

**AMENDED AND RESTATED
MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE BRIDGES AT BLACK CANYON**

THIS AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE BRIDGES AT BLACK CANYON (this "Declaration") is made as of June 13, 2011.

RECITALS

WHEREAS, there exists that certain Master Declaration of Covenants, Conditions and Restrictions for the Bridges at Black Canyon, recorded October 3, 2003 in the real property records of the Montrose County Clerk and Recorder's office at Reception No. 710229, as amended in that Amendment to Master Declaration of Covenants, Conditions and Restrictions for the Bridges at Black Canyon, recorded on November 20, 2003, at Reception No. 712530 in the records of the Montrose County Clerk and Recorder, and as further amended in that Second Amendment to Master Declaration of Covenants, Conditions and Restrictions for the Bridges at Black Canyon, recorded on March 2, 2004, at Reception No. 716572, in the records of the Montrose County Clerk and Recorder (collectively referred to as the "Original Declaration"); and,

WHEREAS, the Original Declaration created The Bridges at Black Canyon (the "Development"), a common interest community as that term is defined in the Colorado Common Interest Ownership Act; and,

WHEREAS, as stated in the Original Declaration, certain real property (the "Property") upon which the Development is located in the City of Montrose, County of Montrose, State of Colorado is subject to the covenants, conditions and restrictions as set out in the Original Declaration; and,

WHEREAS, in furtherance of the creation and management of the Development, there was formed The Bridges of Black Canyon Owners Association, Inc., a Colorado nonprofit corporation (the "Master Association"); and,

WHEREAS, the Members and Board of Directors of the Association have determined that it is in the best interests of the Association and the Development to amend and restate the Original Declaration as hereinafter set forth.

NOW, THEREFORE, pursuant to the affirmative vote by the Owners of Blocks or Units to which a majority of the votes in the Master Association are allocated in the Original Declaration and the consent of the Owners of Blocks or Units to which at least 67% of the votes in the Master Association are allocated, and pursuant to the authority granted in the Original Declaration and Colorado Revised Statutes, §38-33.3-217, the Original Declaration is hereby

replaced and superseded by this Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for The Bridges at Black Canyon ("Declaration").

ARTICLE 1. INTRODUCTION

1.1. **The Property.** The **Property** is all of the property shown on the Final Plat, Melody Rose Subdivision, recorded August 26, 2003, at Reception No. 708318, Montrose County, Colorado ("Filing 1 Plat"); Eagle Landing Planned Development Filing No. 2, recorded May 28, 1998, in Book 13, Page 225, at Reception No. 639960, as amended by the Affidavit of Correction recorded August 29, 2001, at Reception No. 678027, Montrose County, Colorado ("Filing 2 Plat"); Black Canyon Ranch Golf Community Filing No. 4, recorded January 28, 2003 at Reception No. 697954 ("Filing 4 Plat"), the Bridges at Black Canyon Planned Development, recorded August 28, 2003, at Reception No. 708467, Montrose County, Colorado ("Bridges PD"). The Property is more particularly described in **Exhibit A** attached hereto, less and except that real property described in that certain Second Amendment to Master Declaration of Covenants, Conditions and Restrictions for the Bridges at Black Canyon, recorded on March 2, 2004, at Reception No. 716572, in the records of the Montrose County Clerk and Recorder.

1.2. **The Neighborhood; Submission to Declaration.** The terms **Dedicated Property** and **Neighborhood** mean (a) all of the Property which is hereby made subject to this Declaration, and (b) any property made subject to this Declaration from time to time by annexation in accordance with the terms of Article 13 of this Declaration. The Dedicated Property may be the subject of subdivision, lot line adjustment, merger and re-subdivision, all as provided in this Declaration. The Property is subject to those easements and licenses of record shown on **Exhibit B** attached hereto. The Property is hereby submitted to the terms of this Declaration, to be held, sold and conveyed subject to the covenants, restrictions, easements and other provisions of this Declaration which shall run with the land and be binding on all parties and the heirs successors and assigns of parties having any right, title or interest in all or any part of the Property.

1.3. **Anticipated Development.**

A. **Services and Facilities.** It is intended that that the Property be developed as a residential and recreational community designed to contain facilities and provide services to the residents, property owners, visitors, members and guests of the Neighborhood. Such services and facilities may include commercial/retail facilities, parking areas and structures, private streets, food and beverage services, walks, drives, commons, bike paths, landscaping, ponds, lighting, open space Improvements, service areas, maintenance facilities, self-storage facilities, garages, a golf course, and office space. These services and facilities are by way of illustration only, and need not be built, and may not be available to all residents and property owners within the Neighborhood.

B. **Golf Club.** It is intended that the Property be developed to include a semi-private golf club facility on a portion of the Property as shown on the Bridges PD, which may include without limitation, in the Golf Club Owner's sole discretion, a championship golf

course, golf practice facilities, ancillary golf facilities, driving range, putting green and other typical golf club facilities, clubhouse, tennis facilities, swimming pools and related recreational and social facilities, game areas, recreational or fitness facilities or spas, other indoor or outdoor recreational amenities, guest cottages, retail shops, bars and restaurants, conference facilities, and maintenance facilities. These facilities will be for the use, benefit and enjoyment of the members of the Golf Club, who may or may not be residents or property owners within the Neighborhood, and of the public on a daily fee basis in accordance with the Golf Club Rules and Regulations, and are not rights or interests appurtenant to the occupancy or ownership of real property in the Neighborhood. No costs or expenses relating to the Golf Club shall be included in the Common Expenses. For purposes of this Declaration and the election of a Master Association Board as set forth in Section 4.4 below, the Golf Club is deemed to be a part of the common interest community created hereby, and the Master Association shall also operate as an association described in C.R.S. § 38-33.3-301 et. seq. for the Golf Club.

C. **Filing 1 Property.** The Property described in **Exhibit A** as Filing 1 will be referred to in this Declaration as the **Filing 1 Property**. Each Unit shall contain only one residential dwelling and ancillary structures, such as an attached garage. Filing 1 shall contain a maximum of twenty-five (25) Units.

D. **Filing 2 Property.** The Property described in **Exhibit A** as Filing 2 will be referred to in this Declaration as the **Filing 2 Property**. Each Unit shall contain only one residential dwelling and ancillary structures, such as an attached garage. Filing 2 shall contain a maximum of sixteen (16) Units.

E. **Filing 4 Property.** The Property described in **Exhibit A** as Filing 4 will be referred to in this Declaration as the **Filing 4 Property**. Each Unit shall contain only one residential dwelling and ancillary structures, such as an attached garage. Filing 4 shall contain a maximum of twenty-six (26) Units.

F. **Bridges PD Property.** The Property described in **Exhibit A** as the Bridges PD will be referred to in this Declaration as the **Bridges PD Property**.

(1) **Single Family Blocks.** Each Unit within Blocks 500, 700, 800, 900, 1400, 1600, 1700, 1900, 2000, 2300, 2400, 2500, 2600, 2700, 2800, 2900 and 3000 shall contain only one residential dwelling and ancillary structures, such as a garage.

- a. Block 500 shall contain a maximum of fourteen (14) Units;
- b. Block 700 shall contain a maximum of nine (9) Units;
- c. Block 800 shall contain a maximum of six (6) Units;
- d. Block 900 shall contain a maximum of seventeen (17) Units;
- e. Block 1400 shall contain a maximum of eighteen (18) Units;
- f. Block 1600 shall contain a maximum of eighteen (18) Units;

- g. Block 1700 shall contain a maximum of fourteen (14) Units;
- h. Block 1900 shall contain a maximum of forty-three (43) Units;
- i. Block 2000 shall contain a maximum of eighteen (18) Units;
- j. Block 2300 shall contain a maximum of seventeen (17) Units;
- k. Block 2400 shall contain a maximum of fourteen (14) Units;
- l. Block 2500 shall contain a maximum of seventeen (17) Units;
- m. Block 2600 shall contain a maximum of twenty-seven (17) Units;
- n. Block 2700 shall contain a maximum of twenty (20) Units;
- o. Block 2800 shall contain a maximum of sixteen (16) Units;
- p. Block 2900 shall contain a maximum of seventeen (17) Units;
- q. Block 3000 shall contain a maximum of twenty-six (26) Units.

(2) **Multi-Family Blocks.** Blocks 600, 1000, 1100, 1100A, 1500, 2100, 2200 and 3100 may contain multi-family residential dwellings and ancillary structures.

- a. Block 600 shall contain a maximum of twenty-five (25) Units;
- b. Block 1000 shall contain a maximum of twenty-three (23) Units;
- c. Block 1100 shall contain a maximum of twenty-five (25) Units;
- d. Block 1100A shall contain a maximum of sixteen (16) Units;
- e. Block 1500 shall contain a maximum of forty-five (45) Units;
- f. Block 2100 shall contain a maximum of thirty-seven (37) Units;
- g. Block 2200 shall contain a maximum of twenty-seven (27) Units;
- h. Block 3100 shall contain a maximum of sixty-four (64) Units.

(3) **Golf Club Blocks.** Blocks 1300 and 1800 shall be improved by the Golf Club Owner and shall contain the Golf Club, clubhouse and maintenance facilities and other related facilities.

1.4. **Future Changes.** Nothing contained herein shall preclude Declarant or the owner thereof from the further subdivision or re-subdivision of the Property or any part thereof, and Declarant or the owner thereof shall be free to so further subdivide or resubdivide; provided, however, that the maximum number of Units allowed within each portion of the Neighborhood, as specified in Sections 1.3.C, 1.3.D, 1.3.E and 1.3.F above shall not be exceeded. Notwithstanding the anticipated development of the Property, nothing in this Declaration shall be construed or interpreted to commit Declarant to the development of any portion of the Property, or to the annexation of all or any part of the Property to this Declaration, whether or not it is so developed.

1.5. **Common Area.** The initial Common Area to be owned by the Master Association is described in the attached **Exhibit C**. Declarant reserves the right to later convey, or cause to be conveyed, additional Common Area to the Master Association, and to cause the Master Association from time to time to accept management and maintenance responsibility for property owned by others within the Neighborhood, including managed Constituent Association Common Area, if any.

1.6. **The Master Association.** The Master Association has been formed in order to provide certain functions for the common benefit of Owners and Guests within the Neighborhood, to administer and maintain the Common Area, to set budgets and fix and collect assessments to pay the expenses of the Master Association as provided in this Declaration, to establish regulations for the harmony of various interests in the Neighborhood, and to enforce the controls set forth herein. The Master Association may perform all tasks and functions whether or not specifically set forth herein which it deems necessary to foster and preserve the health, safety and welfare of persons in the Neighborhood and to preserve property, property rights and property values within the Neighborhood. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Declaration. If there should exist any ambiguity in any provision of the Articles or Bylaws, then such provision shall be construed, to the extent possible, so as to be consistent with the provisions of this Declaration. Nothing in this Declaration shall prevent the creation of Constituent Associations to assess, regulate, maintain or manage portions of the Dedicated Property, or to own or control portions thereof for the common use or benefit of the Owners or Guests of those portions of the Dedicated Property subject to the Constituent Associations, provided that the actions of the Constituent Associations are not inconsistent or incompatible with the requirements of this Declaration.

1.7. **Declaration.** The Master Association is acting in the capacity of an association described in CCIOA Section 38-33.3-301 et. seq. and is a "master association" within the meaning of CCIOA Section 38-33.3-220. All of the limitations, restrictions, easements, covenants, conditions, equitable servitudes, liens and charges created by the Declaration shall run with the Dedicated Property, shall be binding on and inure to the benefit of Declarant and its successive owners, and each Owner, and his respective successors-in-interest, and may be enforced by Declarant, any Owner, any Constituent Association or the Master Association.

ARTICLE 2. DEFINITIONS

2.1. **Additional Property.** Additional Property shall mean and refer to property that is contiguous to the Dedicated Property.

2.2. **Additional Property Owner.** Additional Property Owner shall mean the Person or Persons holding a fee simple interest of record to any portion of the Additional Property.

2.3. **Agency.** An Agency means any agency or corporation such as Housing and Urban Development, Veteran's Administration, Federal National Mortgage Association ("**FNMA**") or Federal Home Loan Mortgage Corporation ("**FHLMC**"), that purchases or insures residential Mortgages.

2.4. **Allocated Interest.** The Allocated Interest of each Owner shall be determined as set out in Section 6.2 hereof.

2.5. **Annexed Property.** Those portions of the Neighborhood which are later annexed and become subject to this Declaration, are referred to as Annexed Property.

2.6. **Articles.** Articles shall mean the Articles of Incorporation of the Master Association and all amendments thereto.

2.7. **Assessment.** Assessment is a collective term which refers to Common Assessments and Special Assessments made by the Master Association against a Constituent Association or against an Owner and his Block or Unit.

2.8. **Beneficiary.** Beneficiary shall mean a mortgagee under a Mortgage or a beneficiary under a deed of trust, and their assignees.

2.9. **Block** The term Block shall mean any of Filing 1, Filing 2, Filing 4, or Blocks 500, 600, 700, 800, 900, 1000, 1100, 1100A, 1300, 1400, 1500, 1600, 1700, 1800, 1900, 2000, 2100, 2200, 2300, 2400, 2500, 2600, 2700, 2800, 2900, 3000 and 3100 as shown on the Bridges PD.

2.10. **Budget.** Budget shall mean a written, itemized estimate of the income and Common Expenses of the Association in performing its functions under this Declaration.

2.11. **Builder.** A Builder is any Person who purchases one or more Blocks or Units for the purpose of constructing Improvements thereon for later sale or for the purpose of further subdivision, in the ordinary course of its business.

2.12. **Bylaws.** Bylaws shall mean the Bylaws adopted by and for the Master Association and all amendments thereto.

2.13. **City.** City shall mean the City of Montrose, Colorado.

2.14. **Common Area.** Common Area shall mean the real estate which is owned by the Master Association, together with any Improvements located thereon. The Common Area shall

include only property used and maintained primarily for the benefit of all the Owners in the Neighborhood and shall not include any part of the Golf Club. The Neighborhood shall have one entry which shall be a part of the Common Area.

2.15. **Common Assessment.** Common Assessment shall mean the annual or supplemental charge against each Owner representing a portion of the regularly budgeted Common Expenses as provided herein.

2.16. **Common Expenses.** Common Expenses shall mean the actual and estimated costs of ownership, maintenance, management, operation, repair and replacement of the Common Area, and the costs of management and administration of the Master Association. Common Expenses include, but are not limited to, compensation paid by the Master Association to managers, accountants, attorneys and other consultants and employees; the costs of all utilities, landscaping, and other services benefiting the Common Area; the costs of security services; the costs of fire, casualty, liability and directors' and officers' insurance, worker's compensation insurance, and other insurance covering the Common Area, the Master Association or the Design Review Board; taxes paid by the Master Association; all reserves; and the costs of any other item or items incurred by the Master Association in carrying out its obligations and authorized functions pursuant to this Declaration.

2.17. **Constituent Association.** One or more separate owners' associations may be formed to administer matters that are peculiar to particular portions of the Property. Formation will be by separate declarations and articles of incorporation, as provided in CCIOA for common ownership communities. Each such association is referred to herein as a Constituent Association, and the declaration of each such Constituent Association is referred to herein as a Constituent Association Declaration.

2.18. **Declarant.** Declarant shall mean Bridges of Montrose, LLC, an Arkansas limited liability company, and any successor to its interest in the Property, or a Developer or Builder to whom a specific assignment of Declarant or Development Rights (as defined in CCIOA) is made by Declarant and accepted by such successor by written instrument recorded in the office of the Clerk and Recorder for Montrose County, Colorado.

2.19. **Declarant Control Period.** The Declarant Control Period or "period of Declarant Control" shall begin with the appointment of the initial Master Association Board and continue until the earlier of (a) ten (10) years from the date of recording the Declaration, (b) the voluntary surrender by Declarant in writing, (c) sixty (60) days after conveyance of 75% of the Units that may be created in the Neighborhood to Owners other than a Declarant, (d) two (2) years after the last conveyance of a Unit by Declarant in the ordinary course of business, or (e) two (2) years after the right to add new Units was last exercised; provided, however, that sixty (60) days after (a) Declarant conveys 25% of the Units that may be created to Owners other than a Declarant, not less than 25% of the members of the Master Association Board (minimum of one) shall be elected by Unit Owners other than Declarant, and (b) Declarant conveys 50% of the Units that may be created to Unit Owners other than Declarant, not less than 33-1/3% of the members of the Master Association Board shall be elected by Unit Owners other than Declarant.

2.20. **Declaration of Annexation.** Declaration of Annexation shall mean a recorded instrument which adds property to the Dedicated Property.

2.21. **Design Guidelines.** Design Guidelines shall mean those architectural rules, regulations and guidelines from time to time adopted by the Design Review Board, with respect to structures, landscaping, Fences and other Improvements pursuant to Article 9. Design Guidelines may impose different conditions upon various Blocks or Units in light of topography, visibility, use, density, proximity to Common Area or other factors. Design Guidelines shall interpret and implement the provisions of this Declaration by setting forth the standards and procedures for architectural review and guidelines for architectural design, placement of buildings, color schemes, exterior finishes and materials, landscaping, drainage, lighting, tree removal, Fences and similar features which may be used in the Property; provided, however, that the Design Guidelines shall not be in derogation of the minimum standards established by this Declaration. The Design Guidelines may include a reasonable schedule of fees for processing submittals and establish the time and manner in which such fees shall be paid, provided that such fees may be reduced or waived by the Design Review Board for applicants that are approved Builders.

2.22. **Design Review Board.** Design Review Board shall mean the Design Review Board established pursuant to Article 9.

2.23. **Developer.** Developer shall mean The Bridges at Black Canyon, Inc., a Colorado corporation, or any other Person other than Declarant that purchases or owns a portion of the Property for purposes of subdivision, development and/or resale.

2.24. **Family.** Family shall mean a group of natural Persons who maintain a single common household in a dwelling.

2.25. **Fence.** A Fence shall mean fences, walls, perimeter fences and walls, and other similar barriers, whether of living or inert material, which are not functionally part of a dwelling. A Fence generally separates a Unit, Block or Common Area from another Unit, Block or Common Area, or around the outside perimeter of the Property, although a Fence may not necessarily be constructed directly on a property line.

2.26. **Funds.** Funds shall mean the accounts created for receipts and disbursements of the Master Association pursuant to Article 6 hereof.

2.27. **Golf Club.** Golf Club shall mean and refer to the portions of the Property operated for recreational purposes but which are not included in the Common Area, including without limitation, the golf course, golf practice facilities, ancillary golf facilities, driving range, putting green, and other typical golf course facilities, clubhouse, tennis facilities, swimming pools and related recreational and social facilities, game areas, recreational or fitness facilities or spas, other indoor or outdoor recreational amenities, guest cottages, retail shops, bars and restaurants, conference facilities, and maintenance facilities, as opposed to the portions of the Property that are civic in nature and designated as Common Area. The Golf Club includes,

without limitation, the golf course, Blocks 1300 and 1800, and a portion of Block 1000 as shown on the Bridges PD. THE GOLF CLUB SHALL NOT BE COMMON AREA.

2.28. **Golf Club Owner.** Golf Club Owner shall mean and refer to Remington of Montrose Golf Club, LLC, an Arkansas limited liability company or its successors and assigns.

2.29. **Golf Club Rules and Regulations.** Golf Club Rules and Regulations shall mean and refer to membership policies, rules and regulations applicable to the Golf Club as adopted by the Golf Club Owner from time to time.

2.30. **Guest.** Guest shall mean any customer, agent, employee, lessee, guest or invitee of an Owner, Declarant or Developer, and any customer, agent, employee, lessee, guest or invitee of such person or persons, entity or entities.

2.31. **Improvement.** Improvement shall mean any change from natural grade, all structures, buildings, landscaping and appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, walkways, trails, the paint on all exterior surfaces, waterways, sprinkler pipes, irrigation systems, storm drainage systems, garages, swimming pools, hot tubs, spas, tennis courts and other recreational facilities, roads, driveways, parking areas, Fences, screening walls, retaining walls, stairs, decks, hedges, windbreaks, plantings, planted trees and shrubs, fire breaks, poles, signs, exterior air conditioning and water softener fixtures or equipment, and solar equipment.

2.32. **Master Association.** The Master Association shall mean The Bridges at Black Canyon Owners Association, Inc., a Colorado nonprofit corporation.

2.33. **Master Association Board.** Master Association Board or Master Association Board of Directors shall mean the Master Board of Directors of the Master Association, elected in accordance with the Bylaws of the Master Association and this Declaration.

2.34. **Member.** A Member shall mean and refer to an Owner.

2.35. **Mortgage.** A Mortgage shall mean and include a deed of trust as well as a mortgage in the conventional sense.

2.36. **Notice and Hearing.** Notice and Hearing shall mean written notice and a hearing before the Master Association Board or the Design Review Board, as applicable, at which the Owner concerned shall have an opportunity to be heard in person, or by counsel at the Owner's expense.

2.37. **Owner.** Owner shall mean the Person or Persons, including Declarant, holding a fee simple interest of record to a Block or Unit within the Dedicated Property.

2.38. **Person.** The term Person shall mean an individual, a corporation, a partnership, a limited liability company or limited liability partnership, an association, a trust or any other entity or organization recognized by law as a distinct entity.

2.39. **Project Expenses.** Expenses of the Master Association (i) incurred primarily for the benefit of a Constituent Association or any group of Owners pursuant to a written agreement between the Master Association and such Constituent Association or Owners, or (ii) incurred in connection with the ownership, maintenance, management, operation, repair or replacement of any property that primarily benefit fewer than all of the Owners, as reasonably allocated by the Master Association Board. Unless otherwise paid by such Owners or Constituent Association, Project Expenses shall be assessed against such Constituent Association or Owners as a Special Assessment.

2.40. **Restrictions.** Restrictions shall mean this Declaration, the Articles, the Bylaws, Design Review Board Rules, and the Rules of the Master Association from time to time in effect.

2.41. **Rules.** Rules shall mean the rules and regulations adopted by the Master Association or the Design Review Board in accordance with this Declaration and the Bylaws.

2.42. **Unit.** The term Unit shall mean all or part of a Block or lot designated on a recorded plat or other physical portion of the common interest community which is designated for separate ownership or occupancy within the Neighborhood.

ARTICLE 3. RIGHTS OF DECLARANT AND OWNERS

3.1. **Declarant and Development Rights.** Declarant reserves the following Special Declarant Rights and Development Rights (as defined in CCIOA):

A. **Completion.** To complete Improvements indicated on any plats or plans that are recorded with or with reference to this Declaration, as the same may be amended from time to time.

B. **Sales.** To maintain, or to permit Developers or Builders to maintain, sales offices, management offices, signs, advertising sales of Blocks or Units within the Neighborhood, and models in accordance with the Design Guidelines.

C. **Common Areas.** To enter upon and use the Common Area for the benefit of Declarant to complete the development and Improvement of Blocks and Units, and to construct any landscaping or other Improvement or facility to be installed on the Common Area, as well as to use the Common Area, without charge, for sales, display, access, ingress, egress, exhibition and occasional special events for promotional purposes, including without limitation the right to post signage in and on the Common Area.

D. **Appointment.** To appoint or remove during the period of Declarant Control any officer or director of the Master Association.

E. **Additions, Subdivisions and Withdrawal.** To create Units or Common Area for the use of all Owners; to subdivide Units or to convert Units into Common Areas; to

convey additional Common Area in the Property to the Master Association; and to withdraw any part of the Property from the Dedicated Property.

F. **Time to Exercise Rights.** To exercise any and all of the rights described in paragraph E above until the tenth anniversary from the recording of this Declaration in the office of the Clerk and Recorder of the County. No assurances are made with respect to the boundaries of or the order or sequence of any portions of the Property as to which the rights are exercised. If any right is exercised as to only a portion of the Property, it may be exercised in the future as to any other portion of the Property, in any sequence.

G. **Additional Unspecified Real Estate.** Subject to those restrictions set forth in C.R.S. 38-33.3-222 and the provisions of Article 13 below, Declarant reserves the right for itself and any successor Declarant at any time and from time to time for a period of fifteen (15) years to subject unspecified real property to the provisions of this Declaration, so long as there is no negative impact on the existing Dedicated Property.

3.2. **Owners' Easements of Enjoyment in the Common Area.** Certain Common Area in the Property to be owned by the Master Association shall be conveyed or dedicated to the Master Association by deed or on a recorded plat prior to the first transfer to an Owner of a Block or Unit in such Property. Except as may specifically be provided to the contrary by this Declaration, Owners and their respective Guests shall have non-exclusive rights and easements of access, ingress, egress and enjoyment in and to the Common Area owned in fee simple estate by the Master Association. All such rights and easements shall be subject to this Declaration and the following provisions:

A. **Mandatory Dedications and Transfers.** Any duty to dedicate or transfer any part of the Common Area to a public agency, authority or utility which Declarant or the Master Association may have pursuant to agreement with any governmental agency which is applicable to the Property. The Master Association shall make any such dedication so required of it or of Declarant.

B. **Voluntary Dedications and Transfers.** The right of the Master Association to dedicate or transfer any part of the Common Area to any public agency, authority or utility willing to accept the same, for such purposes and subject to such conditions as the Master Association may determine; provided, that any such dedication or transfer shall not impair the ingress and egress to any individual Block or Unit within the Property.

C. **Permits, Licenses and Easements.** The right of the Master Association to grant permits, licenses and easements on, over, under or through the Common Area for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property.

D. **Rules.** The right of the Master Association and the Design Review Board to establish reasonable Rules pertaining to the use of the Common Area, including, but not limited to Rules established in connection with the performance by the Master Association of its

rights and obligations hereunder. Such Rules may differentiate between categories of Owners or Guests as reasonably established by the Master Association Board from time to time.

E. **Borrowings.** The right of the Master Association, acting through its Board of Directors, to borrow money, in an amount not to exceed Thirty Thousand Dollars (\$30,000) for the purpose of improving, repairing or adding to the Common Area and in aid thereof to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, including without limitation assigning its right to future income and the right to receive Assessments. The Master Association shall only borrow money in excess of Thirty Thousand Dollars (\$30,000.00) for the purposes stated and with security as herein provided, upon the majority vote of its Members constituting a quorum at the annual meeting of the members or a special meeting of the Members called for such purpose.

F. **Suspension of Rights.** The right of the Master Association to impose reasonable monetary fines or penalties and/or suspend the voting rights of an Owner for his failure, or the failure of any Guest of any Owner, to comply with the provisions of the Restrictions as determined by the Master Association Board following Notice and Hearing.

G. **Maintenance.** The right of the Master Association to maintain, repair and replace the Common Area and Improvements thereon, including without limitation the right to plant trees, shrubs, flowers, ground cover and other vegetation upon any portion of the Common Area, and to replace any such vegetation or other landscaping Improvements which have been damaged or destroyed.

H. **Signage.** The right of the Master Association to post signage in and on the Common Area in connection with the Master Association and Neighborhood.

I. **Restricted Areas.** The right of the Master Association to restrict access reasonably to any Common Area or Improvement thereon, provided that such restriction does not unreasonably interfere with the rights of Owners to ingress and egress to their Blocks or Units.

J. **General Use Restrictions.** There shall be no obstruction of any Common Area, nor shall anything be stored in or on any part of any Common Area without the prior written consent of the Master Association. Nothing shall be altered on, constructed in or removed from any Common Area except with the prior written consent of the Master Association. Nothing shall be done or kept on or in any Common Area which would result in the cancellation of the insurance or any part thereof which the Master Association is required to maintain pursuant hereto or increase the rate of the insurance or any part thereof over that the Master Association, but for such activity, would pay, without the prior written consent of the Master Association. Nothing shall be done or kept on or in such Common Area which would be in violation of any statute, rule, ordinance, regulation, permit or other requirement of any governmental body. No damage to, or waste of, Common Area shall be committed, and each Owner shall indemnify and hold the Master Association and the other Owners harmless against all loss resulting from any such damage or waste caused by such Owner or Guests of such Owner, as reasonably determined by the Master Association Board. No noxious, destructive or

offensive activity shall be carried on with respect to any Common Area nor shall anything be done therein or thereon which may be or become a nuisance to any other Owner.

3.3. Owner's Rights and Obligations Appurtenant. All rights, easements and obligations of an Owner under this Declaration and all rights of an Owner with respect to membership in the Master Association under this Declaration are hereby declared to be and shall be appurtenant to the title to the Block or Unit owned by such Owner, and may not be transferred, conveyed, devised, bequeathed, encumbered or otherwise disposed of separate or apart from fee simple title to such Owner's Block or Unit. Every transfer, conveyance, grant, devise, bequest, encumbrance or other disposition of a Block or Unit shall be deemed to constitute a conveyance, grant, devise, bequest, encumbrance or transfer or disposition of such easements, rights and obligations. Notwithstanding the foregoing, the rights of an Owner under this Declaration may be assigned to a Beneficiary as further security for a loan secured by a lien on a Block or Unit.

3.4. Lease Requirements. Any Owner may lease all or part of a Block or Unit, or any space within Improvements located on a Block or Unit, provided that (a) any tenancy shall be by a written agreement which shall provide that the tenancy is subject to the terms of the Restrictions and that any failure of the tenant to comply with the terms of the Restrictions shall constitute a default under such agreement and shall entitle the Owner to terminate the tenancy, and (b) the term of the lease shall be for not less than six (6) months.

3.5. Master Association and Declarant Easements for Utilities, Maintenance and Operations.

A. Utility, General Maintenance and Access Easements. The Master Association shall have a non-exclusive easement in and to that portion of a Block or Unit which adjoins the Common Area for the limited purpose of access to and maintenance and operation of the adjoining Common Area and utilities located therein or to maintain any portion of any Block or Unit which the Owner is required but has failed to maintain (which maintenance shall be at the sole cost and expense of the Owner). The Master Association shall have non-exclusive easements for access over such portions of each Block or Unit as are reasonably necessary for the utilities to the Property and for the Master Association to carry out any of its functions.

B. Easements Regarding Streets and Drives. The Master Association shall have non-exclusive easements for access and maintenance with respect to all streets and drives within the Property, including all streets and drives which are dedicated to the public; provided, however, that the Master Association shall only be obligated to maintain those streets and drives owned by the Master Association or with respect to which the Master Association has agreed in writing to maintain, if any. Any declaration annexing any such streets and drives shall identify those streets and drives, if any, which are to be maintained by the Master Association. No Owner shall interfere with the use of such easements by the Master Association or its agents or employees.

C. Golf Club Easements for Construction, Maintenance and Operations. The Golf Club Owner, its managers, employees, invitees and agents shall have non-exclusive

easements for access over such portions of Common Area, Blocks and Units as are reasonably necessary to construct, access, maintain, repair, replace and operate the Golf Club, to travel, with storage and maintenance equipment, chemicals, and other items, to and from the maintenance facilities from and to the Golf Club, and no Owner shall interfere with the use of such easements by the Golf Club Owner, or its managers, employees, invitees and agents. The Property is hereby made subject to an easement in favor of the Golf Club for the natural or engineered drainage of water runoff from the Golf Club. The Common Area is hereby subject to a non-exclusive easement in favor of the Golf Club for golf cart paths on, along or across the Common Area.

3.6. **Easements for Vehicular and Pedestrian Traffic.** In addition to the general easements for use of the Common Area reserved herein, Declarant hereby reserves to all Owners and Guests, nonexclusive easements appurtenant to each Block and Unit in the Property for vehicular and pedestrian traffic over any and all private streets and walkways within the Common Area, subject to such parking and other restrictions on use imposed by the Master Association Board.

3.7. **Waiver of Use.** No Owner may exempt himself from personal liability for assessments duly levied by the Master Association, nor release his Block or Unit from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area or the easements granted in this Declaration or on any plat or map, or by abandonment of his Block or Unit.

ARTICLE 4. MASTER ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.1. **Membership in Master Association.** Members of the Master Association shall be each Owner (including Declarant). Members in the Master Association shall be subject to the Conditions, Covenants and Restrictions contained in this Declaration. All memberships in the Master Association held by Owners shall be appurtenant to the Block or Unit owned by each Owner, and ownership of a Block or Unit by an Owner shall be the sole qualification for an Owner's membership in the Master Association. The Owner of each Unit shall have one vote per Unit owned. The Owner of each Block shall have one vote for each Unit contained in said Block. If fee simple title to a Block or Unit is held by more than one person or entity, then the membership appurtenant to that Block or Unit shall be shared by all such persons or entities and one person shall be designated the voting member. If the fee simple title to a Block or Unit is held by a corporation or other entity, the membership related to the Block and Unit shall be held in the name of such entity, and such entity shall designate to the Master Association in writing the name of one natural person 18 years of age or older who shall have the power to exercise all rights of membership associated with that membership, including the right to attend and vote at any meeting of Members, and to serve if elected as a member of the Master Association Board of Directors in the name of the corporation.

4.2. **Master Association Action.** Except as to matters requiring the approval of Members as set forth in this Declaration, the Articles or the Bylaws, the affairs of the Master Association shall be conducted by the Master Association Board and such officers as the Master Association Board may elect or appoint. Such election or appointment shall be in accordance with this Declaration and the Articles and Bylaws, as they may be amended from time to time.

4.3. **Membership Appurtenant.** The conveyance by an Owner of any interest in his Block or Unit shall automatically convey his membership in the Master Association.

4.4. **Master Association Board.** The Master Association Board shall have five members. One member shall be appointed by (a) the Golf Club Owner (the "**Golf Club District**"), and one member shall be elected by each of (b) the majority vote of the Owners of Units in Filing 1 and Blocks 500, 1700, 2200, 2300, 2400, 2500 and 2600 in the Bridges PD (the "**Filing 1 District**"), (c) the majority vote of the Owners of Units in Blocks 600, 700, 800, 900, 1000, 1400, 1500 and 1600 in the Bridges PD (the "**Bridges PD I District**")*, (d) the majority vote of the Owners of Units in Filing 2, Filing 4 and Blocks 1100, 1100A, 1900, 2000 and 2100 in the Bridges PD (the "**Filing 2 District**"), and (e) the majority vote of the Owners of Units in Blocks 2700, 2800, 2900, 3000 and 3100 in the Bridges PD (the "**Bridges PD II District**")*. Each of the portions of the Property specified in the foregoing clauses is referred to herein as a "**Delegate District.**" In voting on matters before the Master Association Board, each member of the Master Association Board shall cast one vote on behalf of the Delegate District represented by such member. Any action approved by a majority of such votes at a meeting of the Master Association Board at which a quorum is present shall constitute the action or approval of the Master Association Board.

*The Bridges PD I District and Bridges PD II District are not finally platted as of the date of this Declaration and are wholly owned by the Declarant. Upon the development, final platting and the sale of a majority of the Units contained therein to Owners other than the Declarant, or July 1, 2016, whichever occurs first, the Declarant shall have the right to appoint a member to the Master Association Board for each District.

ARTICLE 5. FUNCTIONS OF THE MASTER ASSOCIATION

5.1. **Powers and Duties.** The Master Association shall have all of the powers permitted for a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Code as revised or replaced from time to time and of an owners' association under CCIOA as revised or replaced from time to time, subject only to the limitations upon the exercise of such powers as are expressly set forth in this Declaration, the Articles or the Bylaws. The Master Association shall have the power to perform any and all lawful acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Master Association. The Master Association acts through the Master Association Board, unless otherwise specifically provided in this Declaration, the Articles or the Bylaws. Without limiting the foregoing general statement of powers, the Master Association shall have the following powers:

A. **Assessments.** The power to levy Assessments on the Owners and to collect and enforce payment thereof, which Assessments shall be required to be paid monthly.

B. **Common Area and Facilities.** The power to accept title to Common Area, and to provide for the operation, management, maintenance, repair and replacement of the Common Area and Improvements thereon. No Owner or Guest shall place or install any Improvement or alter or remove the Improvements on the Common Area maintained by the

Master Association unless such placement, installation or alteration is first approved in writing by the Master Association Board. No Owner, Guest or Constituent Association shall affix any object or device to any Common Area Improvement, pierce the surface or otherwise expose the interior portion of such Common Area Improvements to the elements, or install landscaping, irrigation systems or other Improvements on the Owner's Block or Unit in such proximity or manner as to undermine or otherwise impair the structural integrity of any Common Area Improvements, or impair the weather resistant finish thereon. Declarations of Annexation may provide for additional Common Area to be owned and maintained by the Master Association.

C. Utility Services. The power to obtain for the benefit of the Common Area, water, gas, electric or other utility services.

D. Easements and Rights-of-Way. The power to grant and convey to any Person easements, licenses or rights-of-way in, on, over or under the Common Area and fee title to parcels or strips of land owned by the Master Association, for purposes consistent with the terms of this Declaration, including without limitation constructing, installing, erecting, operating, maintaining or conducting thereon, therein and thereunder: (i) roads, streets, walks, trails, driveways, parkways, landscaping, park areas and open space areas; (ii) underground lines, cables, wires, conduits, or other devices for the transmission of power or signals for lighting, heating, television, telephone and other similar purposes; (iii) sewers, storm water drains or retention basins and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and (iv) any similar Improvements or uses not inconsistent with the use of such property pursuant to this Declaration; provided, however, that in no event shall any such easements, licenses or rights-of-way interfere with the operations of the Golf Club.

E. Rights of Entry and Enforcement.

(1) The power, after notice to an Owner, to enter upon any Block or Unit (but not to enter any dwelling thereon) or Common Area at reasonable times on any day without being liable to any Owner or Constituent Association for the purpose of enforcing by peaceful means the provisions of this Declaration, or for the purpose of maintaining or repairing any such Unit or Common Area if for any reason whatsoever the Owner or Constituent Association responsible therefor fails to maintain and repair any such area as required by this Declaration. The cost of any enforcement action or any maintenance and repair completed in compliance with these provisions is the responsibility of the Owner or Constituent Association and shall be assessed against the responsible Owner or Constituent Association as a Special Assessment. The responsible Owner or Constituent Association shall pay promptly all amounts due for such work, and the costs and expenses of collection.

(2) The Master Association may also commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Restrictions and to enforce, by mandatory injunctions or otherwise, all of the provisions of the Restrictions. If an action is brought by the Master Association, the prevailing party shall be entitled to reasonable attorneys' fees to be fixed by the court. Except as provided in this Declaration, the Master Association does not have the power or authority to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of such Owner's Block or Unit, except when the loss or forfeiture is the

result of the court judgment, or an arbitration decision, or a foreclosure or sale under a power of sale based on failure of the Owner to pay Assessments.

(3) Neither Declarant, the Master Association, nor any of their respective directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any Block, Unit, Common Area or Improvements thereon or portion thereof or to repair or maintain the same. Declarant, the Master Association, the Master Association Board, or the Design Review Board or any other authorized person, firm or corporation undertaking such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any Block, Unit, Common Area or Improvements thereon or portion thereof.

(4) The Master Association may, without notice, make such emergency repairs and take such emergency maintenance action as it may determine is necessary for the safety of any Person or to prevent damage to any property.

F. **Legal and Accounting Services.** The power to retain and pay for legal and accounting services necessary or proper in operating the Common Area, enforcing the Restrictions, or performing any of the other duties or rights of the Master Association.

G. **Contracts.** The power to contract with any public or private entity or Person as the Master Association Board may determine is necessary in order for the Master Association to provide the functions described and carry out its obligations under this Declaration.

H. **Constituent Associations.** The power to veto any action taken or contemplated to be taken by a Constituent Association which the Master Association Board reasonably determines to be adverse to the interests of the Association or the rights of its Members. The Master Association shall also have the power to require reasonable specific action to be taken by a Constituent Association in connection with its obligations and responsibilities, such as requiring specific maintenance and repairs and requiring that a proposed budget include certain items and that expenditures be made therefor.

I. **Other Management Functions.** The power to enter into agreements to provide property management services to any Constituent Association or Owner, including but not limited to the care of private residences, and other services which generally relate to the management of private or commercial properties, and to collect a fee for such services. Such management services may include the collection by the Master Association, on behalf of the Constituent Association, of assessments levied by the Constituent Association against the members of the Constituent Association. Any costs incurred by the Master Association in connection with any of the foregoing shall constitute Project Expenses.

5.2. **Rules.** The Master Association is hereby authorized, and shall have the power, to adopt, amend and enforce rules and regulations applicable within the Neighborhood or portions thereof, with respect to any Common Area; to implement the provisions of this Declaration, the Articles or Bylaws, including but not limited to rules and regulations to prevent or reduce fire

hazard; to prevent disorder and disturbances of the peace; to regulate pedestrian and vehicular traffic; to regulate the number, type and behavior of animals; to regulate signs; to promote the general health, safety and welfare of persons within the Neighborhood; and to protect and preserve property, property values and property rights. All rules and regulations adopted by the Master Association shall be reasonable and shall be applied uniformly, except such rules may differentiate between reasonable categories of Blocks, Units, Owners or Guests. The Master Association may provide for enforcement of any such rules and regulations through fines and penalties which may be levied as Special Assessments, through exclusion of violators from Common Area facilities or from enjoyment of services provided by the Master Association, or otherwise. Each Owner and Guest shall be obligated to and shall comply with and abide by such rules and regulations and pay such fines, damages or penalties upon failure to comply with or abide by such rules and regulations and such unpaid fines and penalties shall be enforceable as a lien in accordance with Article 6 hereof. A copy of the Rules, as they may from time to time be adopted, amended or repealed, may be posted in a conspicuous place in the Master Association's Office or may be mailed or otherwise delivered to each Owner. Upon such mailing, delivery or posting, the Rules shall have the same force and effect as if they were set forth herein; provided, however, that the Rules shall be enforceable only to the extent that they are consistent with this Declaration, the Articles and the Bylaws, and may not be used to amend any of such documents.

5.3. **Charges for Services Provided by the Master Association.** Except as otherwise specifically provided in this Declaration, the Master Association may establish and modify charges for providing any service as required or permitted hereunder on a regular or irregular basis to an Owner or Guest to assist the Master Association in offsetting the costs and expenses of the Master Association, including depreciation, operation, maintenance, capital replacement and capital expenses. All charges established under this Section shall be reasonable and shall be uniformly applied, except such charges may differentiate between reasonable categories of Blocks, Units, Owners or Guests.

5.4. **Insurance.** The Master Association has the power to maintain insurance pursuant to the provision therefor below.

5.5. **Replacement or Repair.** In the event of damage to or destruction insured against by the Master Association, the Master Association shall repair or replace the same from the insurance proceeds payable to the trustee designated by the Master Association Board. If the insurance proceeds are insufficient to cover the costs of repair or replacement thereof, the Master Association may make an Assessment to cover the deficit.

5.6. **Reserves and Working Capital.** The Master Association shall establish and maintain via the Assessments provided for herein a segregated working capital reserve fund equal to two months of the estimated Common Expenses for each Allocated Interest for the periodic maintenance, repair and replacement of the Common Area and its facilities and those other areas which the Master Association is obligated to maintain.

5.7. **Security.** The Master Association has the right, but not the obligation, to provide security services, either by establishing a security force employed by the Master Association or through an independent contractor, with the types, extent, nature and hours of security services to be determined from time to time by the Master Association Board.

5.8. **Implied Rights of the Master Association.** The Master Association shall have and may exercise any right or privilege given to it expressly in this Declaration or except to the extent limited by the terms and provisions of this Declaration, given to it by law and shall have and may exercise every other right or privilege or power and authority necessary or desirable to fulfill its obligations under this Declaration, including the right to acquire use of or purchase property, equipment or facilities; employ personnel; obtain and pay for legal, accounting and other professional services; and to perform any function by, through or under contractual arrangements, licenses, or other arrangements with any governmental or private entity as may be necessary or desirable.

ARTICLE 6. ASSESSMENTS

6.1. **Obligation; Liens for Delinquent Assessments.** Declarant hereby covenants and agrees, and every other Owner of any Block or Unit, by acceptance of a deed or other instrument of conveyance therefor, is conclusively deemed to covenant and agree to pay Assessments to the Master Association which are established and assessed as provided in this Declaration. All Assessments and fees, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien upon the Block or Unit against which such assessment is made. The personal obligation of Assessments shall not pass to the successors in title to any Owner, unless expressly assumed by them.

6.2. **Common Assessments.** Sums sufficient to pay monthly Common Expenses (including the establishment and funding of sufficient reserves), as estimated in the Master Association's annual Budget, shall be assessed as Assessments against the Owners of Blocks or Units. The Master Association shall create a budget for such Common Expenses in accordance with the provisions of the Master Association's Articles of Incorporation. The Common Expenses of the Master Association shall be allocated among the Owners and their respective Blocks or Units for which Common Assessments have commenced based upon the number of Allocated Interests for each such Block or Unit as follows:

A. **Allocated Interests; Votes.** Allocated Interests and Votes in the Master Association allocated to each Block or Unit are all of the whole calculated on the basis of an equal share therein of every Block or Unit in the Property. The Owner of each Unit shall have one (1) vote per Unit owned. The Owner of each Block shall have one (1) vote for each Unit finally platted or the maximum Units permitted each Block pursuant to Section 1.3.F.1 of this Declaration. Until final platted, the number of Votes for Blocks 1100, 1100A, 2100 and 2200, Bridges PD I Delegate District and Bridges PD II Delegate District shall be equal to the maximum number of Units permitted each Block pursuant to Section 1.3.F.1 of this Declaration. Upon final platting of these portions of the Property, the number of Allocated Interests and Votes in the Master Association shall be equal to the number of Units as reflected on said plat(s). The Golf Club (including Blocks 1300 and 1800 of the Property) shall be assigned fifty (50) Allocated Interests and Votes.

B. **Common Assessment Allocation.** Liability for Common Assessments shall be allocated equally to each Block or Unit which has been finally platted. Certain portions

of the Property (Bridges PD I Delegate District and Bridges PD II Delegate District) have not been finally platted and approved, and although certain Blocks have been platted (Platted Blocks 1100, 1100A, 2100 and 2200), they have not been developed as of the date of this Declaration. Delegate Districts Bridges PD I and Bridges PD II, as described in Section 4.4 hereof shall not be subject to liability for Common Assessments until they are finally platted and approved by the City of Montrose. Until they are developed, platted Blocks 1100, 1100A, 2100 and 2200 shall each be liable for one (1) Allocated Interest for Common Assessments. Upon final development of these Blocks, there shall be one Allocated Interest for each Unit as finally platted therein.

C. **Commencement Date.** Assessments shall commence following the date this Declaration is recorded beginning on the first day of the first month after the first Common Area expenses are incurred.

D. **Budget.** Within thirty (30) days after the adoption of any proposed budget for the Master Association, the Master Association Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Master Association Board. The Master Association Board shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Master Association Board shall levy and assess the Common Assessments in accordance with the annual budget.

6.3. **Special Assessments.** The Master Association Board shall have the authority to levy and collect Special Assessments against one or more Owners and their Blocks and Units for the following purposes:

A. **Negligence or Neglect.** If any maintenance, repairs or replacements to the Common Area or its facilities is necessitated in the sole judgment of the Master Association Board as a result of the willful or negligent act or neglect of a Constituent Association or an Owner, his Family, or Guests, or in order maintain, repair or replace any portion of the Property that an Owner or Constituent Association is responsible to maintain but has failed to undertake or complete in a timely fashion, such maintenance, repairs or replacements shall be performed at the expense of such Constituent Association (or the Owners within such Constituent Association) or Owner, after Notice and Hearing, and a Special Assessment therefor shall be levied against such Owner.

B. **Costs Relating to Delinquent Assessments or Fees.** If the Master Association incurs any costs or expenses in order to collect delinquent Assessments or fees by an Owner or Constituent Association, or to otherwise bring an Owner and/or its property into compliance with any provision hereof or of the Rules, the amount incurred by the Master Association (including reasonable fines and penalties duly imposed hereunder, title company fees, accounting fees, court costs and reasonable attorneys' fees) shall be assessed and charged

solely to and against such Owner or Constituent Association (or the Owners within such Constituent Association, as applicable) as a Special Assessment.

C. **Capital Improvements Assessments.** The Master Association Board may levy and collect, in any fiscal year, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any Capital Improvement upon the Common Area, other than the cost of initial construction of the items described in **Exhibit C** attached and other improvements that the Declarant has agreed to construct.

D. **Common Assessments Insufficient in Amount.** If, at any time, the Common Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the Budget, then the Master Association Board may levy and collect against the Owners and their Blocks or Units, in any fiscal year, a Special Assessment for the purpose of defraying, in whole or in part, any deficit which the Master Association may incur in the performance of its duties and the discharge of its obligations hereunder. Any such Special Assessment shall be allocated among, assessed against and charged to each Owner in the same manner as Common Assessments as set forth in Section 6.2.B. above.

E. **Special Benefit.** If in the judgment of the Master Association Board a material expenditure is a Project Expense, as defined in Section 2.39 hereof, the expenditure shall be allocated among the Owners so benefited. For example, to the extent they are incurred by the Master Association, the capital expenditure (not including any costs of initial construction thereof that Declarant has agreed to pay) and operating costs of walks (including also the landscaping, lighting and signage) from the point that they primarily serve only the Golf Club shall be a Special Assessment allocated only to the Golf Club Owner.

6.4. **Remedies for Non-Payment of Assessments.** Any installment of a Common or Special Assessment not paid within fifteen (15) days after the due date, shall bear interest from the due date at a rate determined by the Master Association Board, but in no event more than the then maximum rate permitted by law. Additionally, the Master Association Board may levy a late charge in addition to the interest charged as described above to compensate the Master Association for increased bookkeeping, billing and other administrative costs. If any installment of an Assessment is not paid within thirty (30) days after it is due, the Master Association may bring an action at law against the Owner to pay the same, and with respect to Common or Special Assessments, foreclose the lien against the Block or Unit. No Owner may waive or otherwise escape liability for the Assessments or fees provided for herein by nonuse of the Common Area or Improvements or abandonment of his Block or Unit. The Master Association shall have a lien for delinquent Assessments which shall be prior to all other liens and encumbrances on a Block or Unit except as otherwise provided by C.R.S. §38-33.3-316(2)(a).

6.5. **Cumulative Remedies.** The assessment lien and the rights of foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Master Association and its assigns may have against any delinquent Owner hereunder and by law, including a suit to recover a money judgment for unpaid Assessments, as above provided.

6.6. **Estoppel Certificate.** The Master Association shall, within fourteen (14) calendar days after receipt of a written request from an Owner or Owner's designee delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Master Association's registered agent, execute and deliver to any Owner making such request a statement in writing setting forth the amount of unpaid Assessments currently levied against such Owner's Block or Unit, the amount of Assessments (including any installment payments) paid by the Owner during the fiscal year the request is received, and the amount of any delinquent Assessments, fees, penalties, interest, attorneys' fees and other charges on the Owner's Block or Unit. The Master Association Board may charge the Owner a fee to recover its reasonable costs in preparing the statement. Any such certificate delivered pursuant to this section may be relied upon by any prospective purchaser or Beneficiary of the Block or Unit.

ARTICLE 7. GENERAL PROPERTY USES AND RESTRICTIONS

Consistent with its general classification and use, the Property shall be subject to the following limitations and restrictions and to such implementing Rules as the Master Association Board may establish in connection therewith:

7.1. **Offensive or Hazardous Conduct, Nuisances.** No noxious or offensive activity or trade shall be carried on upon any Block or Unit, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to other Owners in the enjoyment of their Blocks or Units. Without limiting the generality of the foregoing, unleashed pets, excessive barking of dogs, excessive loud playing of music and the operation of vehicles creating excessive noise to the annoyance of residents is prohibited; provided, however, that noise resulting from proximity to the Golf Club shall be expected. No activities shall be conducted anywhere on the Property which are or might be unsafe or hazardous. Nothing shall be done or kept on the Property which will increase the rate of insurance on any other Block, Unit or Common Area without the approval of the Master Association Board, nor shall anything be done or kept in the Property which would result in the cancellation of insurance on any other Block, Unit or Common Area, or which would be in violation of any law.

7.2. Parking Garages; Vehicles.

A. Every Owner and Guest shall use the garages or other parking areas and facilities which are constructed as part of the Improvements for parking or storing any and all vehicles owned or driven by the Owner. Owner's Guests are encouraged to park in Owner's driveways, for short term periods.

B. In order to prevent or eliminate parking problems within the Neighborhood or to further define and enforce the restrictions of this Section, the Master Association Board shall have the authority to establish additional Rules, restrictions and penalties, including the imposition of fines or towing procedures for violation of the parking Rules.

C. No Owner or Guest shall park or store outside the respective Owner's garage or driveway any trailers, boats or boat trailers, snowmobiles, trail bikes, motorcycles, commercial trucks, vans, house trailers, campers, motor coaches, recreational vehicle or other vehicle containing living quarters; nor shall any owner cause the foregoing to be parked on any Block or Unit or on the street in front of such Block or Unit; provided, however, that boats, trucks, vans, house trailers, campers and vehicles may be kept in a garage or may be parked in designated parking areas; and provided, further, that the same may be parked temporarily in a driveway or in a street in front of such Block or Unit for a period of not more than 12 hours to load and unload before and after trips, but not overnight Except as provided in this Section, commercial vehicles used in the operation or maintenance of the facilities of the Golf Club, and commercial and construction vehicles in connection with construction of Improvements located in staging areas designated by the Master Association, The Master Association may provide more specific regulations. The Design Review Board Rules may control the enclosures in which vehicles must be parked. Any such rules and regulations shall allow all on-site parking facilities of the Golf Club, with no requirement for enclosure of vehicles.

D. No boat or vehicle of any type (including motorcycles) shall be permanently or semi-permanently parked in or upon the public or private streets within the Property; or on any Block or Unit or driveway for the purpose of accomplishing repairs thereto or the reconstruction thereof, except for emergency repairs and then only to the extent necessary to enable towing or similar movement of the vehicle.

E. All driveways shall be maintained in a neat and orderly condition and garage doors shall be closed.

F. No motorized recreational vehicles other than golf carts shall be operated within the Neighborhood.

7.3. **Planting and Landscape.** No planting, gardening or landscape activities shall be carried on in any Common Area by any Persons other than those directed or employed by the Master Association or approved by the Master Association to do work for a Constituent Association. Every Owner must maintain the vegetation on its Block or Unit and all planting must be consistent with the landscaping plan approved by the Design Review Board. Unless maintained as Common Area by the Master Association, each Constituent Association shall maintain the vegetation within its Common Area by a person approved by the Master Association. If the Owner or Constituent Association responsible for such maintenance fails to do so properly, the Master Association or the Design Review Board may cause the appropriate work to be done and shall be entitled to reimbursement for the costs thereof and to a service fee therefor. Prior to the date any work is to be done, the Owner or Constituent Association is entitled to Notice and Hearing.

7.4. **Maintenance of Blocks and Units.** The Design Review Board shall promulgate Design Review Guidelines that shall govern construction and maintenance of improvements. All clotheslines or other outside clothes drying or airing facilities shall be prohibited upon any Block or Unit. All refuse containers, storage areas, machinery and equipment (other than those used in connection with construction of Improvements on the Block or Unit, and then only during

construction) shall be prohibited upon any Block or Unit. No Block or Unit shall be used or permitted to be used as a storage or dumping ground for inoperative vehicles. Blocks and Units are to be kept clean and free from rubbish, debris, litter, trash, empty containers and the like. Further, Blocks and Units shall be maintained so as to screen the above referenced items from view on the Golf Course.

7.5. **Certain Structures.** No mobile home, trailer, tent, shack, garage, barn or other outbuilding shall be used as a residence, either temporarily or permanently.

7.6. **Utilities, Antennas, Heating or Air Conditioning Equipment, Solar Installations and Basketball Standards.** All electric, gas, television, radio and telephone line installations to buildings or structures placed upon any Block or Unit shall be underground and there shall be no electric, power or telephone poles on any portion of any Block or Unit, except for above-ground transformer equipment.

The use and placement of television, radio or other electronic antenna, satellite dish or similar devices on Blocks, Units and Improvements located thereon, shall be subject to rules and regulations established by the Master Association and/or the Design Review Board.

No heating, cooling or air conditioning equipment, including fans or similar devices, shall be placed or permitted to remain upon the roofs of any house or building constructed on a Unit, without the prior written approval of the Design Review Board.

The location and attachment of Fences, exterior window coverings, and paint and stain on Units and Improvements located thereon shall be subject to regulation, review and approval by the Design Review Board.

No outdoor basketball standards, fixed sports apparatus or related structures shall be placed or permitted to remain upon the roofs or any house or building constructed on a Unit, or on any other part of the Unit.

7.7. **Use of Units.** A Unit shall not be used, nor shall any portion thereof be used, for any purpose other than a residence and ancillary uses, provided, however, that buildings on Blocks or Units owned by Declarant or Builders may be used as models and sales offices and construction offices for the purpose of constructing and selling Units in the Property. The foregoing is not intended to prohibit home office uses in accordance with the provisions of Section 7.13 below.

7.8. **New Construction and Materials.** Prefabricated or mobile homes or buildings shall not be placed on any Block or Unit. All buildings erected on any Block or Unit shall be of new construction. However, this subparagraph shall not prevent the use of any materials that the Design Review Board may determine to be attractive and preservative of property values. When the construction of a building or other structure is begun on a Block or Unit, work shall be pursued diligently and continuously to completion within one (1) year from the commencement thereof, subject to weather, strikes, acts of God, and other matters beyond the control of the Owner. All Builders are to maintain their construction sites in a neat and orderly fashion, and

shall clean up and remove all debris. Unless a concrete washout area is created, concrete trucks shall not be permitted to dump excess concrete mix on any Blocks or Units.

7.9. **Licensed Contractor.** All buildings and other structures shall be constructed by a contractor licensed as required under the laws of the State of Colorado.

7.10. **Right of Inspection.** During reasonable hours and after reasonable notice, the Master Association shall have the right to enter upon and inspect the Property or any portion thereof and the Improvements thereon for the purpose of ascertaining whether or not the provisions of this Declaration are being complied with and shall not be deemed guilty of trespass by reason thereof.

7.11. **Owners' Maintenance Obligations.** Except as otherwise provided in this Declaration, each Owner shall be responsible for maintenance and repair of any structure which may be constructed or installed upon his Block or Unit, and of his yard areas. Without limiting the generality of the foregoing, each Owner's repair and maintenance obligations shall extend to and include:

A. Painting, repairing, replacing and caring for roofs, Fences, exterior building surfaces, exterior glass surfaces, exterior doors, and maintaining all yard areas (including without limitation weekly mowing, trimming, edging of lawns and other ground cover and removal of dead or dying plants) not expressly required to be maintained by the Master Association;

B. Watering at intervals necessary to keep grass, shrubs and trees in an attractive condition, subject to any restrictions that may be imposed from time to time by a governing municipality;

C. Maintenance of drainage pathways and facilities; and

D. Keeping the Block or Unit free from rubbish, litter and noxious weeds.

7.12. **No Commercial Use of Units.** Except as permitted under Section 1.3.A. above, no business or commercial activities of any kind whatsoever shall be conducted in any Block or Unit, provided, however, the foregoing restriction shall not apply to the Golf Club activities of the Master Association in the discharge of its responsibilities, or Declarant's, Developer's or Builders' activities in connection with the development, sale and marketing of the Property. Furthermore, the Restrictions shall not be construed in such a manner so as to prohibit any Owner from: (i) maintaining his personal library in his dwelling; (ii) keeping his business records or accounts therein; (iii) handling his personal or professional telephone calls or correspondence therefrom, including telecommuting; (iv) leasing or renting his dwelling in accordance with this Declaration; or (v) conducting any other activities otherwise compatible with residential use and the provisions of this Declaration which are permitted under applicable zoning laws or regulations without the necessity of first obtaining a special use permit or specific governmental authorization.

7.13. **Signs and Displays.** No sign, commercial flag or other advertising device of any kind, including sales signs, shall be erected, placed on car tops, maintained or displayed upon any portion of the Property, Improvements or Common Area, provided, however, that Declarant, Developer and Builders, their agents and assigns, may erect and maintain such signs and other advertising devices or structures as it may deem necessary or proper in connection with the conduct of its operations for the development, improvement, subdivision and sale of the Property. In addition, the Golf Club Owner may erect and maintain such signs and other advertising devices or structures deemed necessary in connection with the operation of the Golf Club. The Master Association may regulate the time, place and manner of posting a single sign of a house or Unit for sale (including design criteria), and such signs shall not be considered a prohibited advertising device. The Master Association shall not interfere with the rights of Owners to display religious and holiday symbols and decorations, except that exterior signs, symbols and decorations are subject to restrictions concerning their time and manner of display to protect the rights of other Owners to a reasonable level of peace and tranquility.

7.14. **Family Composition.** The Master Association shall not interfere with the freedom of Owners to determine the composition of their Family, but may limit the number of occupants of a dwelling on the basis of its size and facilities and its fair use of the Common Area.

7.15. **Animals.** No animals, livestock or poultry of any kind shall be raised, bred or kept on any Block or Unit, except that dogs, cats or other conventional household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose or in unreasonable numbers.

7.16. **Compost.** No quantities of manure, composting materials or decaying vegetation matter shall be stored in such quantities as to attract household pests or constitute a nuisance or be stored in a manner so as to create obnoxious odors.

7.17. **Window Covers.** Curtains, drapes, shutters or blinds may be installed as window coverings. No window shall be covered with aluminum foil, sheets or material not specifically designed for use as a window covering.

7.18. **Paint and Stain.** Unless exempted by Design Guidelines, all surfaces such as walls, Fences or any other structure visible from the street or Common Area shall be painted or stained with materials and colors approved by the Design Review Board.

7.19. **Trash and Garbage Pickup.** All Owners are required to dispose of their garbage, maintain their garbage cans in a clean and orderly fashion, keep all garbage cans reasonably protected from animals, and replace them when needed.

7.20. **Perimeter Fences and Retaining Walls.** Only Fences of materials and design approved by the Design Review Board as specified in the Design Guidelines shall be constructed around the perimeter of a Lot. In addition, Fences around the perimeter of the golf course shall be constructed to be uniform with the Fences around the perimeter of the Neighborhood and approved by the Design Review Board. The Cost of any Fence adjacent to a Lot shall be borne by the Owner of the Lot at the time the Fence is constructed.

7.21. **Drainage.** There shall be no interference with the drainage systems originally installed by Declarant, or any other interference by a Person other than Declarant with the established drainage pattern over any Block, Unit or Common Area. For the purpose hereof, "established" drainage is defined as the drainage pattern and drainage Improvements which exist at the time the Block or Unit is conveyed by Declarant or Developer to an Owner, the Master Association or a Constituent Association.

ARTICLE 8. GOLF CLUB

8.1. **Golf Club.** The Golf Club is private property owned and operated by the Golf Club Owner or its assigns and administered according to the Golf Club Rules and Regulations and is not Common Area. The Golf Club may include, without limitation, golf courses, practice facilities, clubhouses, tennis courts, swimming pools, and related social and sports facilities which are separate from the Common Area. These facilities shall be developed and provided at the discretion of the Golf Club Owner. The Golf Club is not obligated to develop or provide such facilities. The Golf Club Owner has the exclusive right to determine from time to time, in its sole discretion, and without notice or approval, of any change, how and by whom these facilities shall be used, if at all. By way of example, but not limitation, the Golf Club Owner has the right to approve users and determine eligibility for use, to reserve use rights, to terminate any and all use rights, to change, eliminate or cease operation of any or all of the facilities, to transfer any or all of the Golf Club or the operation thereof to anyone and on any terms, to limit the availability of use privileges, and to require the payment of a purchase price, membership contribution, initiation fee, membership deposit, dues, use charges and other charges for use privileges. Changes to the Golf Club, including the Golf Course, are made at the sole discretion of the Golf Club Owner and do not need to be approved by the Master Association.

8.2. **Use of Golf Club.** A social, sports or golf membership to the Golf Club shall be purchased with each Unit. Upon the initial conveyance by Declarant or Developer of a Unit to an Owner or Builder, an initial membership fee with respect to such membership as specified in the Golf Club Rules and Regulations shall be payable to the Golf Club Owner. Such membership will entitle the Owner of the Unit to use the services and amenities of the Golf Club in accordance with the Golf Club Rules and Regulations. The membership is not transferable upon the subsequent sale of a Unit, and is not assignable to any other Person, except as expressly authorized by the Golf Club Rules and Regulations. Membership fees, membership dues and fees for services shall be determined by the Golf Club Owner and set forth in the Golf Club Rules and Regulations.

8.3. **Rights of Access and Parking.** The Golf Club Owner and its employees, agents, contractors and designees, and the persons permitted by the Club Property Owner to use the Golf Club (regardless of whether such persons are Owners hereunder) and their invitees shall at all times have a right and non-exclusive easement of access and use over all roadways, whether by automobile, golf cart or other means, located within the Property reasonably necessary to travel to and from the entrances to the Property from and to the Golf Club, respectively, and further, over those portions of the Property (whether Common Area or otherwise) reasonably necessary to the use, operation, maintenance, repair and replacement of the Golf Club. Without limiting the

generality of the foregoing, persons who are permitted use of the Golf Club and permitted members of the public shall have the right to park their vehicles on the roadways located within the Property at reasonable times before, during and after golf tournaments or other similar functions held by or at the Golf Club.

8.4. Issues Resulting from Proximity to Golf Club and Roads. Portions of the Property will be developed for golf course and other recreational use. Each Owner and Guest acknowledges, accepts and assumes the risk of the special benefits and burdens associated with such functions and facilities. In addition to any other waiver signed by an Owner, every Owner acknowledges by acceptance of a deed or other instrument of conveyance to a Block or Unit that he has independently inspected the plan for development of the Neighborhood and has determined the location and configuration of his Block or Unit relative to the Golf Club, including without limitation the clubhouse and the golf course, and has considered the risk of intrusion of golf balls, golf clubs, golfers, and overspray, as well as noise and lights, and has taken title to his Block or Unit based on his independent investigation and analysis. Accordingly, Declarant, the Master Association, Constituent Association, and the Golf Club, and every employee or agent of any of them, hereby disclaim any liability for personal injury or property damage resulting in any way, all or in part, from any of the items set forth in below and each Owner and Guest accepts such disclaimers and agrees to release and waive any claims Owner or any Guest may have as a result of any of the items set forth below or the reasonable extensions thereof:

A. Easements for Golf Balls and Errant Golf Balls. Every Unit is burdened with an easement permitting golf balls hit from the golf course to unintentionally come upon the Unit, and for golfers at reasonable times and in a reasonable manner to come upon the exterior portions of the Unit to retrieve errant golf balls; provided, however, if the Unit is fenced or walled, the golfer shall seek the Owner's or occupant's permission before entry. Owners and Guests of Blocks or Units, particularly those abutting a golf course, acknowledge the inherent risk of errant golf balls and assume and accept such risk. Each Owner and Guest agrees to release and waive any claims Owner or Guest may have as a result of such retrieval, except for claims resulting from willful misconduct of others, and agree and covenant not to make any claim or institute any action whatsoever against the Declarant, the Developer, the Golf Club Owner, the Master Association, any Constituent Association, the golf course designer or Builder arising or resulting from any errant golf balls, any damages that may be caused thereby, or for negligent design of the golf course or siting of the Unit.

B. View Impairment/Privacy. Owners of Blocks or Units, including those of Blocks or Units abutting a golf course, have no guarantee that their view over and across the golf course will be preserved without impairment or that the view from the golf course will not be impaired. The Owner or manager of the Golf Club has no obligation to prune or not prune trees or other landscaping and hereby reserves the right, at its sole and absolute discretion, to add, change or reconfigure the golf course, including any tees, landscaping, bunkers, fairways and greens.

C. Pesticides and Fertilizers. Pesticides, fertilizers and other chemicals may be utilized in connection with the golf course, driving range or putting greens, and the Owners

and Guests acknowledge, accept the use and assume the risk of such pesticides, fertilizers and chemicals.

D. **Overspray.** Owners and Guests of Blocks or Units, particularly those of Blocks or Units abutting the golf course, driving range or putting green may experience overspray from the irrigation system for such areas, and the Owners and Guests acknowledge, accept and assume the risk of such overspray.

E. **Noise and Light.** Owners and Guests of Blocks or Units, and particularly those of Blocks or Units in proximity to any clubhouse or maintenance facility, may be exposed to lights, noise or activities resulting from use of the clubhouse for dining and entertainment, the use of the parking lot, and the maintenance of vehicles and equipment, and the Owners and Guests acknowledge, accept and assume the risk of such light, noise or activities.

F. **No Access.** Notwithstanding the proximity of any golf course to any Block or Unit, no Owner, resident or occupant of a Block or Unit has a right of access to any golf course directly from their Block or Unit.

8.5. **Assumption of Risk and Indemnification.** Each Owner by his purchase of a Block or Unit in the vicinity of the Golf Club hereby expressly assumes the risk of noise, personal injury or property damage caused by maintenance and operation of the Golf Club, including without limitation: (a) noise from maintenance equipment, it being specifically understood that such maintenance typically takes place around sunrise or sunset, (b) noise caused by golfers, (c) use of pesticides, herbicides and fertilizers, (d) view restrictions caused by maturation of trees and shrubbery, (e) reduction in privacy caused by golf traffic on the golf course or the removal or pruning of shrubbery or trees on the golf course, and (f) design of the golf course. Each Owner further agrees that neither Declarant, Developer, Master Association, Constituent Association, or any of Declarant's affiliates or agents nor any other entity owning or managing the golf course shall be liable to any Owner or any other Person claiming any loss of damage, including without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of an Owner's Unit to the Golf Club, including without limitation, any claim arising in whole or in part from the negligence of Declarant, Developer, Master Association, Constituent Association or any other entity owning or managing the golf course. Each Owner hereby agrees to indemnify and hold harmless Declarant, Developer, Master Association, Constituent Association, and any other entity owning or managing the golf course against any and all claims by Guests, an Owner's visitors, tenants and others upon such Owner's Unit.

8.6. **Jurisdiction and Cooperation.** The Master Association and the Golf Club Owner shall cooperate to the maximum extent possible in the operation of the Property and the Golf Club. Each shall reasonably assist the other in upholding the Neighborhood standards as set from time to time. The Association shall have no power to promulgate rule and regulations affecting activities on or use of the Golf Club without the prior written consent of the Golf Club Owner.

8.7. **Amendments Affecting Golf Club.** No amendments to this Article 8 may be made without the prior written consent of the Golf Club Owner.

8.8. **Liens for Delinquent Dues.** Each Owner of a Unit, by obtaining a Golf Club membership with such Unit, is conclusively deemed to covenant and agree to pay dues to the Golf Club Owner as established by the Golf Club Rules and Regulations. All dues, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien in favor of the Golf Club Owner upon the Unit associated with such membership. The personal obligation of Golf Club dues shall not pass to successors in title to any Owner, unless expressly assumed by them.

8.9. **Dues Increase Limit.** Annual increases in dues will be limited to the greater of (i) five percent per year, (ii) the percentage increase in the Consumer Price Index (as hereinafter defined), or (iii) a greater amount if a certified public accounting firm selected by the Golf Club confirms that a greater increase in dues is justified based on increases in the actual costs of Golf Club operations and maintenance after an annual audit of the Golf Club. For purposes hereof, the "Consumer Price Index" shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers, United States city average, all items (1982-84=100), or any successor thereto, as promulgated by the Bureau of Labor Statistics of the United States Department of Labor. In the event that such Consumer Price Index (or such successor index) is not available, a reliable governmental or other non-partisan publication evaluating information used in determining the Consumer Price Index shall be used.

ARTICLE 9. ARCHITECTURAL CONTROLS

9.1. **Purposes.** It is intended that the Property be initially developed by Declarant and/or Developer and its successors with various Improvements that are architecturally compatible and aesthetically pleasing, and that those Improvements be maintained in good condition and appearance until they are replaced. The architectural and use controls set forth herein are to facilitate those intentions and purposes and are to be construed consistently therewith.

9.2. **Design Review Board.** The design of Improvements within the Property and any subsequent alterations thereof shall be subject to prior review and approval by the Design Review Board. The Design Review Board established hereby shall have jurisdiction over initial design and construction of Improvements over each Block and Unit and shall have jurisdiction over all replacements and alterations of Blocks and Units, provided, however, that due to the unique nature of the integration of design and function with respect to a golf course, the Design Review Board shall not have jurisdiction to review the design, replacement and alterations of the golf course if the same are constructed according to plans and specifications prepared by a member of The American Society of Golf Course Architects or similar professional organization and a copy of the plans and specifications together with a resume of the design person or firm are delivered to the Design Review Board or the Declarant has obtained a Certificate of Completion from an architect who is a member of The American Society of Golf Course Architects or similar professional organization. The Design Review Board shall have not less than three nor more than five members. The initial members of the Design Review Board shall be appointed by the

Declarant, and shall serve for a term of three (3) years at which time three new members shall be appointed by the Master Association Board or by Declarant, for a three (3) year term. The majority of the members of the Design Review Board appointed by the Master Association Board shall be from the membership of the Master Association, or shall be an employee or agent of a member of the Master Association that is not an individual Person.

9.3. **Approval Required.** Following the establishment of the Design Review Board, no initial landscaping or material changes in landscaping visible from any street or from any golf course, no building or structure of any type shall be commenced, erected or maintained upon any portion of the Property, nor shall any exterior addition to or change or alteration of the Improvements be made until professionally prepared plans and specifications showing the nature, kind, shape, color, height, materials and location of the same shall have been submitted to and approved in writing by the Design Review Board. The submittal and approval requirement shall also apply to any exterior painting with any color other than the existing color; to the construction, destruction or alteration of any awning, trellis, patio cover or Fence, and to location and screening of utility meters. Any submittal for Improvements on a Block or Unit shall include a drainage plan acceptable to the Design Review Board.

A. **Application.** No application for approval required under this Article to be submitted to the Design Review Board shall be deemed appropriately submitted unless the Improvements, additions or alterations are fully described and shown by appropriate drawings, plans, specifications and samples of colors and materials in duplicate. Each application must be accompanied by any processing fee and deposit amount required by the Design Guidelines as contemplated below. Approval from the Design Review Board having jurisdiction is to be obtained prior to submittal of an application for any required permit by the City.

B. **Submission Date.** The request for approval and relevant materials shall be deemed submitted as of the date when the last item required is personally delivered or, if mailed, five (5) days from the date of mailing with postage fully prepaid. Mailing shall be by certified mail return receipt requested.

C. **Time for Action.** Unless otherwise agreed to in writing, the Design Review Board shall have sixty (60) days from the date of delivery in which to notify the applicant in writing of its approval, disapproval, comments or requests for additional materials. If the Design Review Board fails to respond to the application within the sixty (60) day period, it shall be deemed to have approved the proposal as submitted. Any action or decision of three members shall constitute Design Review Board action or decision.

D. **Design Guidelines.** The Design Review Board, from time to time and in its sole discretion may adopt architectural rules, regulations and guidelines ("Design Guidelines") for structures, landscaping, Fences and other Improvements. Different Design Guidelines may be adopted for different Blocks, provided, however, that all of the Units within any Block shall be subject to the same Design Guidelines with such. Design Guidelines shall interpret and implement the provisions of this Declaration by setting forth the standards and procedures for architectural review and guidelines for architectural design, placement of buildings, color schemes, exterior finishes and materials, landscaping, Fences and similar features which may be

used in the Property. The Design Guidelines may include a reasonable schedule of fees for processing submittals and establish the time and manner in which such fees shall be paid. In addition, the Design Guidelines may require applicants to make a refundable deposit for initial construction, in the form and amount of cash or bonds acceptable to the Design Review Board in order to insure completion of the requested Improvements (including any additions, changes or alterations to existing Improvements) or landscaping, provided that such fees may be reduced or waived by the Design Review Board for applicants that are approved Builders. The deposit shall be refunded upon a determination by the Design Review Board of final completion of the Improvements or landscaping in accordance with the drawings, plans, specifications and Design Guidelines, less any amounts expended by the Design Review Board or the Master Association to enforce their rights hereunder and under the Design Guidelines with respect to that matter. Design Guidelines shall constitute Rules.

9.4. Nonliability of Declarant, Developer the Design Review Board and the Master Association. Neither Declarant nor Developer, its successors or assigns, nor the members of the Design Review Board, nor the Master Association or its officers or employees shall be liable in damages to anyone submitting plans or specifications to them for approval or to any Owner or occupant of land affected by this Declaration, by reason of any engineering or other defects in the plans or specifications submitted, revised or approved by the Design Review Board or any member(s) of the Design Review Board, or any defects in construction pursuant to such plans and specifications. In addition to the insurance to be obtained under Section 11.1 below, the Master Association may purchase any insurance deemed appropriate, including without limitation errors and omissions, to insure the activities of the Design Review Board.

9.6. Appeals. The decisions of the Design Review Board may be appealed to the Master Association Board under its policies and procedures for appeal.

9.7. Obligation of Constituent Associations to Obtain Design Review Board Approval. All Constituent Associations must seek Design Review Board approval in accordance with this Article prior to commencing any construction, alteration, grading, landscaping, addition, excavation, modification or decoration of an Improvement within the Neighborhood.

9.8. Meetings of the Design Review Board. The Design Review Board shall meet no less than one (1) time per month, and from time to time by special meeting as necessary, to perform its duties hereunder and may request applicants or their contractors or any other authorized representatives to appear at such meetings. Notwithstanding the foregoing, the Design Review Board shall not be required to meet monthly if at the time of the scheduled monthly meeting there are no plans for review or other matters to come before the Board. Design Review Board members may attend meetings by telephone. The Design Review Board may from time to time designate a representative (who may or may not be one of its members) to take any action or perform any duties for and on behalf of the Design Review Board, except the granting of variances. In the absence of such designation, the vote or written consent of a majority of the members of the Design Review Board shall constitute an act of the Design Review Board.

9.9. **No Waiver of Future Approvals.** The approval of the Design Review Board of any proposals or plans and specifications or drawings for any work or Improvement done or proposed or in connection with any other matter requiring the Design Review Board's approval and consent shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.

9.10. **Inspection of Work.** Inspection of work is solely at the discretion of and for the benefit of the Design Review Board, and no Owner shall be deemed a beneficiary of any inspection. Inspection of work and correction of defects therein shall proceed as follows:

A. The Design Review Board may at any time inspect any Improvement for which approval of plans is required under this Article. The Design Review Board's right to inspect Improvements shall terminate fifteen (15) business days after the work has been completed and the Owner has given written notice to the Design Review Board of its completion. The Design Review Board's rights of inspection shall not terminate pursuant to this paragraph if plans for the work of Improvement have not previously been submitted to and approved by the Design Review Board.

B. If, as a result of such inspection, the Design Review Board finds that the work was constructed or installed without obtaining approval of the plans therefor or was not completed in substantial compliance with the plans approved by the Design Review Board, it shall so notify the Owner in writing within fifteen (15) days from the date of the inspection ("**Notice of Noncompliance**"). The Notice of Noncompliance shall specify particulars of noncompliance. The Design Review Board shall have the authority to require the Owner to take such action as may be necessary to remedy the noncompliance. Furthermore, the Design Review Board shall be entitled to place a stop work notice ("**Red Tag**") at the job site if necessary to avoid compromising the Design Review Board's ability to enforce this Declaration or the Design Guidelines. If a Red Tag is placed at the job site, no further work shall be done. In addition, the Design Review Board may assess a fine against any Owner who has been issued a Notice of Noncompliance and who has failed to remedy such noncompliance within thirty (30) days of the issuance of the Notice of Noncompliance. A schedule of fines shall be adopted by the Master Association Board. All fines, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien upon the Block or Unit that is in noncompliance and may be foreclosed upon in the same manner as a real estate mortgage.

C. If an Owner has failed to remedy any noncompliance within thirty (30) days following receipt of the Design Review Board's Notice of Noncompliance, the enforcement provisions of this Article shall thereafter apply.

D. All construction, alteration or other work shall be performed as promptly and diligently as possible.

9.11. **Variances.** The Design Review Board may authorize variances from compliance with any of the approval and design review provisions of this Declaration or any Design

Guideline, including, without limitation, restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstruction, hardship, aesthetic or environmental consideration may require. If such variance is granted, no violation of the Restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all applicable governmental regulations.

9.12. Obligation to Construct on a Unit; Specifications.

A. Unless otherwise agreed by the Declarant in writing or unless the Design Review Board grants an extension in writing for good cause shown, each Owner (including without limitation a Builder), by acceptance of a deed to a Unit, covenants and agrees to commence construction of a residential dwelling on their Unit within five (5) years after the recording of this Declaration or closing, whichever occurs last, provided, however, that no Beneficiary which obtains title to a Unit through foreclosure or acceptance of a deed in lieu thereof, shall be considered an Owner for purposes of this provision. Commencement of construction shall mean that the Owner has (a) obtained approval of the plans and specifications from the Design Review Board, (b) obtained a building permit from the appropriate governmental authorities, and (c) construction has physically commenced beyond site preparation. At the written request of the Owner, the Design Review Board may grant any extension of the five (5) year period for good cause shown, but shall not be obligated to do so. For Units purchased prior to the recording this Declaration, the obligation to construct a Unit within five (5) years begins on the date of recording of this Declaration. Successors in title to a Unit are granted a new five (5) deadline to meet the Obligation to construct on that Unit, so long as such successors are independent third party purchasers.

B. Each residential dwelling constructed on a single family Unit shall contain no less than 2,000 finished square feet. Each residential dwelling constructed on a multi family Unit shall contain no less than 1,300 finished square feet. All setback requirements of the Design Review Board shall be observed at all times, and all dwellings shall be set back from the property lines a minimum of 20 feet in the front, 25 feet in the back, and 8 feet on the sides. Should there be any discrepancy between the back and front property or between right-of-way setbacks required by the Design Review Board and any current zoning regulations promulgated by the City, the City's zoning regulations shall control.

C. Regardless of the type of Improvements being constructed on a Unit, once construction has commenced it must be completed within twelve (12) months from the date construction commenced unless otherwise specified by the Declarant or in the approval from the Design Review Board or unless the Design Review Board grants an extension in writing for good cause shown, which it shall not be obligated to do. Within six (6) months from the completion of construction of the Improvements, if the Unit is not landscaped, the Owner of the Unit shall cause it to be landscaped in accordance with plans and specifications submitted to and approved by the Design Review Board. Completion of construction shall mean that a certificate of

occupancy has been issued by the appropriate governmental authorities, if applicable, and that the Design Review Board has certified that the Improvements are completed according to the approved plans and specifications. The Master Association Board may adopt a reasonable estimate of damages as liquidated damages for each day of delay in the completion of construction, which amount shall not exceed \$100 a day (in no event to exceed 20% of the purchase price of the Unit), and each Owner agrees to pay such amount as liquidated damages and a Special Assessment.

D. In the event the Owner fails to comply with his obligations to construct as set forth herein, and the Design Review Board has not granted an extension in writing, the Developer shall have the right to repurchase the Unit at the original purchase price at any time before construction begins, but shall not be obligated to do so. The repurchase of the Unit by Developer will cause the Owner's membership in the Golf Club to terminate at the time the Unit is transferred to Developer, and any membership fee paid by Owner shall be retained by Developer as liquidated damages and not a penalty, it being agreed that damages suffered by Seller in the event Owner fails to comply with his obligations and Developer repurchases the Unit are not readily ascertainable.

9.13. **Enforcement.**

A. In addition to other enforcement remedies set forth in this Declaration, the Master Association shall have enforcement rights with respect to any matters required to be submitted to and approved by the Design Review Board, and may enforce such by a proceeding at law or in equity. In addition, the Master Association shall have the authority to order an abatement of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the Design Review Board or if it does not conform to the plans and specifications submitted to the Design Review Board. Abatement of ongoing construction projects may be ordered by the Master Association by posting a Red Tag at the project site. No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation or commencement of a suit to enjoin such work. In no event will any construction be altered or demolished by the Master Association without a nonappealable judicial order approving such actions of the Master Association.

B. If the Owner fails to remedy any noncompliance of which notice has been given within thirty (30) days from the date of such notification, the Design Review Board may impose fines as set forth in Section 9.8(B) hereof.

C. Any Owner who has been issued a Notice of Noncompliance may request a hearing before the Master Association Board. At such hearing any interested person may present information relevant to the question of the alleged noncompliance. After considering all such information, the Master Association Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance is determined to exist, the Master Association Board shall require the Owner to remedy or remove the same within such period or within any extension of such period as the Master Association Board, at its discretion, may grant. If the Owner fails to take

corrective action after having a reasonable opportunity to do so, the Master Association Board, at its option, may either file a lien for Special Assessment, or pursue alternative dispute resolution or a civil action to remove the non-complying Improvement or remedy the noncompliance and the Owner shall reimburse the Master Association for all expenses, including reasonable attorneys' fees incurred in connection therewith upon demand. If such expenses are not properly repaid by the Owner to the Master Association, the Master Association Board shall recover such expenses through the levy of a Special Assessment against such Owner.

D. Under certain circumstances, self-help remedies in response to an Owner's continued noncompliance may not be appropriate or possible. In other circumstances, immediate resort to formal legal action may be necessary or appropriate to enjoin an Owner's failure to comply with a Red Tag order or to prevent irreparable harm. Legal action to enforce the provisions of this Declaration shall require the prior approval of the Master Association Board. If any legal proceeding is instituted to enforce any of the provisions of this Article, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the costs of such proceeding.

E. The approval by the Design Review Board of any plans, drawings or specifications or for any other matter requiring its approval or any waiver thereof, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval by the same or any other Owner.

ARTICLE 10. DESTRUCTION OR CONDEMNATION OF COMMON AREA OR FACILITIES

10.1. **General.** Damage to, destruction of or condemnation of all or any portion of the Common Area or Improvements shall be handled in the following manner.

10.2. **Damage by Owners.** Each Owner shall be liable to the Master Association for any damage to the Common Area or its Improvements not fully reimbursed to the Master Association by insurance if the damage is sustained because of the negligence, neglect, willful misconduct or unauthorized or improper installation or maintenance of any Improvement by the Constituent Association or its Guests, or the Owner or its Guests, or any other Persons deriving their right and easement of use and enjoyment of the Common Area or Improvements from the Constituent Association, the Owner, or their respective Guests. The Master Association reserves the right, after Notice and Hearing as provided in the Bylaws, to levy a Special Assessment equal to the increase, if any, in insurance premiums directly attributable to the damage caused by the Owner or Constituent Association. Each Constituent Association agrees to reasonably cooperate with the Master Association in obtaining reimbursement from such liable Owners upon written request. In the case of joint ownership of a Block or Unit, the liability of the Owners shall be joint and several.

10.3. **Repair of Damages.** Any portion of the Common Area for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Master Association unless:

A. The common interest community created by this Declaration is terminated, in which case the approval must first be obtained from Owners to which at least 67% of the votes in the Master Association are allocated, and from eligible mortgage holders holding liens on Units to which at least 67% of the votes in the Master Association are allocated;

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

C. There is a vote not to rebuild by Owners to which at least 80% of the votes in the Master Association are allocated and by eligible mortgage holders holding liens on Units to which at least 51% of the votes in the Master Association are allocated; or

D. Prior to the conveyance of any Block or Unit to a Person other than Declarant, the Mortgagee holding a Mortgage on the damaged portion of the Common Area rightfully demands all or a substantial part of the insurance proceeds.

The cost of repair or replacement of Common Area in excess of insurance proceeds and reserves is a Common Expense. If all the Common Area are not repaired or replaced, the insurance proceeds attributable to the damaged Common Area must be used to restore the damaged area to a condition compatible with the remainder of the Neighborhood, and except to the extent that other Persons will be distributees, the insurance proceeds must be distributed to all the Owners or Mortgagees, as their interests may appear, in proportion to the Allocated Interests of each Block or Unit.

10.4. **Condemnation.** If at any time all or any portion of the Common Area owned by the Master Association, or any interest therein, is taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the award in condemnation shall be paid to the Master Association. No Member (other than a Person on whose Block, Unit or Common Area easement affected by a condemnation may be located) shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation. The Master Association shall have the exclusive right to participate in such proceedings and shall, in its name alone, represent the interests of all Members. The Master Association Board immediately upon having knowledge of any taking by eminent domain of the Common Area, or any portion thereof, or any threat thereof, shall promptly notify all Owners.

ARTICLE 11. INSURANCE

11.1. **Duty to Obtain Insurance.** The Master Association shall cause to be obtained and maintained adequate comprehensive general liability insurance (including medical payments), with such limits as may be considered acceptable to FNMA (not less than \$1 million covering all claims for personal injury and property damage arising out of a single occurrence), insuring against liability for bodily injury, death and property damage arising from the activities of the Master Association and the Owners, and the activities of Constituent Associations, if any, to the extent such activities are delegated to the Master Association with respect to the Common Area and any other property under its jurisdiction. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths

of persons in connection with the operation, maintenance or use of the Common Area, legal liability arising out of lawsuits related to employment contracts of the Master Association, and such other risks as are customarily covered with respect to developments similar in construction, location and use (i.e., contractual and all-written contract insurance, employers liability insurance, comprehensive automobile liability insurance, etc.). The Master Association shall also cause to be obtained and maintained fire and casualty insurance with extended coverage, without deduction for depreciation, in an amount as near as possible to the full replacement value of the Improvements in the Common Area. Such insurance shall be maintained for the benefit of the Master Association, the Owners and the first Beneficiaries, as their interests may appear as named insured, subject, however, to loss payment requirements as set forth herein. The Master Association shall purchase such other insurance as necessary or appropriate, including without limitation errors and omissions, directors, officers and agents' liability insurance, plate glass insurance, medical payments insurance, fidelity bonds, workers' compensation and such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including the activities of the Design Review Board. Fidelity bond coverage, as set forth below, must be obtained, if reasonably available, by or on behalf of the Master Association for any Person handling funds of the Master Association, including, but not limited to, officers, directors, trustees and employees of the Master Association, whether or not such persons are compensated for their services. The aggregate amount of such fidelity bonds shall not be less than a sum equal to two months' aggregate Common Assessments on all Blocks and Units in the Property. Notwithstanding any other provision herein, the Master Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond, meeting the insurance and fidelity bond requirements established by FNMA, GNMA and FHLMC, as applicable, so long as any such entity is an Owner, or is a Beneficiary, guarantor or insurer of a first lien Mortgage on, a Block or Unit in the Property and has filed with the Master Association Board a written request that the Master Association conform with such insurance requirements, except to the extent such coverage is not available or has been waived in writing by such entity. Certificates of insurance shall be issued to each Owner and first lien Beneficiary upon written request.

11.2. Waiver of Claims Against Master Association. As to all policies of insurance maintained by or for the benefit of the Master Association and the Owners, the Master Association and the Owners hereby waive and release all claims against one another, the Master Association Board, and Declarant, to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of such persons.

11.3. Notice of Expiration Requirements. If reasonably available, all of the policies of insurance maintained by the Master Association shall contain a provision that such policy or policies shall not expire nor be canceled, terminated or materially modified without at least thirty (30) days prior written notice to the Master Association Board, Declarant, and those Beneficiaries, guarantors or insurers of first lien Mortgages and Owners who have filed a written request with the carrier for such notice, and every other Person having an interest in the Property who requires such notice of the insurer.

11.4. **Insurance Premiums.** Insurance premiums for any insurance coverage obtained by the Master Association and any other insurance deemed necessary by the Master Association Board shall be a Common Expense to be included in the Common Assessments levied by the Master Association and collected from the Owners.

11.5. **Trustee for Policies.** The Master Association, acting through its Master Association Board, is hereby appointed and shall be deemed trustee of the interests of all Owners under policies of insurance purchased and maintained by the Master Association. All insurance proceeds under any such policies shall be paid to the Master Association Board as trustee. Insurance proceeds shall be used by the Master Association for the repair or replacement of the property for which the insurance was carried. The Master Association Board is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. By majority vote of the Master Association Board, the President of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all the named insureds. Notwithstanding the foregoing, the Master Association Board may select and name as an insured a representative, including a trustee with whom the Master Association may enter into an insurance trust agreement or any successor to such trustee, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

11.6. **Actions as Trustee.** Except as otherwise specifically provided in this Declaration, the Master Association Board, acting on behalf of the Association and all Owners, shall have the exclusive right to bind such parties as to all matters affecting insurance carried by the Master Association, the settlement of a loss claim, and the surrender, cancellation, and modification of all such insurance.

11.7. **Periodic Insurance Review.** The Master Association Board shall periodically review the insurance carried by or on behalf of the Master Association for the purpose of determining the adequacy of the amount of the insurance.

11.8. **Required Waiver.** All policies of physical damage insurance shall provide, if reasonably possible, for waiver of the following rights to the extent that the respective insurers would have the rights without such waivers:

A. **Subrogation.** Subrogation of claims against the Owners, Guests, and officers and directors of the Master Association.

B. **Co-Insurance.** Any defense based upon coinsurance.

C. **Set-Off.** Any right of setoff, counterclaim, apportionment, proration or contribution by reason of other insurance carried by the Master Association.

D. **Neglect.** Any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Master Association, any Owner or any Guest, or

arising from any act, neglect or omission of any named insured or the respective agents, contractors and employees of any insured.

E. **Right to Rebuild.** Any right of the insurer to repair, rebuild or replace, and, if the Improvement is not repaired, rebuilt or replaced following loss, any right to pay under the insurance an amount less than the replacement value of the Improvements insured.

F. **Notice of Owner Assignment.** Notice of the assignment of any Owner of his interest in the insurance by virtue of a conveyance of any Block or Unit.

G. **Assignment of Mortgage.** Any right to require any assignment of any Mortgage to the insurer.

11.9. **Owner's Insurance.** Each Owner shall maintain such insurance as he deems advisable with respect to his individual Block or Unit and the Improvements thereon. The Master Association shall not have responsibility for repair or replacement of the Improvements on any Block or Unit that are not Common Elements (as defined in CCIOA)

ARTICLE 12. PROTECTION OF BENEFICIARIES

12.1. **Mortgage Permitted.** Any Owner may encumber his Block or Unit with a Mortgage.

12.2. **Curing Defaults.** A Beneficiary who acquires title by foreclosure or deed in lieu thereof shall not be obligated to cure any breach of the provisions of this Declaration that occurs before such Beneficiary's acquisition of title. Any such liens for Common Expense Assessments payable before the foreclosure sale or deed in lieu thereof shall be automatically extinguished to the extent of the Assessments which became delinquent prior to the six-month period immediately preceding the institution of foreclosure proceedings or deed in lieu thereof. Neither shall a Beneficiary who acquires title by foreclosure or deed in lieu thereof be obligated to cure any breach of the provisions of this Declaration that is non-curable or of a type which is not practical or feasible to cure. The determination of the Master Association Board made in good faith as to whether a breach is non-curable or not feasible to cure, shall be final and binding on all Beneficiaries.

12.3. **Special Provisions for Owners and Eligible Mortgage Holders.** As used in this Article, an "eligible" Mortgage holder, insurer or guarantor is one who has requested notice in accordance with this Article. The following provisions are imposed for the benefit of Owners and eligible Mortgage holders:

A. Any restoration or repair of any Common Area, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with this Declaration and in a quality at least comparable to the original plans and specifications, unless other action is approved by eligible holders holding Mortgages on Blocks or Units which have at least 51% of the votes of Blocks and Units subject to eligible holder Mortgages.

B. Any election to terminate the Declaration after substantial destruction or a substantial taking in condemnation of the Property requires the approval of Owners to which at least 67% (75% during the period of Declarant Control) of the votes in the Master Association are allocated.

C. No reallocation of interests in the Common Area resulting from a partial condemnation or partial destruction of the Neighborhood may be effected without the prior approval of eligible holders holding Mortgages on all remaining Blocks or Units whether existing in whole or in part, and which have at least 51% of the votes of such remaining Blocks and Units subject to eligible holder Mortgages.

D. Except as otherwise provided in subsections (A), (B) and (C) of this section:

(1) The consent of Owners of Blocks or Units to which at least 67% of the votes in the Master Association are allocated and the approval of eligible holders holding Mortgages on Blocks or Units which have at least 67% of the votes of Blocks or Units subject to eligible holder Mortgages, shall be required to terminate the Declaration.

(2) The consent of the Owners of Blocks or Units to which at least 67% of the votes in the Master Association are allocated and the approval of eligible holders holding Mortgages on Blocks or Units which have at least 51% of the votes of Blocks or Units subject to eligible holder Mortgages, shall be required to add or amend any material provisions of this Declaration, the Articles or the Bylaws, which permit, prohibit, establish, provide for, govern or regulate any of the following:

- a. Voting rights;
- b. Insurance or fidelity insurance requirements;
- c. Rights to use of the Common Area;
- d. Responsibility for maintenance and repair of the Property;
- e. Expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property;
- f. The interests in the Common Area;
- g. The boundaries of any Block or Unit;
- h. Convertibility of Blocks or Units into Common Area or of Common Area into Blocks or Units;

- i. Leasing of Blocks or Units;
- j. Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Block or Unit;
- k. Any provisions which are for the express benefit of Mortgage holders, eligible Mortgage holders or eligible insurers or guarantors of first lien Mortgages on Blocks or Units;
- l. Increase Assessments that raise the previously assessed amount by more than 25%, or change the extent of Assessment liens, or the priority of Assessment liens; and
- m. Reduce reserves for maintenance, repair and replacement of Common Elements (as defined in CCIOA).

If, eligible Mortgage holders or eligible insurers or guarantors who are so notified do not respond within the time provided in the letter or thirty (30) days, whichever is longer, then such failure to respond shall be deemed to be the consent of such person or entity to the actions specified in the notice.

12.4. Notice to First Beneficiaries Upon Request. Upon written request to the Master Association identifying the name and address of the holder, insurer or guarantor and the Block or Unit number or address, the holder of any first lien Mortgage and the insurer or guarantor of a first lien Mortgage will be entitled to timely written notice of:

A. Any condemnation loss or any casualty loss which affects a material portion of the Common Area or any Block or Unit on which there is a first lien Mortgage held, insured or guaranteed by such first lien Mortgage holder, insurer or guarantor;

B. Any delinquency in the payment of assessments, fees or charges owed by an Owner of a Block or Unit subject to a first lien Mortgage held, insured or guaranteed by such holder, insurer or guarantor, which remains uncured for a period of sixty (60) days;

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

D. Any proposed action which would require the consent of a specified percentage of Beneficiaries as specified above.

12.5. Right to Inspect, Receive Statements, Attend Meetings.

A. All Owners and all holders, insurers or guarantors of any first lien Mortgage shall be entitled to inspect current copies of the Restrictions and the books, records and financial statements of the Master Association. Such inspection shall be upon request, during normal business hours or under other reasonable circumstances.

B. All holders, insurers or guarantors of a first lien Mortgage shall be entitled, upon written request, to have the annual financial statement for the immediately preceding fiscal year of the Master Association, subject to a reasonable charge as determined by the Master Association Board to the party so requesting. Such financial statement shall be furnished within a reasonable time following such request.

C. Any first lien Beneficiary shall, upon written request to the Master Association, be entitled, subject to a reasonable charge as determined by the Master Association Board to receive written notice of all annual and special meetings of the Members, and first Beneficiaries shall further be entitled to designate a representative to attend all such meetings; provided, however, nothing contained in this section shall give a first lien Beneficiary the right to call a meeting of the Master Association Board or of the Members for any purpose or to vote or speak at any such meeting.

12.6. **Conflicts.** In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

12.7. **Beneficiary's Right to Cure Defaults.** First Beneficiaries of Blocks or Units may, jointly or singly, pay charges which are in default and which may or have become a lien against any Common Area owned by the Master Association and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area, and first Beneficiaries making such payments shall be owed immediate reimbursement therefor from the Master Association.

ARTICLE 13. ANNEXATION

13.1. **Annexations.** In Section 3.1.G., Declarant reserved the right to add unspecified real estate to the Property. Furthermore, Additional Property Owners may opt to add their Additional Property to the Property by consent. No Additional Property Owner shall have any obligation to add their Additional Property to the Property. Such expansion property may be annexed to and made subject to this Declaration by any of the methods hereinafter set forth.

13.2. **Conveyances of Common Area.** Fee simple title to any Common Area within the Annexed Property to be owned by the Master Association shall be conveyed to the Master Association free and clear of any and all encumbrances and liens, other than current real property taxes (which taxes shall be prorated to the date of transfer) and any liens, rights-of-way, reservations, easements, covenants, conditions and restrictions and other encumbrances then of record and disclosed on a preliminary title report or survey for the Annexed Property which is approved by the Master Association prior to annexation.

13.3. **Annexation Declaration.** The annexations authorized hereunder shall be made by recording with the Clerk and Recorder in the County a Declaration of Annexation, or other similar instrument, with respect to the additional real property which shall be executed by Declarant or Additional Property Owner thereof and shall extend this Declaration to such real property. The filing of record of the annexation declaration shall constitute and effectuate the annexation of the additional real property described therein, and thereupon the additional real property shall become and constitute a part of the Neighborhood, become subject to this Declaration and encompassed within the general plan and scheme of the covenants, conditions and restrictions contained herein, and become subject to assessment by the Master Association and to the functions, powers and jurisdiction of the Master Association, and the Owners of Blocks and Units in the additional real property shall automatically become Members of the Master Association.

The Declaration of Annexation may contain such additions and modifications of the covenants, conditions and restrictions contained in the Declaration as may be necessary to reflect the different character, if any, of the added real property, or as Declarant may deem appropriate in the development of such real property, and as are not inconsistent with the general plan and scheme of this Declaration. In no event, however, shall such Declaration of Annexation revoke, modify or add to the covenants, conditions and restrictions established by this Declaration as the same pertain to the Property.

13.4. **Annexation and Amendment.** Declarant has the right, at its sole option, to remove from the Property any property described herein or in a recorded Declaration of Annexation by executing and recording a Withdrawal of Property, so long as no Block or Unit in the annexed property has been conveyed to an Owner. If Common Area in such annexed property has been conveyed to the Master Association, then in the event of a withdrawal, such Common Area shall be conveyed back to the annexing party promptly after the rescission.

13.5. **Effect of Annexation.** The recordation of a Declaration of Annexation shall constitute and effectuate the annexation of the annexable property described therein, and thereupon the annexable property shall become and constitute a part of the Dedicated Property, and be subject to, and encompassed within, the general plan and scheme of this Declaration. Blocks and Units within the annexed property shall thereupon become subject to assessment by the Master Association and to the functions, powers and jurisdiction of the Master Association, and the Owners of Blocks and Units within the annexed real property shall automatically become Members of the Master Association.

ARTICLE 14. GENERAL PROVISIONS

14.1. **Constituent Association Enforcement/Owner Enforcement.** Any Constituent Association that may be formed within the Property shall, at no cost to such Constituent Association, cooperate with the Master Association in enforcing the provisions of this Declaration. Each Owner shall have the right to seek enforcement of the provisions of this Declaration.

14.2. **Alternative Dispute Resolution.** In the event of any dispute involving the Master Association and an Owner, the Owner is invited and encouraged to meet with the Master Association Board to resolve the dispute informally and without the need for litigation. If the Owner requests to meet with the Master Association Board, the Master Association Board shall make a reasonable effort to comply with the Owner's request.

Any controversy between the Master Association and an Owner may be submitted to mediation by either party to the controversy prior to the commencement of any legal proceeding.

If for whatever reason the dispute is not settled after a meeting between an Owner and the Master Association Board, parties are encouraged to undertake alternative dispute resolution procedures under the Colorado Dispute Resolution Act, C.R.S. §13-22-301 et. seq.

Either party to the mediation may terminate the mediation process without prejudice. An agreed upon mediation agreement, if one is reached, may be presented to the court as a stipulation for the purpose of court enforcement. If either party subsequently violates an agreed upon stipulation, the other party may apply immediately to the court for relief.

14.3. **Severability.** Invalidity of any one of these conditions, covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

14.4. **Term.** The conditions, covenants and restrictions of this Declaration shall run with and bind the land, for a term of sixty (60) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless extinguished by a written instrument executed by at least 90% of the voting rights of the Owners of Blocks or Units and such instrument is recorded in the County.

14.5. **Amendment.** Except as otherwise specifically provided in this Declaration, this Declaration may be amended as provided in this Section.

A. **By Declarant.** Prior to the first transfer of title to a Block or Unit to an Owner, the provisions of this Declaration may be amended or terminated by recordation of a written instrument signed by Declarant setting forth such amendment or termination. Notwithstanding any other provisions of this Declaration, for so long as Declarant owns any portion of the Property, Declarant may unilaterally amend this Declaration (i) to conform this Declaration to the requirements of FNMA, GNMA or FHLMC, or local laws or ordinances then in effect, or (ii) in connection with annexation of an additional portion of the Property, by recording a written instrument signed solely by Declarant.

B. **By Members.** This Declaration may be amended by recordation of a Certificate, signed and acknowledged by two officers of the Master Association, setting forth the amendment and certifying that such amendment has been approved by (1) Owners of Blocks or Units to which a majority of the votes in the Master Association are allocated, (2) the requisite percentage of holders of first Beneficiaries as set forth above, in the case of those amendments

which this Declaration requires to be approved by first Beneficiaries, and such an amendment shall be effective upon recordation. However, if any provision of this Declaration requires a greater or lesser percentage of the votes of the Members, or subject to the approval of the Declarant or Golf Club Owner in order to take affirmative or negative action under such provision, the same percentage of the votes of such Members or the approval of Declarant or Golf Club Owner, as the case may be, shall be required to amend or revoke such provision.

C. **Approval of First Beneficiaries.** Any approval by a holder of a first lien Mortgage required under any provisions of this Declaration, shall be given in writing, or shall be deemed to have been given if, within thirty (30) days after receipt of written notice of the proposed action sent via registered or certified mail, return receipt requested, said holder does not submit a written response.

14.6. **Certification.** A certificate, signed and acknowledged to by two officers of the Master Association that Members representing the required number of votes have voted for any amendment adopted as provided above, when recorded, shall be conclusive evidence of that fact. The certificate reflecting any termination or amendment requiring Declarant's consent shall be signed and acknowledged by Declarant. The Master Association shall maintain in its files the record of all such votes and Beneficiary consent solicitations and responses thereto for a period of at least six (6) years.

14.7. **CCIOA Provisions Apply.** To the extent not permissibly changed by the terms of this Declaration, all provisions of CCIOA apply, even though not specifically described in this Declaration

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IN WITNESS WHEREOF, the undersigned, being two officers of the Master Association, hereby certify that the foregoing Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for The Bridges at Black Canyon was approved by the

Owners of Blocks or Units to which a majority of the votes in the Master Association are allocated. This Declaration shall be effective upon recordation.

Done this 13 day of JUNE, 2011.

The Bridges at Black Canyon Owners Association, Inc.
A Colorado nonprofit corporation

By: [Signature], President

By: [Signature], Vice President

STATE OF COLORADO)
County of MONTROSE) ss.

The foregoing instrument was acknowledged before me this 13th day of June, 2011, by LAIRD LONDON, and GAYLA R. BORRELLE, in their capacity as PRESIDENT and VICE PRESIDENT of The Bridges at Black Canyon Owners Association, Inc..

Witness my hand and official seal.
My commission expires: 11-17-2014



[Signature]
Notary Public

EXHIBIT A
(Legal Description of Dedicated Property)

Filing 1

Lot 101A, Melody Rose Subdivision
Lot 101B, Melody Rose Subdivision
Lot 102A, Melody Rose Subdivision
Lot 102B, Melody Rose Subdivision
Lot 102C, Melody Rose Subdivision
Lot 103A, Melody Rose Subdivision
Lot 103B, Melody Rose Subdivision
Lot 103C, Melody Rose Subdivision
Lot 104A, Melody Rose Subdivision
Lot 104B, Melody Rose Subdivision
Lot 107A, Melody Rose Subdivision
Lot 107B, Melody Rose Subdivision
Lot 107C, Melody Rose Subdivision
Lot 108A, Melody Rose Subdivision
Lot 108B, Melody Rose Subdivision
Lot 109A, Melody Rose Subdivision
Lot 109B, Melody Rose Subdivision
Lot 111A, Melody Rose Subdivision
Lot 111B, Melody Rose Subdivision
Lot 112A, Melody Rose Subdivision
Lot 112B, Melody Rose Subdivision
Lot 112C, Melody Rose Subdivision

Filing 2

Lot 1201, Eagle Landing Planned Development Filing No. 2
Lot 1202, Eagle Landing Planned Development Filing No. 2
Lot 1203, Eagle Landing Planned Development Filing No. 2
Lot 1204, Eagle Landing Planned Development Filing No. 2
Lot 1205, Eagle Landing Planned Development Filing No. 2
Lot 1206, Eagle Landing Planned Development Filing No. 2
Lot 1222, Eagle Landing Planned Development Filing No. 2
Lot 1229, Eagle Landing Planned Development Filing No. 2
Lot 1230, Eagle Landing Planned Development Filing No. 2
Lot 1231, Eagle Landing Planned Development Filing No. 2
Lot 1236, Eagle Landing Planned Development Filing No. 2
Lot 1237, Eagle Landing Planned Development Filing No. 2
Lot 1238, Eagle Landing Planned Development Filing No. 2
Lot 1239, Eagle Landing Planned Development Filing No. 2

Filing 4

- Lot 1209, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1210, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1211, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1212, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1213, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1214, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1216, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1217, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1218, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1219, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1220, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1221, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1223, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1224, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1225, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1226, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1227, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1228, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1232, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1233, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1234, Black Canyon Ranch Golf Community Filing No. 4
- Lot 1235, Black Canyon Ranch Golf Community Filing No. 4

Bridges PD

A tract of land, containing 339.91 acres, situated in the SW1/4 SW1/4, SE1/4 SW1/4, and SW1/4 SE1/4 of Section 35, T49N, R9W, N.M.P.M.; and in Section 3, T48N, R9W, N.M.P.M., more particularly described as follows:

Beginning at the SW 1/16 corner of said Section 35, thence N89°54'31"E, 300' to a point on the westerly right-of-way of Pavilion Drive of Eagle Landing Planned Development Filing. 1; thence following said right-of-way along a curve turning to the right with an arc length of 197.05', with a radius of 360.00', with a chord bearing of S15°36'11"W, with a chord length of 194.60'; thence S31°17'03"W, 103.19'; thence leaving said right-of-way S58°42'57"E, 80.00' to the easterly right-of-way of Pavilion Drive; thence along a curve turning to the left with an arc length of 14.93', with a radius of 360.00', with a chord bearing of S30°05'47"W, with a chord length of 14.92'; thence leaving said right-of-way of Pavilion Drive and following the south boundary line of Eagle Landing Planned Development Filing. 1, N89°54'31"E, 966.25'; thence S67°11'36"E, 75.32'; thence S74°42'55"E, 210.37'; thence N85°46'27"E, 121.53'; thence N78°12'17"E, 50.00'; thence N69°50'11"E, 307.01'; thence N89°44'37"E, 157.73'; thence leaving the south boundary of said Filing 1 S00°45'10"E, 200.01'; thence S29°16'17"W, 229.42'; thence S28°34'35"W, 113.94'; thence S13°50'12"W, 103.02'; thence S15°23'05"E, 159.99'; thence S55°18'04"E, 482.20' to a point on the section line common to said Sections 35 and 3; thence N89°51'36"E, 286.56' to the East 1/16 corner of said Section 35; thence N89°51'36"E, 859.75' to the Northeast corner of U.S. Government Lot 2 of said Section 3; thence S00°08'29"W, 706.99' to the Northeast corner of U.S. Government Lot 7 of said Section 3; thence S00°08'29"W, 1315.25' to the Northeast corner of U.S. Government Lot 10 of said Section 3; thence S 00°08'29"W, 201.64' to the Northeast corner of Black Canyon Ranch Golf Community Filing 4; thence following said boundary of Filing. 4 N65°20'15"W, 59.35'; thence N56°00'13"W, 108.78 ' ; thence N66°33'55"W, 131.71'; thence N90°00'00"W, 105.03'; thence S02°17'21"W, 625.36' to a point on the boundary of Eagle Landing Planned Development Filing 2; thence following said boundary of Filing 2 S53°48'55"W, 458.22'; thence S50°54'01"W, 79.79'; thence S 89°38'28"W, 280.00'; thence S00°20'12"E, 309.21' to a point on the south lot line of U.S. Government Lot 10 of said Section 3; thence leaving said boundary of said Filing 2 and along said lot line, S89°44'07"W, 261.04'; thence along the south lot line of U.S. Government Lot 11 of said Section 3, S89°41'53"W, 1135.33'; thence leaving said lot line N00°06'21"W, 208.71'; thence S89°41'53"W, 208.71' to a point on the west lot line of U.S. Government Lot 11 of said Section 3; thence along said lot line N00°06'21"W, 1179.79' to the northwest corner of said Lot 11; thence leaving said lot line N00°06'21"W, 28.80'; thence N89°43'13"E, 232.23'; thence N04°07'01"W, 74.52'; thence N47°25'17"W, 595.52'; thence S21°38'09"W, 35.04'; thence S17°00'42"W, 192.75'; thence S22°34'34"W, 283.16'; thence S89°59'39"E, 389.65'; thence 00°06'21"E, 28.80 to the northwest corner of said Lot 11; thence N89°59'39"W, 1349.33' along the south line of U.S. Government Lot 5 of said Section 3; thence leaving said lot line and following the west lot line of U.S. Government Lot 5 of said Section 3 N00°19'58"W, 314.96'; thence leaving said lot line and following the courses of said Lot 2 of Vista San Juan Filing 8 N86°09'41"W, 529.05'; thence N00°00'00"E, 346.86'; thence N62°14'08"E, 188.22; thence N74°45'32"E, 151.71'; thence S84°15'21"E, 213.20'; thence leaving said Lot 2 N00°19'51"W, 1213.23' to the Northwest corner of said Section 3; thence following along the north line of said Section 3 N89°59'06"E, 114.19'; thence leaving said section line N00°16'40"W, 205.43'; thence N89°26'42"W, 208.73'; thence

N00°20'54"W 207.32'; thence S89°42'22"W, 208.30'; thence S00°12'23"E, 417.48' to a point on the south line of said Section 35; thence along the south line of said Section 35 S89°44'10"W, 465.32' to the Southwest corner of said Section 35; thence N00°22'06"E, 1322.77' along the west line to the Northwest corner of said SW1/4 SW1/4 of Section 35; thence N89°55'08"E, 1333.15' along the north line to the Northeast corner of said SW1/4 SW1/4 of Section 35 which is the point of beginning.

The following lots and blocks are to be located within the above described property:

Lots 501-512 inclusive, Block 500, The Bridges at Black Canyon Planned Development
Block 600, The Bridges at Black Canyon Planned Development
Lots 701-708 inclusive, Block 700, The Bridges at Black Canyon Planned Development
Lots 801-805 inclusive, Block 800, The Bridges at Black Canyon Planned Development
Lots 901-915 inclusive, Block 900, The Bridges at Black Canyon Planned Development
Block 1000, The Bridges at Black Canyon Planned Development
Block 1100, The Bridges at Black Canyon Planned Development
Block 1100A, The Bridges at Black Canyon Planned Development
Block 1300, The Bridges at Black Canyon Planned Development
Lots 1401-1416 inclusive, Block 1400, The Bridges at Black Canyon Planned Development
Block 1500, The Bridges at Black Canyon Planned Development
Lots 1601-1616 inclusive, Block 1600, The Bridges at Black Canyon Planned Development
Lots 1701-1712 inclusive, Block 1700, The Bridges at Black Canyon Planned Development
Block 1800, Block 1800, The Bridges at Black Canyon Planned Development
Lots 1901-1939 inclusive, Block 1900, The Bridges at Black Canyon Planned Development
Lots 2000-2016 inclusive, Block 2000, The Bridges at Black Canyon Planned Development
Block 2100, The Bridges at Black Canyon Planned Development
Block 2200, The Bridges at Black Canyon Planned Development
Lots 2301-2315 inclusive, Block 2300, The Bridges at Black Canyon Planned Development
Lots 2401-2412 inclusive, Block 2400, The Bridges at Black Canyon Planned Development
Lots 2501-2515 inclusive, Block 2500, The Bridges at Black Canyon Planned Development
Lots 2601-2624 inclusive, Block 2600, The Bridges at Black Canyon Planned Development
Lots 2701-2718 inclusive, Block 2700, The Bridges at Black Canyon Planned Development
Lots 2801-2814 inclusive, Block 2800, The Bridges at Black Canyon Planned Development
Lots 2901-2915 inclusive, Block 2900, The Bridges at Black Canyon Planned Development
Lots 3001-3023, inclusive, Block 3000, The Bridges at Black Canyon Planned Development
Block 3100, The Bridges at Black Canyon Planned Development

EXHIBIT B
(Easements and Licenses of Record)

1. Easements as disclosed by plats recorded August 3, 1996 in Plat Book 12 at Page 1594; May 28, 1998 in Book 13 at Page 225; and August 29, 2001 at Reception Nos. 678028 and 678029.
2. Easements and rights of way arising from or created by membership in, applications to or contracts with the Uncompahgre Valley Users Water Association, the Southeast Sewer District, Shavano Soil Conservation District and The Tri-County Water Conservancy District.
3. Rights of way for existing roads, ditches, flumes, pipes, power lines and easements.
4. Right of way for the Krebs Ditch, as disclosed by instrument recorded February 7, 1890 in Book 33 at Page 374; the Cedar Park Ditch, recorded December 23, 1914, and the Highline Ditch.
5. Easement granted to the City of Montrose, Colorado, as set forth in Deed of Easement recorded November 17, 1998, in Book 985 at Page 430.
6. Easement granted to the City of Montrose, Colorado, as set forth in Deed of Easement recorded February 20, 2002 at Reception No. 690872.
7. All easements shown on the Filing 1 Plat, Filing 2 Plat, Filing 4 Plat and Bridges PD.

EXHIBIT C
(Common Area to be Owned by Master Association)

1. Entry improvements, including landscaping, walls, signage and associated improvements.
2. Perimeter fences and walls around the outside boundary of the Neighborhood.
3. Common areas that are pedestrian paths and parking areas, including associated landscaping, lighting and signage.
4. Common areas that are open space, parks or greenbelts, including associated landscaping, lighting and signage.
5. Such other Improvements and Common Area as may be conveyed to or built by the Master Association from time to time.