

40 PAGE DOCUMENT

**RESTATED AND AMENDED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
HOLLOW CREEK SUBDIVISION**

THIS RESTATED AND AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HOLLOW CREEK SUBDIVISION ("Restated and Amended Declaration") is made the 28<sup>th</sup> day of September, 2012, by Housing Resources of Western Colorado, a Colorado non-profit corporation, Janet Brazfield, Richard Brazfield, Matthew S. Elliott, Melissa Elliott, Andrew J. England, Brittany M. England, Thomas A. Kelly, Claudia K. Kelly and Alfred Ruckman who collectively are termed "Declaring Parties" and who collectively own all Lots in the Hollow Creek Subdivision as recorded with the Mesa County Clerk and Recorder, Colorado.

**RECITALS**

A. WHEREAS, the original Declarant submitted certain properties to the Declaration of Covenants, Conditions and Restrictions and First Amendment to Covenants, Conditions and Restrictions, as identified below, and provided that the Hollow Creek Homeowners Association govern the property. These Declarations are as follows:

- 1) **Declaration of Covenants, Conditions and Restrictions for Hollow Creek Subdivision ("Original Declaration")** — Ruckman, Inc., a Colorado corporation, recorded a Declaration of Covenants, Conditions and Restrictions for Hollow Creek Subdivision, on October 9, 2007 in Book 4531, Page 446 at Reception No. 2406499 with the Mesa County Clerk and Recorder, subjecting all Lots to that Original Declaration;
- 2) **First Amendment to Declaration of Covenants, Conditions and Restrictions for Hollow Creek Subdivision ("First Amendment")** — Ruckman, Inc., a Colorado corporation, as original Declarant and Owner, and Terry M. Ruckman, as an Owner, recorded a First Amendment to Declaration of Covenants, Conditions and Restrictions for Hollow Creek Subdivision, on January 15, 2010 in Book 4967, Page 970 at Reception No. 2519850 with the Mesa County Clerk and Recorder, subjecting all Lots to that First Amendment;

B. WHEREAS, Janet Brazfield, Richard Brazfield, Matthew Elliott, Melissa Elliott, Andrew J. England, Brittany M. England, Thomas A. Kelly, and Claudia K. Kelly challenged the validity of the First Amendment by filing a legal action in Mesa County District Court (Case No. 11 CV 4040).

C. WHEREAS, in order to resolve the litigation between the Parties, an agreement was reached as a result of mediation on March 26, 2012. The terms of the agreement are memorialized in a Settlement Agreement which was adopted and ordered by the District Court on 8.27.2012. The Settlement Agreement is also recorded at Book 5365, Page

~~803~~, Reception No. 2627428. It is the intent of all the Declaring Parties of this Restated and Amended Declaration to fulfill the terms of the Settlement Agreement by returning to the Original Covenants except for those issues specifically contained in the Settlement Agreement. Further, it is the intent of the Declaring Parties that the provision of the Settlement Agreement supercede the provisions of this Restated and Amended Declaration to the extent that there is conflict between them.

D. WHEREAS, it is the intent of the Declaring Parties to incorporate the Settlement Agreement, that its provisions become part of this Restated and Amended Declaration, and to restate, supersede and replace the Original Declaration and the First Amendment with this Restated Declaration as part of a Settlement Agreement;

E. WHEREAS, pursuant to the requirements of the Colorado Common Interest Ownership Act, the Original Declaration, the First Amendment, and any other documents filed with the Mesa County Clerk and Recorder regarding Hollow Creek Subdivision and with all one hundred percent (100%) of Owners executing and filing this document, all requirements are met or exceeded approving this Restated and Amended Declaration;

F. WHEREAS, Declaring Parties, as set forth by the undersigned, are the owners of the real property in the City of Fruita, Mesa County, Colorado, legally described in the attached and incorporated Exhibit A.

G. WHEREAS, Declaring Parties desire to impose a general plan for the improvement, development and maintenance of the Property, and to adopt and establish covenants, conditions and restrictions upon the Property for the purpose of enhancing, maintaining and protecting the value and desirability of the Property.

H. WHEREAS, Declaring Parties deem it desirable to set aside a portion of the Property as Common Area for the use of the Owners of Lots within the Property, and to establish a Colorado nonprofit corporation, Hollow Creek Homeowners Association, to which such common area shall be conveyed.

THEREFORE, Declaring Parties covenant, agree, and declare that the Property is a planned community, as defined in CCIOA, that shall be held, sold, conveyed, encumbered, leased, used, occupied and improved subject to the following limitations, restrictions, easements, covenants, conditions, reservations, liens and charges described in this Restated and Amended Declaration, all of which are declared and agreed to be in furtherance of a general plan for the improvement and development of the Property. All of the limitations, restrictions, easements, covenants, conditions, liens and charges shall run with the land, shall be binding upon and inure to the benefit of all parties having or acquiring any right, title or interest in the Property or any part of it and the successors in interest of such parties, and are imposed upon the Property and every part of it as equitable servitudes that may be enforced by Declarant, its successors and assigns, each Owner, his or her successors and assigns, or by the Association, its successors and assigns.

**ARTICLE 1**  
**DEFINITIONS**

Section 1.01. "Architectural Control Committee" or "ACC" shall mean and refer to the committee appointed by Declarant or by the Board of Directors, as more fully provided in Article 8.

Section 1.02. "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as they may be amended from time to time.

Section 1.03. "Assessment" shall mean and refer to any assessment levied against one or more Owner(s) or Lot(s) as permitted by this Restated and Amended Declaration or applicable law, including without limitation any of the following:

- (a) "Regular Assessment" shall mean and refer to a charge against each Lot representing that portion of the Common Expenses attributable to such Lot, including all fees, charges, late charges, attorney fees, fines and interest arising from failure to pay when due the principal amount of such assessment.
- (b) "Special Assessment" shall mean and refer to a charge against any Lot for certain costs incurred by the Association for materials or services furnished to the Owner or his or her Lot at the request of or on behalf of such Owner, or as a result of any Owner failing to maintain any portion of his or her Lot in accordance with the provisions of this Restated and Amended Declaration, or as a result of the negligence, recklessness or willful misconduct of any Owner, his or her employees, guests or invitees, or for excessive use or special use of the services or facilities, if any, provided by the Association, or for any other purpose for which this Restated and Amended Declaration or applicable law specifies or permits the imposition of a Special Assessment.
- (c) "Capital Assessment" shall mean and refer to a charge against any Lot representing a portion of the Association's cost for the purchase, installation, construction, or expected or unexpected repair or replacement, of any capital improvement (including the necessary fixtures and personal property related to it) that is a Common Expense of the Association, plus reserves for repair or replacement of existing capital items, and acquisition, construction and installation of new capital improvements.

Section 1.04. "Association" shall mean and refer to Hollow Creek Homeowners Association, a nonprofit corporation incorporated under Colorado law.

Section 1.05. "Association Water" shall mean and refer to all water, water stock and water rights appurtenant to, associated with or used in connection with all or any part of the Property, plus any other water or water rights, ditch or ditch rights, reservoir or water storage

rights appurtenant to any portion of the Property or used in connection with any portion of the Property and owned or controlled by the Association.

Section 1.06. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.

Section 1.07. "Bylaws" shall mean the Bylaws of the Association as they may be amended from time to time.

Section 1.08. "CCIOA" means the Colorado Common Interest Ownership Act, presently codified at C.R.S. § 38-33.3-101, *et seq.*, as it may subsequently be amended from time to time.

Section 1.09. "City" means the City of Fruita, Colorado.

Section 1.10. "Common Area" shall mean any and all real property, and the improvements and fixtures on it owned, leased or controlled by the Association within the Subdivision for the common use and enjoyment of the Members, including but not limited to any Irrigation Facilities, retention area, pedestrian path, landscaping, street or lighting fixture owned or controlled by the Association in the Subdivision, as well as signage on any Common Area or for the general benefit of the Subdivision or Owners. The Common Area shall be as shown on the recorded plat of the Property and described on the Map.

Section 1.11. "Common Expenses" shall mean and include expenditures made, and liabilities incurred, by or on behalf of the Association.

Section 1.12. "Conveyance" shall mean and refer to transfer of a fee simple title by deed, installment land purchase contract or otherwise of any part of the Property.

Section 1.13. "Declarant" shall mean and refer to Ruckman, Inc., a Colorado corporation, its successors and assigns designated in writing to be the successor of Declarant, subject to any limitation on transfer of Special Declarant Rights contained in this Restated and Amended Declaration, CCIOA or other applicable law.

Section 1.14. "Irrigation Facilities" shall mean and refer to all improvements, equipment, facilities and other real and personal property owned, operated or maintained by the Association for the purpose of delivering water to the Lots and Common Area for irrigation purposes, and shall include, but not be limited to, all pumps, pipes, pipelines, risers, connectors, controls, siphons, filters, valves and related parts and materials located in, under or upon easements within the Subdivision, or elsewhere outside of the Subdivision. Irrigation Facilities shall not include the "stub out" or "lateral" pipelines that extend beyond the exterior of the irrigation and maintenance easement or street, as the case may be, within the Subdivision and into a Lot.

Section 1.15. "Landscape Plan" shall mean the recorded master landscape plan for the Subdivision, which may be changed in the future as permitted by the City or by law.

Section 1.16. "Lot" shall mean and refer to each numbered lot of the Property described in the Map as recorded and amended. Boundaries of a Lot shall be as shown and defined on the Map.

Section 1.17. "Map" means the map or plat of the Property attached to this Restated and Amended Declaration as Exhibit B pursuant to the requirements of CCIOA. Also, as recorded on October 9, 2007 in Book 4531 at Page 405 with the Mesa County Clerk and Recorder.

Section 1.18. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 1.19. "Owner" shall mean and refer to Declarant and to any other person or entity holding a fee simple ownership interest in any Lot that is a part of the Property, including contract purchasers and lessees with enforceable options to purchase, but excluding mortgagees (unless and until a mortgagee acquires record fee ownership) and those having such interest merely as security for the performance of an obligation.

Section 1.20. "Property" shall mean and refer to that certain real property in Mesa County, Colorado, described in Exhibit A and as further shown and described on the Map.

Section 1.21. "Residence" means the single family dwelling improvements (including garage, whether attached or detached, but excluding any outbuildings) located on a Lot.

Section 1.22. "Special Declarant Rights" shall mean and refer to the development and other rights expressly reserved for the benefit of Declarant in accordance with the terms and conditions of this Restated and Amended Declaration.

Section 1.23. "Subdivision" shall mean all of the Property, and improvements thereon, subject to this Restated and Amended Declaration or any amendment to this Restated and Amended Declaration.

## **ARTICLE 2**

### **THE ASSOCIATION**

Section 2.01. Membership. Every Owner of one or more Lots in the Property shall be entitled and required to be a Member of the Association, subject to the voting rights provisions of this Article 2. No person or entity other than an Owner of one or more Lots in the Property may be a Member of the Association. No Owner shall be entitled to sever his or her ownership interest in a Lot from membership in the Association; provided, that this shall not be construed as precluding the Owner of a Lot from creating or severing a co-tenancy, joint tenancy or any other form of co-ownership with any other person or persons.

Section 2.02. Allocation of Votes. Each Lot that may be created shall be allocated one vote in the Association, subject to Section 2.06. If only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Lot. If more than one of the multiple Owners are present, the votes allocated to that Lot may be

cast only in accordance with the agreement of a majority in interest of such Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. However, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy meeting the requirements set forth in the Bylaws.

Section 2.03. No Cumulative Voting. In the election of directors of the Association, cumulative voting shall not be allowed.

Section 2.04. Membership Appurtenant. By accepting a deed to a Lot or other conveyance the acceptance of which would render the holder an Owner, membership in the Association shall be appurtenant to and inseparable from a Lot. Membership in the Association may not be transferred except in connection with the transfer of ownership of a Lot and shall be automatically transferred by Conveyance of a Lot without additional action or documentation.

Section 2.05. Directors of the Association. The affairs of the Association shall be managed initially by a Board of Directors consisting of three (3) directors. When Declarant relinquishes control of the Board to the Owners pursuant to Section 2.06, the Board shall be comprised of not fewer than three (3) directors, with the number of directors specified in the Bylaws.

Section 2.06. Management of the Association. The eligibility and voter credentials for all Owners to manage the Association are contained in the Settlement Agreement recorded at Book 5365 Page 803 Reception No. 2627428. To the extent that the provisions of the Settlement Agreement are no longer applicable, the management of the Association shall be governed by the following provisions:

- (a) Notwithstanding anything stated elsewhere in this Declaration, until the earliest of: (i) October 9, 2027 (the period of Declarant's control); (ii) sixty (60) days after Conveyance of 75% of the Lots to Owners other than Declarant; or (iii) two (2) years after the most recent Conveyance of a Lot by Declarant in the ordinary course of business, Declarant may appoint and remove all Association officers and all members of the Board of Directors of the Association, subject to the limitations stated in this Section 2.06.
- (b) Not later than sixty (60) days after Conveyance of 25% of the Lots that may be created by the terms of this Declaration to Owners other than Declarant, at least one member, and not fewer than 25% of the members, of the Board of Directors must be elected by the Owners of Lots other than Declarant.
- (c) Not later than sixty (60) days after Conveyance of 50% of the Lots that may be created by the terms of this Declaration to Owners other than

Declarant, not fewer than 33-1/3% of the members of the Board of Directors must be elected by Owners other than Declarant.

- (d) Not later than the termination of the period of Declarant control specified in subsection 2.06(a), the Owners shall elect the entire Board of Directors in accordance with Section 2.05 who must be Owners other than Declarant or designated representatives of Owners other than Declarant. The Board of Directors so elected and officers shall take office upon election.
- (e) Notwithstanding anything to the contrary stated elsewhere in this Section 2.06, by a vote of 67% of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, any member of the Board of Directors may be removed with or without cause, other than a member appointed by Declarant.
- (f) Declarant may voluntarily surrender the right to appoint and remove officers of the Association and members of the Board before termination of the period of Declarant's control; but in that event Declarant may require, for the duration of the period of Declarant's control, that specified actions of the Association or the Board (as described in a recorded instrument executed by Declarant) be approved by Declarant before they become effective.
- (g) Within sixty (60) days after Owners other than Declarant elect a majority of the Board, Declarant shall deliver to the Association all property of the Owners and the Association held or controlled by Declarant, including, without limitation, those items specified in C.R.S. § 38-33.3-303(9); provided, however, that the Irrigation Facilities, Association Water and all shares of GVIC stock shall be transferred to the Association in accordance with Section 9.01. Section 2.07.

Section 2.07. Quorum. Quorum requirements are specified in the Bylaws.

Section 2.08. Officers of the Association. The Officers of the Association are specified in the Bylaws.

Section 2.09. Authority. The Association shall have all rights, powers and authority specified or permitted by this Restated and Amended Declaration, the Articles of Incorporation, the Bylaws, CCIOA or any other applicable law; to the extent permitted by law.

Section 2.10. Duties and Obligations. The Association shall perform all duties and obligations specified in this Restated and Amended Declaration, the Articles of Incorporation and the Bylaws, including but not limited to maintenance and upkeep of all Common Area. Further, to promote responsible governance, the Association shall adopt rules and regulations concerning the investment of reserve funds, the procedure for the adoption and amendment of

policies, procedures and rules, and the procedure for addressing disputes arising between the Association and Owners.

Section 2.11. Actions Against Owners. The Association may take judicial action against any Owner to enforce compliance with any provision of this Restated and Amended Declaration, obtain mandatory or injunctive relief, or obtain damages for noncompliance, and may exercise any other right or remedy for enforcement of this Restated and Amended Declaration permitted by law; provided, however, that the parties shall first proceed in good faith to submit the matter to mediation. The mediator cannot impose a binding decision. The parties to the dispute must agree before any settlement is binding. Within fourteen (14) days after one party notifies the other of a dispute, the parties shall jointly appoint an acceptable professional mediator. If the parties cannot agree on a mediator, each party shall select a professional mediator whose sole purpose shall be to select a third professional mediator who shall mediate the dispute. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within thirty (30) days after the date the mediator is selected. If the dispute is settled through the mediator, the parties shall share equally in the mediation costs and shall pay their own attorney fees, if any. If the dispute is not settled by mediation and proceeds to litigation, the losing party in the litigation shall pay the prevailing party's portion of the mediation costs and its attorney fees, if any.

Section 2.12. Conveyance or Encumbrance. No Common Area may be encumbered, dedicated or transferred in whole or in part without the express written consent of the City, in which case no such encumbrance, dedication or transfer shall be effective unless an instrument signed by 67% of the Members entitled to vote, including 67% of the votes allocated to Lots not owned by Declarant, agreeing to such encumbrance, dedication or transfer has been recorded in the real property records of Mesa County, Colorado. Such agreement must specify a date after which the agreement will be void unless approved by the requisite number of votes. Any instrument required by this Section 2.12 may be signed in counterparts that shall together constitute a single agreement.

Section 2.13. Management Agreement and Other Contracts.

- (a) The Association may utilize professional management in performing its duties. Any agreement for professional management of the Association's business shall be terminable for cause without penalty to the Association. Any such contract shall be subject to renegotiation.
- (b) Any contracts, licenses or leases entered into by the Association while Declarant controls the Association shall provide for termination by either party to it, with or without cause and without payment of a termination fee, at any time after termination of Declarant's control of the Association, upon ninety (90) days prior written notice.

Section 2.14. Public Disclosures after Declarant Control. Within ninety (90) days after assuming control from Declarant pursuant to Section 2.06, the Association shall make the following information available to Owners by posting on an internet web page (if the Owners



have been previously notified of the web address via mail or e-mail), maintaining a literature table or binder at the Association's principal place of business, or by mail or personal delivery:

- (a) The name of the Association;
- (b) The name of the Association's designated agent or management company, if any;
- (c) A valid physical address and telephone number for both the Association and the designated agent or management company, if any;
- (d) The name of the common interest community;
- (e) The initial date of recording of the Restated and Amended Declaration;
- (f) The reception number or book and page for the main document that constitutes the Restated and Amended Declaration;
- (g) The date on which the Association's fiscal year commences;
- (h) The Association's operating budget for the current fiscal year;
- (i) A list, by type of Lot or unit, of the Association's current Assessments, including both Regular and Special Assessments;
- (j) The Association's annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (k) The results of the Association's most recent available financial audit or review;
- (l) A list of all Association insurance policies, including but not limited to property, general liability, Association director and officer professional liability, and fidelity policies, which shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed;
- (m) The Articles of Incorporation, Bylaws and any rules and regulations of the Association;
- (n) The minutes of the Board and Member meetings for the fiscal year immediately preceding the current annual disclosure; and
- (o) Any rules, regulations and procedures concerning the investment of reserve funds, the adoption and amendment of policies, procedures and rules, and the resolution of disputes between the Association and Owners.

Section 2.15. Annual Public Disclosures. Within ninety (90) days after the end of each fiscal year of the Association, the Association shall make available (by the same methods described in Section 2.14) the information described in subsections 2.14(g) through 2.14(o).

Section 2.16. Owner Education. So long as required by law, the Association shall provide, or cause to be provided, education to Owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the Association and the Board of Directors under Colorado law. The criteria for compliance with this Section 2.16 shall be determined by the Board.

### **ARTICLE 3**

#### **PROPERTY RIGHTS IN THE LOTS AND COMMON AREA**

Section 3.01. Title to the Common Area. Prior to the sale of the first Lot in the Subdivision, Declarant shall convey fee simple title to the Common Area to the Association free and clear of all liens and encumbrances, except this Restated and Amended Declaration, then current real property taxes (prorated to the date of Conveyance), and liens and encumbrances and other title exceptions of record on the date of recording of this Restated and Amended Declaration.

Section 3.02. Members' Easements of Enjoyment. Every Member shall have a non-exclusive right and easement in and to the Common Area, including but not limited to an easement for ingress and egress over and through the Common Area. Each such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to adopt uniform rules and regulations pertaining to the use and enjoyment of the Common Area;
- (b) The right of the Association to encumber (by mortgage, deed of trust or otherwise) the Common Area or any part of it in accordance with Section 2.12 for the purpose of improving the Common Area, provided any such encumbrance shall be expressly subordinate to the rights of the Members;
- (c) The right of the Association to suspend a Member's voting rights, Common Area use, and/or any benefits of membership in the Association, including the use of Association Water, for any period during which any Assessment against such Member's Lot(s) remains unpaid and delinquent, and/or while a Member is in violation of this Restated and Amended Declaration or any rules or regulations adopted by the Association; provided that any suspension of such voting rights, Common Area use, or benefits of membership in the Association, except for failure to pay Assessments, shall be made only by the Association or a duly appointed committee of the Association after notice and hearing given and held in accordance with the Bylaws;

- (d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members and required by the City under Section 2.12;
- (e) The right of Declarant or its designees to enter upon the Common Area for purposes of construction and development of the Subdivision and for purposes of making repairs and remedying construction defects; provided such entry shall not unreasonably interfere with the use and enjoyment of any Lot upon which a Residence has been constructed, unless authorized by the Owner; and
- (f) The right of the Association to close or limit the use of the Common Area while maintaining, repairing and making replacements in the Common Area, or as otherwise reasonably required.

Section 3.03. Delegation of Use. Any Member may delegate his or her right of enjoyment to the Common Area and Association Water to his or her family members, licensees and invitees, or tenants or contract purchasers who are in possession of such Member's Lot.

Section 3.04. Waiver of Use. No Member may exempt himself or herself from personal liability for Assessments duly levied by the Association, or release the Lot(s) owned by such Member from the liens and charges created by CCIOA or this Restated and Amended Declaration, by waiver of the use and enjoyment of the Common Area or the facilities on it, or by abandonment of his or her Lot.

Section 3.05. General Restrictions.

- (a) All Owners of Lot(s), by their acceptance of their respective deeds or other conveyances causing them to become Owners, covenant and agree that the Common Area shall remain undivided, and no Owner shall bring any action for partition (which right is expressly waived), it being agreed that this restriction is necessary to preserve the rights of Owners with respect to the operation and management of the Property.
- (b) No Owner shall engage in any activity that will temporarily or permanently deny free access to any part of the Common Area to all Members, nor shall any Owner place any structure or fence (except those installed by Declarant) upon the Common Area.

**ARTICLE 4**  
**COVENANT FOR ASSESSMENTS**

Section 4.01. Creation of the Lien and Personal Obligation of Assessments. The undersigned, for each Lot within the Property, covenants (and each Owner of any Lot by

acceptance of a deed or other conveyance for that Lot, whether or not it shall be so expressed in that instrument, is deemed to covenant and agree) to pay to the Association: (a) all Assessments and charges levied against that Lot; (b) all fees, charges, late charges, attorney fees, fines, collection costs, interest and other sums charged pursuant to this Restated and Amended Declaration or as allowed by C.R.S. § 38-33.3-316(1) or any other provision of CCIOA or by any other applicable law. The Association shall have the right, independent of CCIOA, to impose reasonable charges for late payment of Assessments, recover reasonable attorney fees and other legal costs for collection of Assessments and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated, and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Restated and Amended Declaration, the Bylaws or the rules and regulations of the Association.

Any charge set forth in this Section 4.01, from the time such charge becomes due, shall be a charge on and covenant running with the land, and shall be a continuing lien on the Lot against which each such item is assessed. If an Assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations. A valid acceleration of installment Assessment obligations may be made by the Board at any time any Assessment or Assessment installment is at least thirty (30) days overdue.

Each such charge, together with interest, costs and reasonable attorney fees, shall also be the joint and several personal obligation of each person and entity who was the Owner of the Lot at the time when the item became due; provided that, this personal obligation shall not pass to an Owner's successors-in-interest unless expressly assumed by them. No Owner may be exempt from liability for Assessments by waiver of use or enjoyment of the Common Area, Association Water or other assets or benefits of the Association, or by abandonment of any Lot.

The Association's lien on a Lot for Assessments shall be superior to any homestead exemption now or later provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to a Lot subject to this Restated and Amended Declaration shall constitute a waiver of the homestead and any other such exemption as against such Assessment lien.

Section 4.02. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for: Common Expenses; to promote the health, safety or welfare of the residents of the Property; for the benefit of the Common Area or Association Water; or for any other purpose of the Association, as those purposes (as amended from time to time) are specified in this Restated and Amended Declaration, the Bylaws or the Articles of Incorporation; or as otherwise authorized or permitted by CCIOA or other applicable law.

**Section 4.03. Initial Assessment.**

- (a) The initial Assessment of any particular type shall be fixed in an amount set by, and made upon the resolution of, the Board of Directors.

- (b) After an Assessment of any type has been made by the Association, Assessments of the same type shall be made no less frequently than annually, based on a budget adopted by the Association as described in this Restated and Amended Declaration.
- (c) Until the Board of Directors makes the initial Assessment, all expenses of the Association shall be paid by Declarant.

Section 4.04. Date of Commencement of Assessments; Due Dates. The initial Assessment of any type other than Special Assessments and Capital Assessments shall be adjusted according to the number of months remaining in the calendar year for which the Assessment is made, if less than a full year. Thereafter, the Board shall fix the amount of such annual Assessments against each Lot at least thirty (30) days in advance of each annual Assessment period. Written notice of the annual Regular Assessment (including any applicable Landscape Assessment) shall be sent to every Owner subject to the Assessment. The due date(s) shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid.

Section 4.05. Expense Allocation. Except as otherwise stated in this Article 4, or as otherwise provided by CCIOA or other applicable law, each Lot shall be allocated a fraction of the Common Expenses of the Association in which the numerator is one and the denominator is the number of platted Lots then in the Subdivision. Despite anything to the contrary stated in this Section 4.05, if permitted or required by this Restated and Amended Declaration (see for example Section 4.06), CCIOA or other applicable law, any Common Expense or portion of any Common Expense or other cost or expense to the Association benefiting or caused by fewer than all Lots shall be assessed exclusively against the Lots benefited by or causing the Common Expense or other cost or expense.

Section 4.06. Owner's Negligence. In the event that the need for maintenance, repair, replacement, reconstruction or reconfiguration of Common Area, or any other Common Expense, is caused by the willful or negligent act or omission of any Owner, or by the willful or negligent act or omission of any family or household member, guest or invitee of such Owner, such expense and all related fees, costs and expenses of or to the Association shall be the personal obligation of such Owner and may be made part of any Assessment against such Owner and that Owner's Lot(s). Negligence or the willful act or omission of any Owner or any family or household member, guest or invitee of such Owner, and the amount of the Owner's liability therefor, shall be determined by the Board of Directors at an informal hearing after notice to the Owner, provided that any such determination that assigns liability to any Owner pursuant to the terms of this Section 4.06 may be appealed by such Owner to a court of law.

Section 4.07. Priority of Lien. The lien for Assessments, which includes without limitation all those items specified in Section 4.01, shall have the priority specified in CCIOA, C.R.S. § 38-33.3-316(2), or other applicable law.

**ARTICLE 5**  
**BUDGET AND RECORDS**

Section 5.01. Books and Records. Association policies and regulations regarding records, retention of records, and Member access to records are specified in the Bylaws.

Section 5.02. Annual Budget. The Board of Directors shall cause an operating budget, balance sheet and cash flow statement for the Association to be prepared no less frequently than annually.

Section 5.03. Delivery of Budget. Within ninety (90) days after adoption of any proposed budget, the Board of Directors shall mail by ordinary first-class mail or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of the Owners to consider ratification of the budget which shall be within a reasonable time after mailing or other delivery of the summary.

Section 5.04. Ratification of Budget. Unless at the meeting Owners representing a majority of all Lots veto the budget, the budget is ratified, whether or not a quorum is present.

Section 5.05. Rejection of Budget. If the proposed budget is vetoed, the budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

Section 5.06. Reserve Fund. As part of each annual budget, the Board of Directors shall include an amount that, in its reasonable business judgment, will at least establish and maintain an adequate reserve fund for the repair or replacement of any personal property, fixtures and improvements required to be operated or maintained by the Association based upon age, remaining life, replacement cost and any other relevant factors. Any reserve funds may be deposited in such interest bearing account(s) as the Board of Directors deems appropriate.

Section 5.07. Audit and Review. At the discretion of the Board or upon the request of at least one third of the Owners, the books and records of the Association shall be subject to a review, using statements on standards for accounting and review services, by an independent and qualified person selected by the Board. Such person need not be a certified public accountant (except in the case of an audit), but shall have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study. An audit shall be required only when the Association has annual revenues or expenditures of at least \$250,000 and is requested by at least one third of the Owners. The audit or review report shall cover the Association's financial statements, which shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting.

Section 5.08. Fiscal Year. The fiscal year of the Association shall initially be the calendar year, but the Association may adopt a different fiscal year, for Assessments or otherwise, if permitted by law.

**ARTICLE 6**  
**NONPAYMENT OF ASSESSMENTS**

**Section 6.01. Delinquency.** Any Assessment provided in this Restated and Amended Declaration that is not paid when due is delinquent. If any such Assessment is not paid within thirty (30) days after the due date without additional notice or demand, the Assessment shall bear interest from the due date at a rate not to exceed the maximum rate of interest permitted by CCIOA or other applicable law, as determined by the Board. Subject to the provisions of Section 2.11, the Association may, at its option, exercise any right or remedy available to the Association under applicable law, including without limitation bringing an action at law against the Owner personally obligated to pay the same or foreclosing the lien provided in Section 4.01 against the Lot(s) as to which the Assessment has not been paid; and in any case there shall be added to the amount of such Assessment interest and all costs that may be incurred by the Association in its collection of the Assessment, including reasonable attorney fees. Each Owner vests in the Association or its assigns the right and power to bring all actions or proceedings at law or in equity or to institute judicial foreclosure proceedings against such Owner or other Owners for the collection of such delinquent Assessments.

**Section 6.02. Nature of Obligation and Lien.**

- (a) The obligation for such payments by each Owner to the Association is an independent covenant, with all amounts due from time to time payable in full without notice (except as otherwise expressly provided in this Restated and Amended Declaration) or demand, and without setoff or deduction. The Board or managing agent of the Association may prepare a written notice setting forth the amount of such unpaid indebtedness and the name of the Owner of the Lot and description of the Lot. Such a notice shall be signed by one member of the Board or by the managing agent of the Association and may be recorded in the real property records of Mesa County, Colorado. The lien for each unpaid Assessment attaches to each Lot at the beginning of each Assessment period and shall continue to be a lien against such Lot until paid. The costs and expenses for filing any notice of lien shall be added to the Assessment for the Lot against which it is filed and collected as part and parcel thereof. Each Assessment, together with interest, late charges, costs and reasonable attorney fees, shall also be the personal obligation of each person who was the Owner of such Lot at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass by Conveyance of a Lot.
  
- (b) The statutory lien for Assessments is prior to all other liens and encumbrances on a Lot, except: (i) liens and encumbrances recorded before the recordation of this Restated and Amended Declaration; and (ii) liens for real estate taxes and other governmental assessments or charges against the Lot. Notwithstanding the foregoing, the statutory lien for Assessments is also prior to the lien of a first mortgage to the extent of an

amount equal to the Assessments based on a periodic budget adopted by the Association that would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien created under this Section 6.02 of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien.

- (c) The recording of this Restated and Amended Declaration constitutes record notice and perfection of the statutory lien. No further recording of any claim of lien or assessment is required; however, a notice of lien may be recorded at the Association's option, in which event costs and attorney fees incurred in connection with the preparation and filing of such notice shall be assessed against the Owner's Lot as a default assessment.

Section 6.03. Foreclosure Sale. Any foreclosure sale related to an Assessment lien is to be conducted in accordance with those provisions of the laws and rules of the courts of the State of Colorado applicable to the foreclosure of mortgages, or in any other manner then permitted or provided by applicable law. The Association, through its duly authorized agents, shall have the power to bid on the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same in the name of the Association.

Section 6.04. Curing of Default. Upon the timely curing of any Assessment delinquency, the Association is authorized to file or record a certificate setting forth the satisfaction of such claim and release of such lien upon payment by the defaulting Owner of a fee determined by the Association to cover the costs of preparing and filing or recording such release, and other expenses incurred.

Section 6.05. Cumulative Remedies. The Assessment lien and the rights of foreclosure and sale under it shall be in addition to, and not in substitution of, all other rights and remedies that the Association and its assigns may have under this Restated and Amended Declaration and then applicable law, including without limitation a suit to recover a money judgment for unpaid Assessments, as provided above, all of which rights and remedies shall be cumulative.

## ARTICLE 7

### CONSTRUCTION AND DESIGN GUIDELINES: USE RESTRICTIONS

Section 7.01. Lot Use and Residences. Lots shall be used only for residential purposes. No building shall be erected, or otherwise altered, placed or permitted to remain on any Lot except in accordance with the terms and conditions of this Restated and Amended Declaration. The erection of more than one single family Residence per Lot is prohibited. Each single family Residence may only be occupied by a single family. A "single family" is any number of persons living together as a single dwelling unit who are related by blood, marriage, or adoption, but excludes any group of more than four individuals who are not all related by blood, marriage, or adoption.



Section 7.02. Building Location. The ACC must approve the location of any building upon a Lot before any excavation may begin. No building shall be located on any Lot nearer to the front lot line, rear lot line, or interior lot line than permitted by applicable codes, ordinances or conditions of approval for the Subdivision. Eaves, steps and uncovered porches shall not be considered a part of the building.

Section 7.03. New Construction: No Temporary or Prefabricated Structures. All construction within the Subdivision shall be new construction. No trailer, basement, tent, shack, garage, barn, outbuilding or temporary structure shall be used as a Residence on any Lot. All Residences, garages and outbuildings constructed on the Property shall be of high quality design, construction, workmanship and materials; in particular, no structure may be of a type known as "prebuilt", "precut", "modular", "manufactured" or "mobile home", regardless of its quality. This Section 7.03 shall not apply to the temporary sales and construction office used by Declarant during the development, construction and sale of Lots in the Subdivision, as described in Section 7.10.

Section 7.04. Size of Residence. No Residence shall be permitted on any Lot if the ground floor area of the main structure is less than the minimum square footage for the Lots as listed below in Section 7.04(a). . The measurement of square footage shall be by outside measurement, and shall exclude any garage, basement, attic, and open or enclosed porches, patios and decks. Basements and/or second floors are permitted. For purposes of this Section 7.04, the term "second floor" means heated, cooled or finished living or storage space constructed above any portion of any heated, cooled or finished living or storage space on the ground floor of a Residence. The maximum height of a Residence, measured from the average finished grade of the Residence to the highest point of its roof, shall not exceed thirty-four (34) feet. All foundations and basements shall be engineered by a registered professional engineer.

(a) The minimum square footage for each Lot shall be as follows:

Lot 1 of Block 1: 1,450 SF  
Lot 2 of Block 1: 1,450 SF  
Lot 3 of Block 1: 1,450 SF  
Lot 4 of Block 1: 1,450 SF  
Lot 5 of Block 1: 1,450 SF  
Lot 6 of Block 1: 1,450 SF  
Lot 7 of Block 1: 1,450 SF

Lot 1 of Block 2: 1,550 SF  
Lot 2 of Block 2: 1,600 SF  
Lot 3 of Block 2: 1,650 SF  
Lot 4 of Block 2: 1,450 SF  
Lot 5 of Block 2: 1,450 SF  
Lot 6 of Block 2: 1,450 SF  
Lot 7 of Block 2: 1,650 SF  
Lot 8 of Block 2: 1,450 SF

Lot 1 of Block 3: 1,450 SF  
Lot 2 of Block 3: 1,600 SF  
Lot 3 of Block 3: 1,600 SF  
Lot 4 of Block 3: 1,450 SF  
Lot 5 of Block 3: 1,450 SF  
Lot 6 of Block 3: 1,450 SF  
Lot 7 of Block 3: 1,450 SF  
Lot 8 of Block 3: 1,450 SF  
Lot 9 of Block 3: 1,650 SF  
Lot 10 of Block 3: 1,650 SF  
Lot 11 of Block 3: 1,650 SF  
Lot 12 of Block 3: 1,450 SF

Lot 1 of Block 4: 1,550 SF  
Lot 2 of Block 4: 1,600 SF  
Lot 3 of Block 4: 1,650 SF  
Lot 4 of Block 4: 1,600 SF  
Lot 5 of Block 4: 1,650 SF  
Lot 6 of Block 4: 1,650 SF  
Lot 7 of Block 4: 1,450 SF  
Lot 8 of Block 4: 1,450 SF  
Lot 9 of Block 4: 1,450 SF  
Lot 10 of Block 4: 1,650 SF

Lot 1 of Block 5: 1,650 SF  
Lot 2 of Block 5: 1,550 SF  
Lot 3 of Block 5: 1,600 SF

Section 7.05. Building Plans, Materials and Colors. All plans, specifications, color selections and samples of exterior materials, along with roof material samples, for any Residence, building, outbuilding, addition or improvement must be submitted to the ACC for review and approval. The exterior of each Residence shall consist entirely of stucco, except that soffits and fascia may consist of other materials approved by the ACC, and up to 30% of the front facade of each Residence may consist of brick or stone. Metal or vinyl siding is not permitted on any structure. Exterior color selections shall blend into the surrounding landscape and terrain. Bright or highly visible colors will be discouraged while natural colors will be encouraged.

Section 7.06. Roofs. Roofs shall be constructed of architectural asphalt shingles rated not less than thirty (30) years. Permitted colors shall include only moderate hues approved by the ACC in its discretion. Roofs of less than a 5/12 pitch are not permitted.

Section 7.07. Windows. Windows shall be of a design and color complementary to the exterior of the Residence. Window frames of mill finished aluminum are not permitted.

Section 7.08. Driveways. Driveways shall be concrete unless otherwise approved by the ACC.

Section 7.09. Outbuildings. One outbuilding no greater than 100 square feet in size by outside measurement may be permitted on each Lot if its design, construction and materials are comparable to that of the Residence on the same Lot and it is not visible from any street. All outbuildings are subject to ACC approval.

Section 7.10. Temporary Sales and Construction Office. A temporary sales and construction office maintained by Declarant may be located within the Subdivision during the development, construction and/or sale of Lots and the Property. Temporary parking in front of and adjacent to the office shall be allowed as long as the office is maintained in the Subdivision. Notwithstanding anything to the contrary in this Restated and Amended Declaration, Declarant may maintain the office until thirty (30) days after the completion of the last Residence on the last Lot within the Subdivision, at which time Declarant will have sixty (60) days to remove the office and leave the site flat and clean so as to appear as a vacant building lot. Temporary sales signs, flags, etc. may be placed in the Subdivision during the development, construction and sale of Lots as long as the office is maintained in the Subdivision or there are development, construction or sales activities taking place. During the period of development, construction and sales, Declarant may also designate certain Lots to be used for sales offices, construction offices, storage yards and buildings.

Section 7.11. Landscaping. All front yard landscaping and any other landscaping visible from any street shall be completed in accordance with the Landscape Plan and shall compliment the residential character of the Subdivision. The landscaping plan must be submitted to the ACC for approval within two (2) months after the purchase of a new or non-landscaped Residence, or thirty (30) days before landscaping is to be installed, whichever is first. Landscaping shall be completed and ready for a walkthrough inspection by the ACC within two (2) months after the ACC's approval of the landscaping plan. In the event that weather will not permit the planting of plants, shrubs and grass within these time frames, the ACC may grant an extension of thirty (30) days after the planting season begins in the spring following the ACC's approval of the landscaping plan. The ACC shall determine, in its sole discretion, when the planting season has begun each year based on the weather conditions for that year. Unless otherwise provided, this Section 7.11 applies only to those areas of landscaping that are in the front and side yards, and to back yards that are visible from any street.

- (a) Each Owner shall plant a minimum of two (2) trees and ten (10) shrubs within the front yard setback area of their Lot as part of the landscaping of their Lot. The shrubs must be a minimum of five (5) gallon size, and the trees must be a minimum of fifteen (15) gallon size and of a type from an approved list of trees supplied by the ACC or approved individually by the ACC. Xeriscaping is encouraged and is subject to the same approval by the ACC as required for other types of landscaping.
- (b) Once landscaped, each Owner shall keep all landscaping on his or her Lot neatly trimmed, properly irrigated and cultivated, and free of trash, weeds

and other unsightly materials at all times. Special care shall be taken to insure proper surface drainage to eliminate casual water pockets and so as not to infringe on neighboring property, Lots or Common Area.

- (c) Rear yard landscaping must be completed within six (6) months following the issuance of a certificate of occupancy, unless an extension is granted by the Community Development Department Director of the City and the Association.

Section 7.12. Yards. No rubbish, debris or other such accumulations of any kind shall be placed or permitted to accumulate or remain on any Lot. All ornamentation in yards, such as, by way of example but not limitation, figurines, plastic flowers, colored lights, windmills and bird baths and feeders, shall either be screened from public view or approved by the ACC. No clotheslines, dog runs or drying yards shall be located on any Lot so they are visible from a street. This Section 7.12 shall not apply to seasonal holiday decorations that are promptly removed after the holiday or to the display of the flag of the United States of America, which is addressed in Section 7.16.

Section 7.13. Restrictions on Storage Areas. Equipment, garbage cans, service yards, wood piles, brick piles and storage areas shall be adequately screened by plantings or construction approved by the ACC to conceal the same from view from neighboring Lots and streets.

Section 7.14. Fences, Planters and Hedges. No wall, fence, planter or hedge in excess of three (3) feet above ground level shall be allowed within any front yard setback. Front yard setbacks shall be defined according to the Fruita Land Use Code requirements for front yard setbacks specified for the Subdivision. Open-type fencing is required for any front yard fencing within the front yard setback areas. All fences must be cedar or vinyl and must be approved by the ACC prior to construction. No fence on any Lot may be greater than six (6) feet in height without the approval of the ACC. The ACC may, from time to time, adopt written fencing standards, details and colors that differ from the standards described in this Section 7.14. Any Owner may acquire a copy of such standards upon request.

Section 7.15. Restrictions Relating to Drainage. Nothing shall be done or permitted on any Lot that would block, divert or channelize the natural flow of drainage water across any Lot from adjacent Lots, as established by the original Subdivision grading, without specific approval from the ACC.

Section 7.16. Signs and Flags. No sign, graphic or advertising device of any kind shall be displayed on any Lot except: (i) one sign advertising the property for sale or rent; (ii) signs used by the building contractor or lender for advertising during construction and/or sales of Lots in the Subdivision; (iii) the American flag, displayed in accordance with 4 U.S.C. §§ 4 to 10, C.R.S. § 38-33.3-106.5, and rules and regulations adopted by the Association and not contrary to law; (iv) a service flag not to exceed nine (9) inches by sixteen (16) inches, subject to rules and regulations adopted by the Association and not contrary to law; and (v) political signs in support of candidates or ballot issues limited to a period of forty-five (45) days immediately preceding

the election date and seven (7) days after the election date on which the candidates or issues will be voted upon. Any permitted sign may be no more than thirty-six (36) inches by forty-eight (48) inches (or smaller if required by applicable law). Signs used by Declarant for advertising the Property are not subject to the restrictions in this Section 7.16 or any other restrictions.

Section 7.17. Vehicle Parking, Storage and Repair. A maximum of two (2) passenger vehicles may be parked on the driveway of any Lot. Except as provided below, no trailer, motorcycle, trucks of any nature in excess of 3/4 ton, recreational vehicles, boats, snowmobiles, ATV's (collectively "Vehicles" under this Section 7.17), or any accessories to any Vehicles, shall be parked, stored, repaired, or maintained on any Lot, alley or other Common Area, except that for a maximum period of forty-eight (48) hours, a Vehicle on an Owner's Lot may be: (i) loaded or unloaded; or (ii) maintained or repaired, which includes, by way of example but not limitation, oil changes, waxing and minor engine work. All Vehicles that are not kept in a garage or outbuilding must be parked in the side or rear yard of a Residence and must be screened from public view by a privacy fence, landscaping or other means, at least six (6) feet in height approved by the ACC, and not farther forward than the front building line of a Residence. Despite anything to the contrary stated in this Section 7.17, an occupant of a Lot who is a bona fide member of a volunteer fire department or who is employed by a primary provider of emergency fire fighting, law enforcement, ambulance or emergency medical services is exempt from the requirements of this Section 7.17 if the vehicle is required to be available at designated periods as a condition of the occupant's employment, and the parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other Owners or occupants of Lots to use streets, alleys, driveways and guest parking areas in the Subdivision.

Section 7.18. Animals. No animals, livestock, reptiles, poultry or insects, of any kind, shall be raised, bred, kept or boarded in or on the Property; provided, however, that the Owners of each Lot may keep fish, birds and a total of two (2) dogs or two (2) cats or one of each which are bona fide household pets, as long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a danger or nuisance (by excessive noise or otherwise) to any resident of the Subdivision, and are kept in accordance with any applicable laws, rules and regulations. An Owner's right to keep animals shall be coupled with the responsibility to pay any costs to the Association for any damage caused by such Owner's animals to Common Area. All animals shall be maintained on an Owner's Lot or on a leash or other restraint. Owners shall be responsible for the cleanup of all waste from their animals. Habitually barking and/or vicious dogs are prohibited at the sole discretion of the Association.

Section 7.19. Antennas, Towers, Dishes and Solar Panels. No antenna, satellite or similar device for radio, television or other electronic transmission or reception shall be erected, installed or permitted to remain on any Lot, except that television and radio antennas and satellite dishes not in excess of twenty-four (24) inches in diameter attached to a Residence may project up to six (6) feet above the ground, so long as the antenna or dish is not visible from any street adjoining that Lot. No solar panels or other apparatus may be erected upon the roof of any structure within the Subdivision without the prior written consent of the ACC.

Section 7.20. Air Conditioning/HVAC Units. All air conditioning, condenser and HVAC (refrigeration, evaporative, heat pumps or other) units shall be ground mounted on a concrete pad and placed so as to provide visual screening and noise attenuation to the neighboring Lots and Common Area. Wall and window mounted units are prohibited. Use of solar heating panels or collectors is prohibited if visible from any Lot, street or Common Area.

Section 7.21. Site Lines on Corner Lots. No object or thing shall be placed or planted on any corner Lot that obstructs site lines at elevations between two (2) feet and six (6) feet above the top of the street curb within a triangular area formed by the junction of the street and the curb lines and the line connecting them at a point twenty-five (25) feet from the junction of such streets, curb line, or extension thereof.

Section 7.22. Residential Use. No Lot may be used for commercial purposes, except for home occupations. For purposes of this Section 7.22, "home occupation" means an occupation conducted in accordance with City ordinances for home occupation and that does not entail the employment of third persons on the premises. This does not include the delivery of goods or services to customers upon a Lot, nor to the leasing of any Lot as described in Section 7.23. Any other commercial use shall be considered a nuisance within the meaning of Section 7.24.

Section 7.23. Leases. The term "lease" as used in this Restated and Amended Declaration shall include any agreement for the leasing or rental of a Lot or any portion of it, and shall specifically include, without limitation, a month-to-month rental. Any Owner shall have the right to lease his or her Lot under the following conditions:

- (a) All leases shall be in writing;
- (b) All leases and the lessee's occupancy of the Lot shall be subject in all respects to the provisions of this Restated and Amended Declaration and the Articles of Incorporation, Bylaws and rules and regulations of the Association; the lessee's failure to comply with any of these documents, in any respect, shall be a default under the lease; and
- (c) No lease shall be for fewer than thirty (30) days.

The provisions of (b) and (c) above shall be contained in each lease, but shall also be deemed to be implied terms of each such lease, whether or not actually contained in the lease.

Section 7.24. Nuisance and Hazardous Activities. No obnoxious or offensive activity shall be conducted on any Lot, nor shall any activity be permitted that becomes an annoyance or nuisance within the Subdivision. No light shall be permitted from any Lot that is unreasonably bright or causes unreasonable glare when viewed from the street, adjacent Lot or property, or Common Area. No sound shall be emitted from any Lot that is unreasonably loud or annoying and no odor shall be permitted from any Lot that is noxious or unreasonably offensive to others, as determined by the Board in its sole discretion. No activities shall be conducted on the Property or within the improvements constructed on or within the Property that are or might be unreasonably hazardous to any person or property. No firearms, explosives, air rifles, BB guns,

crossbows or similar devices shall be discharged on the Property. In no event shall activities of Declarant that are reasonably necessary for the development and construction of the Property be considered a nuisance or hazard under this Section 7.24.

Section 7.25. Lot Maintenance. Each Lot and the improvements thereon shall be properly maintained by the Owner of such Lot. In the event any Owner fails to maintain their Lot(s) in accordance with this Restated and Amended Declaration, the Association may hire out such maintenance as is necessary to bring such Lot(s) into compliance with this Restated and Amended Declaration, and may assess the Owner of such Lot(s) for those costs, as provided in this Restated and Amended Declaration.

Section 7.26. Utilities and Easements. Underground electrical, natural gas, telephone, cable television and irrigation shall be available to all Lots. The utility companies furnishing these services shall have the easements shown on the recorded plats of the Subdivision. No permanent structure shall be erected on any such easement. Neither Declarant nor the utility company or any entity using these easements shall be held liable for any damage done by any of them or their assigns, agents or employees to shrubbery, trees, flowers or improvements of an Owner located on any land subject to an easement. No overhead services shall be allowed to service any Lot within the Subdivision.

Section 7.27. Re-subdivision of Lots. The re-subdivision of any Lot within the Subdivision is prohibited, except as may otherwise be provided in this Restated and Amended Declaration.

## **ARTICLE 8**

### **ARCHITECTURAL CONTROL COMMITTEE**

Section 8.01. Architectural Control Approval. No building, fence, wall, sign or other structure or improvement shall be commenced, erected or maintained upon the Property (including the Common Area), nor shall any exterior addition to or change or alteration (including without limitation painting, landscaping, irrigation systems, fences, trash receptacles) be made until plans and specifications showing the nature, kind, shape, height, materials, location and other relevant information of the same have been submitted to and approved in writing by the ACC as being in harmony with external design and location in relation to surrounding structures, topography and other matters specified in this Article 8.

Section 8.02. Procedures. The ACC shall approve or disapprove all requests for architectural control approval within thirty (30) days after the complete submission of copies of all plans, specifications and other materials that the ACC may require in conjunction with the application. If the ACC fails to approve or disapprove an application in writing within thirty (30) days after completion of submission of a plan to it, the application will be deemed to have been approved if it otherwise complies with the construction and design guidelines in Article 7. The ACC shall exercise its reasonable judgment to the end that all attachments, improvements, construction, landscaping and alterations to structures, other improvements and property, within

the Property, conform to and harmonize with the existing surroundings, Residences, landscaping and structures. In its review of such plans, specifications and other materials and information, the ACC may require that the applicant(s) pay the ACC a processing fee for the actual expenses incurred by the ACC in the review and approval process. Such amounts, if any, may be levied as part of the Regular Assessment against the Lot for which the request for ACC approval was made and, as such, shall be subject to the Association's lien for assessments and subject to all other rights of the Association for the collection thereof, as more fully provided in this Restated and Amended Declaration. Notwithstanding the foregoing, only the Association shall have the right to materially alter or modify the original fencing, landscaping or grading installed by Declarant within any Common Area; provided, however, that the foregoing prohibition shall not prevent the repair and maintenance of the same.

Section 8.03. Vote and Appeal. A majority vote of the ACC is required to approve a request for architectural approval pursuant to this Article 8.

Section 8.04. Records. The ACC shall maintain records of all applications submitted to it in accordance with CCIOA and any other applicable law.

Section 8.05. Variance. The ACC, with agreement of Lot Owners as noted below in this Section and in accordance with the Settlement Agreement recorded in Book 5365 Page 812 Reception No. 2627429, may grant reasonable variances or adjustments from any condition or restriction imposed by Article 7 in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of the conditions and restrictions contained in Article 7. Variances or adjustments shall be granted only when they shall not be materially detrimental or injurious to the other Lots or the Subdivision or the general intent and purpose of this Restated and Amended Declaration. The grant or denial of a variance request shall not affect in any way any of the terms and provisions of this Restated and Amended Declaration covered by the variance and shall not serve as a basis for subsequent variances with respect to any other request. The grant of any variance shall not affect in any way the Association's or Owner's obligation to comply with the Fruita Land Use Code and other applicable governmental laws or regulations. No variances shall be permitted without providing at least ten (10) days notice to all Lot Owners of the time and place for which any variance is to be considered. All variances are subject to the consent of at least two of the following Lot owners:

- (a) Lot 4 of Block 4 – Richard and Janet Brazfield
- (b) Lot 3 of Block 5 – Matthew and Melissa Elliott
- (c) Lot 2 of Block 4 – Thomas and Claudia Kelly
- (d) Lot 2 of Block 2 – Andrew and Brittney England

If any of the above listed Lot owners is no longer an owner of the Lot in the subdivision then the consent of only one of the above-listed owners will be required. This provision shall remain in



effect until such time as all four properties are no longer owned by the listed owners. The above-listed owners will not unreasonably withhold consent to any requested variances.

Section 8.06. Approval or Consent not a Waiver. The approval or consent of the ACC to any application for architectural approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by the ACC as to any other application submitted for approval or consent under this Article 8.

Section 8.07. Time of Construction. Approved projects must be completed within six (6) months after issuance of a building permit or within six (6) months after approval by the ACC if no building permit is required. If the work is not completed within the prescribed time, the ACC may rescind its approval and re-submission will be required. The ACC may grant an extension for good cause; provided, however, that any such project must also be completed within any timeframe imposed by the City.

Section 8.08. Composition of the ACC. The ACC shall consist of three (3) or more persons appointed by the Board of Directors of the Association; provided, however, that until the earlier to occur of sixty (60) days after the Conveyance of 75% of the Lots that may be created to Owners other than Declarant, two (2) years after the last Conveyance of a Lot by Declarant in the ordinary course of business, or two (2) years after any right to add new Lots was last exercised, Declarant shall appoint the ACC. The power of the Declarant to "appoint", as provided in this Section 8.08, shall include without limitation the power to: initially constitute the membership of the ACC, appoint member(s) to the ACC upon the occurrence of any vacancy, and for whatever reason to remove any member of the ACC, with or without cause, at any time, and to appoint a successor; and each such appointment may be made for such term(s) of office, subject to the power of removal stated in this Section 8.08, as may be set from time to time in the discretion of Declarant.

Section 8.09. No Liability. None of Declarant, the Association, the ACC or any of the members of those entities shall be liable in damages to anyone submitting plans or specifications for approval under this Restated and Amended Declaration arising out of or in connection with any action, failure to act, approval, disapproval or failure to approve or disapprove any matter within its jurisdiction under this Restated and Amended Declaration, unless any such entity or person, as the case may be, has acted arbitrarily or capriciously. Any Owner submitting or causing to be submitted any plans or specifications agrees and covenants on behalf of such Owner and such Owner's heirs, successors, legal representatives and assigns that they will not bring any such action or suit at law or in equity against Declarant, the Association, the ACC or any of the members of those entities, unless any such entity or person, as the case may be, has acted arbitrarily or capriciously. Decisions concerning the approval or denial of an Owner's application for architectural or landscaping changes shall not be made arbitrarily or capriciously.

Section 8.10. Notice of Noncompliance or Noncompletion. Notwithstanding anything to the contrary contained in this Restated and Amended Declaration, after the expiration of one year from the date of completion of construction of any improvements within the Property, such improvements shall, relative to purchasers and encumbrances in good faith and for value, be deemed to be in compliance with all the provisions in this Article 8, unless actual notice of such

noncompliance and noncompletion, executed by the ACC or its designated representatives, shall appear of record in the real property records of Mesa County, Colorado, or unless legal proceedings shall have been instituted to enforce compliance or completion.

Section 8.11. Rules and Regulations. The ACC may, from time to time in its sole discretion, adopt, amend and repeal rules and regulations interpreting and implementing the provisions of Article 7.

Section 8.12. Appointment and Designation. The ACC may, from time to time, by the vote or written consent of a majority of its members, delegate some or all of its rights or responsibilities under this Restated and Amended Declaration to one or more duly licensed architects or other qualified persons who shall have full authority to act on behalf of the ACC in all matters delegated.

Section 8.13. Review Fee and Address. Any plans and specifications shall be submitted in writing for approval together with a reasonable processing fee determined by the Board. The address of the ACC shall be the principal place of business of the Association or such other place as the ACC may from time to time designate to the Board of Directors. The address shall be the place for the submittal of any plans or specifications and the place where the current rules and regulations, if any, of the ACC shall be kept.

Section 8.14. Inspection. During initial construction, remodeling, repair or other work on a Lot or to a Residence requiring ACC approval, any member or agent of the ACC may from time to time at any reasonable hour or hours and upon reasonable prior notice enter and inspect any Lot or Residence within the Subdivision to determine whether the Residence or Lot's improvement complies with the provisions of this Restated and Amended Declaration.

Section 8.15. General Provisions. The members of the ACC shall not be entitled to any compensation for services performed under this Article 8. The powers and duties of the ACC shall cease and terminate upon the termination of this Restated and Amended Declaration.

## **ARTICLE 9** **ASSOCIATION WATER**

Section 9.01. Management of Association Water. Due to concerns regarding water conservation, the Association shall have the exclusive right to control the Association Water and Irrigation Facilities within the Subdivision. The Association shall own twelve (12) shares of GVIC stock. Use of the Association Water and Irrigation Facilities shall be controlled by the Association under rules and regulations adopted by the Association, including conservation measures and measures to reduce peak demand. An initial irrigation schedule for the Subdivision is attached as Exhibit C and incorporated by this reference; all details of this schedule and narrative are subject to change by the Association at any time. The Association Water and Irrigation Facilities shall be transferred by Declarant to the Association by bill of sale upon completion of construction and inspection and approval of the system by the City Engineer.

The twelve (12) shares of GVIC stock shall be transferred from Declarant to the Association prior to the Conveyance of any Lot to an Owner other than Declarant, and shall not be encumbered, dedicated or conveyed in all or in part without the express written consent of the City. The Association shall pay all GVIC fees and assessments when due as necessary to prevent the loss of such stock. This Section 9.01 may not be amended or deleted without the express written consent of the City.

Section 9.02. Delivery Restrictions. If an Owner violates any provision of this Restated and Amended Declaration or any rule or regulation promulgated under it related to Association Water or the Irrigation Facilities, the Association may restrict or terminate the delivery of Association Water to such Owner's Lot, in addition to any other rights the Association may have under this Restated and Amended Declaration or at law. The Association also may restrict or terminate the delivery of Association Water to an Owner's Lot in the event of any emergency involving Association Water or the Irrigation Facilities.

Section 9.03. Easements for Ingress and Egress. Each Owner grants to the Association reasonable ingress and egress over, under and across all easements shown on the Map or any recorded plat of any portion of the Subdivision for the purpose of operating, maintaining or repairing the Irrigation Facilities. No Owner shall construct, erect or maintain any improvement or structure that shall interfere with the Association's ownership, operation, maintenance or repair of the Irrigation Facilities. The Association shall have the authority to remove or alter any structure or improvement that interferes with the ownership, operation, maintenance or repair of the Irrigation Facilities, the costs of such removal to be borne by the Owner of the interfering improvement or structure.

Section 9.04. Irrigation Assessments. Any billings by any person or entity associated with Association Water shall be a Common Expense.

Section 9.05. Hazardous Drainage. Release of contaminants or hazardous materials, as defined in CERCLA, RCRA, FIFRA, the Toxic Substances Control Act and any other applicable federal and state environmental laws, into the Property is prohibited.

Section 9.06. Maintenance and Water Assessments. Declarant and its successors and assigns shall maintain the Irrigation Facilities and pay all water assessments on Association Water until transfer to the Association. Upon the transfer to the Association, full responsibility for the Irrigation Facilities and Association Water shall be borne by the Association.

## **ARTICLE 10** **INSURANCE**

Section 10.01. Insurance. The Association shall obtain and maintain insurance as required by CCIOA and this Restated and Amended Declaration.

Section 10.02. Type of Insurance. Commencing not later than the time of the first Conveyance of a Lot to an Owner other than Declarant, the Association shall obtain insurance in accordance with CCIOA.

Section 10.03. Assessment of Members. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all deductibles paid by the Association. In the event that multiple properties are damaged by a loss, the Association in its reasonable discretion may assess each Owner a pro rata share of any deductible paid by the Association.

Section 10.04. Waiver of Subrogation. The Association and the Owners each waive any and all rights of recovery against the other, their officers, Members, agents and employees, occurring on or arising out of the use and occupancy of the Property to the extent such loss or damage is covered or indemnified by proceeds received from insurance carried by the other party, or for which such party is otherwise reimbursed. Each of the parties shall, upon obtaining the insurance required under this Restated and Amended Declaration, notify the insurance carrier that the foregoing waiver of subrogation is contained in this covenant, and, to the extent available, shall require the insurance carrier to include an appropriate Waiver of Subrogation Provision in the policy.

Section 10.05. Fidelity Bond Insurance. If any Owner or Association employee controls or disburses Association funds, the Association must obtain and maintain, to the extent reasonably available, a fidelity bond insurance in an aggregate amount equal to not less than two (2) months of current assessments, plus reserves calculated from the then-current budget of the Association.

Section 10.06. Independent Contractors. Any person employed as an independent contractor by the Association for the purposes of managing the Association must obtain and maintain a fidelity bond in the same amount required in Section 10.05, unless the Association names such a person as an insured employee in a contract of fidelity insurance described in Section 10.05. The Association may carry or require of an independent contractor employed to manage the Association fidelity bond coverage in an amount greater than that specified in this Section 10.06.

Section 10.07. Fidelity Bond Premiums. Premiums for bonds required of the Association under this provision are Common Expenses of the Association.

Section 10.08. Additional Insurance. The Association may carry any other insurance it considers appropriate to protect the Association or the members, including insurance on property it is not obligated to insure.

**ARTICLE 11**  
**DAMAGE OR DESTRUCTION OF COMMON AREA**

Section 11.01. Appointment of Association as Attorney-in-Fact. This Restated and Amended Declaration constitutes each Owner's appointment of the Association as his or her attorney-in-fact to administer repairs, receive and apply insurance funds, and to ensure compliance with this Restated and Amended Declaration upon the damage, destruction or obsolescence of the Common Area. Any grantee's acceptance of a deed or other conveyance rendering that person an Owner shall constitute the irrevocable appointment of the Association as the grantee's attorney-in-fact, to act with all the powers as provided in this Section 11.01.

Section 11.02. Rights of Association as Attorney-in-Fact. As attorney-in-fact, the Association, by its president and secretary, shall have full and complete authority, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of an Owner that is necessary and appropriate to exercise the powers granted in this Restated and Amended Declaration. Repair and reconstruction of the Common Area means restoring the same to substantially the same condition in which it existed prior to the damage. The obsolescence of the Common Area shall be determined by the Association, in its sole and absolute discretion. Except as otherwise provided in this Restated and Amended Declaration, any insurance proceeds collected shall be paid to the Association for the purpose of repair, restoration or replacement.

Section 11.03. Application of Insurance Proceeds. In the event of damage or destruction to any improvement installed by the Association within the Common Area due to an insured loss, the Association shall apply the insurance proceeds to the reconstruction and repair of the damaged improvement. If the insurance proceeds are insufficient, the Association may levy a Capital Assessment in the aggregate amount of such deficiency and shall proceed to make such repairs or reconstruction, unless:

- (a) The planned community is terminated;
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (c) 67% of the Owners vote to not rebuild; or
- (d) Prior to the Conveyance of any Lot to a person other than Declarant, the holder of a deed of trust or mortgage on the damaged portion of the Common Area rightfully demands all or a substantial part of the insurance proceeds.

Distributions of insurance proceeds shall be made in accordance with CCIOA. The Capital Assessment described in this Section 11.03 shall be a debt of each Owner and a lien on his or her Lot and the improvements on it, and may be enforced and collected in the same manner as any Assessment lien provided for in this Restated and Amended Declaration.

## ARTICLE 12

## GENERAL PROVISIONS

Section 12.01. Easements. Easements for the installation and maintenance of utilities and irrigation, detention and other water facilities are reserved as shown on the Map and the recorded plat(s) of the Subdivision. Within these easements no improvement, structure, planting or other material (excluding fences capable of being readily removed for the purposes of the easement) shall be placed or permitted to remain that may damage or interfere with the installation and maintenance of such utilities or facilities, or that may change the direction of flow of drainage channels in the easements. Declarant and the Association shall have the right (but assume no obligation) to enter upon the Property to correct any flow of water and to establish and re-establish drainage channels.

Section 12.02. Rights of Declarant Incident to Construction. An easement is retained by and granted to Declarant, its successors and assigns, for access, ingress and egress over, in, upon, under and across any easements shown on the Map, including but not limited to the right to store materials on such areas and to make such other use of such areas as may be reasonably necessary or incidental to Declarant's or its designees' construction on the Property, including without limitation construction of improvements indicated on the Map; provided, however, that no such rights or easements shall be exercised by Declarant in such a manner as to unreasonably interfere with the occupancy, use, enjoyment or access by any Owner, his or her family members, guests or invitees, to or of that Owner's Lot. Declarant, for itself and its successors and assigns, retains a right to store construction materials on any Lot owned by Declarant and to make such other use of it as may be reasonably necessary or incidental for the purpose of the completion or improvement of the Property, the performance of Declarant's obligations under this Restated and Amended Declaration, and the sale of the Lots. Any Special Declarant Rights created or reserved in this Restated and Amended Declaration for the benefit of Declarant may be transferred to any person or entity by an instrument describing the rights transferred, and shall be recorded in the real property records of Mesa County, Colorado. The rights of Declarant reserved in this Section 12.02 shall expire on October 9, 2027.

Section 12.03. Maximum Number of Lots. Declarant reserves the right to create a maximum of forty (40) Lots in the Subdivision, in addition to the Common Area.

Section 12.04. Term. The provisions of this Restated and Amended Declaration shall each constitute covenants, running with the land applicable to all of the Property and Lots, binding Declarant and all persons and entities claiming by, through or under it for a period of twenty (20) years from October 9, 2007, which shall be automatically extended for successive periods of twenty (20) years each, without action by or notice to any person or entity unless amended or terminated as provided in Section 12.05.

### Section 12.05. Termination and Amendment.

- (a) Subject to the provisions of C.R.S. § 38-33.3-217(1), (5), (6) and (7), and subject to the terms and provisions of the Settlement Agreement recorded in Book 5365 Page 803 Reception No. 2627428, all or any portion of this Declaration may be supplemented, changed or canceled in

whole or in part at any time by the vote or agreement of the Owners of 67% of the Lots that may be created. Such agreement may be in any number of counterparts. Such amendment shall be effective when duly recorded in the real property records of Mesa County, Colorado.

- (b) Declarant reserves and is granted the right and power to record technical amendments to this Declaration, the Articles of Incorporation or the Bylaws at any time prior to the termination of Declarant's control of the Association, for the purposes of correcting spelling, grammar, dates, typographical and clerical errors, or as may otherwise be necessary to clarify the meaning of any provisions of any such document.

Section 12.06. Conflict of Provisions. In the case of any conflict between the Settlement Agreement and this Restated and Amended Declaration, the Settlement Agreement shall control. In case of any conflict between this Restated and Amended Declaration, the Articles of Incorporation or the Bylaws, this Restated and Amended Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

Section 12.07. CCIOA Controls. Any provision of this Restated and Amended Declaration in conflict with the provisions of CCIOA shall be void. Any managing agent, employee, independent contractor or other person acting on behalf of the Association shall be subject to CCIOA to the same extent as the Association itself would be under the same circumstances.

Section 12.08. Severability. Invalidation of any of the covenants, restrictions or other provisions contained in this Restated and Amended Declaration shall in no way affect or limit any other provisions, which shall remain in full force and effect. To the extent feasible, any non-complying provision and the remainder of this Restated and Amended Declaration shall be reformed to comply with applicable law and to preserve the intent of this Restated and Amended Declaration, including the invalidated provision.

Section 12.09. Waiver. The failure of Declarant, the Association or any Owner to enforce any right under this Restated and Amended Declaration upon any occasion shall not be deemed a waiver of such right on any subsequent occasion(s). The waiver, either express or implied, by Declarant, the Association or any Owner of any of the rights, terms or conditions in this Restated and Amended Declaration shall not be deemed as or constitute a waiver of any other rights, terms or conditions in this Restated and Amended Declaration. Any waiver, in order to be valid and effective, must be in writing.

Section 12.10. Notice. Any notice or demand required or permitted by this Restated and Amended Declaration shall be in writing and shall be sent by United States first class mail, postage prepaid, to the address of the Owner of the Lot(s) to receive notice at the address provided by the Owner for that purpose to the secretary of the Association. If the Owner fails to provide an address to the secretary, notice shall be sent to the address of the Owner specified in

the deed recorded in the real property records of Mesa County, Colorado by which that Owner took title and to the street address of that Lot, if any.

Section 12.11. Section Headings. The article and section titles and headings used in this Restated and Amended Declaration are for identification purposes only and shall not be utilized to interpret or construe the provisions of this Restated and Amended Declaration, which shall remain in full force and effect.

Section 12.12. Binding Effect. The provisions of this Restated and Amended Declaration shall be binding upon and for the benefit of Declarant, each Owner, and each and all of their heirs, personal representatives, successors in interest and assigns.

Section 12.13. No Rights Given to the Public. Nothing contained in this Restated and Amended Declaration shall be deemed to be a gift or dedication of any portion of the Property to the general public or for any public use or purpose.

Section 12.14. Applicability of Governmental Regulations. The covenants, conditions and restrictions contained in this Restated and Amended Declaration are separate and distinct from any zoning, building or other law, ordinance, rule or regulation of the City or of any governmental authority having jurisdiction over the Property that now or in the future may contain different requirements from or in addition to those contained in this Restated and Amended Declaration or that may prohibit uses permitted in it or permit uses prohibited in it. In the event of any conflict between the provisions of this Restated and Amended Declaration and the provisions of any such law, ordinance, rule or regulation, the Owner must first comply with all governmental laws, ordinances, rules or regulations and then, to the extent possible, the Owner must comply with these covenants, conditions and restrictions unless such compliance would result in a violation of such law, ordinance, rule or regulation, in which case, upon a finding that compliance with this Restated and Amended Declaration would result in such a violation, the ACC shall waive any such covenant, condition or restriction to the extent it results in such a violation, and in connection with such waiver, the ACC may impose such conditional covenants, conditions and restrictions as may be necessary to carry out the intent of this Restated and Amended Declaration.

Section 12.15. Transfer of Declarant Rights and Obligations. Except to the extent expressly prohibited by applicable law, any or all rights or obligations (or both) of Declarant may be transferred by Declarant, including without limitation those rights described in Sections 2.06, 8.01 and 8.08.



HOUSING RESOURCES OF WESTERN COLORADO, INC.,  
a Colorado Non-Profit Corporation  
Owner of Thirty-Four (34) Lots

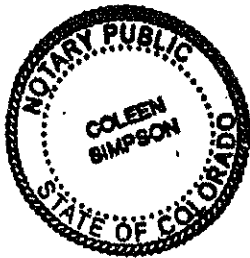
By: *Dan Whalen*  
Dan Whalen, Executive Director

STATE OF COLORADO )  
                                  ) ss.  
COUNTY OF MESA        )

Subscribed and sworn to before me the 20<sup>th</sup> day of September, 2012 by  
Dan Whalen, Executive Director of Housing Resources of Western Colorado, Inc., a Colorado  
non-profit corporation.

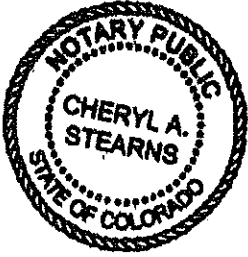
WITNESS my hand and official seal.

My commission expires: 7-2-15



*Coleen Simpson*  
Notary Public

RICHARD B. BRAZFIELD  
Co-Owner of One (1) Lot



By: [Signature]  
Richard B. Brazfield

JANET D. BRAZFIELD  
Co-Owner of One (1) Lot

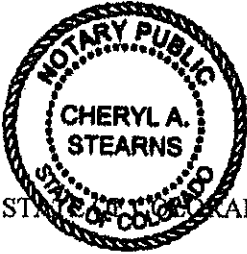
By: [Signature]  
Janet D. Brazfield

STATE OF COLORADO )  
  ) ss.  
COUNTY OF MESA )

Subscribed and sworn to before me the 2<sup>nd</sup> day of August, 2012 by Richard B. Brazfield.

WITNESS my hand and official seal.

My commission expires: 11-10-2012



[Signature]  
Notary Public

STATE OF COLORADO )  
  ) ss.  
COUNTY OF MESA )

Subscribed and sworn to before me the 2<sup>nd</sup> day of August, 2012 by Janet D. Brazfield.

WITNESS my hand and official seal.

My commission expires: 11-10-2012

[Signature]  
Notary Public



THOMAS A. KELLY  
Co-Owner of One (1) Lot

By: *Thomas A. Kelly*  
Thomas A. Kelly

CLAUDIA K. KELLY  
Co-Owner of One (1) Lot

By: *Claudia K Kelly*  
Claudia K. Kelly

STATE OF COLORADO )  
                                  ) ss.  
COUNTY OF MESA )

Subscribed and sworn to before me the 1 day of August, 2012 by  
Thomas A. Kelly.

WITNESS my hand and official seal.

My commission expires: 11-10-2012

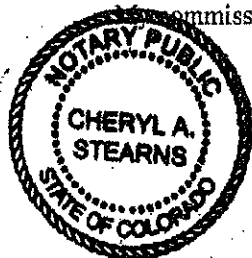
*Cheryl A Stearns*  
Notary Public

STATE OF COLORADO )  
                                  ) ss.  
COUNTY OF MESA )

Subscribed and sworn to before me the 1 day of August, 2012 by  
Claudia K. Kelly.

WITNESS my hand and official seal.

My commission expires: *Cheryl A Stearns 11-10-2012*



*Cheryl A Stearns*  
Notary Public



ANDREW J. ENGLAND  
Co-Owner of One (1) Lot

By: Andrew England  
Andrew J. England



BRITTNEY M. ENGLAND  
Co-Owner of One (1) Lot

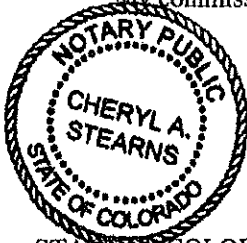
By: Brittney M. England  
Brittney M. England

STATE OF COLORADO )  
                                      ) ss.  
COUNTY OF MESA )

Subscribed and sworn to before me the 31<sup>st</sup> day of July, 2012 by Andrew J. England.

WITNESS my hand and official seal.

My commission expires: 11-10-2012



Cheryl A Stearns  
Notary Public

STATE OF COLORADO )  
                                      ) ss.  
COUNTY OF MESA )

Subscribed and sworn to before me the 31<sup>st</sup> day of July, 2012 by Brittney M. England.

WITNESS my hand and official seal.

My commission expires: 11-10-2012

Cheryl A Stearns  
Notary Public

ALBERT C. RUCKMAN  
Owner of Two (2) Lots

By: *Albert C. Ruckman*  
Albert C. Ruckman

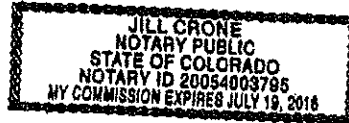
STATE OF COLORADO )  
                                      ) ss.  
COUNTY OF MESA        )

Subscribed and sworn to before me the 20 day of September, 2012 by  
Albert C. Ruckman.

WITNESS my hand and official seal.

My commission expires: 7/19/16

*Jill Crone*  
Notary Public



**EXHIBIT A**

A track of land situation in E1/2 of the W1/2 of the SW1/4 of the SE1/4 of Section 7, Township 1 North, Range 2 West, Ute Meridian, County of Mesa, State of Colorado and being more particularly described as follows:

Beginning at the southwesterly corner of a tract of land which bears N 89° 50'46" E, 330.46 feet from the S1/4 corner of Section 7, Township 1 North, Range 2 West, Ute Meridian, and considering the south line of the SW1/4 of the SE1/4 to bear N 89° 50'46" E, with all other bearings contained herein relative thereto;

1. Thence N 89° 50'46" E, 330.46 feet;
2. Thence N 00° 08'33" E, 1318.06 feet;
3. Thence S 89° 44'36" W, 327.03 feet;
4. Thence S 00° 17'30" W, 1317.50 feet to the point of beginning.

Tract of land, as described above contains 9.945 acres more or less.

**EXHIBIT C  
HOLLOW CREEK SUBDIVISION**

IRRIGATION SCHEDULE							
TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
Midnight to 1 am							
1 to 2 am							
2 to 3 am							
3 to 4 am							
4 to 5 am	Group 1	Group 5		Group 1	Group 5	Group 1	Group 5
5 to 6 am	Group 2	Group 6		Group 2	Group 6	Group 2	Group 6
6 to 7 am	Group 3	Group 7		Group 3	Group 7	Group 3	Group 7
7 to 8 am	Group 4	Group 8		Group 4	Group 8	Group 4	Group 8
8 to 9 am	Group 1	Group 5		Group 1	Group 5	Group 1	Group 5
9 to 10 am	Group 2	Group 6		Group 2	Group 6	Group 2	Group 6
10 to 11 am	Group 3	Group 7		Group 3	Group 7	Group 3	Group 7
11 to Noon	Group 4	Group 8		Group 4	Group 8	Group 4	Group 8
Noon to 1 pm							
1 to 2 pm							
2 to 3 pm							
3 to 4 pm							
4 to 5 pm							
5 to 6 pm	Group 1	Group 5		Group 1	Group 5	Group 1	Group 5
6 to 7 pm	Group 2	Group 6		Group 2	Group 6	Group 2	Group 6
7 to 8 pm	Group 3	Group 7		Group 3	Group 7	Group 3	Group 7
8 to 9 pm	Group 4	Group 8		Group 4	Group 8	Group 4	Group 8
9 to 10 pm	HOA	HOA		HOA	HOA	HOA	HOA
10 to 11 pm	HOA	HOA		HOA	HOA	HOA	HOA
11 to Midnight	HOA	HOA		HOA	HOA	HOA	HOA

GROUPS	BLOCKS	LOTS
Group 1	2	1, 2, 3, 4
	3	1
Group 2	3	2, 3, 4, 5, 6
Group 3	4	9, 10
	5	1, 2, 3
Group 4	3	7, 8
	4	6, 7, 8
Group 5	3	9, 10
	4	3, 4, 5
Group 6	2	5
	3	11, 12
	4	1, 2
Group 7	1	5, 6, 7
	2	6, 7
Group 8	1	1, 2, 3, 4
	2	8
HOA		OPEN SPACES

NOTES:
1. Total water available 69 gpm (18 Shares of Grand Valley Irrigation).
2. Each Lot is entitled to 15 gpm per watering period.
3. Each Lot has a total of 9 hours per week in 3 - 1 hour intervals, 3 days per week.
4. HOA/Open space tracts are entitled to 12 hours per week, in 4 hour intervals, 6 days per week.
5. Wednesday is reserved for system maintenance. No watering is permitted.
6. Irrigation schedule is based on July water demand (highest water demand month).
7. No watering is permitted daily between noon to 5 pm and midnight to 4 am.
8. Lawns are restricted to a maximum of 4,500 square feet.



3

PAGE DOCUMENT

### AGREEMENT

This Agreement is by and between Housing Resources of Western Colorado ("HR") and Janet Brazfield, Richard Brazfield, Mathew S. Elliott, Melissa L. Elliott, Andrew J. England, Brittney M. England, Thomas A. Kelly and Claudia K. Kelly both individually or collectively (collectively, "Owners") enter into this Agreement regarding lots within the Hollow Creek Subdivision.

### RECITALS

WHEREAS, Owners brought a suit against several defendants including HR in a civil action *Janet Brazfield, et al. v. Ruckman, Inc., et al.*, in District Court, Mesa County, Colorado case number 2011cv4040 (the "Litigation");

WHEREAS, pursuant to a Settlement Agreement between Owners and HR, HR agreed not to seek to modification to the Restated and Amended Declaration of Covenants without unanimous consent of the then Owners until a Certificate of Occupancy has been granted on all lots;

NOW, THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, the Parties agree as follows:

### AGREEMENT

1. Modifications to the Covenants of Hollow Creek Subdivision
  - a. HR and the Owners agree that HR will not seek to modify the Restated and Amended Declaration of Covenants without the unanimous consent of the Owners then living in Hollow Creek Subdivision until a Certificate of Occupancy has been granted on all lots in Hollow Creek Subdivision.
2. Binding on HR's Successors and Assigns
  - a. This Agreement shall be binding on all of HR's successors and assigns.
3. HR Contracts with Lot Buyers
  - a. HR agrees that its contracts with its buyers will require that the houses be built and landscaping installed per the Amended and Restated Declaration.
4. Agreement Touches and Runs with the Land
  - a. This Agreement touches and runs with the Land.

IN WITNESS WHEREOF, the Parties have executed the original counterparts of this Agreement effective as of the date written above.

HOUSING RESOURCES OF WESTERN COLORADO, a Colorado non-profit corporation. By: _____ Title: _____ Dated: _____	
JANET BRAZFIELD, individually By: <u>Janet Brazfield</u> Dated: <u>7/24/12</u>	RICHARD BRAZFIELD, individually By: <u>[Signature]</u> Dated: <u>8/2/12</u>
MATHEW S. ELLIOTT, individually By: <u>Mathew S Elliott</u> Dated: <u>7/31/12</u>	MELISSA L. ELLIOTT, individually By: <u>[Signature]</u> Dated: <u>8/2/12</u>
ANDREW J. ENGLAND, individually By: <u>Andrew Englund</u> Dated: <u>7/31/2012</u>	BRITTNEY M. ENGLAND, individually By: <u>Brittney M. Englund</u> Dated: <u>7/31/12</u>
THOMAS A. KELLY, individually By: <u>Thomas A Kelly</u> Dated: <u>8/1/2012</u>	CLAUDIA K. KELLY, individually By: <u>Claudia K Kelly</u> Dated: <u>8-1-12</u>

IN WITNESS WHEREOF, the Parties have executed the original counterparts of this Agreement effective as of the date written above.

HOUSING RESOURCES OF WESTERN COLORADO, a Colorado non-profit corporation. By: <u>Daniel W Whalen</u> Title: <u>Executive Director</u> Dated: <u>9/28/12</u>	
JANET BRAZFIELD, individually By: <u>Janet Brazfield</u> Dated: <u>7/24/12</u>	RICHARD BRAZFIELD, individually By: <u>Richard Brazfield</u> Dated: <u>8/2/12</u>
MATHEW S. ELLIOTT, individually By: <u>Mathew S Elliott</u> Dated: <u>7/31/12</u>	MELISSA L. ELLIOTT, individually By: <u>Melissa L Elliott</u> Dated: <u>8/2/12</u>
ANDREW J. ENGLAND, individually By: <u>Andrew England</u> Dated: <u>7/31/2012</u>	BRITTNEY M. ENGLAND, individually By: <u>Brittney M. England</u> Dated: <u>7/31/12</u>
THOMAS A. KELLY, individually By: <u>Thomas A Kelly</u> Dated: <u>8/1/2012</u>	CLAUDIA K. KELLY, individually By: <u>Claudia K Kelly</u> Dated: <u>8-1-12</u>

**SETTLEMENT AGREEMENT  
AND MUTUAL RELEASE**

Janet Brazfield, Richard Brazfield, Mathew S. Elliott, Melissa L. Elliott, Andrew J. England, Brittney M. England, Thomas A. Kelly and Claudia K. Kelly (collectively, "Plaintiffs"), and Ruckman, Inc. and Terry Ruckman ("Ruckman"), Housing Resources of Western Colorado ("HR") and Hollow Creek Homeowners Association ("HOA") (collectively, "Defendants") (both Plaintiffs and the Defendants will be collectively referred to as "the Parties") enter into this Settlement Agreement and Mutual Release as of July 24, 2012 (the "Agreement").

**RECITALS**

WHEREAS, Plaintiffs brought the present suit against Defendants in a civil action *Janet Brazfield, et al. v. Ruckman, Inc., et al.*, in District Court, Mesa County, Colorado case number 2011cv4040 (the "Litigation");

WHEREAS the Litigation asserts claims against Defendants for declaratory judgment, breach of fiduciary duty, violation of Colorado Consumer Protection Act, fraudulent nondisclosure and concealment, breach of good faith, negligent misrepresentation causing financial loss in a business transaction, negligence, intentional interference with contractual obligations, civil conspiracy, and aiding and abetting a breach of fiduciary duty;

WHEREAS, Defendants have answered the claims in the Litigation and deny any improper, negligent or unlawful conduct whatsoever, and further deny Plaintiffs are entitled to any relief whatsoever;

WHEREAS, the Parties seek to resolve the Litigation and any and all claims the parties may have against each other arising out of the facts and circumstances of the Litigation without further expense, with prejudice, and, except as otherwise provided herein, each party to pay its own costs and attorney fees.

NOW, THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, the Parties agree as follows:

**AGREEMENT**

1. **Dismissal of Claims.** Parties desire fully and finally to resolve the Litigation and any and all other claims or disputes, whether known or unknown, that have been made or could have been made by or on behalf of any party arising from the facts and circumstances alleged in the pleadings. Accordingly, the Parties, as settlement of the Litigation and the claims described above, shall sign and file with the Court a stipulation of dismissal with prejudice of the Litigation, including all claims asserted in the Complaint. Plaintiffs also agree to withdraw and

not pursue any other claims, charges, or complaints that they may have initiated or that others, at Plaintiffs direction, may have initiated on their behalf against Defendants in any forum, agency or body for the allegations contained in the litigation. Plaintiffs are not aware of any ongoing charges or complaints currently being pursued on their behalf with any state or federal agency. To the extent that prior charges are reinstated by the agencies themselves, Plaintiffs will notify the pursuing agency that the matter has been resolved via private mediation.

2. Mutual Release. In exchange for the promises contained in this Agreement, and the other consideration set forth below:

3. Matters Released. Except for the obligations arising out of this Agreement, each party, for themselves, and each of their heirs, executors, administrators, beneficiaries, agents, insurers, attorneys, successors, and assigns, do hereby mutually release each other, and each of their agents, employees, predecessors, successors, corporate parents, affiliates, subsidiaries, franchisees, officers, directors, owners, members, managers, administrators, attorneys, insurers, partners and representatives, from any and all claims, counterclaims, actions or causes of action, demands, damages, costs, judgments, expenses, liabilities, attorney fees, and legal costs, whether in law or in equity, whether in tort or in contract, of any kind or character, which any of the Parties now have, or might otherwise have, against any other party or parties, all to the end that all claims or matters that are, or might be, in controversy between the Parties are forever put at rest, it being the clear intent of all other Parties to forever discharge and release all past and present claims against all other Parties. Plaintiffs are not releasing any claims that may result from issues associated with construction defects that may exist, either known or unknown present latent conditions with their homes. Any such claims are beyond the scope of the current litigation and any release herein is not applicable to such claims.

4. Mutual Release Given Voluntarily. This Settlement Agreement and Mutual Release is given voluntarily and without any duress or undue influence on the part of any person, firm or corporation. Each of the Parties hereto additionally acknowledges that they have read the Agreement, have had sufficient time to review the Agreement and have had an opportunity to consult with an attorney prior to signing the Agreement.

5. Defendants' Obligations.

a. As a contribution to Plaintiffs' attorneys' fees and costs incurred in this matter, Defendants shall pay the Law Offices of Erik R. Groves, LLC the total sum of \$23,500.00, as follows:

1. Ruckman shall pay \$3,500.00 to the Law Offices of Erik R. Groves, LLC, and shall issue IRS Form 1099 with respect to this payment. This payment shall be made within thirty (30) days following receipt by Ruckman's counsel of a fully executed copy of the Agreement.

2. HR or its insurer shall pay \$20,000.00 to the Law Offices of Erik R. Groves, LLC and shall issue IRS Form 1099 with respect to this payment. This payment shall be made within twenty (20) days following receipt by their counsel of a fully

executed copy of this Settlement Agreement and Mutual Release.

6. Obligations of the Parties.

a. Each party shall comply with their obligations under paragraph 1 above within seven (7) days of receipt by their attorney of a fully executed copy of the Agreement.

b. Each party shall in good faith comply with all terms of the Agreement.

7. Other Issues. The Parties also agree to the following:

a. Covenants. Within 20 days of the execution of the Agreement, HR will record a Restated and Amended Declaration of Covenants ("Covenants") for Hollow Creek Subdivision. The amendment to the Covenants shall impose restrictions identical to the original Declaration of Covenants dated August 22, 2007, except that the square footage minimums for homes to be built on the 34 undeveloped lots owned by HR shall be as depicted on Exhibit B: homes built on lots colored orange will be a minimum of 1,650 square feet; homes built on lots colored pink will be a minimum of 1,550 square feet, and all remaining lots will be a minimum of 1,450 square feet; and shall include variance provisions as noted in 7d below. All Parties agree to promptly sign all documents necessary to demonstrate consent to the proposed amendment. In addition to the filing of the Covenants, the Parties agree to execute and record a separate Agreement, that runs with the land, specifying that HR, or its successors or assigns, will not seek to amend Covenants prior to the receipt of a Certificate of Occupancy for the last lot in the subdivision without unanimous consent of all owners currently owning lots in the subdivision at the time of any such modification. HR agrees that its contracts with its buyers will require that the houses be built and landscaping installed per the Amended and Restated Declaration.

b. HOA Board Membership. With respect to the HOA, the current Board members may continue to serve their terms and candidates selected by HR may run for Board positions in the future.

c. HR Voting Rights. HR, as the owner of lots in the development and except as limited by specific provisions in the Agreement, shall have the same voting rights as any other lot/home owner. HR currently owns 34 lots, and therefore currently has 34 votes in HOA matters.

d. Variances. Until such time as a Certificate of Occupancy has been received for all the lots in the subdivision, no variances shall be approved by the HOA, acting either through its Board of Directors or Architectural Control Committee, without the votes of at least two (2) of the four (4) lots owned by Plaintiffs. In the event any of Plaintiffs' homes are sold, only one vote in favor of proposed variances will be required. In the event all four homes are no longer owned by Plaintiffs, then this paragraph 7d shall be inapplicable. Plaintiffs specifically agree that they will not unreasonably withhold their consent to requested variances.

8. No Admission of Liability or Wrongdoing. This Agreement does not constitute an admission of liability or wrongdoing by any Party, or an admission or agreement that any

Party engaged in any improper or unlawful conduct. This Agreement shall not be admissible in any action for any purpose other than to enforce the terms of this Agreement and to enforce the rights of the named parties herein.

9. Unknown Facts. This Agreement releases claims of every nature and kind, known or unknown, suspected or unsuspected, except those specifically exempted in Section 3, up to and including the dates on which each Party executes this Agreement. The Parties acknowledge they may hereafter discover facts different from, or in addition to, those which they now know to be or believe to be true with respect to the Agreement, and the Parties agree this Agreement and the releases contained herein shall be and remain effective in all respects, notwithstanding such different or additional facts or the discovery thereof.

10. Unknown Claims. The release by each of the parties of unknown claims, except those specifically exempted in Section 3, contained in this paragraph is a separate consideration for this Agreement, and each of the parties would not have entered into this Agreement or agreed to this paragraph but for the release of unknown claims by each remaining party.

11. Successors and Assigns. The Parties understand and expressly agree that this Agreement is binding upon them as well as their heirs, executors, administrators, assigns, affiliates, parents, subsidiaries, agents, insurers, employees, directors, officers, members, managers, successors and other representatives.

12. Non-Assignment of Claims. Each Party warrants that they have not assigned, conveyed, granted, transferred, or otherwise disposed any of the claims (in whole or in part) being released by this Agreement, nor will it assign any claim, demand, action, suit, or proceeding for anything released herein. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of this Agreement.

13. Pending & Future Claims. Plaintiffs and Defendants represent that there is no pending litigation, claim or proceeding other than the Litigation in which any Party has asserted any claim against any other Party or Parties. Each Party understands and agrees that any current claim, action or any other proceeding must be terminated. Each Party agrees it will be a material breach of this Agreement for that Party to bring, commence, maintain, prosecute, directly or indirectly, directly or as a member of any class, any action at law or in equity or any legal or administrative proceeding or any other claim for damages or other relief against the other Party.

14. Governing Law and Forum. This Agreement shall be interpreted, enforced, and governed by the laws of the State of Colorado, notwithstanding its choice of law provisions. Venue and jurisdiction for any dispute arising under this Agreement shall exclusively be in the state or federal courts governing Mesa County, Colorado.

15. Integration. This Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties. There are no other agreements, written or oral, express or implied, between the Parties with respect to the subject matter of the Litigation, except this Agreement. This Agreement may only be modified in a writing signed by all Parties.

16. Severability. If any provision of this Agreement is held illegal, invalid, or unenforceable, such holding shall not affect any other provision hereof. In the event any provision is held illegal, invalid, or unenforceable, such provision shall be limited so as to give effect the intent of the Parties to the fullest extent permitted by applicable law.

17. Interpretation. This Agreement was negotiated and drafted at arms-length between counsel for the Parties, and, therefore, any rules requiring terms be interpreted against the drafter shall not apply. The term "Paragraph" shall refer to the enumerated paragraphs of this Agreement. The headings contained in this Agreement are for convenience of reference only and are not intended to limit the scope or affect the interpretation of any provision of this Agreement.

18. Amendments: Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by each of the Parties affected thereby. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

19. Voluntary Agreement. The Parties hereto, and each of them, further represent and declare that they have carefully read this Agreement and know the contents thereof and that they sign the same freely and voluntarily.

20. Drafting. The drafting and negotiation of this Agreement have been participated in by each of the Parties, and for all purposes this Agreement shall be deemed to have been drafted jointly by each of the Parties.

21. Attorneys' Fees and Costs. Except as provided in paragraph 5a above, each party shall bear its or his own attorneys' fees and costs incurred through the execution of this Agreement. In the event that any of the Parties commences any suit or proceeding to enforce the terms of this Agreement, the prevailing party shall be entitled to recover all of its, his, or her reasonable attorneys' fees and costs incurred in connection with such suit or proceeding.

22. Counterparts. This Agreement may be executed by each party in separate counterparts, and transmitted via facsimile or other electronic means of communication, and will be acceptable and binding with respect to the enforceability of this Agreement the same as originals. Upon execution and transmission of a counterpart by each of the Parties, such counterparts shall be deemed one in the same Agreement. Each party will take all reasonable actions and execute all documents and writings that may be necessary or proper to achieve the purposes and objectives of this Agreement.

**\*\*REMAINDER OF PAGE LEFT BLANK\*\***

**SIGNATURE PAGE TO FOLLOW**



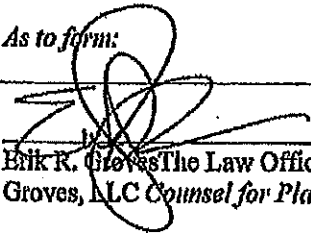
IN WITNESS WHEREOF, the Parties have executed the original counterparts of this Agreement effective as of the date written above.

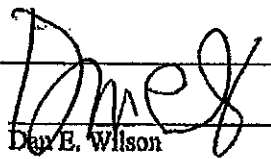
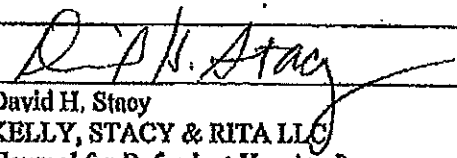
JANET BRAZFIELD, individually By: <u>Janet Brazfield</u> Dated: <u>7/24/12</u>	RICHARD BRAZFIELD, individually By: <u>Richard Brazfield</u> Dated: <u>8/2/12</u>
MATHEW S. ELLIOTT, individually By: <u>Matthew S Elliott</u> Dated: <u>7/31/12</u>	MELISSA L. ELLIOTT, individually By: <u>Melissa L Elliott</u> Dated: <u>8/2/2012</u>
ANDREW J. ENGLAND, individually By: <u>Andrew Engu</u> Dated: <u>7/31/2012</u>	BRITTNEY M. ENGLAND, individually By: <u>Brittney M. England</u> Dated: <u>7/31/12</u>
THOMAS A. KELLY, individually X By: <u>Thomas A Kelly</u> X Dated: <u>8/1/2012</u>	CLAUDIA K. KELLY, individually By: <u>Claudia K Kelly</u> Dated: <u>8-1-12</u>

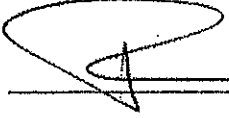
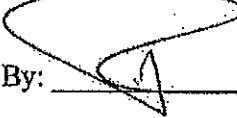
<b>RUCKMAN, INC.</b>	<b>TERRY RUCKMAN</b>
By: _____	By: _____
Its: _____	Dated: _____
Dated: _____	

<b>HOUSING RESOURCES OF WESTERN COLORADO</b>	<b>HOLLOW CREEK HOMEOWNERS ASSOCIATION</b>
By: <u>Daniel W Whalen</u>	By: <u>Robert H. Kuegler</u>
Its: <u>Executive Director</u>	Its: <u>SECRETARY</u>
Dated: <u>8/03/12</u>	Dated: <u>8/03/12</u>

As to form:

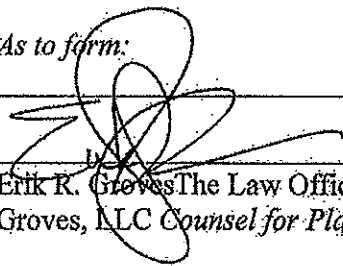
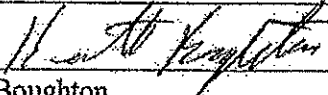
	
Erik R. Groves The Law Office of Erik R. Groves, LLC Counsel for Plaintiffs	Keith Boughton ELDER & PHILIPS, P.C. Counsel for Defendants Ruckman, Inc. and Terry Ruckman

	
Dan E. Wilson DAN E. WILSON, ATTORNEY AT LAW, LLC Counsel for Defendant Hollow Creek	David H. Stacy KELLY, STACY & RITA LLC Counsel for Defendant Housing Resources of Western Colorado

<p>RUCKMAN, INC.</p> <p>By: </p> <p>Its: <u>President</u></p> <p>Dated: <u>8-6-12</u></p>	<p>TERRY RUCKMAN</p> <p>By: </p> <p>Dated: <u>8-6-12</u></p>
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<p>HOUSING RESOURCES OF WESTERN COLORADO</p> <p>By: _____</p> <p>Its: _____</p> <p>Dated: _____</p>	<p>HOLLOW CREEK HOMEOWNERS ASSOCIATION</p> <p>By: _____</p> <p>Its: _____</p> <p>Dated: _____</p>
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*As to form:*

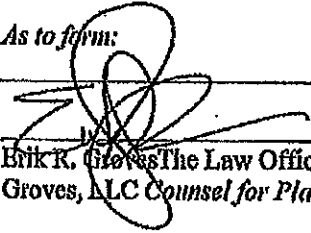
<p></p> <p>Erik R. Groves The Law Office of Erik R. Groves, LLC <i>Counsel for Plaintiffs</i></p>	<p></p> <p>Keith Boughton ELDER &amp; PHILIPS, P.C. <i>Counsel for Defendants Ruckman, Inc. and Terry Ruckman</i></p>
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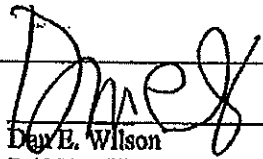
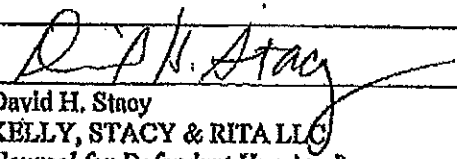
<p>Dan E. Wilson DAN E. WILSON, ATTORNEY AT LAW, LLC <i>Counsel for Defendant Hollow Creek</i></p>	<p>David H. Stacy KELLY, STACY &amp; RITA LLC <i>Counsel for Defendant Housing Resources of Western Colorado</i></p>
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<b>RUCKMAN, INC.</b>	<b>TERRY RUCKMAN</b>
By: _____	By: _____
Its: _____	Dated: _____
Dated: _____	

<b>HOUSING RESOURCES OF WESTERN COLORADO</b>	<b>HOLLOW CREEK HOMEOWNERS ASSOCIATION</b>
By: <u>Daniel W Whalen</u>	By: <u>Robert H. Kuyama</u>
Its: <u>Executive Director</u>	Its: <u>SECRETARY</u>
Dated: <u>8/03/12</u>	Dated: <u>8/03/12</u>

As to form:

	
<b>Erik R. Groves</b> The Law Office of Erik R. Groves, LLC <i>Counsel for Plaintiffs</i>	<b>Keith Boughton</b> ELDER & PHILIPS, P.C. <i>Counsel for Defendants Ruckman, Inc. and Terry Ruckman</i>

	
<b>Dan E. Wilson</b> DAN E. WILSON, ATTORNEY AT LAW, LLC <i>Counsel for Defendant Hollow Creek</i>	<b>David H. Stacy</b> KELLY, STACY & RITA LLC <i>Counsel for Defendant Housing Resources of Western Colorado</i>



**So Ordered**

The moving party is hereby ORDERED to provide a copy of this Order to any pro se parties who have entered an appearance in this action within 10 days from the date of this order.

David A. Bottger  
District Court Judge  
Date of Order attached

DISTRICT COURT, MESA COUNTY, COLORADO 125 North Spruce Street, Grand Junction, Colorado 81505-7341 (970) 257-3625		COURT USE ONLY
<b>Plaintiffs:</b> JANET BRAZFIELD, RICHARD BRAZFIELD, MATTHEW S. ELLIOTT, MELISSA L. ELLIOTT, ANDREW J. ENGLAND, BRITTNEY M. ENGLAND, THOMAS A. KELLY, AND CLAUDIA A. KELLY  v.  <b>Defendants:</b> RUCKMAN, INC. TERRY RUCKMAN, HOUSING RESOURCES OF WESTERN COLORADO, AND HOLLOW CREEK HOMEOWNERS ASSOCIATION		
		Case No. 11CV4040 Division:
<b>ORDER</b> <b>(Defendants' Unopposed Motion for Extension of Time)</b>		

This matter is before the Court on Defendants Housing Resources of Western Colorado and Hollow Creek Homeowners Association Motion for Extension of Time, and the Court being fully advised on the same, hereby orders that:

Defendants' Motion is GRANTED. Defendants shall file and serve a reply to Plaintiffs' Complaint by February 18, 2011.

BY THE COURT:

Dated: \_\_\_\_\_, 2011

\_\_\_\_\_  
David Bottger  
District Court Judge



This document constitutes a ruling of the court and should be treated as such.

**Current Date:** Jan 31, 2011



2 PAGE DOCUMENT

**FIRST AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
HOLLOW CREEK SUBDIVISION**

THIS FIRST AMENDMENT to Declaration of Covenants, Conditions and Restrictions for Hollow Creek Subdivision is made this 15<sup>th</sup> day of January, 2010, by Ruckman, Inc. a Colorado corporation, original Declarant and Owner ("Ruckman, Inc.") and Terry M. Ruckman, Owner ("Ruckman").

RECITALS:

WHEREAS, the original Declaration of Covenants, Conditions and Restrictions for Hollow Creek Subdivision ("the Declaration") was recorded in the records of Mesa County, Colorado, on October 9, 2007, at Book 4531, Page 446, Reception No. 2406499, and affects the following described real property located in Mesa County, Colorado:

HOLLOW CREEK SUBDIVISION,  
Mesa County, Colorado;

WHEREAS, Section 12.05(a) of the Declaration provides that all or any portion of the Declaration may be supplemented or changed in whole or in part at any time by agreement of the Owners of 67% of the Lots in Hollow Creek Subdivision;

WHEREAS, Ruckman, Inc., and Ruckman are the owners of at least 67% of the Lots in Hollow Creek Subdivision;

WHEREAS, Ruckman, Inc., and Ruckman desire and agree to supplement, change and amend the Declaration as set forth below.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. The first sentence of Article 7, Section 7.04, Size of Residence, is amended and restated in its entirety to read as follows: "No Residence shall be permitted on any Lot if the ground floor area of the main structure is fewer than 1,160 square feet."

2. Article 7, Section 7.11, Landscaping, Subsection (a), is amended and restated in its entirety to read as follows:

- (a) Each Owner shall plant a minimum of one (1) tree and five (5) shrubs within the front yard setback of their Lot as a part of the landscaping of their Lot. The shrubs must be a minimum of five (5) gallon size, and the trees must be a minimum of one and one-half inches (1½ ") in caliper diameter regardless of gallon size and of a type from an approved list of trees supplied by the ACC or approved individually by the ACC. Xeriscaping is encouraged and is subject to the same approval by the ACC as required for other types of landscaping.





30 PAGE DOCUMENT

**DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
HOLLOW CREEK SUBDIVISION**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HOLLOW CREEK SUBDIVISION ("Declaration") is made the 22 day of August, 2007, by Ruckman, Inc., a Colorado corporation.

**RECITALS**

A. Declarant is the owner of the real property in the City of Fruita, Mesa County, Colorado, legally described in the attached and incorporated Exhibit A.

B. Declarant desires to impose a general plan for the improvement, development and maintenance of the Property, and to adopt and establish covenants, conditions and restrictions upon the Property for the purpose of enhancing, maintaining and protecting the value and desirability of the Property.

C. Declarant deems it desirable to set aside a portion of the Property as Common Area for the use of the Owners of Lots within the Property, and to establish a Colorado nonprofit corporation, Hollow Creek Homeowners Association, to which such common area shall be conveyed.

THEREFORE, Declarant covenants, agrees and declares that the Property is a planned community, as defined in CCIOA, that shall be held, sold, conveyed, encumbered, leased, used, occupied and improved subject to the following limitations, restrictions, easements, covenants, conditions, reservations, liens and charges described in this Declaration, all of which are declared and agreed to be in furtherance of a general plan for the improvement and development of the Property. All of the limitations, restrictions, easements, covenants, conditions, liens and charges shall run with the land, shall be binding upon and inure to the benefit of all parties having or acquiring any right, title or interest in the Property or any part of it and the successors in interest of such parties, and are imposed upon the Property and every part of it as equitable servitudes that may be enforced by Declarant, its successors and assigns, each Owner, his or her successors and assigns, or by the Association, its successors and assigns.

**ARTICLE 1  
DEFINITIONS**

Section 1.01. "Architectural Control Committee" or "ACC" shall mean and refer to the committee appointed by Declarant or by the Board of Directors, as more fully provided in Article 8.

Section 1.02. "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as they may be amended from time to time.

Section 1.03. "Assessment" shall mean and refer to any assessment levied against one or more Owner(s) or Lot(s) as permitted by this Declaration or applicable law, including without limitation any of the following:

- (a) "Regular Assessment" shall mean and refer to a charge against each Lot representing that portion of the Common Expenses attributable to such Lot,

including all fees, charges, late charges, attorney fees, fines and interest arising from failure to pay when due the principal amount of such assessment.

- (b) "Special Assessment" shall mean and refer to a charge against any Lot for certain costs incurred by the Association for materials or services furnished to the Owner or his or her Lot at the request of or on behalf of such Owner, or as a result of any Owner failing to maintain any portion of his or her Lot in accordance with the provisions of this Declaration, or as a result of the negligence, recklessness or willful misconduct of any Owner, his or her employees, guests or invitees, or for excessive use or special use of the services or facilities, if any, provided by the Association, or for any other purpose for which this Declaration or applicable law specifies or permits the imposition of a Special Assessment.
- (c) "Capital Assessment" shall mean and refer to a charge against any Lot representing a portion of the Association's cost for the purchase, installation, construction, or expected or unexpected repair or replacement, of any capital improvement (including the necessary fixtures and personal property related to it) that is a Common Expense of the Association, plus reserves for repair or replacement of existing capital items, and acquisition, construction and installation of new capital improvements.

Section 1.04. "Association" shall mean and refer to Hollow Creek Homeowners Association, a nonprofit corporation incorporated under Colorado law.

Section 1.05. "Association Water" shall mean and refer to all water, water stock and water rights appurtenant to, associated with or used in connection with all or any part of the Property, plus any other water or water rights, ditch or ditch rights, reservoir or water storage rights appurtenant to any portion of the Property or used in connection with any portion of the Property and owned or controlled by the Association.

Section 1.06. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.

Section 1.07. "Bylaws" shall mean the Bylaws of the Association as they may be amended from time to time.

Section 1.08. "CCIOA" means the Colorado Common Interest Ownership Act, presently codified at C.R.S. § 38-33.3-101, *et seq.*, as it may subsequently be amended from time to time.

Section 1.09. "City" means the City of Fruita, Colorado.

Section 1.10. "Common Area" shall mean any and all real property, and the improvements and fixtures on it owned, leased or controlled by the Association within the Subdivision for the common use and enjoyment of the Members, including but not limited to any Irrigation Facilities, retention area, pedestrian path, landscaping, street or lighting fixture owned or controlled by the Association in the Subdivision, as well as signage on any Common Area or for the general benefit of the Subdivision or Owners. The Common Area shall be as shown on the recorded plat of the Property and described on the Map.

Section 1.11. "Common Expenses" shall mean and include expenditures made, and liabilities incurred, by or on behalf of the Association.

Section 1.12. "Conveyance" shall mean and refer to transfer of a fee simple title by deed, installment land purchase contract or otherwise of any part of the Property.

Section 1.13. "Declarant" shall mean and refer to Ruckman, Inc., a Colorado corporation, its successors and assigns designated in writing to be the successor of Declarant, subject to any limitation on transfer of Special Declarant Rights contained in this Declaration, CCIOA or other applicable law.

Section 1.14. "Irrigation Facilities" shall mean and refer to all improvements, equipment, facilities and other real and personal property owned, operated or maintained by the Association for the purpose of delivering water to the Lots and Common Area for irrigation purposes, and shall include, but not be limited to, all pumps, pipes, pipelines, risers, connectors, controls, siphons, filters, valves and related parts and materials located in, under or upon easements within the Subdivision, or elsewhere outside of the Subdivision. Irrigation Facilities shall not include the "stub out" or "lateral" pipelines that extend beyond the exterior of the irrigation and maintenance easement or street, as the case may be, within the Subdivision and into a Lot.

Section 1.15. "Landscape Plan" shall mean the recorded master landscape plan for the Subdivision, which may be changed in the future as permitted by the City or by law.

Section 1.16. "Lot" shall mean and refer to each numbered lot of the Property described in the Map as recorded and amended. Boundaries of a Lot shall be as shown and defined on the Map.

Section 1.17. "Map" means the map or plat of the Property attached to this Declaration as Exhibit B pursuant to the requirements of CCIOA.

Section 1.18. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 1.19. "Owner" shall mean and refer to Declarant and to any other person or entity holding a fee simple ownership interest in any Lot that is a part of the Property, including contract purchasers and lessees with enforceable options to purchase, but excluding mortgagees (unless and until a mortgagee acquires record fee ownership) and those having such interest merely as security for the performance of an obligation.

Section 1.20. "Property" shall mean and refer to that certain real property in Mesa County, Colorado, described in Exhibit A and as further shown and described on the Map.

Section 1.21. "Residence" means the single family dwelling improvements (including garage, whether attached or detached, but excluding any outbuildings) located on a Lot.

Section 1.22. "Special Declarant Rights" shall mean and refer to the development and other rights expressly reserved for the benefit of Declarant in accordance with the terms and conditions of this Declaration.

Section 1.23. "Subdivision" shall mean all of the Property, and improvements thereon, subject to this Declaration or any amendment to this Declaration.

**ARTICLE 2**  
**THE ASSOCIATION**

Section 2.01. Membership. Every Owner of one or more Lots in the Property shall be entitled and required to be a Member of the Association, subject to the voting rights provisions of this Article 2. No person or entity other than an Owner of one or more Lots in the Property may be a Member of the Association. No Owner shall be entitled to sever his or her ownership interest in a Lot from membership in the Association; provided, that this shall not be construed as precluding the Owner of a Lot from creating or severing a co-tenancy, joint tenancy or any other form of co-ownership with any other person or persons.

Section 2.02. Allocation of Votes. Each Lot that may be created shall be allocated one vote in the Association, subject to Section 2.06. If only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Lot. If more than one of the multiple Owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of such Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. However, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy meeting the requirements set forth in the Bylaws.

Section 2.03. No Cumulative Voting. In the election of directors of the Association, cumulative voting shall not be allowed.

Section 2.04. Membership Appurtenant. By accepting a deed to a Lot or other conveyance the acceptance of which would render the holder an Owner, membership in the Association shall be appurtenant to and inseparable from a Lot. Membership in the Association may not be transferred except in connection with the transfer of ownership of a Lot and shall be automatically transferred by Conveyance of a Lot without additional action or documentation.

Section 2.05. Directors of the Association. The affairs of the Association shall be managed initially by a Board of Directors consisting of three (3) directors. When Declarant relinquishes control of the Board to the Owners pursuant to Section 2.06, the Board shall be comprised of not fewer than three (3) directors, with the number of directors specified in the Bylaws.

Section 2.06. Management of the Association.

- (a) Notwithstanding anything stated elsewhere in this Declaration, until the earliest of: (i) twenty (20) years after the date of recording of this Declaration (the period of Declarant's control) in the real property records of Mesa County, Colorado; (ii) sixty (60) days after Conveyance of 75% of the Lots to Owners other than Declarant; or, (iii) two (2) years after the most recent Conveyance of a Lot by Declarant in the ordinary course of business, Declarant may appoint and remove all Association officers and all members of the Board of Directors of the Association, subject to the limitations stated in this Section 2.06.
- (b) Not later than sixty (60) days after Conveyance of 25% of the Lots that may be created by the terms of this Declaration to Owners other than Declarant, at least

Section 2.11. Actions Against Owners. The Association may take judicial action against any Owner to enforce compliance with any provision of this Declaration, obtain mandatory or injunctive relief, or obtain damages for noncompliance, and may exercise any other right or remedy for enforcement of this Declaration permitted by law; provided, however, that the parties shall first proceed in good faith to submit the matter to mediation. The mediator cannot impose a binding decision. The parties to the dispute must agree before any settlement is binding. Within fourteen (14) days after one party notifies the other of a dispute, the parties shall jointly appoint an acceptable professional mediator. If the parties cannot agree on a mediator, each party shall select a professional mediator whose sole purpose shall be to select a third professional mediator who shall mediate the dispute. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within thirty (30) days after the date the mediator is selected. If the dispute is settled through the mediator, the parties shall share equally in the mediation costs and shall pay their own attorney fees, if any. If the dispute is not settled by mediation and proceeds to litigation, the losing party in the litigation shall pay the prevailing party's portion of the mediation costs and its attorney fees, if any.

Section 2.12. Conveyance or Encumbrance. No Common Area may be encumbered, dedicated or transferred in whole or in part without the express written consent of the City, in which case no such encumbrance, dedication or transfer shall be effective unless an instrument signed by 67% of the Members entitled to vote, including 67% of the votes allocated to Lots not owned by Declarant, agreeing to such encumbrance, dedication or transfer has been recorded in the real property records of Mesa County, Colorado. Such agreement must specify a date after which the agreement will be void unless approved by the requisite number of votes. Any instrument required by this Section 2.12 may be signed in counterparts that shall together constitute a single agreement.

Section 2.13. Management Agreement and Other Contracts.

- (a) The Association may utilize professional management in performing its duties. Any agreement for professional management of the Association's business shall be terminable for cause without penalty to the Association. Any such contract shall be subject to renegotiation.
- (b) Any contracts, licenses or leases entered into by the Association while Declarant controls the Association shall provide for termination by either party to it, with or without cause and without payment of a termination fee, at any time after termination of Declarant's control of the Association, upon ninety (90) days prior written notice.

Section 2.14. Public Disclosures after Declarant Control. Within ninety (90) days after assuming control from Declarant pursuant to Section 2.06, the Association shall make the following information available to Owners by posting on an internet web page (if the Owners have been previously notified of the web address via mail or e-mail), maintaining a literature table or binder at the Association's principal place of business, or by mail or personal delivery:

- (a) The name of the Association;
- (b) The name of the Association's designated agent or management company, if any;
- (c) A valid physical address and telephone number for both the Association and the designated agent or management company, if any;

- (d) The name of the common interest community;
- (e) The initial date of recording of the Declaration;
- (f) The reception number or book and page for the main document that constitutes the Declaration;
- (g) The date on which the Association's fiscal year commences;
- (h) The Association's operating budget for the current fiscal year;
- (i) A list, by type of Lot or unit, of the Association's current Assessments, including both Regular and Special Assessments;
- (j) The Association's annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (k) The results of the Association's most recent available financial audit or review;
- (l) A list of all Association insurance policies, including but not limited to property, general liability, Association director and officer professional liability, and fidelity policies, which shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed;
- (m) The Articles of Incorporation, Bylaws and any rules and regulations of the Association;
- (n) The minutes of the Board and Member meetings for the fiscal year immediately preceding the current annual disclosure; and
- (o) Any rules, regulations and procedures concerning the investment of reserve funds, the adoption and amendment of policies, procedures and rules, and the resolution of disputes between the Association and Owners.

Section 2.15. Annual Public Disclosures. Within ninety (90) days after the end of each fiscal year of the Association, the Association shall make available (by the same methods described in Section 2.14) the information described in subsections 2.14(g) through 2.14(o).

Section 2.16. Owner Education. So long as required by law, the Association shall provide, or cause to be provided, education to Owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the Association and the Board of Directors under Colorado law. The criteria for compliance with this Section 2.16 shall be determined by the Board.

**ARTICLE 3**  
**PROPERTY RIGHTS IN THE LOTS AND COMMON AREA**

Section 3.01. Title to the Common Area. Prior to the sale of the first Lot in the Subdivision, Declarant shall convey fee simple title to the Common Area to the Association free and clear of all liens and encumbrances, except this Declaration, then current real property taxes (prorated to the date of Conveyance), and liens and encumbrances and other title exceptions of record on the date of recording of this Declaration.

Section 3.02. Members' Easements of Enjoyment. Every Member shall have a non-exclusive right and easement in and to the Common Area, including but not limited to an easement for ingress and egress over and through the Common Area. Each such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to adopt uniform rules and regulations pertaining to the use and enjoyment of the Common Area;
- (b) The right of the Association to encumber (by mortgage, deed of trust or otherwise) the Common Area or any part of it in accordance with Section 2.12 for the purpose of improving the Common Area, provided any such encumbrance shall be expressly subordinate to the rights of the Members;
- (c) The right of the Association to suspend a Member's voting rights, Common Area use, and/or any benefits of membership in the Association, including the use of Association Water, for any period during which any Assessment against such Member's Lot(s) remains unpaid and delinquent, and/or while a Member is in violation of this Declaration or any rules or regulations adopted by the Association; provided that any suspension of such voting rights, Common Area use, or benefits of membership in the Association, except for failure to pay Assessments, shall be made only by the Association or a duly appointed committee of the Association after notice and hearing given and held in accordance with the Bylaws;
- (d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members and required by the City under Section 2.12.
- (e) The right of Declarant or its designees to enter upon the Common Area for purposes of construction and development of the Subdivision and for purposes of making repairs and remedying construction defects; provided such entry shall not unreasonably interfere with the use and enjoyment of any Lot upon which a Residence has been constructed, unless authorized by the Owner; and
- (f) The right of the Association to close or limit the use of the Common Area while maintaining, repairing and making replacements in the Common Area, or as otherwise reasonably required.

Section 3.03. Delegation of Use. Any Member may delegate his or her right of enjoyment to the Common Area and Association Water to his or her family members, licensees and invitees, or tenants or contract purchasers who are in possession of such Member's Lot.

Section 3.04. Waiver of Use. No Member may exempt himself or herself from personal liability for Assessments duly levied by the Association, or release the Lot(s) owned by such Member from the liens and charges created by CCIOA or this Declaration, by waiver of the use and enjoyment of the Common Area or the facilities on it, or by abandonment of his or her Lot.

Section 3.05. General Restrictions.

- (a) All Owners of Lot(s), by their acceptance of their respective deeds or other conveyances causing them to become Owners, covenant and agree that the Common Area shall remain undivided, and no Owner shall bring any action for partition (which right is expressly waived), it being agreed that this restriction is necessary to preserve the rights of Owners with respect to the operation and management of the Property.
- (b) No Owner shall engage in any activity that will temporarily or permanently deny free access to any part of the Common Area to all Members, nor shall any Owner place any structure or fence (except those installed by Declarant) upon the Common Area.

**ARTICLE 4**  
**COVENANT FOR ASSESSMENTS**

Section 4.01. Creation of the Lien and Personal Obligation of Assessments. The undersigned, for each Lot within the Property, covenants (and each Owner of any Lot by acceptance of a deed or other conveyance for that Lot, whether or not it shall be so expressed in that instrument, is deemed to covenant and agree) to pay to the Association: (a) all Assessments and charges levied against that Lot; (b) all fees, charges, late charges, attorney fees, fines, collection costs, interest and other sums charged pursuant to this Declaration or as allowed by C.R.S. § 38-33.3-316(1) or any other provision of CCIOA or by any other applicable law. The Association shall have the right, independent of CCIOA, to impose reasonable charges for late payment of Assessments, recover reasonable attorney fees and other legal costs for collection of Assessments and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated, and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, the Bylaws or the rules and regulations of the Association.

Any charge set forth in this Section 4.01, from the time such charge becomes due, shall be a charge on and covenant running with the land, and shall be a continuing lien on the Lot against which each such item is assessed. If an Assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations. A valid acceleration of installment Assessment obligations may be made by the Board at any time any Assessment or Assessment installment is at least thirty (30) days overdue.

Each such charge, together with interest, costs and reasonable attorney fees, shall also be the joint and several personal obligation of each person and entity who was the Owner of the Lot at the time when the item became due; provided that, this personal obligation shall not pass to an Owner's successors-in-interest unless expressly assumed by them. No Owner may be exempt from liability for Assessments by waiver of use or enjoyment of the Common Area, Association Water or other assets or benefits of the Association, or by abandonment of any Lot.



The Association's lien on a Lot for Assessments shall be superior to any homestead exemption now or later provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver of the homestead and any other such exemption as against such Assessment lien.

Section 4.02. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for: Common Expenses; to promote the health, safety or welfare of the residents of the Property; for the benefit of the Common Area or Association Water; or for any other purpose of the Association, as those purposes (as amended from time to time) are specified in this Declaration, the Bylaws or the Articles of Incorporation; or as otherwise authorized or permitted by CCIOA or other applicable law.

Section 4.03. Initial Assessment.

- (a) The initial Assessment of any particular type shall be fixed in an amount set by, and made upon the resolution of, the Board of Directors.
- (b) After an Assessment of any type has been made by the Association, Assessments of the same type shall be made no less frequently than annually, based on a budget adopted by the Association as described in this Declaration.
- (c) Until the Board of Directors makes the initial Assessment, all expenses of the Association shall be paid by Declarant.

Section 4.04. Date of Commencement of Assessments; Due Dates. The initial Assessment of any type other than Special Assessments and Capital Assessments shall be adjusted according to the number of months remaining in the calendar year for which the Assessment is made, if less than a full year. Thereafter, the Board shall fix the amount of such annual Assessments against each Lot at least thirty (30) days in advance of each annual Assessment period. Written notice of the annual Regular Assessment (including any applicable Landscape Assessment) shall be sent to every Owner subject to the Assessment. The due date(s) shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid.

Section 4.05. Expense Allocation. Except as otherwise stated in this Article 4, or as otherwise provided by CCIOA or other applicable law, each Lot shall be allocated a fraction of the Common Expenses of the Association in which the numerator is one and the denominator is the number of platted Lots then in the Subdivision. Despite anything to the contrary stated in this Section 4.05, if permitted or required by this Declaration (see for example Section 4.06), CCIOA or other applicable law, any Common Expense or portion of any Common Expense or other cost or expense to the Association benefiting or caused by fewer than all Lots shall be assessed exclusively against the Lots benefited by or causing the Common Expense or other cost or expense.

Section 4.06. Owner's Negligence. In the event that the need for maintenance, repair, replacement, reconstruction or reconfiguration of Common Area, or any other Common Expense, is caused by the willful or negligent act or omission of any Owner, or by the willful or negligent act or omission of any family or household member, guest or invitee of such Owner, such expense and all related fees, costs and expenses of or to the Association shall be the personal obligation of such Owner and may be made part of any Assessment against such Owner and that Owner's Lot(s). Negligence or the

willful act or omission of any Owner or any family or household member, guest or invitee of such Owner, and the amount of the Owner's liability therefor, shall be determined by the Board of Directors at an informal hearing after notice to the Owner, provided that any such determination that assigns liability to any Owner pursuant to the terms of this Section 4.06 may be appealed by such Owner to a court of law.

Section 4.07. Priority of Lien. The lien for Assessments, which includes without limitation all those items specified in Section 4.01, shall have the priority specified in CCIOA, C.R.S. § 38-33.3-316(2), or other applicable law.

## **ARTICLE 5 BUDGET AND RECORDS**

Section 5.01. Books and Records. Association policies and regulations regarding records, retention of records, and Member access to records are specified in the Bylaws.

Section 5.02. Annual Budget. The Board of Directors shall cause an operating budget, balance sheet and cash flow statement for the Association to be prepared no less frequently than annually.

Section 5.03. Delivery of Budget. Within ninety (90) days after adoption of any proposed budget, the Board of Directors shall mail by ordinary first-class mail or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of the Owners to consider ratification of the budget which shall be within a reasonable time after mailing or other delivery of the summary.

Section 5.04. Ratification of Budget. Unless at the meeting Owners representing a majority of all Lots veto the budget, the budget is ratified, whether or not a quorum is present.

Section 5.05. Rejection of Budget. If the proposed budget is vetoed, the budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

Section 5.06. Reserve Fund. As part of each annual budget, the Board of Directors shall include an amount that, in its reasonable business judgment, will at least establish and maintain an adequate reserve fund for the repair or replacement of any personal property, fixtures and improvements required to be operated or maintained by the Association based upon age, remaining life, replacement cost and any other relevant factors. Any reserve funds may be deposited in such interest bearing account(s) as the Board of Directors deems appropriate.

Section 5.07. Audit and Review. At the discretion of the Board or upon the request of at least one third of the Owners, the books and records of the Association shall be subject to a review, using statements on standards for accounting and review services, by an independent and qualified person selected by the Board. Such person need not be a certified public accountant (except in the case of an audit), but shall have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study. An audit shall be required only when the Association has annual revenues or expenditures of at least \$250,000 and is requested by at least one third of the Owners. The audit or review report shall cover the Association's financial statements, which shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting.

Section 5.08. Fiscal Year. The fiscal year of the Association shall initially be the calendar year, but the Association may adopt a different fiscal year, for Assessments or otherwise, if permitted by law.

**ARTICLE 6**  
**NONPAYMENT OF ASSESSMENTS**

Section 6.01. Delinquency. Any Assessment provided in this Declaration that is not paid when due is delinquent. If any such Assessment is not paid within thirty (30) days after the due date without additional notice or demand, the Assessment shall bear interest from the due date at a rate not to exceed the maximum rate of interest permitted by CCIOA or other applicable law, as determined by the Board. Subject to the provisions of Section 2.11, the Association may, at its option, exercise any right or remedy available to the Association under applicable law, including without limitation bringing an action at law against the Owner personally obligated to pay the same or foreclosing the lien provided in Section 4.01 against the Lot(s) as to which the Assessment has not been paid; and in any case there shall be added to the amount of such Assessment interest and all costs that may be incurred by the Association in its collection of the Assessment, including reasonable attorney fees. Each Owner vests in the Association or its assigns the right and power to bring all actions or proceedings at law or in equity or to institute judicial foreclosure proceedings against such Owner or other Owners for the collection of such delinquent Assessments.

Section 6.02. Nature of Obligation and Lien.

- (a) The obligation for such payments by each Owner to the Association is an independent covenant, with all amounts due from time to time payable in full without notice (except as otherwise expressly provided in this Declaration) or demand, and without setoff or deduction. The Board or managing agent of the Association may prepare a written notice setting forth the amount of such unpaid indebtedness and the name of the Owner of the Lot and description of the Lot. Such a notice shall be signed by one member of the Board or by the managing agent of the Association and may be recorded in the real property records of Mesa County, Colorado. The lien for each unpaid Assessment attaches to each Lot at the beginning of each Assessment period and shall continue to be a lien against such Lot until paid. The costs and expenses for filing any notice of lien shall be added to the Assessment for the Lot against which it is filed and collected as part and parcel thereof. Each Assessment, together with interest, late charges, costs and reasonable attorney fees, shall also be the personal obligation of each person who was the Owner of such Lot at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass by Conveyance of a Lot.
- (b) The statutory lien for Assessments is prior to all other liens and encumbrances on a Lot, except: (i) liens and encumbrances recorded before the recordation of this Declaration; and (ii) liens for real estate taxes and other governmental assessments or charges against the Lot. Notwithstanding the foregoing, the statutory lien for Assessments is also prior to the lien of a first mortgage to the extent of an amount equal to the Assessments based on a periodic budget adopted by the Association that would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by

either the Association or any party holding a lien senior to any part of the Association lien created under this Section 6.02 of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien.

- (c) The recording of this Declaration constitutes record notice and perfection of the statutory lien. No further recording of any claim of lien or assessment is required; however, a notice of lien may be recorded at the Association's option, in which event costs and attorney fees incurred in connection with the preparation and filing of such notice shall be assessed against the Owner's Lot as a default assessment.

Section 6.03. Foreclosure Sale. Any foreclosure sale related to an Assessment lien is to be conducted in accordance with those provisions of the laws and rules of the courts of the State of Colorado applicable to the foreclosure of mortgages, or in any other manner then permitted or provided by applicable law. The Association, through its duly authorized agents, shall have the power to bid on the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same in the name of the Association.

Section 6.04. Curing of Default. Upon the timely curing of any Assessment delinquency, the Association is authorized to file or record a certificate setting forth the satisfaction of such claim and release of such lien upon payment by the defaulting Owner of a fee determined by the Association to cover the costs of preparing and filing or recording such release, and other expenses incurred.

Section 6.05. Cumulative Remedies. The Assessment lien and the rights of foreclosure and sale under it shall be in addition to, and not in substitution of, all other rights and remedies that the Association and its assigns may have under this Declaration and then applicable law, including without limitation a suit to recover a money judgment for unpaid Assessments, as provided above, all of which rights and remedies shall be cumulative.

## ARTICLE 7

### CONSTRUCTION AND DESIGN GUIDELINES; USE RESTRICTIONS

Section 7.01. Lot Use and Residences. Lots shall be used only for residential purposes. No building shall be erected, or otherwise altered, placed or permitted to remain on any Lot except in accordance with the terms and conditions of this Declaration. The erection of more than one single family Residence per Lot is prohibited. Each single family Residence may only be occupied by a single family. A "single family" is any number of persons living together as a single dwelling unit who are related by blood, marriage, or adoption, but excludes any group of more than four individuals who are not all related by blood, marriage, or adoption.

Section 7.02. Building Location. The ACC must approve the location of any building upon a Lot before any excavation may begin. No building shall be located on any Lot nearer to the front lot line, rear lot line, or interior lot line than permitted by applicable codes, ordinances or conditions of approval for the Subdivision. Eaves, steps and uncovered porches shall not be considered a part of the building.

Section 7.03. New Construction; No Temporary or Prefabricated Structures. All construction within the Subdivision shall be new construction. No trailer, basement, tent, shack, garage, barn, outbuilding or temporary structure shall be used as a Residence on any Lot. All Residences, garages and outbuildings constructed on the Property shall be of high quality design, construction, workmanship and

materials; in particular, no structure may be of a type known as "prebuilt," "precut," "modular," "manufactured" or "mobile home," regardless of its quality. This Section 7.03 shall not apply to the temporary sales and construction office used by Declarant during the development, construction and sale of Lots in the Subdivision, as described in Section 7.10.

Section 7.04. Size of Residence. No Residence shall be permitted on any Lot if the ground floor area of the main structure is fewer than 1,600 square feet. The measurement of square footage shall be by outside measurement, and shall exclude any garage, basement, attic, and open or enclosed porches, patios and decks. Basements and/or second floors are permitted. For purposes of this Section 7.04, the term "second floor" means heated, cooled or finished living or storage space constructed above any portion of any heated, cooled or finished living or storage space on the ground floor of a Residence. The maximum height of a Residence, measured from the average finished grade of the Residence to the highest point of its roof, shall not exceed thirty-four (34) feet. All foundations and basements shall be engineered by a registered professional engineer.

Section 7.05. Building Plans, Materials and Colors. All plans, specifications, color selections and samples of exterior materials, along with roof material samples, for any Residence, building, outbuilding, addition or improvement must be submitted to the ACC for review and approval. The exterior of each Residence shall consist entirely of stucco, except that soffits and fascia may consist of other materials approved by the ACC, and up to 30% of the front facade of each Residence may consist of brick or stone. Metal or vinyl siding is not permitted on any structure. Exterior color selections shall blend into the surrounding landscape and terrain. Bright or highly visible colors will be discouraged while natural colors will be encouraged. Notwithstanding the restrictions in Section 8.05, the ACC may grant a variance for any provision in this Section 7.05 for any reason.

Section 7.06. Roofs. Roofs shall be constructed of architectural asphalt shingles rated not less than thirty (30) years. Permitted colors shall include only moderate hues approved by the ACC in its discretion. Roofs of less than a 5/12 pitch are not permitted.

Section 7.07. Windows. Windows shall be of a design and color complementary to the exterior of the Residence. Window frames of mill finished aluminum are not permitted.

Section 7.08. Driveways. Driveways shall be concrete unless otherwise approved by the ACC.

Section 7.09. Outbuildings. One outbuilding no greater than 100 square feet in size by outside measurement may be permitted on each Lot if its design, construction and materials are comparable to that of the Residence on the same Lot and it is not visible from any street. All outbuildings are subject to ACC approval.

Section 7.10. Temporary Sales and Construction Office. A temporary sales and construction office maintained by Declarant may be located within the Subdivision during the development, construction and/or sale of Lots and the Property. Temporary parking in front of and adjacent to the office shall be allowed as long as the office is maintained in the Subdivision. Notwithstanding anything to the contrary in this Declaration, Declarant may maintain the office until thirty (30) days after the completion of the last Residence on the last Lot within the Subdivision, at which time Declarant will have sixty (60) days to remove the office and leave the site flat and clean so as to appear as a vacant building lot. Temporary sales signs, flags, etc. may be placed in the Subdivision during the development, construction and sale of Lots as long as the office is maintained in the Subdivision or there are development, construction or sales activities taking place. During the period of development,

construction and sales, Declarant may also designate certain Lots to be used for sales offices, construction offices, storage yards and buildings.

Section 7.11. Landscaping. All front yard landscaping and any other landscaping visible from any street shall be completed in accordance with the Landscape Plan and shall compliment the residential character of the Subdivision. The landscaping plan must be submitted to the ACC for approval within two (2) months after the purchase of a new or non-landscaped Residence, or thirty (30) days before landscaping is to be installed, whichever is first. Landscaping shall be completed and ready for a walkthrough inspection by the ACC within two (2) months after the ACC's approval of the landscaping plan. In the event that weather will not permit the planting of plants, shrubs and grass within these time frames, the ACC may grant an extension of thirty (30) days after the planting season begins in the spring following the ACC's approval of the landscaping plan. The ACC shall determine, in its sole discretion, when the planting season has begun each year based on the weather conditions for that year. Unless otherwise provided, this Section 7.11 applies only to those areas of landscaping that are in the front and side yards, and to back yards that are visible from any street.

- (a) Each Owner shall plant a minimum of two (2) trees and ten (10) shrubs within the front yard setback area of their Lot as part of the landscaping of their Lot. The shrubs must be a minimum of five (5) gallon size, and the trees must be a minimum of fifteen (15) gallon size and of a type from an approved list of trees supplied by the ACC or approved individually by the ACC. Xeriscaping is encouraged and is subject to the same approval by the ACC as required for other types of landscaping.
- (b) Once landscaped, each Owner shall keep all landscaping on his or her Lot neatly trimmed, properly irrigated and cultivated, and free of trash, weeds and other unsightly materials at all times. Special care shall be taken to insure proper surface drainage to eliminate casual water pockets and so as not to infringe on neighboring property, Lots or Common Area.
- (c) Rear yard landscaping must be completed within six (6) months following the issuance of a certificate of occupancy, unless an extension is granted by the Community Development Department Director of the City and the Association.

Section 7.12. Yards. No rubbish, debris or other such accumulations of any kind shall be placed or permitted to accumulate or remain on any Lot. All ornamentation in yards, such as, by way of example but not limitation, figurines, plastic flowers, colored lights, windmills and bird baths and feeders, shall either be screened from public view or approved by the ACC. No clotheslines, dog runs or drying yards shall be located on any Lot so they are visible from a street. This Section 7.12 shall not apply to seasonal holiday decorations that are promptly removed after the holiday or to the display of the flag of the United States of America, which is addressed in Section 7.16.

Section 7.13. Restrictions on Storage Areas. Equipment, garbage cans, service yards, wood piles, brick piles and storage areas shall be adequately screened by plantings or construction approved by the ACC to conceal the same from view from neighboring Lots and streets.

Section 7.14. Fences, Planters and Hedges. No wall, fence, planter or hedge in excess of three (3) feet above ground level shall be allowed within any front yard setback. Front yard setbacks shall be defined according to the Fruita Land Use Code requirements for front yard setbacks specified for the

Subdivision. Open-type fencing is required for any front yard fencing within the front yard setback areas. All fences must be cedar or vinyl and must be approved by the ACC prior to construction. No fence on any Lot may be greater than six (6) feet in height without the approval of the ACC. The ACC may, from time to time, adopt written fencing standards, details and colors that differ from the standards described in this Section 7.14. Any Owner may acquire a copy of such standards upon request.

Section 7.15. Restrictions Relating to Drainage. Nothing shall be done or permitted on any Lot that would block, divert or channelize the natural flow of drainage water across any Lot from adjacent Lots, as established by the original Subdivision grading, without specific approval from the ACC.

Section 7.16. Signs and Flags. No sign, graphic or advertising device of any kind shall be displayed on any Lot except: (i) one sign advertising the property for sale or rent; (ii) signs used by the building contractor or lender for advertising during construction and/or sales of Lots in the Subdivision; (iii) the American flag, displayed in accordance with 4 U.S.C. §§ 4 to 10, C.R.S. § 38-33.3-106.5, and rules and regulations adopted by the Association and not contrary to law; (iv) a service flag not to exceed nine (9) inches by sixteen (16) inches, subject to rules and regulations adopted by the Association and not contrary to law; and (v) political signs in support of candidates or ballot issues limited to a period of forty-five (45) days immediately preceding the election date and seven (7) days after the election date on which the candidates or issues will be voted upon. Any permitted sign may be no more than thirty-six (36) inches by forty-eight (48) inches (or smaller if required by applicable law). Signs used by Declarant for advertising the Property are not subject to the restrictions in this Section 7.16 or any other restrictions.

Section 7.17. Vehicle Parking, Storage and Repair. A maximum of two (2) passenger vehicles may be parked on the driveway of any Lot. Except as provided below, no trailer, motorcycle, trucks of any nature in excess of 3/4 ton, recreational vehicles, boats, snowmobiles, ATVs (collectively "Vehicles" under this Section 7.17), or any accessories to any Vehicles, shall be parked, stored, repaired, or maintained on any Lot, alley or other Common Area, except that for a maximum period of forty-eight (48) hours, a Vehicle on an Owner's Lot may be: (i) loaded or unloaded; or (ii) maintained or repaired, which includes, by way of example but not limitation, oil changes, waxing and minor engine work. All Vehicles that are not kept in a garage or outbuilding must be parked in the side or rear yard of a Residence and must be screened from public view by a privacy fence, landscaping or other means, at least six (6) feet in height approved by the ACC, and not farther forward than the front building line of a Residence. Despite anything to the contrary stated in this Section 7.17, an occupant of a Lot who is a bona fide member of a volunteer fire department or who is employed by a primary provider of emergency fire fighting, law enforcement, ambulance or emergency medical services is exempt from the requirements of this Section 7.17 if the vehicle is required to be available at designated periods as a condition of the occupant's employment, and the parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other Owners or occupants of Lots to use streets, alleys, driveways and guest parking areas in the Subdivision.

Section 7.18. Animals. No animals, livestock, reptiles, poultry or insects, of any kind, shall be raised, bred, kept or boarded in or on the Property; provided, however, that the Owners of each Lot may keep fish, birds and a total of two (2) dogs or two (2) cats or one of each which are bona fide household pets, as long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a danger or nuisance (by excessive noise or otherwise) to any resident of the Subdivision, and are kept in accordance with any applicable laws, rules and regulations. An Owner's right to keep animals shall be coupled with the responsibility to pay any costs to the Association for any damage caused by such Owner's animals to Common Area. All animals shall be maintained on an Owner's Lot or on a leash or other restraint. Owners shall be responsible for the cleanup of all waste

from their animals. Habitually barking and/or vicious dogs are prohibited at the sole discretion of the Association.

Section 7.19. Antennas, Towers, Dishes and Solar Panels. No antenna, satellite or similar device for radio, television or other electronic transmission or reception shall be erected, installed or permitted to remain on any Lot, except that television and radio antennas and satellite dishes not in excess of twenty-four (24) inches in diameter attached to a Residence may project up to six (6) feet above the ground, so long as the antenna or dish is not visible from any street adjoining that Lot. No solar panels or other apparatus may be erected upon the roof of any structure within the Subdivision without the prior written consent of the ACC.

Section 7.20. Air Conditioning/HVAC Units. All air conditioning, condenser and HVAC (refrigeration, evaporative, heat pumps or other) units shall be ground mounted on a concrete pad and placed so as to provide visual screening and noise attenuation to the neighboring Lots and Common Area. Wall and window mounted units are prohibited. Use of solar heating panels or collectors is prohibited if visible from any Lot, street or Common Area.

Section 7.21. Site Lines on Corner Lots. No object or thing shall be placed or planted on any corner Lot that obstructs site lines at elevations between two (2) feet and six (6) feet above the top of the street curb within a triangular area formed by the junction of the street and the curb lines and the line connecting them at a point twenty-five (25) feet from the junction of such streets, curb line, or extension thereof.

Section 7.22. Residential Use. No Lot may be used for commercial purposes, except for home occupations. For purposes of this Section 7.22, "home occupation" means an occupation conducted in accordance with City ordinances for home occupation and that does not entail the employment of third persons on the premises. This does not include the delivery of goods or services to customers upon a Lot, nor to the leasing of any Lot as described in Section 7.23. Any other commercial use shall be considered a nuisance within the meaning of Section 7.24.

Section 7.23. Leases. The term "lease" as used in this Declaration shall include any agreement for the leasing or rental of a Lot or any portion of it, and shall specifically include, without limitation, a month-to-month rental. Any Owner shall have the right to lease his or her Lot under the following conditions:

- (a) All leases shall be in writing;
- (b) All leases and the lessee's occupancy of the Lot shall be subject in all respects to the provisions of this Declaration and the Articles of Incorporation, Bylaws and rules and regulations of the Association; the lessee's failure to comply with any of these documents, in any respect, shall be a default under the lease; and
- (c) No lease shall be for fewer than thirty (30) days.

The provisions of (b) and (c) above shall be contained in each lease, but shall also be deemed to be implied terms of each such lease, whether or not actually contained in the lease.

Section 7.24. Nuisance and Hazardous Activities. No obnoxious or offensive activity shall be conducted on any Lot, nor shall any activity be permitted that becomes an annoyance or nuisance within



the Subdivision. No light shall be permitted from any Lot that is unreasonably bright or causes unreasonable glare when viewed from the street, adjacent Lot or property, or Common Area. No sound shall be emitted from any Lot that is unreasonably loud or annoying and no odor shall be permitted from any Lot that is noxious or unreasonably offensive to others, as determined by the Board in its sole discretion. No activities shall be conducted on the Property or within the improvements constructed on or within the Property that are or might be unreasonably hazardous to any person or property. No firearms, explosives, air rifles, BB guns, crossbows or similar devices shall be discharged on the Property. In no event shall activities of Declarant that are reasonably necessary for the development and construction of the Property be considered a nuisance or hazard under this Section 7.24.

Section 7.25. Lot Maintenance. Each Lot and the improvements thereon shall be properly maintained by the Owner of such Lot. In the event any Owner fails to maintain their Lot(s) in accordance with this Declaration, the Association may hire out such maintenance as is necessary to bring such Lot(s) into compliance with this Declaration, and may assess the Owner of such Lot(s) for those costs, as provided in this Declaration.

Section 7.26. Utilities and Easements. Underground electrical, natural gas, telephone, cable television and irrigation shall be available to all Lots. The utility companies furnishing these services shall have the easements shown on the recorded plats of the Subdivision. No permanent structure shall be erected on any such easement. Neither Declarant nor the utility company or any entity using these easements shall be held liable for any damage done by any of them or their assigns, agents or employees to shrubbery, trees, flowers or improvements of an Owner located on any land subject to an easement. No overhead services shall be allowed to service any Lot within the Subdivision.

Section 7.27. Re-subdivision of Lots. The re-subdivision of any Lot within the Subdivision is prohibited, except as may otherwise be provided in this Declaration.

## **ARTICLE 8**

### **ARCHITECTURAL CONTROL COMMITTEE**

Section 8.01. Architectural Control Approval. No building, fence, wall, sign or other structure or improvement shall be commenced, erected or maintained upon the Property (including the Common Area), nor shall any exterior addition to or change or alteration (including without limitation painting, landscaping, irrigation systems, fences, trash receptacles) be made until plans and specifications showing the nature, kind, shape, height, materials, location and other relevant information of the same have been submitted to and approved in writing by the ACC as being in harmony with external design and location in relation to surrounding structures, topography and other matters specified in this Article 8.

Section 8.02. Procedures. The ACC shall approve or disapprove all requests for architectural control approval within thirty (30) days after the complete submission of copies of all plans, specifications and other materials that the ACC may require in conjunction with the application. If the ACC fails to approve or disapprove an application in writing within thirty (30) days after completion of submission of a plan to it, the application will be deemed to have been approved if it otherwise complies with the construction and design guidelines in Article 7. The ACC shall exercise its reasonable judgment to the end that all attachments, improvements, construction, landscaping and alterations to structures, other improvements and property, within the Property, conform to and harmonize with the existing surroundings, Residences, landscaping and structures. In its review of such plans, specifications and other materials and information, the ACC may require that the applicant(s) pay the ACC a processing fee for the actual expenses incurred by the ACC in the review and approval process. Such amounts, if any,

may be levied as part of the Regular Assessment against the Lot for which the request for ACC approval was made and, as such, shall be subject to the Association's lien for assessments and subject to all other rights of the Association for the collection thereof, as more fully provided in this Declaration. Notwithstanding the foregoing, only the Association shall have the right to materially alter or modify the original fencing, landscaping or grading installed by Declarant within any Common Area; provided, however, that the foregoing prohibition shall not prevent the repair and maintenance of the same.

Section 8.03. Vote and Appeal. A majority vote of the ACC is required to approve a request for architectural approval pursuant to this Article 8.

Section 8.04. Records. The ACC shall maintain records of all applications submitted to it in accordance with CCIOA and any other applicable law.

Section 8.05. Variance. The ACC may grant reasonable variances or adjustments from any condition or restriction imposed by Article 7 in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of the conditions and restrictions contained in Article 7. Variances or adjustments shall be granted only when they shall not be materially detrimental or injurious to the other Lots or the Subdivision or the general intent and purpose of this Declaration. The grant or denial of a variance request shall not affect in any way any of the terms and provisions of this Declaration covered by the variance and shall not serve as a basis for subsequent variances with respect to any other request. The grant of any variance shall not affect in any way the Association's or Owner's obligation to comply with the Fruita Land Use Code and other applicable governmental laws or regulations.

Section 8.06. Approval or Consent not a Waiver. The approval or consent of the ACC to any application for architectural approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by the ACC as to any other application submitted for approval or consent under this Article 8.

Section 8.07. Time of Construction. Approved projects must be completed within six (6) months after issuance of a building permit or within six (6) months after approval by the ACC if no building permit is required. If the work is not completed within the prescribed time, the ACC may rescind its approval and re-submission will be required. The ACC may grant an extension for good cause; provided, however, that any such project must also be completed within any timeframe imposed by the City.

Section 8.08. Composition of the ACC. The ACC shall consist of three (3) or more persons appointed by the Board of Directors of the Association; provided, however, that until the earlier to occur of sixty (60) days after the Conveyance of 75% of the Lots that may be created to Owners other than Declarant, two (2) years after the last Conveyance of a Lot by Declarant in the ordinary course of business, or two (2) years after any right to add new Lots was last exercised, Declarant shall appoint the ACC. The power of the Declarant to "appoint," as provided in this Section 8.08, shall include without limitation the power to: initially constitute the membership of the ACC, appoint member(s) to the ACC upon the occurrence of any vacancy, and for whatever reason to remove any member of the ACC, with or without cause, at any time, and to appoint a successor; and each such appointment may be made for such term(s) of office, subject to the power of removal stated in this Section 8.08, as may be set from time to time in the discretion of Declarant.

Section 8.09. No Liability. None of Declarant, the Association, the ACC or any of the members of those entities shall be liable in damages to anyone submitting plans or specifications for approval under this Declaration arising out of or in connection with any action, failure to act, approval, disapproval or failure to approve or disapprove any matter within its jurisdiction under this Declaration, unless any such entity or person, as the case may be, has acted arbitrarily or capriciously. Any Owner submitting or causing to be submitted any plans or specifications and covenants on behalf of such Owner and such Owner's heirs, successors, legal representatives and assigns that they will not bring any such action or suit at law or in equity against Declarant, the Association, the ACC or any of the members of those entities, unless any such entity or person, as the case may be, has acted arbitrarily or capriciously. Decisions concerning the approval or denial of an Owner's application for architectural or landscaping changes shall not be made arbitrarily or capriciously.

Section 8.10. Notice of Noncompliance or Noncompletion. Notwithstanding anything to the contrary contained in this Declaration, after the expiration of one year from the date of completion of construction of any improvements within the Property, such improvements shall, relative to purchasers and encumbrances in good faith and for value, be deemed to be in compliance with all the provisions in this Article 8, unless actual notice of such noncompliance and noncompletion, executed by the ACC or its designated representatives, shall appear of record in the real property records of Mesa County, Colorado, or unless legal proceedings shall have been instituted to enforce compliance or completion.

Section 8.11. Rules and Regulations. The ACC may, from time to time in its sole discretion, adopt, amend and repeal rules and regulations interpreting and implementing the provisions of Article 7.

Section 8.12. Appointment and Designation. The ACC may, from time to time, by the vote or written consent of a majority of its members, delegate some or all of its rights or responsibilities under this Declaration to one or more duly licensed architects or other qualified persons who shall have full authority to act on behalf of the ACC in all matters delegated.

Section 8.13. Review Fee and Address. Any plans and specifications shall be submitted in writing for approval together with a reasonable processing fee determined by the Board. The address of the ACC shall be the principal place of business of the Association or such other place as the ACC may from time to time designate to the Board of Directors. The address shall be the place for the submittal of any plans or specifications and the place where the current rules and regulations, if any, of the ACC shall be kept.

Section 8.14. Inspection. During initial construction, remodeling, repair or other work on a Lot or to a Residence requiring ACC approval, any member or agent of the ACC may from time to time at any reasonable hour or hours and upon reasonable prior notice enter and inspect any Lot or Residence within the Subdivision to determine whether the Residence or Lot's improvement complies with the provisions of this Declaration.

Section 8.15. General Provisions. The members of the ACC shall not be entitled to any compensation for services performed under this Article 8. The powers and duties of the ACC shall cease and terminate upon the termination of this Declaration.

**ARTICLE 9**  
**ASSOCIATION WATER**

Section 9.01. Management of Association Water. Due to concerns regarding water conservation, the Association shall have the exclusive right to control the Association Water and Irrigation Facilities within the Subdivision. The Association shall own twelve (12) shares of GVIC stock. Use of the Association Water and Irrigation Facilities shall be controlled by the Association under rules and regulations adopted by the Association, including conservation measures and measures to reduce peak demand. An initial irrigation schedule for the Subdivision is attached as Exhibit C and incorporated by this reference; all details of this schedule and narrative are subject to change by the Association at any time. The Association Water and Irrigation Facilities shall be transferred by Declarant to the Association by bill of sale upon completion of construction and inspection and approval of the system by the City Engineer. The twelve (12) shares of GVIC stock shall be transferred from Declarant to the Association prior to the Conveyance of any Lot to an Owner other than Declarant, and shall not be encumbered, dedicated or conveyed in all or in part without the express written consent of the City. The Association shall pay all GVIC fees and assessments when due as necessary to prevent the loss of such stock. This Section 9.01 may not be amended or deleted without the express written consent of the City.

Section 9.02. Delivery Restrictions. If an Owner violates any provision of this Declaration or any rule or regulation promulgated under it related to Association Water or the Irrigation Facilities, the Association may restrict or terminate the delivery of Association Water to such Owner's Lot, in addition to any other rights the Association may have under this Declaration or at law. The Association also may restrict or terminate the delivery of Association Water to an Owner's Lot in the event of any emergency involving Association Water or the Irrigation Facilities.

Section 9.03. Easements for Ingress and Egress. Each Owner grants to the Association reasonable ingress and egress over, under and across all easements shown on the Map or any recorded plat of any portion of the Subdivision for the purpose of operating, maintaining or repairing the Irrigation Facilities. No Owner shall construct, erect or maintain any improvement or structure that shall interfere with the Association's ownership, operation, maintenance or repair of the Irrigation Facilities. The Association shall have the authority to remove or alter any structure or improvement that interferes with the ownership, operation, maintenance or repair of the Irrigation Facilities, the costs of such removal to be borne by the Owner of the interfering improvement or structure.

Section 9.04. Irrigation Assessments. Any billings by any person or entity associated with Association Water shall be a Common Expense.

Section 9.05. Hazardous Drainage. Release of contaminants or hazardous materials, as defined in CBRCLA, RCRA, FIFRA, the Toxic Substances Control Act and any other applicable federal and state environmental laws, into the Property is prohibited.

Section 9.06. Maintenance and Water Assessments. Declarant and its successors and assigns shall maintain the Irrigation Facilities and pay all water assessments on Association Water until transfer to the Association. Upon the transfer to the Association, full responsibility for the Irrigation Facilities and Association Water shall be borne by the Association.

## **ARTICLE 10** **INSURANCE**

Section 10.01. Insurance. The Association shall obtain and maintain insurance as required by CCIOA and this Declaration.

Section 10.02. Type of Insurance. Commencing not later than the time of the first Conveyance of a Lot to an Owner other than Declarant, the Association shall obtain insurance in accordance with CCIOA.

Section 10.03. Assessment of Members. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all deductibles paid by the Association. In the event that multiple properties are damaged by a loss, the Association in its reasonable discretion may assess each Owner a pro rata share of any deductible paid by the Association.

Section 10.04. Waiver of Subrogation. The Association and the Owners each waive any and all rights of recovery against the other, their officers, Members, agents and employees, occurring on or arising out of the use and occupancy of the Property to the extent such loss or damage is covered or indemnified by proceeds received from insurance carried by the other party, or for which such party is otherwise reimbursed. Each of the parties shall, upon obtaining the insurance required under this Declaration, notify the insurance carrier that the foregoing waiver of subrogation is contained in this covenant, and, to the extent available, shall require the insurance carrier to include an appropriate Waiver of Subrogation Provision in the policy.

Section 10.05. Fidelity Bond Insurance. If any Owner or Association employee controls or disburses Association funds, the Association must obtain and maintain, to the extent reasonably available, a fidelity bond insurance in an aggregate amount equal to not less than two (2) months of current assessments, plus reserves calculated from the then-current budget of the Association.

Section 10.06. Independent Contractors. Any person employed as an independent contractor by the Association for the purposes of managing the Association must obtain and maintain a fidelity bond in the same amount required in Section 10.05, unless the Association names such a person as an insured employee in a contract of fidelity insurance described in Section 10.05. The Association may carry or require of an independent contractor employed to manage the Association fidelity bond coverage in an amount greater than that specified in this Section 10.06.

Section 10.07. Fidelity Bond Premiums. Premiums for bonds required of the Association under this provision are Common Expenses of the Association.

Section 10.08. Additional Insurance. The Association may carry any other insurance it considers appropriate to protect the Association or the members, including insurance on property it is not obligated to insure.

## **ARTICLE 11**

### **DAMAGE OR DESTRUCTION OF COMMON AREA**

Section 11.01. Appointment of Association as Attorney-in-Fact. This Declaration constitutes each Owner's appointment of the Association as his or her attorney-in-fact to administer repairs, receive and apply insurance funds, and to ensure compliance with this Declaration upon the damage, destruction or obsolescence of the Common Area. Any grantee's acceptance of a deed or other conveyance rendering that person an Owner shall constitute the irrevocable appointment of the Association as the grantee's attorney-in-fact, to act with all the powers as provided in this Section 11.01.

Section 11.02. Rights of Association as Attorney-in-Fact. As attorney-in-fact, the Association, by its president and secretary, shall have full and complete authority, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of an Owner that is necessary and appropriate to exercise the powers granted in this Declaration. Repair and reconstruction of the Common Area means restoring the same to substantially the same condition in which it existed prior to the damage. The obsolescence of the Common Area shall be determined by the Association, in its sole and absolute discretion. Except as otherwise provided in this Declaration, any insurance proceeds collected shall be paid to the Association for the purpose of repair, restoration or replacement.

Section 11.03. Application of Insurance Proceeds. In the event of damage or destruction to any improvement installed by the Association within the Common Area due to an insured loss, the Association shall apply the insurance proceeds to the reconstruction and repair of the damaged improvement. If the insurance proceeds are insufficient, the Association may levy a Capital Assessment in the aggregate amount of such deficiency and shall proceed to make such repairs or reconstruction, unless:

- (a) The planned community is terminated;
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (c) 67% of the Owners vote to not rebuild; or
- (d) Prior to the Conveyance of any Lot to a person other than Declarant, the holder of a deed of trust or mortgage on the damaged portion of the Common Area rightfully demands all or a substantial part of the insurance proceeds.

Distributions of insurance proceeds shall be made in accordance with CCIOA. The Capital Assessment described in this Section 11.03 shall be a debt of each Owner and a lien on his or her Lot and the improvements on it, and may be enforced and collected in the same manner as any Assessment lien provided for in this Declaration.

## ARTICLE 12 GENERAL PROVISIONS

Section 12.01. Easements. Easements for the installation and maintenance of utilities and irrigation, detention and other water facilities are reserved as shown on the Map and the recorded plat(s) of the Subdivision. Within these easements no improvement, structure, planting or other material (excluding fences capable of being readily removed for the purposes of the easement) shall be placed or permitted to remain that may damage or interfere with the installation and maintenance of such utilities or facilities, or that may change the direction of flow of drainage channels in the easements. Declarant and the Association shall have the right (but assume no obligation) to enter upon the Property to correct any flow of water and to establish and re-establish drainage channels.

Section 12.02. Rights of Declarant Incident to Construction. An easement is retained by and granted to Declarant, its successors and assigns, for access, ingress and egress over, in, upon, under and across any easements shown on the Map, including but not limited to the right to store materials on such areas and to make such other use of such areas as may be reasonably necessary or incidental to Declarant's or its designees' construction on the Property, including without limitation construction of

improvements indicated on the Map; provided, however, that no such rights or easements shall be exercised by Declarant in such a manner as to unreasonably interfere with the occupancy, use, enjoyment or access by any Owner, his or her family members, guests or invitees, to or of that Owner's Lot. Declarant, for itself and its successors and assigns, retains a right to store construction materials on any Lot owned by Declarant and to make such other use of it as may be reasonably necessary or incidental for the purpose of the completion or improvement of the Property, the performance of Declarant's obligations under this Declaration, and the sale of the Lots. Any Special Declarant Rights created or reserved in this Declaration for the benefit of Declarant may be transferred to any person or entity by an instrument describing the rights transferred, and shall be recorded in the real property records of Mesa County, Colorado. The rights of Declarant reserved in this Section 12.02 shall expire twenty (20) years after the recording of this Declaration.

Section 12.03. Maximum Number of Lots. Declarant reserves the right to create a maximum of forty (40) Lots in the Subdivision, in addition to the Common Area.

Section 12.04. Term. The provisions of this Declaration shall each constitute covenants, running with the land applicable to all of the Property and Lots, binding Declarant and all persons and entities claiming by, through or under it for a period of twenty (20) years from the date of recording of this Declaration in the real property records of Mesa County, Colorado, which shall be automatically extended for successive periods of twenty (20) years each, without action by or notice to any person or entity unless amended or terminated as provided in Section 12.05.

Section 12.05. Termination and Amendment.

- (a) Subject to the provisions of C.R.S. § 38-33.3-217(1), (5), (6) and (7), all or any portion of this Declaration may be supplemented, changed or canceled in whole or in part at any time by the vote or agreement of the Owners of 67% of the Lots that may be created. Such agreement may be in any number of counterparts. Such amendment shall be effective when duly recorded in the real property records of Mesa County, Colorado.
- (b) Declarant reserves and is granted the right and power to record technical amendments to this Declaration, the Articles of Incorporation or the Bylaws at any time prior to the termination of Declarant's control of the Association, for the purposes of correcting spelling, grammar, dates, typographical and clerical errors, or as may otherwise be necessary to clarify the meaning of any provisions of any such document;

Section 12.06. Conflict of Provisions. In case of any conflict between this Declaration, the Articles of Incorporation or the Bylaws, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

Section 12.07. CCIOA Controls. Any provision of this Declaration in conflict with the provisions of CCIOA shall be void. Any managing agent, employee, independent contractor or other person acting on behalf of the Association shall be subject to CCIOA to the same extent as the Association itself would be under the same circumstances.

Section 12.08. Severability. Invalidation of any of the covenants, restrictions or other provisions contained in this Declaration shall in no way affect or limit any other provisions, which shall

remain in full force and effect. To the extent feasible, any non-complying provision and the remainder of this Declaration shall be reformed to comply with applicable law and to preserve the intent of this Declaration, including the invalidated provision.

Section 12.09. Waiver. The failure of Declarant, the Association or any Owner to enforce any right under this Declaration upon any occasion shall not be deemed a waiver of such right on any subsequent occasion(s). The waiver, either express or implied, by Declarant, the Association or any Owner of any of the rights, terms or conditions in this Declaration shall not be deemed as or constitute a waiver of any other rights, terms or conditions in this Declaration. Any waiver, in order to be valid and effective, must be in writing.

Section 12.10. Notice. Any notice or demand required or permitted by this Declaration shall be in writing and shall be sent by United States first class mail, postage prepaid, to the address of the Owner of the Lot(s) to receive notice at the address provided by the Owner for that purpose to the secretary of the Association. If the Owner fails to provide an address to the secretary, notice shall be sent to the address of the Owner specified in the deed recorded in the real property records of Mesa County, Colorado by which that Owner took title and to the street address of that Lot, if any.

Section 12.11. Section Headings. The article and section titles and headings used in this Declaration are for identification purposes only and shall not be utilized to interpret or construe the provisions of this Declaration, which shall remain in full force and effect.

Section 12.12. Binding Effect. The provisions of this Declaration shall be binding upon and for the benefit of Declarant, each Owner, and each and all of their heirs, personal representatives, successors in interest and assigns.

Section 12.13. No Rights Given to the Public. Nothing contained in this Declaration shall be deemed to be a gift or dedication of any portion of the Property to the general public or for any public use or purpose.

Section 12.14. Applicability of Governmental Regulations. The covenants, conditions and restrictions contained in this Declaration are separate and distinct from any zoning, building or other law, ordinance, rule or regulation of the City or of any governmental authority having jurisdiction over the Property that now or in the future may contain different requirements from or in addition to those contained in this Declaration or that may prohibit uses permitted in it or permit uses prohibited in it. In the event of any conflict between the provisions of this Declaration and the provisions of any such law, ordinance, rule or regulation, the Owner must first comply with all governmental laws, ordinances, rules or regulations and then, to the extent possible, the Owner must comply with these covenants, conditions and restrictions unless such compliance would result in a violation of such law, ordinance, rule or regulation, in which case, upon a finding that compliance with this Declaration would result in such a violation, the ACC shall waive any such covenant, condition or restriction to the extent it results in such a violation, and in connection with such waiver, the ACC may impose such conditional covenants, conditions and restrictions as may be necessary to carry out the intent of this Declaration.

Section 12.15. Transfer of Declarant Rights and Obligations. Except to the extent expressly prohibited by applicable law, any or all rights or obligations (or both) of Declarant may be transferred by Declarant, including without limitation those rights described in Sections 2.06, 8.01 and 8.08.



RUCKMAN, INC.,  
a Colorado corporation

By \_\_\_\_\_  
Terry Ruckman, President

STATE OF COLORADO )  
COUNTY OF Mesa ) ss.

Subscribed and sworn to before me the 2<sup>nd</sup> day of August, 2007, by Terry  
Ruckman, President of Ruckman, Inc., a Colorado corporation.

WITNESS my hand and official seal.

My commission expires: 10-23-2008

Michelle Hopkins  
Notary Public

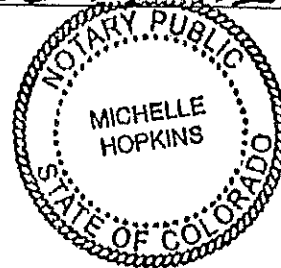


EXHIBIT A

A tract of land situated in E1/2 of the W1/2 of the SW1/4 of the SE1/4 of Section 7, Township 1 North, Range 2 West, Ute Meridian, County of Mesa, State of Colorado and being more particularly described as follows:

Beginning at the southwesterly corner of a tract of land which bears N 89°50'46" E, 330.46 feet from the S1/4 corner of Section 7, Township 1 North, Range 2 West, Ute Meridian, and considering the south line of the SW1/4 of the SE1/4 to bear N 89°50'46" E, with all other bearings contained herein relative thereto;

1. Thence N 89°50'46" E, 330.46 feet;
2. Thence N 00°08'33" E, 1318.06 feet;
3. Thence S 89°44'36" W, 327.03 feet;
4. Thence S 00°17'30" W, 1317.50 feet to the point of beginning.

Tract of land, as described above contains 9.945 acres more or less.

**RECORDER'S NOTE :**  
**THE FOLLOWING PAGE(S)**  
**ARE OVERSIZE**



### EXHIBIT C HOLLOW CREEK SUBDIVISION IRRIGATION SCHEDULE

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
TIME							
midnight to 1 am							
1 to 2 am							
2 to 3 am							
3 to 4 am							
4-5 am	group 1	group 5		group 1	group 5	group 1	group 5
5-6 am	group 2	group 6		group 2	group 6	group 2	group 6
6-7 am	group 3	group 7		group 3	group 7	group 3	group 7
7-8 am	group 4	group 8		group 4	group 8	group 4	group 8
8-9 am	group 1	group 5		group 1	group 5	group 1	group 5
9-10 am	group 2	group 6		group 2	group 6	group 2	group 6
10-11 am	group 3	group 7		group 3	group 7	group 3	group 7
11- noon	group 4	group 8		group 4	group 8	group 4	group 8
noon-1 pm							
1-2 pm							
2-3 pm							
3-4 pm							
4-5 pm							
5-6 pm	group 1	group 5		group 1	group 5	group 1	group 5
6-7 pm	group 2	group 6		group 2	group 6	group 2	group 6
7-8 pm	group 3	group 7		group 3	group 7	group 3	group 7
8-9 pm	group 4	group 8		group 4	group 8	group 4	group 8
9-10 pm	HOA	HOA		HOA	HOA	HOA	HOA
10-11 pm	HOA	HOA		HOA	HOA	HOA	HOA
11 to midnight	HOA	HOA		HOA	HOA	HOA	HOA
GROUP 1	BLOCKS 2	LOTS 1,2,3,4					
	3	1		NOTES:			
GROUP 2	3	2,3,4,5,6		1. Total water available 69 gpm (18 shares of Grand Valley Irrigation)			
GROUP 3	4	9,10		2. Each lot is entitled to 15 gpm per watering period			
	5	1,2,3		3. Each lot has a total of 9 hours per week in 3 * 1 hour intervals, 3 days per week			
GROUP 4	3	7,8		4. HOA / Open space tracts are entitled to 12 hours per week in 4 hour intervals, 6 days per week			
	4	6,7,8		5. Wednesday is reserved for system maintenance. No watering is permitted.			
GROUP 5	3	9,10		6. Irrigation schedule is based on July water demand (highest water demand month).			
	4	3,4,5		7. No watering is permitted daily between noon and and 5 pm & midnight to 4 am			
GROUP 6	2	5		8. Lawns are restricted to a maximum of 4,500 square feet			
	3	11,12					
	4	1,2					
GROUP 7	1	5,6,7					
	2	6,7					
GROUP 8	1	1,2,3,4					
	2	8					
HOA	OPEN SPACES						