

DECLARATION OF PROTECTIVE COVENANTS

CURECANTI TOWNHOMES

May 8, 2001

Prepared by: Wilderson, O'Hayre & Dawson, P.C. 120 N. Taylor Street Gunnison, CO 81230 (970) 641-3326



TABLE OF CONTENTS

CREATIC	N OF CURECANTI TOWNHOMES
1.1	Ownership of Property
1.2	Intention
1.3	S Statement of Purpose
1.4	Declaration of Protective Covenants
1.5	Colorado Common Interest Ownership Act
	<u>ONS</u>
2.1	"Act"
2.2	"Association"
2.3	"Association Documents" -1
2.4	"Common Elements" :: · · · · · · · · · · · · · · · · · ·
2.5	"Common Expense"1
2.6	"Common Wall" : : : : : : : · · · · · · · · · · · ·
2.7	"Declarant" ::::::::::::::::::::::::::::::::::::
2.8	"Declaration" ::::::::
2.9	"First Security Interest" :
2.1	0 <u>"Improvements" :::::::</u>
2.1	1 <u>"Individual Residence"</u> · · · · · · · · · · · · · · · · · · ·
2.1	2 <u>"Landscaping"</u> ::::::::
2.13	
2.1	4 "Owner" or "Lot Owner" -2
2.1	
2.10	6 <u>"Plat"</u>
2.1	7 <u>"Project"</u> :::::::
2.18	3 <u>"Property"</u> ::::::
2.19	"Security Interest"
DLAT	2-
<u>PLA1</u> 3.1	
3.1	Interpretation -2
3.2	Interpretation
DESCRIP'	TION OF LOT -2
4.1	Legal Description -2
4.2	Amendments -3
4.3	Sufficiency -3
COMMON	WALL
5.1	Terms and Conditions -3-
5.2	Rights of Association in Common Wall
5.3	Negligence of Owner -3-

6.	TERM OF C	OWNERSHIP	-3-
7.	RESIDENTI	AL USE AND OCCUPANCY	-3-
8.	USE AND N	MAINTENANCE REQUIREMENTS	-4-
o .	8.1	Excavation	-4-
	8.2	Electrical, Telephone and Utility Services	
	8.3	Signs	
	8.4	Drainage	
	8.5	Temporary Structures	
	8.6	Trash	
	8.7	Abandoned or Inoperable Vehicles	
	8.8	Noise	
	8.9	Nuisance	
	8.10	Hazardous Activities	-4-
	8.11	Exterior Addition or Alteration	-5-
	8.12	Exterior Color	- 5-
	8.13	Exterior Mounted Devices	-5-
	8.14	Incinerators	-5-
	8.15	Storage	-5-
	8.16.	Landscaping	-5-
			_
		Weed Management and Control	
	8.18.	<u>Ditch Easement</u> .	-5-
9.	ALTERATIO	ON OF LOTS	5
J.	ALILIANO	<u> </u>	-0-
10.	DESIGN GU	IDELINES	-6-
	10.1	Board.	
	10.2	Intent	
	10.3	Other Laws	
	10.4	Authority of Design Review Board	
	10.5	Building Construction	
	10.6	Architecture.	-6-
	10.7	Drainage	-6-
	10.8	Driveways and Sidewalks	-6-
	10.9	Parking	-6-
	10.10	Exterior Siding	-6-
	10.12	Walls, Ceilings, Windows and Insulation	-6-
	10.13	<u>Colors</u>	·7 -
	10.14	Exterior lighting	·7-
	10.15.	Floor Area	7-
	10.16.	Building Height	7-

	10.17. Additional Standards
	10.18. Fences and Barriers.
	10.19 Construction Period
	10.20. Reclamation
	10.21. Architectural Control
	10.22. Conformity to Approved Plat
	10.23 Number of Lots
	10.24. <u>Future Ownership</u>
	10.25. Liability of Declarant. The
	10.26. <u>Wood Stoves</u>
11.	<u>ANIMALS</u>
	11.1 Dogs and Cate
	11.2 Other Animals and Pets
	11.3 Impoundment of Animals8
40	-6
12.	12.1 Maintenance and Repair as a Common Expense
	عـ <u>Maintenance and Repair as a Common Expense</u>
	400 landa anima and langua Deigengera
	12.2 Landscabing and Lawns; Driveways
	12.4 <u>Damages</u>
	12.5 Restoration
13.	KELUCATION OF BOUNDARIES BETWEEN LOTS9
14.	RESERVATION FOR ACCESS, MAINTENANCE, REPAIR AND EMERGENCIES;
14.	EASEMENT OVER COMMON ELEMENTS9
	14.1 Right of Access9
	14.2 <u>Damages</u>
	14.3 Restoration
	14.4 Easement Over Common Elements
	Lacomon Diametrica Common Light Common Commo
15.	ASSESSMENTS AND TAXATION10
16.	ASSOCIATION AS ATTORNEY-IN-FACT10
17.	AMENDMENT OF DECLARATION
17.	17.1 Amendment
	17.2 Recording
	17.3 Execution of Amendment
	17.4 Percentage Vote of First Security Interest Holders10
	17.5 Junior Security Interest
	17.6 Reservation by Declarant



18.	TERMINA	<u> TION OF THE PROJECT</u>	11-
	⁹ 8.1		11-
	⁴ 8.2		
	⁴ 8.3		
	8.4	Powers of Association	11-
19.	CURECAN	ITI TOWNHOMES ASSOCIATION	11-
20.	POWERS A	AND DUTIES OF ASSOCIATION	-11-
21.	ADMINIST	RATION AND MANAGEMENT BY THE ASSOCIATION	-12-
	21.1	Association as Attorney-in-Fact	
	21.2		
	21.3		
	21.4	Membership	-12-
	21.5		
	21.6		
	21.7		
	21.8		
22.	ASSESSMI	ENT FOR COMMON EXPENSES BY THE ASSOCIATION	10
	22.1	Payment of Assessments	12
	22.2	Apportionment	-13- -13-
	22.3	Special Apportionment of Certain Assessments and Expenses	-13-
00	AMOUNT		
23.		DE ASSESSMENTS FOR COMMON EXPENSES	-13-
	23.1	Determination of Assessments	
	23.2	Budget	-13-
	23.3 23.4	Liability for Assessments	-13-
	23.4	No Waiver	-13-
	23.6	Payment of Utilities	-13-
	23.7	Reserve Funds	-14-
	23.1	Special Assessments	-14-
24.	TIME OF PA	AYMENTS OF ASSESSMENTS FOR COMMON EXPENSES	-14-
	24.1	Fiscal Year	-14-
	24.2	Payable Monthly	-14-
	24.3	<u>vvritten Notice</u>	-14-
	24.4	Late Charges and Interest	-14-
25.	LIEN FOR N	ONPAYMENT OF ASSESSMENTS.	-14
	25.1	Lien for Assessment	-14-
	25.2	Priority of Lien	-14-
	25.3	Nouce of Lien	-15-
	25.4	Enforcement of Lien	



	25.5	Payment by Holder of Security Interest	-15-
26.	LOT OWNE	RS' OBLIGATION FOR PAYMENT OF ASSESSMENTS	-15-
27.	STATEMEN	T OF ASSESSMENT	-15-
	27.1	Written Statement of Assessments	-15-
	27.2	Joint Liability	-15-
28.	LIMITATION	OF MECHANIC'S LIEN RIGHTS AND INDEMNIFICATION	-15-
	28.1	No Lien on Common Elements	-15-
	28.2	<u>indemnification</u>	-16-
29.	SECURITY I	NTEREST IN LOT	- 16-
30.	INSURANCE		-16-
	30.1	Required Insurance by Association	
	30.2	Property Insurance	-16-
	30.3	General Liability Insurance	
	30.4	Workman's Compensation Insurance	-16-
	30.5	Flood Insurance	
	30.6	Fidelity Insurance	-16-
	30.7	Additional Insurance	-16-
	30.8	Insurance Not Available	-17-
	30.9	Special Provisions	-17-
	30.10		-17-
	30.11	Insurance by Lot Owners	-17-
	30.12	Insurance Responsibility of Lot Owner	-17-
	30.13	Certificate of Insurance	
31.	DAMAGE OF	R DESTRUCTION TO CURECANTI TOWNHOMES	-17 -
•	31.1		-17-
	31.2	Rebuild and Replace	-18-
	31.3	Insurance Proceeds	
	31.4	Insurance Proceeds Insufficient	-18-
	31.5	Assessments Not Abated	
	31.6	Election Not to Repair	-18-
32.	OBSOLESCI	ENCE OF CURECANTI TOWNHOMES	-18-
	32.1	Obsolescence · · · · · · · · · · · · · · · · · · ·	-18-
	32.2	Plan of Renewal	-18-
33.		<u>TION</u>	
JJ.		<u>Lot</u>	
	33.2	Part of a Lot	-19-
	00. <u>2</u>	<u> </u>	-19-

512278 07/09/2001 05:00P 135 7 of 33 R 165.00 D 0.00 N 0.00 Gunnison County

	33.3 33.4		
34.	PROPERT	Y FOR COMMON USE	-19
35.	REGISTRAT	ION BY LOT OWNER OF MAILING ADDRESS	-19
	35.1	Single Address for Mailing	-19
36.	ADDITION	AL RIGHTS OF HOLDERS OF FIRST SECURITY INTEREST.	-19
	36.1	Annual Financial Statement	-19-
	36.2	Notice of Amendment	-19-
	36.3	Notice of Default	-19-
37.	GENERAL		-20-
	37.1	Validity	-20-
	37.2	Additional Provisions	-20-
	37.3	Context of Words	-20-
	37.4	Rate of Delinquent Interest	-20-
	37.5		-20-
	37.6	Severability	-20-
	37.7	Attorneys' Fees	-20-
	37.8	Applicable Law	-20-
EXH	IBIT A		A-1
EXH	IBIT B		B-1



DECLARATION OF PROTECTIVE COVENANTS FOR CURECANTI TOWNHOMES

This Declaration is executed this 8th day of May, 2001, at Gunnison, Colorado, by Quatro Amigos, LLC, a Colorado limited liability company.

1. CREATION OF CURECANTI TOWNHOMES.

- 1.1 Ownership of Property. Declarant is the owner of the real property ("Property") situate in Gunnison County, Colorado as set forth on attached Exhibit "A" and incorporated herein by reference.
- 1.2 <u>Intention</u>. Declarant, as the owner of the Property, intends to develop a planned community to provide for two and three-family dwelling use and ownership of the Property, consisting of up to 20 Lots.
- 1.3 <u>Statement of Purpose</u>. To accomplish such intention, this Declaration is executed to define the character, duration, rights, duties, obligations and limitations of two and three-family dwelling use and ownership of the Property and to provide for the benefit of all Owners of Lots located within the Property.
- 1.4 <u>Declaration of Protective Covenants</u>
 Declarant hereby declares and establishes the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations which shall be deemed to run with the Property and shall be binding upon all persons and entities having any right, title or interest in and to the Property, or any part thereof, and their heirs, successors and assigns and to inure to and be for the benefit of each Owner within the Curecanti Townhomes.
- 1.5 <u>Colorado Common Interest Ownership</u>
 <u>Act</u>. Declarant declares the Property to be a Common Interest Community in accordance with the Colorado Common Interest Ownership Act.

2. **DEFINITIONS**.

The following definitions shall apply in this Declaration and the exhibits attached hereto unless the context shall expressly provide otherwise:

2.1 "Act" means the Colorado Common Interest Ownership Act, Article 33.3 of Title 38, Colorado Revised Statutes, as now in force and as may be amended from time to time.

- 2.2 <u>"Association"</u> means Curecanti Townhomes Association, a Colorado nonprofit corporation.
- 2.3 "Association Documents" shall mean the Declaration of Protective Covenants for the Curecanti Townhomes and the Articles of Incorporation and Bylaws of the Association and any rules and regulations or policies adopted by the Association
- 2.4 <u>"Common Elements"</u> means any real estate within the Property owned or leased by the Association, other than a Lot, and all Improvements thereon now or hereafter existing, including driveways for access to each Lot from Bambi Lane.

2.5 "Common Expense" means

- 2.5.1 All expenses declared to be Common Expenses by this Declaration or the Association Documents.
- 2.5.2 The maintenance, repair, snow removal or Improvement of any private road or street within the Property, driveways and outside parking spaces.
- 2.5.3 The expenses of administration, operation and management of the Association and the Curecanti Townhomes.
- 2.5.4 The maintenance, repair or replacement of the exterior of any two or three-family dwelling, including any Common Wall and exterior surfaces of such dwelling and the roof.
- 2.5.5 All expenses determined to be Common Expenses by the Association in accordance with the Association Documents.
- 2.5.6 All sums properly assessed against any Lot by the Association.

512278 07/09/2001 05:00P 135 9 of 33 R 165.00 D 0.00 N 0.00 Gunnison County

- 2.6 "Common Wall" shall mean any common wall or situate between the Individual Residences in a two or three- family dwelling.
- 2.7 <u>"Declarant"</u> means Quatro Amigos, LLC, a Colorado limited liability company, and its successors and assigns.
- 2.8 <u>"Declaration"</u> means this Declaration, and any and all duly executed amendments or additions to this Declaration.
- 2.9 <u>"First Security Interest"</u> means a Security Interest on a Lot which has priority over all other Security Interests in the Lot.
- 2.10 "Improvements" means all buildings, structures, parking areas, loading areas, fences, walls, driveways, signs, changes in exterior color or shape, excavation, site work, grading, road construction, utilities and any exterior construction or exterior improvement constructed or completed on a Lot or parcel of land within the Property.
- 2.11 <u>"Individual Residence"</u> means an individual residence within a two or three-family dwelling separated by a Common Wall.
- 2.12 <u>"Landscaping"</u> means planted areas and plant materials, including trees, shrubs, lawns, flower beds and ground cover.
- 2.13 <u>"Lot</u> shall mean a lot as shown on the Plat.
- 2.14 <u>"Owner"</u> or <u>"Lot Owner"</u> shall mean the record owner, whether one or more persons, of fee simple title to any Lot
- 2.15 <u>"Person"</u> means a natural person, a corporation, a partnership, an association, a limited liability company, a trust or any other entity or any combination thereof.
- 2.16 "Plat" means the Plat for Curecanti Townhomes filed 7-9-01, 2001 and bearing Reception No. 5/2277 of the records of Gunnison County, Colorado.
- 2.17 "Project" means Curecanti Townhomes including all of the real property, buildings, Improvements, and structures pertaining thereto, together with all rights, easements and appurtenances

belonging thereto, declared to be a part of the Curecanti Townhomes by this Declaration.

- 2.18 <u>"Property"</u> means the real property described on Exhibit A to this Declaration.
- 2.19 "Security Interest" means an interest in a Lot created by contract or conveyance which secures the payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in the Association and any other consensual lien or title retention contract intended as security for an obligation.

PLAT

The Plat shall be filed for record in the records of Gunnison County, Colorado prior to the first conveyance of a Lot by the Declarant. The Plat shall contain all of the required information pertaining to the Project as required by the Act.

- 3.1 Amendments. Declarant reserves the right to amend the Plat from time to time, to conform the same according to the actual location of any of the Improvements and to establish, relocate and vacate easements, access roads and parking areas. Declarant's rights under this paragraph shall terminate upon the conveyance of all of the Lots as set forth on the Plat or within one year of the date of filing the Plat, whichever event shall first occur.
- 3.2 <u>Interpretation</u>. In interpreting the Plat or any part thereof, the existing physical boundaries of the Lots shall be conclusively presumed to be its boundaries.

4. DESCRIPTION OF LOT.

4.1 <u>Legal Description</u>. Every instrument affecting the title to a Lot shall describe the Lot as follows:



Lot ______, Curecanti Townhomes, according to the subdivision plat bearing Reception No. <u>572277</u> of the records of Gunnison County, Colorado and the Declaration of Protective Covenants of Curecanti Townhomes bearing Reception No. <u>572278</u> of the records of Gunnison County, Colorado.

County of Gunnison, State of Colorado.

- 4.2 <u>Amendments</u>. The reference to the Plat and the Declaration as set forth in paragraph 4.1 above, shall be deemed to include any amendments to the same whether or not specific reference is made thereto.
- 4.3 <u>Sufficiency</u>. Such legal description shall be sufficient for all purposes to sell, convey, transfer, and encumber or otherwise affect the Lot and all appurtenant property rights pertaining thereto.

5. COMMON WALL

5.1 <u>Terms and Conditions.</u> Each two and three-family dwelling shall have a Common Wall and such Common Wall shall be subject to the following special terms and conditions:

5.1.1 That portion of the Common Wall situate on a Lot shall be owned by the Owner of such Lot as part of the Owner's fee simple ownership of the Lot. Each Owner shall enjoy a common perpetual easement and right of use of that portion of the Common Wall located upon the adjoining Lot within any two or three-family dwelling.

- 5.1.2 Each Owner shall have a perpetual right to use and enjoy the entire Common Wall as a common wall for the support, construction, maintenance and use of each Individual Residence.
- 5.2 <u>Rights of Association in Common Wall.</u>

 The Association is granted, by the owners of all Lots upon which any Common Wall is situate, the following rights, duties and obligations as the attorney in fact and agent for each Owner:
 - 5.2.1 To at all times perform any necessary and desirable maintenance,

repairs, replacement or restoration of the Common Wall as may be required to keep the same structurally sound.

- 5.2.2 To keep in good repair and finish all exterior portions of the Common Wall including any roof or roof covering extending over and above any such Common Wall.
- 5.2.3 The Association is granted an easement and license sufficient in size and right as may be required by it to do and perform all necessary maintenance, repairs, restoration and replacement to the Common Wall.
- 5.2.4 In the event any required maintenance, repairs, restoration or replacement of any Common Wall causes any damage, injury or destruction to the interior of an Individual Residence, not caused by the negligence or failure to act of the Association, the Owner of such Individual Residence shall be responsible for the repair or replacement of any damage to the Individual Residence.
- Negligence of Owner. In the event that any damage or destruction is caused to a Common Wall by the negligence of the Owner of an Individual Residence or such Owner's failure to do and perform any obligation or duty imposed by such Owner by this Declaration, then the reasonable cost and expense of any required maintenance, repair, restoration or replacement of the Common Wall shall be the liability of such Owner and If such cost and expense is not paid by such Owner, then the Association shall have the right to a special assessment against the Lot of such Owner and the right to enforce such assessment as provided by this Declaration.

NC 6. TERM OF OWNERSHIP.

The separate estate of an Owner created by this Declaration shall continue until revoked in the manner contained in this Declaration or by operation of law.

NO 7. RESIDENTIAL USE AND OCCUPANCY

The Lots shall be used and occupied solely for the residential purposes as authorized by the then existing zoning or other applicable ordinances of Gunnison County, Colorado, and any covenants or agreements

entered into with Gunnison County, Colorado as to such use and occupancy.

8. USE AND MAINTENANCE REQUIREMENTS

- 8.1 <u>Excavation</u>. No excavation shall be made on any Lot.
- 8.2 <u>Electrical</u>, <u>Telephone and Utility</u>
 <u>Services</u>. All utility lines in the Project will be installed underground. Connections from trunk lines to individual structures must also be underground. Sewage disposal systems must be installed pursuant to the regulations of Gunnison County. No individual septic tanks, leach field systems, flood irrigation systems, or wells are permitted.

8.3

Signs. No signs, advertising structures

- or devices of any nature shall be erected, constructed or maintained on any Lot provided, however, that the Association may allow standard-size real estate "For Sale" signs that are temporary in nature, and meet applicable County sign codes. All Lots must have street number signs attached to the residence or at the driveway entry outside of the street right of wax Address signs shall not exceed two square feet in total area. remain as 8.1 brainage. No Owner shall do or permit any work, construct any Improvements or do any Landscaping which shall alter or interfere with the natural drainage of the Property, except to the extent the same is approved by the Association and is in accordance with the Design Guidelines set forth in Section 10 hereof and as authorized for any surface water discharge easement.
 - 8.5 <u>Temporary Structures</u>. No temporary structure, mobile home, modular home, trailer house, travel trailer or recreational vehicle shall be permitted on any Lot, except only as may be determined to be necessary during the period of construction of any Improvement as specifically approved by the Association.
 - 8.6 <u>Trash</u>. No trash, ashes, garbage or other refuse shall be allowed to accumulate or placed on any Lot or area within the Property. There shall be no burning or other disposal of refuse out of doors. Each Owner shall provide suitable receptacles for the temporary storage and collection of such refuse and all such receptacles shall be screened from the public view and from the wind and protected from animals and other disturbances.

- Abandoned or Inoperable Vehicles. 8.7 Abandoned or inoperable automobiles or motor vehicles of any kind, except as hereinafter provided, shall not be stored or parked on any portion of a Lot, "Abandoned or " inoperable vehicle" shall be defined as any vehicle which 3 has not been driven under its own propulsion for a 9 period of three months or longer; provided, however, this shall not include vehicles parked by Owners while on vacation. Upon approval of the Association, an Owner may store a vehicle within a Garage which the Owner is remodeling or rebuilding for a period of longer than three months. A written notice describing the "abandoned or inoperable vehicle" and requesting removal thereof may be personally served upon the Owner or posted on the unused vehicle; and if such vehicle has not been removed within seventy-two hours thereafter, the Association shall have the right to remove the same without liability to it, and the expense thereof shall be charged against the Owner.
- 8.8 Noise. No exterior horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of persons and Improvements on any Lot, shall be placed or used on any Lot. No animals shall be kept or maintained on any Lot which create a nuisance by noise, including without limitation, barking dogs.
- 8.9 <u>Nuisance</u>. No obnoxious or offensive activity shall be carried on within the Property, nor shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted to exist or operate upon the Property so as to be offensive or detrimental to any other part of the Property or its Owners or occupants; provided, however, that this Section shall not apply to any noise or other activity approved by the Association as to the construction of any Improvements.
- 8.10 <u>Hazardous Activities</u>. No activities shall be allowed or conducted on the Property which are or might be unsafe or hazardous to any person or property. Such hazardous activities include, but are not limited to, fireworks, firearms, bow and arrows, explosives, air or pellet guns or any similar type devices except only in approved areas in accordance with Rules and Regulations adopted by the Association. No outside open fires shall be permitted on any Lot unless contained within a cooking or barbeque type unit or grill,

contained within a cooking or barbecue type unit or grill.

Self contained

fire pit

8.11 Exterior Addition or Alteration. No exterior addition or alteration to any two or three family dwelling or any fence, wall, structure, landscaping, grading, deck, patio or other Improvements shall be constructed on any Lot without the prior written approval of the Association and must be in accordance with the Design Guidelines set forth in Section 10 hereof.

Architectural committee

- 8.12 Exterior Color. No change in any exterior color or material shall be made without the prior written approval of the Association and must be in accordance with the Design Guidelines set forth in Section 10 hereof. Architectural committee
- 8.13 Exterior Mounted Devices. No exterior mounted radio, television or other communication antenna or device shall be located on the exterior of any two or three family dwelling without the prior written approval of the Association? 2 architectural committee
- 8.14 <u>Incinerators.</u> No incinerators shall be permitted on any Lot.
- 8.15 <u>Storage</u>. The storage of all equipment, furniture, tools and personal property shall be appropriately stored indoors or within the appropriate area at the rear of any two or three-family dwelling so that they are concealed from view from any other, two or three-family dwelling or from any street.
- Landscaping. Landscaping done by the Declarant and by future owners shall conform to standard landscaping practices, and to the natural and man-made features of the area. All future landscaping done by future owners of Lots must conform to guidelines established by the Association Traditional landscape areas include outdoor living or use areas that are adjacent to or near a residence. Irrigated lawns and special amenities should be limited to transitional landscape areas and it is recommended that they be located immediately adjacent to the house. Native plant materials are recommended because of the extreme conditions found in the sub-alpine zones of the Southwestern mountains. Common areas are to be landscaped naturally and are limited to native grasses. Aspen, Cottonwood and Conifer trees as accents, and trimmed, well kept hedges not exceeding 3' in height. Native plantings are to be designed to reflect natural vegetation patterns, frame views and create privacy between Lots. Each Lot will be required to have a 7 minimum number of trees to help it blend into the wooded landscape proposed in the master plan. This wooded landscape will resemble the natural vegetation patterns in the area. Landscaping shall be completed as

follows: If, during the period from July 1 through September 1 of any year, Declarant receives a temporary certificate of occupancy for any portion of any improvement constructed on site, then the Declarant shall complete construction of the approved landscaping on or before October 15 of the same year. If during the period from September 2 through June 30 of any two consecutive calendar years, the Declarant receives a temporary certificate of occupancy for any portion of any Improvement constructed on the site, then the owner shall complete construction of the approved landscaping on or before August 31 of that year.

- 8.17. Weed Management and Control. The Lot and all Landscaping thereon shall be maintained in compliance with the Weed Management Plan set forth in Exhibit "B" attached hereto and incorporated herein by this reference, and the recommendations of the Gunnison County Weed Commission
- the Northern 7 ½ feet of Lois 17 through 20, inclusive and a portion of Bambi Lane encompass a portion of a 25 foot ditch easement. The Individual Residences to be constructed on the Lots do not encroach upon the easement. Fences, signs, patios, or other permanent structures, other than Bambi Lane, shall not be placed within the ditch easement area. Any landscaping of other items that may be placed in the easement area are subject to the rights of the ditch owner to enter upon the easement area for the purpose of using and maintaining the ditch. The association shall be responsible to cooperate with the owner of the ditch easement to assure the ordinary use and maintenance of the ditch.

9. ALTERATION OF LOTS PURIL Not be response

Subject to Section10 nereof, a Lot Owner placement for differ ment.

- 9.1 May make any Improvements or alterations to the interior of his Lot within the physical boundaries of the Lot that do not impair the structural integrity, electrical systems, mechanical systems or other utility systems of the Project or lessen the support and structural integrity of any portion of the Project.
- 9.2 After acquiring an adjoining Lot or a part of an adjoining Lot, may remove or alter an partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those actions do not impair the structural integrity, electrical systems, mechanical systems or utility systems or lessen the support of any portion of the Project. The removal of any

-interpretation ask attorney

there type

partitions or the creation of any apertures shall not alter nor change the boundaries or description of the Lots.

9.3 May not change the appearance of the Common Elements without the written consent of the Association. S architectural committee

10. <u>DESIGN GUIDELINES.</u>

- 10.1 Board. The Board of Directors of the Association shall be the Design Review Board.
- 10.2 Intent. These Design Guidelines are prepared to provide guidance and direction to the Owners and professionals involved with the design and construction of buildings and Improvements. These Design Guidelines are not a "building code," but recommendations for good design that are compatible with the character of surrounding residences and developments. The underlying goals of these Design Guidelines are to protect and enhance the character of the area, minimize the visual impact of the Property, and maximize the desirability for residential occupancy.
- 10.3 Other Laws. Compliance with the design review process is not a substitute for compliance with the Gunnison County or State of Colorado zoning and Property ordinances. Each owner is responsible for obtaining all approvals, licenses and permits as may be required by the Gunnison County, the State of Colorado and any Special District providing services to the Property prior to commencement of construction.
- 10.4 Authority of Design Review Board. No Improvement shall be commenced, constructed, erected or maintained, nor shall any Landscaping be done, nor shall any exterior addition, change or alteration be made, until the plans and specifications have been submitted to and approved in writing by the Design Review Board in the manner set forth in these guidelines.
- 10.5 <u>Building Construction</u>. The construction of any building shall be in accordance with local building codes in effect. The quality of the workmanship and materials in any building shall be equal to or exceed comparable buildings of the same type in the same general area.
- 10.6 <u>Architecture</u>. The objective in these Design Guidelines is to reflect traditional architecture using wood, stone, brick or stucco as the dominant building material. Buildings are to have a homogeneous

character with continuity in materials, roof form and color to collectively appear as a cohesive residential neighborhood. Architecture is to be timeless and not trendy or faddish. Buildings are to be designed to be safe, functional, livable, and enduring given the unique mountain climate and the variable seasonal conditions that are characteristic of the Gunnison Valley.

- 10.7 <u>Drainage</u>. Drainage patterns around each Lot may be modified to improve flow away from structures. Drainages should be directed toward the site drainage system. Storm drainage shall not connect into sanitary sewer system. No obstruction of drainage may be constructed which would hinder drainage patterns.
- 10.8 <u>Driveways and Sidewalks</u>. All Lots must have a driveway leading from the street to the garage, and a sidewalk leading from the front door to the driveway, which driveways and sidewalks must be completed within 60 days of completion of the residence thereon. Driveways shall be a minimum of 16" in width, and sidewalks shall be a minimum of 4" in width. Driveways and sidewalks must be constructed of concrete, or, upon approval of the Design Review Board, brick pavers, Lot pavers, or decorative rock, or cobble.
- 10.9 <u>Parking</u>. A minimum of two off-street spaces per Lot are required.
- 10.10 Exterior Siding. Exterior siding shall be aluminum, steel, "Hardy Plank" or cedar, horizontally lapped, and natural, warm earth tones in color. Other exterior construction may be of native stone, brick or stucco in a manner that lends harmony to the overall design of the Lots, and is in keeping with surrounding residential design. No plywood or composition paneling residential design. No plywood or composition paneling is allowed on any exterior walls or chimneys. Window or door trim, soffit, or facia board must be constructed of wood or other material compatible with siding.
 - 10.11 Roofs. Roofs shall have a design and be constructed of materials that are harmonious with the surrounding area. Specifically, roofing may be metal, tile or formed composite shingle, and will be of a color that blends with the earth-tone nature of the Lots. Roof form is a significant element in creating the image and visual continuity within the Property. All roofs shall have a pitch of between 4:12 and 8:12.
 - 10.12 Walls, Ceilings, Windows and Insulation. Exterior walls shall be constructed of a minimum of 2" x 6" studded walls. All interior walls shall be constructed of a minimum of 2" x 4" studded walls. All exterior windows shall be double paned, and all exterior walls shall be insulated to a minimum of R value of 19, with one

sheathing of sound barrier. Roofs shall be insulated to a minimum of R-value 38.

- 10.13 <u>Colors</u>. Earth colors shall predominate to blend siding, trim, roof and fencing.
- 10.14 <u>Exterior lighting</u>. Exterior lighting shall conform to Gunnison County Land Use Section 5.4.14 as adopted in the year 2001.
- 10.15. <u>Floor Area</u>. The floor area of each residence built on a Lot shall be not less than 1200 square feet and not more than 1500 square feet.
- 10.16. <u>Building Height</u>. The maximum height of a building as measured vertically from the average finished grade of the structure to the highest point of the structure shall be 35 feet, or to County Building code, whichever is less.
- 10.17. <u>Additional Standards</u>. Further standards, rules and regulations may be adopted by the Design Review Board for the construction and erection of structures to insure that all building and construction is in conformity with the goals and concepts of the Property.

move to our covenants 10.18. Fences and Barriers. No fences, walls or barriers shall be constructed, erected or maintained. except under the following circumstances: fences. hedges, walls and landscaping devices designed. constructed and installed adjacent to the dwelling to accentuate patios, gardens and porches may be allowed upon the prior written approval of the Design Review Board so long as they are entirely located within the required minimum setback lines of each Lot, do not obstruct any easement, are in harmony with the building or structure, are an extension of such building or structure and do not inhibit any use of the Common Elements of the Project. The Declarant and/or the Association shall have the right to erect any perimeter fence required by the County as a condition of approval for the Property, and may erect any other fence, entry gate, or natural landscape barrier as deemed necessary to enhance the attractiveness and usefulness of the Property and its common elements. Such fences or barriers will be in keeping with those of the surrounding area, and shall be constructed of materials that will be in harmony with the nature of the Project. No fence or barrier will be constructed of wire, barbed wire, chain link fabric, woven wire fabric, or any other similar material. Fences or barriers will be constructed in a manner that will be safe for children, and no fence or barrier will be

constructed in a manner or place that will impede any easement or right of way.

- 10.19 <u>Construction Period</u>. All buildings, structures or other Improvements commenced within the Property shall be completed with due diligence and shall be totally completed within one year after the date of commencement of construction, unless an extension of time is granted by the Design Review Board.
- 10.20. <u>Reclamation</u>. All surface areas disturbed during construction shall be promptly returned to either their natural condition, or landscaped according to the development plan.

The surface of any Common Element not covered by the interior roads, driveways, and parking areas shall be landscaped and maintained in a natural manner with grass, flowers, shrubs and trees indigenous to the area, and in keeping with surrounding developments.

10.21. Architectural Control. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Project, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved as to harmony of external design and location in relation to surrounding structures and topography, by the Appropriate authority.

- 10.22. Conformity to Approved Plat. All residential structures must be constructed within the confines of the Plat, which shall show the exact location of each Lot to be built. Any change as to the location of any Lot shall conform to county setback requirements, and shall not impede any easement or right of way, and shall be in harmony with the Property as a whole. Changes as to the location of any Lot within the Property shall be approved by Gunnison County Building and Planning, by the Declarant, or by the Association, whichever entity may be in authority at the time of the change.
- 10.23 <u>Number of Lots</u>. The maximum number of Lots in the project shall not exceed 20.
- 10.24. <u>Future Ownership</u>. These design guidelines shall bebinding upon the heirs and assigns of the Declarant, Quatro Amigos, LLC., to the extent that any requirements herein can be enforced by any controlling authority. Any future owners of the development shall have the right to re-submit plans for

future development in accordance with Gunnison County Land Use regulations then in effect.

- 10.25. <u>Liability of Declarant</u>. The Declarant, Quatro Amigos, LLC., cannot be held liable for the acts of any future owner of this development insofar as to the adherence to these design guidelines.
- 10.26. Wood Stoves. Each Lot may contain one fireplace or stove, which may be either natural gas or wood-burning, though natural gas is preferred. Such appliance may not be the primary source of heat for the residence. The wood-burning fireplace or stove must be equipped with emission controls providing the maximum protection reasonably available as to the emission of pollutants and shall comply with the Environmental Protection Agency Phase II (Colorado Phase III) Requirements.

11. ANIMALS.

2 2

11.1 Dogs and Cats. The Owner of a Lot may keep and maintain one dog and one catswithin the Lot subject to the following conditions: exception.

Grandfathered #5 for current homocurners

11.1.1 All dogs and cats shall be confined to the Lot or attached to a leash or other suitable control device.

- 11.1.2 The owner shall at all times be personally liable and responsible for all actions of any dog or cat and any damage caused by the dog or cat. including exterior
- 11.1.3 No dog or cat shall create a nuisance nor noise problem within the Property.
- 11.1.4 The owner of any dog or cat shall be personally responsible and liable for the cleanup of any excrement left by such dog or cat within the Property.
- 11.2 Other Animals and Pets. No other animals or pets may be kept or maintained by any Owner.
- Association is specifically empowered to impound any animal running at large within the Property. Upon impoundment, the owner of the animal, if known, shall be immediately notified and the animal taken to the nearest facility which accepts impounded animals. It is the duty of the owner of such animal to recover the animal from

such facility and to pay all costs and fees incurred in the impoundment of the animal. If the animal is not recovered by the owner in accordance with the rules and regulations of the impoundment facility, the facility may destroy the animal without liability to the facility, any other Owner or the Association by the owner of such animal.

12. AUTHORITY OF ASSOCIATION

12.1 Maintenance and Repair as a Common Expense. The Association has the duty and obligation to at all times properly maintain the exterior of all two or three-family dwellings in an attractive and quality condition and to at all times keep such exterior thereof in the same condition and repair as when originally constructed. All maintenance, repairs and replacements of the exterior of any two or three-family dwelling or any Common Wall shall be a common expense of the Association. Provided, however, in the event any maintenance, repairs and replacement to any two or three-family dwelling is required due to the negligence, misuse or deliberate act of the Owner, the Owner's family, guests and invitees or tenants, then and in that event such expense shall be the liability of the Owner and charged to the Owner by the Association.

12.2 <u>Landscaping and Lawns; Driveways; Common Elements.</u>

12.2.1 The Association shall be responsible for the initial Landscaping of the Lot and maintenance of such Landscaping thereafter and the same shall be a Common Expense of the Association. Provided, however, in the event any maintenance is required due to the negligence, misuse or deliberate act of the Owner, the Owner's family, guests and invitees or tenants, then and in that event such expense shall be the liability of the Owner and charged to the Owner by the Association.

be responsible for the construction of the driveway for each Lot providing access to each Lot from Bambi Lane and maintenance of such driveways thereafter and the same shall be a Common Expense of the Association. Provided, however, in the event any maintenance is required due to the negligence, misuse or deliberate act of the Owner, the Owner's family, guest's and invitees or tenants, then and in that event such expense shall be the liability of the

Affred or ruined

Ask



Owner and charged to the Owner by the Association.

12.2.3 The Association shall be responsible for the maintenance of the Common Elements and the same shall be a Common Expense of the Association. Provided, however, in the event any maintenance is required due to the negligence, misuse or deliberate act of the Owner, the Owner's family, guests and invitees or tenants, then and in that event such expense shall be the liability of the Owner and charged to the Owner by the Association.

- 12.3 Right of Access. The Association, its officers, agents, employees and contractors shall have the irrevocable right to access each Lot and the two or three- family dwelling constructed thereon at all times and during any reasonable hour as may be necessary for the maintenance, repair, or replacement of the exterior or roof of any two or three-family dwelling, any utilities or any Common Wall for the purpose of making any repair, maintenance or inspection thereof, whether regular or emergency, necessary for the preservation and repair of the exterior of any two or three- family dwelling, the roof or any Common Wall.
- 12.4 <u>Damages</u>. Any damage to all or any part of a two or three- family dwelling or a Lot resulting from any maintenance, repair, restoration, emergency repair or replacement caused by or at the direction of the Association as a part of the exercise of its rights hereunder, shall be an expense of the Association; provided, however, that if such damage or destruction is caused by the negligence of the Owner of the two or three- family dwelling, his or her agents, employees, invitees or tenants, then such Owner shall be responsible and liable for all such damage and the cost thereof and the same shall be an obligation of the Owner and shall be payable upon demand to the Association.
- 12.5 <u>Restoration</u>. Any damage to any two or three-family dwelling or a Lot caused by the Association shall be restored substantially, to the extent reasonably practical, to the same condition in which such Improvements existed immediately prior to such damage.
- 12.6 Reconstruction of <u>Dwelling</u>. In the event that any two or three-ramily dwelling is destroyed in whole or in part due to fire or any other cause, the Owner or Owners thereof shall immediately reconstruct, replace and rebuild such dwelling as it existed prior to

such damage or destruction as approved by the Association. The Owner or Owners of any two or three-family dweiling shall at all times maintain fire and extended coverage in an amount equal to the full replacement value of such dwelling, without deduction for depreciation, to the extent such insurance coverage is available for the property. The Owner shall furnish to the Association current certificates of insurance verifying that such fire and extended coverage is in force.

13. RELOCATION OF BOUNDARIES BETWEEN LOTS

The Lot Owners of adjoining Lots may relocate the common boundary line between such adjoining Lots by an amendment to the Declaration and the Plat in the manner provided by this Declaration and the Act in effect at the time of the proposed relocation of the boundaries. In addition, such relocation of the boundaries is subject to the prior review and approval of Gunnison County.

- 14. RESERVATION FOR ACCESS.
 MAINTENANCE. REPAIR AND
 EMERGENCIES; EASEMENT OVER
 COMMON ELEMENTS
- 14.1 Right of Access. The Association shall have the irrevocable right to have access to each Lot and all Common Elements from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or at any hour for making emergency repairs, maintenance or inspection therein necessary to prevent damage to the Common Elements or to another Lot.
- 14.2 <u>Damages</u>. Damage to the interior or any part of a Lot, except for Lot Owner installed or constructed improvements, resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements or as a result of emergency repairs within another Lot shall be an expense of the Association; provided, however, that if such maintenance, repair or replacement is caused by the negligence of the Lot Owner, his agents, employees, invitees or tenants then such Lot Owner shall be responsible and liable for all of such damage and the cost thereof shall be the Lot Owner's obligation and shall be immediately paid to the Association upon demand therefor.
- 14.3 <u>Restoration</u>. Any damages to the interior of a Lot or the Common Elements that may be occasioned by the Association exercising its right under

512278 07/1 /2001 05:00P 135 17 of 33 R 165.00 D 0.00 N 0.00 Gunnison County

this paragraph shall be immediately restored to the extent reasonably practical, to the same condition in which the same existed prior to such damage.

14.4 <u>Easement Over Common Elements</u>. The Common Elements may be used for the installation and maintenance of public utilities, including electric, cable television, natural gas and telephone lines.

15. ASSESSMENTS AND TAXATION.

Each Lot shall be separately assessed for all taxes and assessments of the State of Colorado, the County of Gunnison, and any other political subdivision or district having authority to tax. For the purpose of such assessment, the valuation of the Common Elements shall be allocated equally among the Lots.

16. ASSOCIATION AS ATTORNEY-IN-FACT.

The Declarant, for itself and its successors and assigns and any person acquiring and holding an interest in the Project, its grantees, successors, heirs, personal representatives or assigns does hereby irrevocably appoint the Association as attorney-in-fact for the Lot Owner within the Project with respect to the Project upon its damage, destruction, obsolescence or condemnation and any amendment to the Declaration or the termination of the Project as provided by the Act then in effect.

17. AMENDMENT OF DECLARATION.

- 17.1 <u>Amendment</u>. Except only as otherwise provided by the Act, the Declaration, including the Plat, may be amended only by vote or agreement of the Lot Owners to which at least 67% of the votes in the Association are allocated and by 51% of the holders of any recorded First Security Interests. Any such amendments are also subject to the review and approval of Gunnison County.
- 17.2 <u>Recording</u>. Any Amendment to the Declaration, including the Plat, shall be effective upon recording the same in the records of Gunnison County, Colorado.
- 17.3 Execution of Amendment. Any Amendment to the Declaration, or the Plat, shall be prepared and executed by the Association and signed by the President of the Association or any other officer of the Association designated for such purpose. The Association shall certify that the Amendment was adopted and approved in accordance with the provisions

of this paragraph 17 and such certification shall be conclusive proof that the Amendment was duly adopted in proper form.

- 17.4 <u>Percentage Vote of First Security Interest Holders</u>. In determining the appropriate percentage for approval of any Amendment by the holders of First Security Interest, each First Security Interest shall have the same vote as is allocated to the Lot encumbered by such First Security Interest.
- 17.5 <u>Junior Security Interest</u>. The consent of any junior Security Interest shall not be required under the provisions of this paragraph.
- 17.6 <u>Reservation by Declarant.</u>
 Notwithstanding any other provision of this Declaration, Declarant reserves and is granted a special Declarant right until such time as all of the Lots within the Project have been conveyed to third person purchasers, to amend this Declaration, and the Plat, for the following purposes:
 - 17.6.1 To correct a technical or typographical error and/or to clarify any existing provision.
 - 17.6.2 To comply with applicable laws, ordinances or regulations of any governmental entities having jurisdiction over the Project.
 - 17.6.3 To comply with the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or other lenders or insurers in the secondary mortgage market, or to include or change any provision so as to cause any such agency or entity to make, purchase, sell, insure or guarantee First Security Interests.

The Declarant shall certify that such Amendment to the Declaration and the Plat was amended by the Declarant in accordance with this paragraph 17.6 and shall be effective upon recording the Amendment in the records of Gunnison County, Colorado. Provided, however, no Amendment by the Declarant under this paragraph 17.6 shall in any manner effect or impair the lien of a First Security Interest upon a Lot or to modify, change, or amend the terms and conditions of such First Security Interest.



TERMINATION OF THE PROJECT.

The following provisions shall pertain to Project termination:

- 18.1 <u>Termination</u>. Except only in the case of a taking of the entire Project, and all of the Lots, by eminent domain, the Project may only be terminated by a vote or agreement of the Lot Owners to which at least 67% of the votes in the Association are allocated and by 51% of the holders of any recorded First Security Interests unless otherwise specifically provided by the Act
- 18.2 Agreement. The termination of the Project shall be evidenced by a Termination Agreement executed by the Lot Owners having at least 67% of the allocated votes in the Association and by 51% of the holders of any recorded First Security Interests in the same manner as is required for a Deed. The Termination Agreement shall specify a date after which the termination agreement shall be void unless the same is recorded in the records of Gunnison County, Colorado on or before such date.
- 18.3 <u>Termination Agreement</u>. The Termination Agreement must contain provisions setting forth terms and conditions:
 - 18.3.1 That all of the Common Elements and Lots of Curecanti Townhomes must be sold following termination and to include the terms and conditions of such sale, or
 - 18.3.2 For the sale of the Common Elements, but not the Lots, and the terms and conditions of such sale, or
 - 18.3.3 That if the Common Elements or Lots are not to be sold, then title thereto vests in the Lot Owners, as tenants in common, in the same proportion that a Lot Owner had in the Allocated Interests in the Common Elements appurtenant to the Lot.
- 18.4 <u>Powers of Association</u>. Following the termination of the Curecanti Townhomes, the Curecanti Townhomes Association shall continue to exercise all of the powers, rights, duties and obligations as specified in the Act.

19. CURECANTI TOWNHOMES ASSOCIATION.

- 19.1 On or before the date that the first Lot in Curecanti Townhomes is conveyed to a third person purchaser, the Curecanti Townhomes Association shall be organized and incorporated as a Colorado nonprofit corporation.
- 19.2 The membership of the Association shall at all times consist exclusively of all Lot Owners in the Project or, in the event of termination, of the former Lot Owners in the Project

20. POWERS AND DUTIES OF ASSOCIATION.

The Association shall have the following powers and duties:

- 20 1 Adopt and amend Bylaws and Rules and Regulations.
- 20.2 Adopt and amend budgets for revenues, expenditures and reserves and collect assessments for Common Expenses from the Lot Owners.
- 20.3 Hire and terminate managing agents and other employees, agents and independent contractors.
- 20.4 Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself and two or more of the Lot Owners on matters effecting CurecantiTownhomes.
 - 20.5 Make contracts and incur liabilities.
- 20.6 Regulate the use, maintenance, repair, replacement and modification of Common Elements
- 20.7 Cause additional Improvements to be made as a part of the Common Elements.
- 20.8 Acquire, hold, encumber and convey in its own name any right, title, personal property provided,
 Association may not convey or subject to a security interest all or any portion of the Common Elements except upon the affirmative vote of the Lot Owners as provided by Section 38-33.3-312 of the Act.
- 20.9 Grant easements, leases, licenses and concessions through or over the Common Elements.
- 20.10 Impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements.

- 20.11 Impose charges for late payment of assessments, recover reasonable attorneys' fees and other legal costs for collection of assessments and other action to enforce the power of the Association, regardless of whether or not suit was initiated, and, after notice and opportunity to be heard, levy reasonable fines for violations of the Declaration and the Bylaws and Rules and Regulations adopted by the Association.
- 20.12 Impose reasonable charges for the preparation and recordation of Amendments to the Declaration and the Plat or statement of unpaid assessments.
- 20.13 Provide for the indemnification of its officers and the executive board of the Association.
- 20.14 Maintain directors' and officers' liability insurance.
- 20.15 Exercise all of the powers conferred upon the Association by this Declaration and the Articles and Bylaws of the Association.
- 20.16 Exercise all of the powers granted to the Association by the Act.
- 20.17 Obtain and maintain all required insurance as provided by this Declaration.
- 20.18 Act as attorney-in-fact for the Lot Owners as provided by this Declaration.

21. ADMINISTRATION AND MANAGEMENT BY THE ASSOCIATION.

- 21.1 <u>Association as Attorney-in-Fact.</u> The title to any Lot is hereby declared and expressly made subject to the terms and conditions of the Declaration, and acceptance by any grantee of a deed from the Declarant or any prior Lot Owner shall constitute the appointment of the Association as the Lot Owner's attorney-in-fact for the purposes expressly set forth in this Declaration.
- 21.2 Lot Owner's Compliance. Each Lot Owner shall comply strictly with the provisions of this Declaration, any supplement or amendment hereto, and all decisions, resolutions, rules and regulations of the Association adopted in accordance with this Declaration. Failure to comply with any of the same shall be grounds for an action to recover any amounts due, for damages or injunctive relief or both, together with reasonable attorneys' fees and costs, incurred in

connection therewith, brought by the Association on behalf of the Lot Owners, or, in a proper case, by any aggrieved Lot Owner.

- 21.3 <u>Construction and Validity</u>. The administration and management of Curecanti Townhomes shall be governed by this Declaration and the Articles of Incorporation and the Bylaws of the Association. In the event of any conflict between or among the provisions of the Declaration (including all supplements thereto), the Articles of Incorporation or Bylaws of the Association, the following shall control:
 - 21.3.1 All provisions of this Declaration, the Articles of Incorporation and Bylaws are severable.
 - 21.3.2 The rule against perpetuities does not apply to defeat any provision of this Declaration, the Articles of Incorporation and Bylaws of the Associations or Rules and Regulations adopted by the Association.
 - 21.3.3 In the event of a conflict between the provision of this Declaration and the Articles of Incorporation and the Bylaws of the Association, this Declaration shall prevail.
- 21.4 <u>Membership</u>. The Lot Owner, upon becoming such Lot Owner, shall be entitled and required to be a member of the Association and shall remain a member for the period of ownership of the Lot.
- 21.5 <u>Appurtenant Right</u>. There shall be one membership in the Association for each Lot. Such membership shall be appurtenant to the Lot and shall be transferred automatically by a conveyance of the Lot to a new Lot Owner.
- 21.6 <u>Voting</u>. Each membership shall be entitled to one vote per Lot, and in the event the membership is held by more than one Lot Owner, the vote must be cast only as a single vote and split or divided votes of membership shall not be allowed.
- 21.7 <u>Transfer.</u> No person other than a Lot Owner may be a member of the Association and a membership may not be transferred except in connection with the conveyance or transfer of the Lot; provided however, that such membership may be assigned to the holder of a Security Interest as further security for the loan secured by the lien of such holder upon the Lot.



Rights of Declarant. Notwithstanding 21.8 any other provision of this Declaration or the Articles of Incorporation of the Association, Declarant, its successors and assigns, shall have the right to appoint the members of the Board of Directors (who need not be members of the Association or Lot Owners) during the period of Declarant control, which is 10 years after the date of filing of this Declaration. The period of Declarant control shall terminate no later than the earlier of (1) 60 days after the conveyance of 75% of the Lots that may be created within Curecanti Townhomes to Lot Owners other than Declarant, or (2) two years after the last conveyance of a Lot in Curecanti Townhomes by Declarant in the ordinary course of business. Further, not later than 60 days after the conveyance of 25% of the Lots in Curecanti Townhomes to Lot Owners other than Declarant, at least one member and not less than 25% of the members of the Board of Directors shall be elected by the Lot Owners other than Declarant, and not later than 60 days after the conveyance of 50% of the Lots in Curecanti Townhomes to Lot Owners other than Declarant, not less than 1/3 of the members of the Board of Directors must be elected by Lot Owners other than Declarant.

22. ASSESSMENT FOR COMMON EXPENSES BY THE ASSOCIATION.

Common Expense assessments shall be payable and apportioned as follows:

- 22.1 <u>Payment of Assessments</u>. Declarant, for each Lot owned by it, and each Lot Owner by the acceptance of a deed therefor shall be deemed to covenant and agree and shall be obligated to pay to the Association all assessments made by the Association for the purposes provided in this Declaration.
- 22.2 <u>Apportionment</u>. Assessments for Common Expenses shall be apportioned among all of the Lot Owners equally.
- 22.3 <u>Special Apportionment of Certain Assessments and Expenses</u>. The following expenses shall be assessed and allocated as follows:
 - 22.3.1 Any Common Expense or portion thereof benefitting fewer than all of the Lots shall be assessed exclusively against the Lots so benefitted.
 - $22.3.2\,$ Insurance $\,$ premiums and costs shall be assessed in proportion to the risk.

22.3.3 The cost of utilities shall be assessed in proportion to usage.

22.3.4 If any Common Expenses caused by the misconduct of any Lot Owner, the Association may assess that expense exclusively against such Lot Owner.

AMOUNT OF ASSESSMENTS FOR COMMON EXPENSES.

Common Expense assessments shall be determined as follows:

- 23.1 <u>Determination of Assessments</u>. The annual assessments made for the Common Expenses shall be based upon the budget adopted by the Association.
- Budget. The Board of Directors shall prepare a proposed budget for the Association. Withir 30 days after the date of adoption of the proposed budget by the Board of Directors, the Association shall mail, by ordinary first class mail, or otherwise deliver a summary of the budget to all the Lot Owners and shall set a date for a meeting of the Lot Owners to conside the ratification of the budget not less than 14 nor more than 60 days after the mailing or other delivery of the summary of the budget. Unless at that meeting of the Lot Owners, a vote by a majority vote the budget, the budget is ratified, whether or not a quorum is present. Ir the event that the proposed budget is rejected, the periodic budget last ratified by the Lot Owners must be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board of Directors
- 23.3 <u>Liability for Assessments</u>. Each Lo Owner is liable for the assessments made against the Lot of that Lot Owner during the period of ownership or such Lot. No Lot Owner may be exempt from liability for payment of the assessments by waiver of the use of enjoyment of any of the Common Elements or by abandonment of the Lot against which the assessments are made
- 23.4 No Waiver. The omission or failure of the Association to fix such assessment for any period shall not be deemed a waiver, modification or release of the Lot Owners from their obligation to pay the same.
- 23.5 <u>Payment of Utilities</u>. Each Lot Owner shall be obligated to pay all charges for any separately metered utilities servicing his Lot. In the event that any

utility is master metered to the Association, then such utility service shall be a part of the Common Expenses as above provided. In the event of the failure of any Lot Owner to pay all water and sewer charges and any common element charges in accordance with the rules and regulations of Gunnison County, Colorado, the same shall be the obligation of and paid by the Association. Upon such payment, the Association shall then have the same rights of collection thereof from such Lot Owner as is provided for herein for the collection of unpaid assessments.

23.6 <u>Reserve Funds</u>. The Association shall be obligated to establish reserve funds for:

23.6.1 The maintenance, repair and replacement of the Common Elements.

23.6.2 The payment of all insurance premiums as to insurance required to be maintained by the Association.

23.6.3 Any taxes including ad valorem real property taxes, personal property taxes and special district taxes.

The amount of such reserve funds shall be determined by the Association and shall be funded through the payment of the Common Expenses. The reserve funds shall be held by the Association in a separate account, which may be an interest-bearing account, to be held in trust for the Lot Owners for such purposes.

23.7 Special Assessments. In addition to assessments for Common Expenses as above set forth, the Association may at any time and from time to time determine, levy and assess any special assessment for the purpose of paying, in whole or in part, the costs, fees or expenses of any construction, reconstruction, repair, replacement or maintenance of the Common Elements, or any other lawful purpose contemplated by this Declaration, or the Articles of Incorporation or Bylaws of the Association, or permitted by law. Such special assessment shall be assessed to each Lot Owner in equal amounts and shall be due and payable in the manner set forth in the notice of such special assessment.

24. <u>TIME OF PAYMENTS OF ASSESSMENTS</u> FOR COMMON EXPENSES.

Assessments shall be paid as follows:

- 24.1 <u>Fiscal Year</u>. The assessments of the Association shall be computed and determined on a fiscal year basis.
- 24.2 <u>Payable Monthly</u>. Unless the board of directors of the Association otherwise determines, assessments shall be payable monthly in advance on or before the tenth day of each month by the Lot Owners. Delinquent assessments shall bear interest as provided in this Declaration.
- 24.3 <u>Written Notice</u>. The Association shall give written notice to the Lot Owners of the annual assessment, and shall deliver to each Lot Owner itemized statements.
- Association may establish the rate or interest to be charged as to any past due assessment, not to exceed 21% per year. Until otherwise established by the Association, if any assessment is not paid within 10 days after the date that it becomes due and payable, a late charge of \$20.00 to cover the extra costs and expenses involved in handling such delinquent payment shall be imposed and any past due assessment shall bear interest at the rate of 1.5% per month from the date the assessment was due until the date that such assessment is paid.

25. <u>LIEN FOR NONPAYMENT OF</u> ASSESSMENTS.

Assessment liens shall conform to the following provisions:

- 25.1 <u>Lien for Assessment</u>. The Association shall have a statutory lien on any Lot for any assessment levied against that Lot or fines imposed against that Lot Owner. All fees, charges, late charges, attorneys' fees, fines and interest as provided by this Declaration are enforceable as assessments.
- 25.2 <u>Priority of Lien</u>. The lien for assessments by the Association is prior to all other liens and encumbrances on a Lot except:

25.2.1 Liens and encumbrances of record prior to the date of the recording of this Declaration.

25.2.2 First Security Interest on the Lot which was recorded before the date on which the assessment sought to be enforced by the lien became delinquent. Provided,

however, a lien for assessments of Common Expenses based upon the duly adopted budget of the Association which would have been due, in the absence of any acceleration, during the six months immediately preceding institution by either the Association or any party holding a lien senior to any part of the lien of the Association of an action or non-judicial foreclosure to enforce or extinguish the lien for Common Expenses shall be prior to the lien of the First Security Interest, or any greater priority for a lien for Common Expenses as may hereafter be provided by the Act.

25.2.3 Liens for real estate taxes and assessments or charges of any governmental entity against the Lot.

- 25.3 <u>Notice of Lien</u>. The recording of this Declaration constitutes record notice and perfection of any lien for assessments by the Association and no further recordation of any claim of lien for assessments is required. Provided, however, the Association may further record a lien for assessments in the records of Gunnison County, Colorado.
- 25.4 Enforcement of Lien. The lien for assessments of the Association may be enforced by foreclosure by the Association in the same manner as a foreclosure of a mortgage. In such foreclosure, the Lot Owner shall be required to pay the costs and expenses for such proceedings, the cost and expenses for filing the notice of claim of lien and all reasonable attorneys' fees. The Lot Owner shall also be required to pay to the Association the assessments for the Lot during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to acquire the Lot at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same.
- 25.5 <u>Payment by Holder of Security Interest.</u>
 Any holder of a Security Interest on a Lot may pay, but shall not be required to pay, the amount secured by such lien, and upon such payment the holder of such Security Interest shall have a lien on such Lot for the amounts paid of the same rank as the lien of its Security Interest.

26. <u>LOT OWNERS' OBLIGATION FOR PAYMENT</u> OF ASSESSMENTS.

The amount of any unpaid assessments against a Lot shall be the personal and individual debt of the Lot Owner. The Association shall have the right to maintain

judicial proceedings to recover a money judgment for all unpaid assessments without foreclosing or waiving the lien for such assessments. In any legal action for a money judgment, the Association may recover all late charges and interest to the date of payment, all costs of collection and reasonable attorneys' fees.

27. STATEMENT OF ASSESSMENT.

The Association shall furnish statements of assessments as follows:

- 27.1 Written Statement of Assessments. The Association shall furnish to the Lot Owner, such Lot Owner's designee or to the holder of a Security Interest in the Lot or its designee upon written request delivered personally or by certified mail to the Association or the registered agent of the Association, a written statement setting forth the amount of unpaid assessments currently levied against that Lot. The statement of assessment shall be furnished within 14 calendar days after receipt of the request and shall be binding upon the Association. If no statement of assessments is furnished to the Lot Owner or the holder of a Security Interest in the Lot or their designee either by personal delivery or certified mail return receipt requested, then the Association shall have no right to assert a lien upon the Lot for unpaid assessments which were due as of the date of the request.
- 27.2 <u>Joint Liability</u>. The grantee of a Lot shall be jointly and severally liable with the grantor for all unpaid assessments due and owing by the grantor for the Common Expenses up to the time of the grant or conveyance of the Lot, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore, subject only to the limitations set forth in paragraph 27.1. The term "Grantee" as used in this section shall not apply to the holder of a First Security Interest on a Lot which First Security Interest was recorded prior to the date upon which any assessment against the Lot became a lien as provided in this Declaration.

28. <u>LIMITATION OF MECHANIC'S LIEN RIGHTS</u> AND INDEMNIFICATION.

Mechanic's liens shall be subject to the following limitations:

28.1 <u>No Lien on Common Elements</u>. Subsequent to the completion of the Improvements described on the Plat, or any supplement thereto, no

labor performed or materials furnished and incorporated into a Lot with the consent of or at the request of the Lot Owner, or his agent, shall be the basis of a lien against any other Lot unless such other Lot Owner expressly consented to or requested the same, or against the Common Elements, except only as to the undivided interest of the Lot for whom such labor or materials have been furnished.

28.2 <u>indemnification</u>. The Lot Owner shall indemnify and hold harmless the Lot Owner of every other Lot and the Association from and against liability or loss arising from the claim of any lien against the Lot of that Lot Owner for labor performed or materials furnished on such Lot.

29. SECURITY INTEREST IN LOT.

The Lot Owner shall have the right to grant a Security Interest in a Lot. Any such Security Interest shall at all times be subject to the terms and conditions of this Declaration and the Act.

30. INSURANCE.

The following provisions shall govern insurance on the Project:

- 30.1 <u>Required Insurance by Association</u>. The Association shall obtain and maintain at all times, to the extent reasonably available, insurance coverage as hereafter set forth. All such insurance shall be written and issued by insurance companies licensed to do business in the State of Colorado and with an acceptable insurance rating.
- Property Insurance. The Association 30.2 shall obtain and maintain property insurance for broad form covered causes of loss, including fire and extended coverage with standard risk endorsements including vandalism and malicious mischief. The property insurance shall insure the Common Elements and all property owned by the Association, and any interest therein, in an amount not less than the full insurable replacement cost of the insurable property, less applicable deductibles at the time such insurance is obtained. All policies shall contain a standard noncontributory mortgage clause in favor of the holder of each Security Interest of a Lot, which shall provide that the loss, if any, thereunder, shall be payable to the Association for the use and benefit of holders of such Security Interest as their interests may appear.

- 30.3 General Liability Insurance. The Association shall obtain and maintain commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements in an amount deemed sufficient in the judgment of the Board of Directors of the Association but in any event not less than \$1,000,000.00 per injury, per person, per occurrence and umbrella liability limits of \$1,000,000.00 per occurrence, covering claims for bodily injury and property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation. maintenance and other use of the Project and shall provide insurance coverage insuring the Board of Directors, the Association, the managing agent and their respective employees, agents and all persons acting as agents. Lot Owners shall be included as additional insureds but only for claims and liability arising in connection with the ownership, existence, use or management of the Common Elements. Such insurance policies shall cover claims of one or more insured parties against other insured parties.
- 30.4 <u>Workman's Compensation Insurance.</u>
 Workman's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the form now or hereafter required by law.
- 30.5 Flood Insurance. If the Project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Project in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balances of the Security Interests on the Lots comprising the Project.
- 30.6 <u>Fidelity Insurance</u>. The Association may purchase adequate fidelity coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.
- 30.7 <u>Additional Insurance</u>. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including plate or other glass



insurance and any personal property of the Association located thereon.

- 30.8 <u>Insurance Not Available</u>. In the event that the insurance as described in paragraphs 30.2 and 30.3 is not reasonably available or if any policy of such insurance is cancelled or not renewed without a replacement policy therefor having been obtained, the Association shall promptly give written notice of such fact to all Lot Owners by personal delivery or by United States mail, postage prepaid.
- 30.9 <u>Special Provisions</u>. As to the insurance coverage provided in paragraphs 30.2 and 30.3 above, all policies must provide that:
 - 30.9.1 Each Lot Owner is an insured person under the policy with respect to liability arising out of such Lot Owner's interest in the Common Elements and as a member of the Association.
 - 30.9.2 The insurance company waives its right to subrogation under the policies of insurance against any Lot Owner or members of the Lot Owner's household.
 - 30.9.3 No act of omission by any Lot Owner, unless acting within the scope of such Lot Owner's authority on behalf of the Association, will void any insurance policy or be a condition to recovery under such insurance policy.
 - 30.9.4 If, at the time of a loss under the policy, there is other insurance in the name of a Lot Owner covering the same risk covered by such policy, the Association's insurance policy will provide primary insurance.
 - 30.9.5 That such insurance policy may not be cancelled or modified without at least 30 days prior written notice to the Association.
- 30.10 Payable to Association. All property insurance policies as provided in paragraph 30.2 above shall provide that any loss covered by such insurance shall be adjusted with the Association and the insurance proceeds for such loss shall be payable to the Association and not to the holder of a security interest. The Association shall hold the insurance proceeds in trust for the Lot Owners and holders of Security Interest as their interest may appear. Except only as hereafter

provided, the proceeds of such insurance must be disbursed first for the repair or restoration of the damaged property, and the Association, Lot Owners and the holders of Security Interest are not entitled to receive any payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Project is terminated.

- insurance by Lot Owners. Any insurance policy issued to the Association does not obviate the necessity for a Lot Owner to obtain insurance on their own behalf as to any and all losses not covered by the insurance of the Association. Provided, however, all policies of any such Lot Owner shall contain waivers of subrogation and provide that the liability of the insurance company issuing insurance obtained by the Association shall not be affected or diminished by reason of any such insurance carried by the Lot Owner.
- 30.12 Insurance Responsibility of Lot Owner. Insurance coverage on furnishings, including carpet, draperies, wallpaper, and any other items of personalty or other personal property belonging to a Lot Owner and public liability coverage within each Lot shall be the sole and direct responsibility of the Lot Owner thereof, and the board of directors, the Association and/or the managing agent shall have no responsibility therefor.
- 30.13 <u>Certificate of Insurance</u>. Any insurance company issuing policies of insurance as provided in paragraphs 30.2 and 30.3 above shall issue Certificate of Insurance or Memorandums of Insurance to the Association and, upon request, to any Lot Owner or to the holder of a First Security Interest.

31. DAMAGE OR DESTRUCTION TO CURECANTI TOWNHOMES.

The following provisions shall govern damage to or destruction of the Project:

- 31.1 <u>Mandatory Repair or Replacement</u>. If all or any portion of the Project, for which insurance is required to be maintained as provided in paragraphs 30.2 and 30.3, is damaged or destroyed, such damage or destruction must be promptly repaired and/or replaced by the Association unless:
 - 31.1.1 The Project is terminated in the manner provided in paragraph 18 of this Declaration.



31.1.2 The repair or replacement of the damaged or destroyed portions of the Project would be illegal under any state or local statute or ordinance governing health or safety.

31.1.3 80% of the Lot Owners, being one vote for each Lot and including the Lot Owners of every Lot for which a Limited Common Element is allocated which will be affected by such action, vote not to rebuild, repair or replace the Project.

- 31.2 <u>Rebuild and Replace</u>. Except only as otherwise provided in paragraph 31.1 above, the Association shall promptly repair and replace any damaged or destroyed portions of the Project.
- 31.3 <u>Insurance Proceeds</u>. The Association shall utilize all insurance proceeds payable as a result of such damage or destruction to the repair and replacement of such damaged portions of the Project.
- Insurance Proceeds Insufficient. In the event that the cost of repair or replacement is in excess of the insurance proceeds and reserves payable as a result of such damage or destruction, then any additional costs of such repair or replacement shall be a Common Expense of the Association and assessed in the manner provided by paragraph 23 of this Declaration. The Association shall levy and assess a special assessment for such repairs and replacement as provided in paragraph 23.7 of this Declaration. In the event that any Lot Owner fails or refuses to pay such special assessment in the time and in the manner provided by the Association, the Association shall foreclose the lien of its special assessment as to such Lot in the manner provided in paragraph 25 of this Declaration and the proceeds derived from the foreclosure of such Lot shall be used and disbursed by the Association in the following order:

31.4.1 For the payment of any taxes and assessments to any governmental authority.

31.4.2 To the costs and expenses to foreclose the lien of the Association, including reasonable attorneys' fees.

31.4.3 The unpaid balance due to the holder of a First Security Interest, which First Security Interest was recorded in the

records of Gunnison County, Colorado prior to the date of the special assessment of the Association.

- 31.4.4 The payment of the special assessment due to the Association under this paragraph, and the payment of any unpaid assessments or costs, expenses and fees due the Association.
- 31.4.5 The payment of any Security Interest in the order of and to the extent of their priority.
- 31.4.6 The balance remaining, if any, shall be paid to the Lot Owner.
- 31.5 <u>Assessments Not Abated</u>. The assessments of the Association shall not be abated during the period of repair and replacement unless otherwise provided by the Association.
- 31.6 <u>Election Not to Repair</u>. In the event that an election not to repair or replace any portions of the Project which have been damaged or destroyed and for which insurance proceeds are available, then the insurance proceeds attributable to such damage or destruction shall be distributed and paid in the same order as set forth in paragraph 31.4 of this Declaration.

All such proceeds shall be payable and distributed in accordance with the Allocated Interests of each Lot in the Common Elements.

32. OBSOLESCENCE OF CURECANTI TOWNHOMES.

The following provisions shall govern obsolescence of the Project:

- 32.1 <u>Obsolescence</u>. In the event of the obsolescence of the Project, the Project may be terminated in the manner provided by paragraph 18 of this Declaration.
- 32.2 <u>Plan of Renewal</u>. In the event of such obsolescence, the Association may adopt a plan for the renewal and reconstruction of the Project and submit the same to the Lot Owners for approval. If 80% of the Lot Owners, being one vote for each Lot, vote to approve and adopt the plan of renewal, then such plan of renewal shall be binding upon the Association and all Lot Owners, whether or not the Lot Owners have previously

consented to the plan of renewal. The cost of the plan for renewal shall be a Common Expense of the Association and the Association shall levy a special assessment for the payment of all costs of such plan of renewal. In the event that any Lot Owner fails or refuses to pay such special assessment in the time and in the manner provided by the Association, the Association shall foreclose the lien of its special assessment as to such Lot in the manner provided in paragraph 25.4 of this Declaration and the proceeds derived from the foreclosure of such Lot shall be distributed and paid by the Association in the same order as set forth in paragraph 30.4 of this Declaration.

33. CONDEMNATION.

If all or any part of a Lot or the Common Elements is acquired by eminent domain or sold or otherwise disposed of in lieu of or avoidance of condemnation or eminent domain then the following conditions shall apply:

- 33.1 Lot. If a Lot is acquired by eminent domain or part of a Lot is acquired by eminent domain leaving the Lot Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration or by the laws, ordinances. rules or regulations of any governmental entity having jurisdiction over the Lot, the eminent domain award must include compensation to the Lot Owner for that Lot Any remnant of a Lot remaining after a part of the Lot is taken in eminent domain under this paragraph is thereafter a Common Element.
- 33.2 <u>Part of a Lot</u>. If a part of a Lot is acquired by eminent domain the award must compensate the Lot Owner for the reduction in value of the Lot.
- 33.3 <u>Common Elements</u>. If any part of the Common Elements are acquired by eminent domain, that portion of any award attributable to the Common Elements taken must be paid to the Association.
- 33.4 <u>Entire Project</u>. If all of the Lots and all of the Common Elements are acquired by eminent domain then the Project shall terminate in the manner provided in paragraph 18 of this Declaration.

34. PROPERTY FOR COMMON USE.

The Association may acquire and hold for the use and benefit of all of the Lot Owners, real and personal property and may dispose of the same by sale or otherwise. A conveyance of a Lot shall transfer to the grantee ownership of the grantor's beneficial interest in all such property acquired and held by the Association.

- 35. REGISTRATION BY LOT OWNER OF MAILING ADDRESS. Each Lot Owner shall register his mailing address with the Association, and except for assessments statements and other routine notices, all other notices or demands intended to be served upon an Lot Owner shall be sent by certified mail return receipt requested, postage prepaid, addressed in the name of the Lot Owner at such registered mailing address or personally delivered. All notices, demands or other notices intended to be served upon the Association shall be sent by certified mail return receipt requested, postage prepaid, to the address of the Association.
- 35.1 <u>Single Address for Mailing</u>. In the event my Lot is owned by more than one person, or by a partnership, joint venture, corporation, or other such entity, the Lot Owners thereof shall designate to the association in writing the name and address of the agent of the Lot (Owner to whom all legal or official assessments, lies, Jedes other such notices may be properly and lawfully mailed, and upon failure to so designate an agent the Association shall be deemed to be the agent or receipt of notices to such Lot Owners.

36. <u>ADDITIONAL RIGHTS OF HOLDERS OF FIRST SECURITY INTEREST.</u>

In addition to any other rights provided in this Declaration, any First Security Interest holder who shall make a request in writing to the Association, shall have the following additional rights:

- 36.1 <u>Annual Financial Statement</u>. To be furnished a copy of the annual financial statement of the Association, and to be further furnished an audit of the Association, if the same is performed, such documents to be furnished at the same time that they are furnished to the Lot Owners.
- 36.2 <u>Notice of Amendment</u>. To be given written notice by the Association of any meeting of the Association called for the purpose of considering any Amendment, change, revision or termination of the Declaration. Such notice shall state the nature of any such change being proposed.
- 36.3 <u>Notice of Default</u>. To be given written notice of any default by a Lot Owner of a Lot encumbered by a First Security Interest in the performance of any duty or obligation required hereunder

or rules and regulations of the Association, which default remains uncured more than 30 days following notice to the defaulting Lot Owner.

37. GENERAL.

The following general provisions shall pertain to this Declaration:

- 37.1 <u>Validity</u>. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.
- 37.2 <u>Additional Provisions</u>. The provisions of this Declaration shall be in addition and supplemental to the Act and to all other provisions of law.
- 37.3 <u>Context of Words</u>. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.
- 37.4 Rate of Delinquent Interest. Unless the board of directors of the Association determines otherwise, any and all sums, amounts, expenses, assessments or any funds due and payable as provided in this Declaration which are not paid within ten (10) days of the date that the same are due and payable shall bear interest at the rate of one and one-half percent (1-1/2%) per month from the date that the same were first due and payable to the date until paid.
- 37.5 <u>Enforcement</u>. In the event of any breach by any Lot Owner, or by the Association, of any of the terms and conditions of this Declaration, any supplement hereto, any document provided for herein, the rules and regulations promulgated hereunder, the Articles of Incorporation and Bylaws of the Association, or any resolution, decision, or determination made by said Association, its members, directors, or officers in accordance with applicable Colorado law, the party not in default shall have the right to bring suit in law, or in equity, or both, against the party in default to obtain monetary damages for said breach, and/or to obtain injunctive relief, in any court of competent jurisdiction.

- 37.6 <u>Severability</u>. This Declaration, to the extent possible, shall be construed so as to give validity to all of the provisions hereof. If any provision of this Declaration is determined to be invalid, unenforceable or prohibited by any court, the same shall not affect any other provision or Section hereof and all other provisions and Sections shall remain in full force and effect.
- 37.7 Attorneys' Fees. If any legal action is commenced or maintained in court, whether in law or in equity, as to the interpretation, enforcement, construction or the determination of the rights and duties of the parties to this Declaration or any provision of the Association Documents provided herein, the prevailing party in any such action shall be entitled to reasonable attorneys' fees together with all reasonable costs and expenses incurred in such action.
- 37.8 <u>Applicable Law</u>. The proper jurisdiction and venue for any action pertaining to the interpretation or enforcement of the Association Documents shall be the District Court of Gunnison County, Colorado, unless otherwise chosen by the Association and shall be interpreted, construed and governed by the laws of the State of Colorado.

IN WITNESS WHEREOF, the Declarant has executed this Declaration the date first above written.

QUATRO AMIGOS, LLC, a Colorado limited liability company

By: Frank Buffington, General Manager

STATE OF COLORADO)
) ss
County of Gunnison)

The foregoing Condominium Declaration has been acknowledged before me this _______ day of _______, 2001, by Frank Buffington as General Manager of QUATRO AMIGOS, LLC, a Colorado limited liability company

Witness by hand and official s My commission expires: 8/	Seal.
Colette A. P.	eruse & NOTAR,
Notary Public	PUBLIC
	OF CCLOREN



EXHIBIT A

DECLARATION OF PROTECTIVE COVENANTS for CURECANTI TOWNHOMES

Legal Description

Township 49 North, Range 1 West, N.M.P.M.

Section 10: A tract of land located in the W1/2NW1.4 of said Section more particularly described as follows:

Commencing at the north quarter corner of said Section 10; thence South 58°39'17" West 1949.25 feet to a point on the southerly ROW boundary of U.S. Highway No. 50, said point being the POINT OF BEGINNING of the tract herein described; thence the following courses around said tract:

- South 27*11'00" East 270.29 feet to a point on the northerly boundary of the Fletcher Corporation property as described in Book 453 at page 497 of the records of the Gunnison County Clerk and Recorder;
- 2 South 65°55'42" West 367.09 feet along said northerly boundary;
- 3. South 79°25'10" West 89.07 feet along the northerly boundary of Que Qua Condominiums Buildings A and B;
- 4. South 85*28'48" West 224.68 feet along the northerly boundary of Que Qua Condominiums Buildings A, B, C and D;
- 5. 19.14 feet along the arc of a 16.33 foot radius curve to the right, said curve having a chord of North 60°56'24" West 18.06 feet to the southeast corner of Curecanti Drive as dedicated on the recorded Plat of Que Qua Condominiums Buildings A and B;
- 6. North 27*21'35" West 122.62 feet along the easterly boundary of said Curecanti Drive to the southerly ROW boundary of U.S. Highway No. 50;
- 7. North 62°45'27" East 669.66 feet along said southerly boundary to the POINT OF BEGINNING.



EXHIBIT B

WEED MANAGEMENT PLAN



CURECANTI TOWN HOMES

WEED MANAGEMENT PLAN

I. INTRODUCTION

Noxious weeds are non-native plant species which have been introduced into an environment with few, if any, natural biological controls, thus giving them a distinct competitive advantage in dominating and crowding out native plant species. They are aggressive, spread rapidly, possess a unique ability to reproduce profusely, and resist control. Noxious weeds, such as Canada thistle adversely impact Curecanti Town Homes by creating problems such as reducing aesthetic value, choking out native vegetation, invading landscaped areas, decreasing property value, and other concerns.

Soil disturbance such as roads and homesites are areas in which noxious weeds may become established. In non-residential areas noxious weeds also threaten valuable wildlife habitat and other natural resources.

II. PLAN GOAL

The goal of this plan is "TO PREVENT AND/OR CONTROL THE SPREAD OF NOXIOUS WEEDS IN THE CURECANTI TOWN HOMES AREA."

III. PLAN OBJECTIVES

- 1) Control and/or eradicate Canada thistle within Curecanti Town Homes.
- 2) To protect native plants within Curecanti Town Homes.
- 3) Prevent the invasion of State and/or County listed noxious weed species within Curecanti Town Homes.

IV. MANAGEMENT ACTIONS - INTEGRATED WEED MANAGEMENT (IWM)

This weed management plan encourages Integrated Weed Management (IWM). IWM is a strategy using a comprehensive, interdisciplinary approach to manage noxious weeds. The purpose of integrated weed management is to achieve healthy and productive natural and agricultural ecosystems through a balanced program. This program will include, but not be limited to, education, prevention measures, good stewardship and control methods.

A. IDENTIFICATION AND INVENTORY

An initial noxious weed inspection was done by the Gunnison County Weed Coordinator prior to development. Canada thistle was found on



the property. However, developers and property owners should continue to monitor the area for other noxious weed species that may become established due to development.

B. AWARENESS AND EDUCATION

Awareness of what noxious weeds are and the problems they cause will help the homeowners/developer(s) understand why a long-term noxious weed program is important to Curecanti Town Homes. Educational materials regarding noxious weeds are available at the Gunnison Basin Weed Commission Office, Mountain Meadow Research Center, 970-641-4393. The developer/owner and homeowners are strongly encouraged to utilize this source to educate themselves and increase their awareness of noxious weeds within Curecanti Town Homes.

Information regarding State and County weed laws and those weeds required to be controlled is available through the County Weed Coordinator.

C. PREVENTION

Prevention, early detection, and eradication of new noxious weed plants is the most effective means of noxious weed management. Prevention is best accomplished by ensuring that new weed species' seed or vegetative reproductive plant parts are not introduced into Curecanti Town Homes. To do this, the following actions are recommended:

1) Revegetate disturbed areas such as: roadsides and landscaped areas with certified noxious weed free seed; 2) Hydromulch or certified noxious weed free forage should be used as mulch; and 3) Open space areas should also be managed for noxious weeds.

D. CONTROL METHODS

A number of control methods are available to homeowners/ developer(s). The following control methods are standard components of an IWM program. While these methods may be used singularly, they are usually most effective when used in combination. The homeowners/developer(s) should utilize control method(s) that best meet their needs and the needs of the site to be treated while controlling the target specie(s). These methods include:

1. PHYSICAL CONTROL

Physical control intentionally disrupts the growth of weeds through cultivation, mowing, hand pulling, flooding, and burning. All of these measures, when used correctly, can be useful when used in conjunction with other control methods. This method of control is best suited for annuals and biennials.



2. CULTURAL CONTROL

Cultural control involves methods favoring desirable plant growth such as proper grazing, fertilization, irrigation, and seeding vigorously growing, competitive desirable plant species. Revegetation is necessary on all disturbed sites to reduce soil erosion and weed infestations.

3. BIOLOGICAL CONTROL

Biological control involves the release of beneficial organisms such as insects, fungi, rusts, pathogens, parasites, and diseases to diminish weed seed production, increase plant stress, and limit the expansion of underground parts of the plant's reproductive system. This control method is best suited for large infestations.

4. HERBICIDE CONTROL

Herbicide control involves the application of EPA-registered herbicides that are effective on target noxious weed species based on the best available scientific facts and current technology to reduce weed infestations. This method is a tool for perennials. The root must be killed to control and/or eradicate perennials.

While herbicides are a powerful tool, it must be realized that they are just that; and should be used only as part of an Integrated Weed Management Program (IWM).

Before applying herbicides, homeowners and developer(s) are strongly encouraged to attend Private Pesticide Applicator training provided by the Gunnison Basin Weed Commission. This training combined with the careful use of herbicides according to the product label will help to ensure safe and proper use. Commercial applicators are also available for noxious weed control. Contact the Gunnison Basin Weed Commission for a list of these applicators.

Control methods are at the discretion of the homeowner/developer(s), however, the method chosen should be appropriate for the noxious weed species being controlled and the area it is growing in. County listed noxious weeds are mandated by law (C.R.S. 35-5.5, et. seq.) to be controlled. There is also a State noxious weed list.

The developers and homeowners should contact the County Weed Coordinator, Adena Green, for assistance in determining the appropriate management action for the noxious weeds present. Recommendations are sight specific and species specific.

V. RESPONSIBILITIES

Initially it is the responsibility of the developer to control noxious weeds on Curecanti Town Homes. The Homeowners Association will assume responsibility for controlling noxious weeds along roadways and landscaped areas. Homeowners will be responsible for controlling noxious weeds on their property or in cooperation with the Homeowners Association.

The Gunnison County Weed Coordinator, Adena Green, will be available to assist the homeowners/developer(s) with weed identification, weed management strategies and to provide educational materials on noxious weeds. Colorado State University Cooperative Extension can also provide educational materials on noxious weeds.

VI. MONITORING/EVALUATION

An Integrated Weed Management Program should be evaluated each year to determine whether or not the program is successful in achieving the plan goal and objectives. This will allow developers and homeowners of Curecanti Town Homes to make appropriate changes to ensure the success of their weed management program.

Homeowners/developer(s) should monitor their perspective properties in order to detect new infestations and to determine the success or failure of treatments (management actions).

Because State and/or County listed weeds (Canada thistle) were found on the property, this area will continue to be monitored by the Gunnison County Weed Coordinator until such time that these weeds have been contained and/or eradicated.