration. The Design Review Board will not make any investigation into title, ownership, easements, rights-of-way, or other rights appurtenant to property with respect to architectural requests and shall not be liable for any disputes relating to the same. No Person is a third-party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval granted by, the Association or the Released Parties. Each Owner hereby waives and releases the Association and the Released Parties, individually and severally, from all claims related to approval or disapproval of any Improvements or any other action taken or not taken with respect to architectural review matters. The foregoing release and waiver are made by each Owner to the fullest extent permitted by law and for and on behalf of itself, its assigns, executors, heirs, occupants, personal representatives, representatives and successors. Neither the Association or any of the Released Parties shall be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Released Parties have no personal liability with respect to any contract or other commitment made or action taken on behalf of the Association or any of the Released Parties.

ARTICLE VI. MAINTENANCE RESPONSIBILITIES

Section 6.1 Owner's Maintenance Responsibility.

(a) Each Owner shall have the obligation to properly maintain, repair, and, if Owner desires, replace all elements of the Owner's Lot and all Improvements thereon, including driveways connecting the Lot to the common roadways.

(b) Each Owner shall have the responsibility to:

(i) Perform his or her maintenance responsibility in such manner so as not to unreasonably disturb persons on other Lots;

(ii) Pay for the cost of repairing, replacing, or cleaning up any items which are the responsibility of the Owner (as described in Sections 6.2 and 6.3 below).

Section 6.2 Inspection, Repair and Replacement of Designated Owner Maintenance Components. If the Association, either through inspection or otherwise, determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance of his or her Lot and/or the Improvements thereon, then the Association may give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Association.

The Owner shall have fourteen (14) days within which to complete maintenance or repair, or if it is not reasonably feasible that the maintenance or repair may be completed within such time period, to commence replacement or repair within fourteen (14) days. If an Owner has not complied with the demand given by the Association as provided in this Section, the Association may provide any such maintenance, repair or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the Assessment to which such Owner is subject as an Individual Purpose Assessment, which if not timely paid shall become a lien against the Lot, and shall be collected as provided in this Declaration in Article V for the collection of Assessments.

Section 6.3 Owner's Negligence. If the Board determines that the need for maintenance or repair of any portion of the Common Area caused by any Owner or otherwise is a Common Expense and is caused through the willful or negligent act of any Owner, his family, guests, lessees or invitees, then the Association may assess the cost of any such maintenance, repair, or replacement against the Owner's Lot as an Individual Purpose Assessment, which if not timely paid shall become a lien against the Lot, and shall be collected as provided in this Declaration in Article V for the collection of Assessments.

ARTICLE VII. INSURANCE

Section 7.1 Insurance to be Carried by the Association. The Association shall obtain and maintain in full force and effect to the extent reasonably available, and at all times, the insurance coverage set forth in this Declaration, which insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado. All insurance purchased by the Association shall be purchased from companies with ratings of "A" or better, to the extent that insurance is available at reasonable cost to the Association through such companies.

Section 7.2 Fidelity Insurance. The Association shall obtain fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees, committee members, volunteers and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The fidelity insurance shall be in an amount at least covering the Association's total annual Dues Assessment and reserves.

Section 7.3 Workers Compensation. The Association shall obtain and maintain workers' compensation and employer's liability insurance and all other similar insurance with respect to employees, if any, of the Association in the amounts and in forms now or hereafter required by law if, and when, applicable.

Section 7.4 Director and Officer Liability Insurance. The Association shall purchase directors' and officers' insurance in an amount reasonably necessary to protect the directors and officers of the Association. Such insurance should include coverage for claims brought seeking both monetary and/or non-monetary damages. The Association shall also ensure that the insurance policy covers committee members and volunteers working on behalf of the Association.

Section 7.5 Other Insurance. The Association may obtain insurance against such other risks, of similar or dissimilar nature, as it shall deem appropriate with respect to the Association's responsibilities and duties as determined from time to time by the Board of Directors.

Section 7.6 Miscellaneous Terms Governing Insurance Carried by the Association. The Association shall maintain, to the extent reasonably available and necessary, policies carried in blanket form naming the Association and the Released Parties as insureds.

Section 7.7 Insurance Obtained by Owners. Each Owner shall obtain and maintain in full force and effect to the extent reasonably available insurance coverage which covers the Owner's Lot and all Improvements thereon. Such insurance shall include, but may not be limited to, furnishings and personal or other property in the home on the Lot and liability insurance for injury, death or damage in or upon the Lot. Any such policy shall contain waivers of subrogation and shall be so written that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished thereby.

Section 7.8 Insurance Premium. Insurance premiums for insurance carried by the Association shall be a Common Expense to be included as a part of the annual Budget and Dues Assessment of the Association.

Section 7.9 Waiver of Claims Against Association. As to all policies of insurance maintained by or for the benefit of the Association, the Association and the Owners hereby waive and release all claims against one another and the Board of Directors and its assigns, to the extent of the insurance proceeds available, whether or not the insurance damage or injury is caused by the negligence of or breach of any agreement by these Persons.

ARTICLE VIII. USE RESTRICTIONS

Section 8.1 Flexible Application of the Covenants and Restrictions. All Lots within the Property shall be held, used and enjoyed subject to the following limitations and restrictions. The strict application of the following limitations and restrictions in any specific case may be modified or waived, in whole or in part, by the Board of Directors or by an appropriate committee (subject to review, modification or approval by the Board of Directors in its sole discretion) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing.

Section 8.2 Authority. All provisions of the Governing Documents shall apply to Owners and their guests, tenants, invitees, and licensees. Owners and their successors and assigns, by acceptance of a deed to a Lot, acknowledge that they have been given notice, and that:

- (a) The ability of Owners to use their Lots may be limited by the provisions in the Governing Documents.

(b) The Board may, from time to time make policies that interpret the language in this Declaration, and adopt and amend definitions of words, phrases and terms used in the Governing Documents.

(c) The Board may establish penalties for the infraction of any regulations, at their discretion, and Owners will be responsible for fines assessed against their tenants, guests, and invitees for violations of the regulations.

(d) All fines imposed are collectable as Assessments.

Section 8.3 Use/Occupancy. All Lots within the Property shall be used for residential purposes only, including uses which are customarily incident thereto, and shall not be used at any time for business, commercial or professional purposes other than home or virtual offices. Notwithstanding the foregoing, Lots may be used for business activities provided that the following are satisfied:

(a) The business conducted is clearly secondary to the residential use of the home and is conducted entirely within the home;

(b) The existence or operation of the business is not detectable from outside of the home by sight, sound, smell or otherwise, or by the existence of signs indicating that a business is being conducted;

(c) The business does not result in an undue volume of traffic or parking within the Property, which determination may be made by the TEMD Board of Directors in its sole discretion from time to time;

(d) The business conforms to all zoning requirements and is lawful in nature;
and

(e) The business conforms to any Policies and Rules and Regulations that may be imposed by the Association or the TEMD from time to time on a uniform basis to protect the peace, tranquility and quality of the Property.

Section 8.4 Leasing and Occupancy. Any Owner shall have the right to lease or allow occupancy of a Lot upon such terms and conditions as the Owner may deem advisable, subject to restrictions of this Declaration, subject to restrictions of record, and subject to the following:

(a) “**Leasing**” or “**Renting**” for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person other than the Owner, provided, however, for the purposes of this Declaration, leasing shall not include occupancy of the Lot by a child, parent or roommate of an Owner.

(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 the Governing Documents. Owners are required to provide tenants with copies of the current Declaration, Articles of

Incorporation, Bylaws Design Guidelines, Rules and Regulations and Policies of the Association.

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

(d) Each Owner is strongly encouraged to conduct full background checks, including credit and criminal reports, for each lease applicant.

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

(f) Leases shall be for or of the entire Lot.

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

(h) The Association shall have the authority to adopt Policies and Rules and Regulations regarding leasing, including the implementation of this restriction, and for implementation of other restrictions in the Declaration and as allowed by law.

Section 8.5 Restrictions on Pets.

(a) No animals, livestock, birds, poultry, reptiles or insects of any kind shall be raised, bred, kept or boarded in or on the Lots; provided, however, that a reasonable number of dogs, cats or other domestic animals which are bona fide household pets may be kept on a Lot (and not more than three (3) such pets, which restriction shall not apply to fish, birds, and other household pets which are kept confined to a cage or tank contained within an enclosed structure at all times), so long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident of the Property. When on the Common Area, pets must be kept on a leash and under control. Feces left by pets upon the Common Area must be removed promptly by the owner of the pet or the person responsible for the pet. Additionally, the Association shall have, and is hereby given, the right and authority to: set a size or poundage limit on pets; regulate the type(s) of pets that are permitted to be kept; determine in its sole discretion that any dog(s), cat(s), or other household pet(s) are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance; or determine that an Owner is otherwise in violation of the provisions of this Section. In any of the foregoing instances, the Association may take such action or actions as it deems appropriate to correct the same, including the right to require removal of the pet from the Property. The right to keep

household pets shall be coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Association as a result of such pets.

(b) No agricultural animals such as ducks, chickens, goats, pigs, sheep and horses shall be permitted except as provided below.

(c) Lots 3, 8, 10 and 15, as shown on the Plat are exempt from the provisions of this Declaration regarding the keeping, maintaining, raising, and riding of horses (together with the right to ride or walk horses on the roads to the public way), which shall specifically be permitted as a use by right as follows:

(i) Lot 15 as shown on the Plat shall not be bound by any provisions of this Declaration regarding the keeping, maintaining, raising and riding of horses on Lot 15, the foregoing of which shall be specifically permitted on Lot 15 (together with the right to ride or walk horses on the roads to the public way) as a use by right. Horses may be restricted on Lot 15 as determined by the then record Owner of Lot 15 pursuant to a written document recorded with the Clerk and Recorder of Jefferson County, Colorado which amends, modifies or revokes this reservation with regard to horses in the sole and absolute discretion of the Owner of Lot 15.

(ii) Lots 3, 8, and 10 shall be considered horse lots.

(iii) Horses may be restricted on Lot 3 as determined by the then record Owner of such Lot pursuant to a written document recorded with the Clerk and Recorder of Jefferson County, Colorado which amends, modifies or revokes this reservation with regard to horses in the sole and absolute discretion of such Owner.

(iv) The keeping, maintaining, raising, and riding of horses on any of the Lots identified in this Paragraph 8.5(c) shall comply with Jefferson County statutes for the same, if any, especially with respect to limits on the number of horses allowed per Lot.

Section 8.6 Antennae. “Permitted Antennas” are defined as (a) an antenna which is one (1) meter or less in diameter and is designed to receive direct broadcast satellite service, including direct-to-home satellite service, or to receive or transmit fixed wireless signals via satellite; (b) an antenna which is one (1) meter or less in diameter or diagonal measurement and is designed to receive video programming services via broadband radio service (wireless cable) or to receive or transmit fixed wireless signals other than via satellite; (c) an antenna which is designed to receive local television broadcast signals; or (d) other antennas which are expressly permitted under applicable federal statutes or regulations. In the event a Permitted Antenna is no longer expressly permitted under applicable federal statutes or regulations, such antenna will no longer be a Permitted Antenna for purposes of this Section.

Permitted Antennas shall be installed in the least conspicuous location available on a Lot which permits acceptable signals, without unreasonable delay or increase in the cost of installation, maintenance or use of the Permitted Antenna. The Association may adopt Design Guidelines

regarding location and installation of Permitted Antennas, subject to limitations of applicable federal law. Except as allowed by federal statutes and regulation, no exterior television or any other antennae, microwave dish, satellite dish, satellite antenna, satellite earth station or similar device of any type shall be erected, installed or maintained on a Lot.

Section 8.7 Well and Septic Tanks. No wells shall be permitted on any Lot without the prior written approval of the TEMD Board of Directors. No septic tanks or systems shall be permitted on any Lot without the prior written approval of the Design Review Board. Wells and septic systems, including tanks, shall be installed pursuant to all applicable laws and regulations.

Section 8.8 Nuisances. No noxious or offensive activity or nuisance shall be permitted within the Property, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Owner or which may unreasonably interfere with the peaceful enjoyment or possession or the proper use of a Lot or any Common Area, or any portion of the Property by residents.

Section 8.9 Vehicular Parking, Storage, and Repairs.

(a) Except for parking on the public streets, which shall be controlled and enforced by Jefferson County, Colorado, all parking within the Property shall be regulated by the Association and upon any Common Area shall be regulated by the TEMD.

(b) The following may not be parked or stored on a Lot within the Property, unless such parking or storage is within a garage on a Lot, or unless authorized in writing by the Association or as otherwise exempted by Colorado law: oversized vehicles, commercial vehicles, vehicles with commercial writing on their exteriors, trailers, camping trailers, boat trailers, hauling trailers, boats or accessories thereto, self-contained motorized recreational vehicles or other oversized types of vehicles or equipment as prohibited by Rules and Regulations. The foregoing may be parked as a temporary expedience for loading or delivery of goods or services or temporarily up to forty-five (45) days for property maintenance purposes (such as snowplowing, tree removal, etc.). Waiver for parking exceptions longer in duration are strictly subject to approval by the Design Review Board or the Board of Directors. This restriction shall not apply to vehicles temporarily located within the Property which are necessary for construction or for the maintenance of any Common Area, Lots, or any improvement located thereon.

(c) No abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked on a Lot within the Property unless parked or stored within a garage or in an otherwise designated parking area. An “abandoned or inoperable vehicle” shall be defined by Colorado statutes governing inoperable, unlicensed or abandoned vehicles on public streets, or as defined by the Policies or Rules and Regulations adopted by the Association.

(d) No motor vehicle may impede the safe and efficient use of the roadways, driveways or alleys within the Property by residents, obstruct emergency access to and/or from the Property, or interfere with the reasonable needs of other residents to use the

roadways, their respective driveways, or guest parking within the Property. Roadways and guest parking areas in the Common Area are owned, maintained, and managed by TEMD. Driveways located on each Lot shall be owned and maintained by the Lot owner and shall be subject to the Covenants. Temporary parking of vehicles on the roadways of a duration not to exceed seven (7) days for emergency or other reasonable uses may be allowed by written permission of TEMD for such uses as construction, moving, maintenance, tree removal, paving, sealing, and other approved maintenance activity as long as the passage of vehicles is not completely blocked.

(e) No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicle, trailer or boat may be performed or conducted outside of garages in the Property. Notwithstanding, minor repairs may be performed outside of a garage on a Lot, provided they may be completed the day commenced, there is no damage (e.g., oil, residue) to paved areas, and all equipment and parts are removed upon completion of the work. No vehicles may be left unattended on jacks or jack stands. This provision shall not be deemed to prevent washing and polishing of a vehicle, together with those activities normally incident and necessary to such washing and polishing, provided washing is done with a hose with a shut off valve to prevent waste of water.

(f) Parking in fire lanes (as designated by TEMD or as designated by local government or a local fire protection authority) shall not be permitted.

(g) If any vehicle is parked on any portion of the Common Area in violation of this Section the TEMD Board shall attempt to notify the Lot owner by all reasonable means and may place a notice on the vehicle specifying the nature of the violation and stating that after two (2) weeks' notice has been provided, the vehicle may be towed. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A sign shall also be conspicuously placed at the Property stating the name and telephone number of the person or entity which will do the towing. If two (2) weeks after such notice is placed on the vehicle the violation continues, the vehicle may be towed in accordance with the notice, without further notice to the vehicle owner or user, and the owner thereof shall be solely responsible for all towing and storage charges.

(h) If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or occupant's Lot, is obstructing the flow of traffic, is parked on any grassy area, is parked in a space which has been assigned as exclusively serving another Lot, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. The TEMD will not enforce this policy if the use is temporary (same day) and no other parking is available, such as may occur when an annual meeting of the HOA occurs or periodic meetings of the TEMD, HOA or its committees.

(i) If a vehicle is towed in accordance with this Section, neither the Association nor any officer or agent of the Association shall be liable to any person for towing and storage costs or for any claim of damage as a result of the towing activity. TEMD's right to tow is in addition to, and not in limitation of all other rights of TEMD

and the Association, including the right to assess fines. Notwithstanding anything to the contrary in this Section, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

Section 8.10 Use of Common Area. There shall be no obstruction of the Common Area, nor shall anything be kept or stored on any part of the Common Area without the prior written approval of the TEMD Board of Directors. Nothing shall be altered on, constructed in, or removed from any Common Area without the prior written approval of the TEMD Board of Directors.

Section 8.11 No Annoying Lights, Sounds or Odors. No light shall be emitted from any portion of the Property which is unreasonably bright or which causes unreasonable glare, and no sound or odor shall be emitted from any portion of the Property which would reasonably be found by others to be noxious or offensive. Without limiting the generality of the foregoing, no exterior spotlights, searchlights, speakers, horns, whistles, bells or other light or sound devices shall be located or used on any portion of the Property except with the prior written approval of the Design Review Board or Board of Directors.

Section 8.12 No Hazardous Activities. No activity shall be conducted on and no Improvement shall be constructed on any Property within the Property which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Property within the Property. No open fires shall be lighted or permitted on any Property within the Property except in a contained barbeque unit while attended and in use for cooking purposes or within an interior or exterior fireplace designed to prevent dispersal of burning embers unless otherwise prohibited by governmental ordinances. No Owner shall permit any condition on their Lot which creates a fire hazard or is in violation of applicable state, county or local fire prevention regulations.

Section 8.13 Restrictions on Signs and Advertising Devices. Signs may be displayed in accordance with the Design Guidelines. Notwithstanding, one (1) professionally lettered "For Sale" or "For Rent" sign not to exceed three (3) feet by two (2) feet and one (1) professionally lettered security or alarm system sign not exceeding twelve (12) inches by fifteen (15) inches may be displayed on a Lot. Standard size real estate "for sale" signs are permitted on the Property only by written permission of the Executive Board in their sole discretion. Realtor signs must be removed within seven (7) days of the closing of the property.

Section 8.14 Trash Removal Restriction. No garbage, refuse, rubbish or cuttings shall be stored on any street or road, or on any portion of the Common Area, or on any Lot, unless placed in a suitable container and suitably located, unless as necessary on a temporary basis, such as slash removal. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No garbage cans, trash cans or receptacles shall be maintained in an exposed or unsightly manner, and all such items shall be promptly stored after garbage pickup has occurred.

Section 8.15 Maintenance of Grade and Drainage. The grading upon each Lot shall be maintained by the Owner thereof at the slope and pitch fixed by the final grading thereof. No Owner shall interfere in any way with the established drainage pattern over the Lot from

adjoining or other real property. For purposes of this Section, “established drainage” is defined as the drainage which exists at the time final grading on the Lot is completed by the contractor building the home on the Lot. Any Owner who changes the established drainage on their respective Lot may void warranties applicable to affected components of the home and shall be liable for all costs and expenses of repairing such changes, or any costs, liabilities, damages or causes of action arising out of such changes. Each Owner shall hold harmless the Association, the Board of Directors and the Design Review Board for any and all damage to any party caused by any change to the established drainage on the Owner’s Lot.

Section 8.16 Rules and Regulations. In furtherance of the provisions of this Declaration, the Policies, Rules and Regulations concerning and governing the Property or any portion thereof may be adopted, amended or repealed from time to time by the Board of Directors. The Board of Directors may establish and enforce penalties for the infraction thereof.

ARTICLE IX. DISPUTE RESOLUTION PROCEDURES

Section 9.1 Definitions Applicable to this Article 10. For purposes of this Article 10 only, the following terms have the meanings set forth in this Section 10.1:

(a) “**JAG**” means the Judicial Arbiter Group (JAG) or any other Person agreed to by the Claimant and the Respondent in writing for the purpose of performing the functions of the JAG under this Declaration with a minimum of ten (10) years’ experience in the subject matter of the dispute. If the JAG becomes unwilling or unable to perform its functions under this Declaration, JAG shall refer to any organization in the Denver Metropolitan Area designated by the Association that specializes in the provision of impartial mediation and arbitration services and that has a minimum of ten (10) years’ experience in the provision of such services.

(b) “**Bound Party**” means each of the Persons subject to this Declaration and any Person not otherwise subject to this Declaration who agrees to submit to this Article 10. Notwithstanding the foregoing, “Bound Party” does not include any of the parties identified in this subsection 10.1(b) if such parties have jointly entered into a separate written agreement providing for dispute resolution applicable to the Claim. In such circumstance, the dispute resolution mechanism set forth in such separate written agreement between such parties shall apply with respect to such Claim unless the parties mutually agree to submit such Claim under the provisions of this Article 10.

(c) “**Claimant**” means any Bound Party having a Claim.

(d) “**Claim**” means, except as exempted by the terms of this Article 10, any claim, grievance or dispute between one Bound Party and another Bound Party, regardless of how the same may have arisen or on what it might be based, including those arising out of or related to the interpretation, application or enforcement of any of the Governing Documents or the rights, obligations and duties of any Bound Party under any of the Governing Documents; or (ii) any statements, representations, promises, warranties or other communications made by or on behalf of any Bound Party.

(e) “**Notice**” means the written notification given by a Claimant to a Respondent and which shall comply with the requirements of subsection 10.5(b) of this Declaration.

(f) “**Party**” means the Claimant and the Respondent individually; “**Parties**” means the Claimant and the Respondent collectively.

(g) “**Respondent**” means any Bound Party against whom a Claimant asserts a Claim.

(h) “**Termination of Negotiations**” means a period of time expiring thirty (30) days after the date of the Notice (or such other period of time as may be agreed upon by the Parties) and upon the expiration of which the Parties have not resolved a Claim.

Section 9.2 Intent of Article; Applicability of Article; and Applicability of Statutes of Limitation.

(a) Each Bound Party agrees to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit any Claims to the procedures set forth in Section 10.5 of this Declaration.

(b) By acceptance of a deed to a Lot, each Owner agrees to abide by the terms of this Article 10.

(c) Any applicable statute of limitation shall apply to the alternative dispute resolution procedures set forth in this Article 10.

Section 9.3 Commencement or Pursuit of Claim Against Bound Party. A Bound Party may not commence or pursue a Claim against any other Bound Party except in compliance with this Article 10.

Section 9.4 Claims. Unless specifically exempted below, all Claims between any of the Bound Parties are subject to the provisions of this Article 10. Notwithstanding the foregoing, unless all Parties otherwise agree, the following are not Claims and shall not be subject to the provisions of this Article 10:

(a) Any action or suit by the Association regarding the imposition or collection of Assessments or other charges levied by the Association pursuant to this Declaration, including actions to foreclose Assessment liens;

(b) Counterclaims brought by the Association in proceedings instituted against it;

(c) Any suit between or among Owners, which does not also include the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents; and

- (d) Any suit in which any indispensable party is not a Bound Party.

Section 9.5 Mandatory Procedure.

(a) *Compliance with Policies and Procedures.* Before the Association may send a Notice as set forth below in relation to any Claim of the Association regarding the imposition or collection of Assessments or other charges levied by the Association pursuant to this Declaration or in relation to any Claim by the Association to enforce any provisions of the Governing Documents, the Association must first follow its policies and procedures and any requirements of applicable law related to the same that require certain notices or other actions of the Association prior to initiating legal action in relation to the same.

(b) *Notice.* Prior to proceeding with any Claim against a Respondent, each Claimant shall give a Notice to each Respondent, which Notice shall state plainly and concisely the items set forth below.

- (i) The nature of the Claim, including all Persons involved and the Respondent's role in the Claim;

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

- (iii) The proposed remedy.

(c) *Negotiation.*

- (i) The Parties will make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, any Party may appoint a representative to assist the Parties in negotiation. Any settlement of the Claim through such negotiations shall be documented in writing and signed by the Parties.

- (ii) Upon the Termination of Negotiations, the Claimant has thirty (30) days to submit the Claim to arbitration under the auspices of JAG in accordance with the rules of JAG in effect on the date of the Notice that is provided for in subsection 10.5(b) of this Declaration.

- (iii) If the Claimant does not submit the Claim to arbitration within such time, the Claimant waives the Claim, and the Respondent will be released and discharged from any and all liability to the Claimant on account of such Claim.

- (iv) If the Parties agree to a resolution of any Claim through negotiation and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement without the need to again comply with the procedures set forth in

this Article 10. In such event, the Party acting to enforce the agreement will recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including attorneys' fees and court costs.

(d) *Binding Arbitration.*

(i) Upon the Termination of Negotiations, if the Claimant desires to pursue the Claim, the Claimant may initiate final, binding arbitration of the Claim under the auspices of JAG in accordance with the rules of JAG in effect on the date of the Notice that is provided for in Section 9.5(b) of this Declaration.

(ii) Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. Unless otherwise mutually agreed to by the Parties, one arbitrator who has expertise in the areas of the dispute, which may include legal expertise if legal issues are involved, will arbitrate the dispute.

(iii) Any Party seeking arbitration shall initially bear its own costs and expenses and all of the arbitrator's fees and administrative fees of arbitration, subject to an award of costs and attorney fees as provided in Section 10.4 of this Declaration. If a Party challenges the validity of this binding arbitration provision or an arbitration award in a court of law, such challenge shall be in accordance with the Uniform Arbitration Act as adopted in Section 13-22-201, *et seq.*, C.R.S., and if unsuccessful, the arbitrator shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Party. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator.

Section 9.6 Award. The award of the arbitrator must be accompanied by detailed written findings of fact and conclusions of law. Except as required by applicable law or for confirmation of an award, neither Party nor an arbitrator may disclose the existence, content or results of any arbitration without the prior written consent of all Parties.

**ARTICLE X.
MISCELLANEOUS AND GENERAL PROVISIONS**

Section 10.1 Compliance and Enforcement.

(a) The Association may enforce all applicable provisions of this Declaration and may impose sanctions for violation of the Governing Documents. Such sanctions may include, in accordance with state statutes, without limitation:

(i) Imposing reasonable monetary fines, after notice and opportunity for a hearing, which fines shall constitute a lien upon the violator's Lot;

(ii) Suspending an Owner's voting rights during any period in which the Owner shall be in default in the payment of any Assessment, including interest, fines, late fees, attorney fees and costs, levied by the Association;

(iii) Suspending an Owner's voting rights for a period not to exceed sixty (60) days or during any period of violation, whichever is greater, for the violation of any other provision of the Governing Documents other than the non-payment of Assessments;

(iv) Exercising self-help or acting to abate any violation of the Governing Documents;

(v) Requiring an Owner, at the Owner's expense, to remove any structure or Improvement on such Owner's Lot in violation of the Governing Documents and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the Lot, correct the violation and restore the Lot to substantially the same condition as previously existed and any such action shall not be deemed a trespass, with all fees and costs in connection with such removal and restoration to be assessed to the Owner as an Individual Purpose Assessment under the terms of this Declaration; and

(vi) Without liability to any person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Declaration from continuing or performing any further activities in the Property.

(b) In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibility, or otherwise fails to comply with the Governing Documents, the Association may record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as an Individual Purpose Assessment. The Association shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

(c) All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any arbitration action to enforce the Governing Documents, the prevailing party shall be entitled to recover all costs, including, without limitation, attorney fees and arbitration costs, reasonably incurred in such action.

(d) The decision of the Association to pursue enforcement action in any particular case shall be left to the discretion of the Board of Directors, subject to the duty to exercise judgment and be reasonable, as provided for in this Declaration, and further restricted in that the Board of Directors shall not be arbitrary or capricious in taking enforcement action.

Section 10.2 Covenants to Run. The covenants and restrictions contained in this Declaration shall run with and bind the Property in perpetuity. All of the covenants, easements, servitudes and provisions contained in this Declaration shall be a burden on the title to all of the lands within the Property, and the benefits thereof shall inure to all Owners of lands within the Property.

Section 10.3 Termination. Termination of the Association shall be in accordance with procedures established in CCIOA.

Section 10.4 Attorney Fees. If an Owner fails to pay any Assessment or any other amount due to the Association as provided in this Declaration, the Association may require reimbursement for reasonable attorney fees and costs, without the necessity of commencing arbitration. If an Owner or an Owner's family member, guest, tenant, invitee or licensee fails to comply with any other provision of the Governing Documents, the Association may seek reimbursement for reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing an arbitration proceeding. In an arbitration proceeding in any way related to the Governing Documents or the Property, the arbitrator shall award to the party prevailing on each claim the prevailing party's reasonable attorney fees and costs incurred in asserting or defending the claim. Such reasonable attorney fees and costs, if awarded against an Owner, shall be charged as an Individual Purpose Assessment and shall constitute a lien against the Lot.

Section 10.5 Amendment of Declaration by Owners. Except as otherwise provided in this Declaration and except for amendments that may be approved by the Association under the provisions of this Declaration or CCIOA, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended, revised, removed or repealed, and new provisions, covenants, conditions, restrictions or equitable servitudes may be added, at any time and from time to time upon approval of Owners holding at least sixty-seven percent (67%) of the votes in the Association. Said approval may be obtained in any method allowed by the Governing Documents, CCIOA, or other applicable law. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Jefferson County, Colorado, of a certificate, setting forth the amendment in full and certifying that the amendment has been approved as set forth above. All challenges to the validity of any amendment or repeal must be made within one (1) year after the date of recording of such amendment or repeal.

Section 10.6 Cooperation with Other Associations or Districts. The Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with other community association(s) and/or any special or metropolitan district(s) to share facilities, to share the costs and/or responsibility for any operation, maintenance, repair, replacement or other matters, to perform maintenance, repair or replacement for any Person(s) in consideration of payment or reimbursement therefor, to utilize the same contractors, subcontractors, managers or others who may perform services for the Association, any other community association(s) and/or any special or metropolitan district(s), or to otherwise cooperate with any other community association(s) and/or any special or metropolitan district(s) in order to increase consistency or coordination, reduce costs, or as may otherwise be deemed appropriate or beneficial by the Board of Directors in its discretion from time to time. The costs and expenses for all such matters, if any, shall be shared or apportioned between the Association

and/or any other community association(s) and/or any special or metropolitan district(s) as the Board of Directors may determine in its discretion from time to time. Additionally, the Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with any other community association(s) and/or any special or metropolitan district(s) to collect assessments, other charges or other amounts which may be due to such entity and to permit any such entity to collect assessments, other charges or other amounts which may be due to the Association. In any such instance, the Association shall provide for remittance to such entity of any amounts collected by the Association or to the Association of any amounts collected by such entity.

Section 10.7 Registration of Mailing Address. Each Owner shall register his mailing address with the Association. Except as may otherwise be required by this Declaration, any notices or demands intended to be served upon an Owner shall be sent by first class mail, postage prepaid, addressed in the name of such Owner at such registered mailing address, or provided by other means as permitted or required by CCIOA or by other applicable law. If an Owner fails to notify the Association of a registered address, then any notice or demand may be delivered or sent, as aforesaid, to such Owner at the address of such Owner's Lot.

Section 10.8 Interpretation. Except for judicial construction, the Association Board of Directors shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Board's construction or interpretation of the provisions herein shall be final, conclusive, and binding as to all persons and property benefitted or bound by the covenants and the provisions hereof. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 10.9 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 10.10 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

Section 10.11 Non-Waiver. Any forbearance or failure to enforce any provisions of the Governing Documents shall not operate as a waiver of any such provision or of any other provision of the Governing Documents or of any subsequent enforcement of such provision.

Section 10.12 Conflict of Provisions. In case of conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration shall control. In the case of conflict between the Articles of Incorporation and Bylaws, the Articles of Incorporation shall control. In the case of conflict between the Bylaws and the Rules and Regulations, the Bylaws shall control.

Section 10.13 Severability. Invalidation of any one of the covenants or restrictions contained in this Declaration by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

EXHIBIT A

DESCRIPTION OF THE PROPERTY

Lots 1 through 28,
Timbers Estates Resubdivision,
County of Jefferson,
State of Colorado,

As shown on the plat thereof recorded in the real property records of the Clerk and Recorder of
Jefferson County, Colorado on June 6, 1989, at Reception Number 89048196