



**DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS
OF
CROSSROADS PARK, PD**

THIS DECLARATION, made on the date hereinafter set forth by Crossroads Park, LLC, a Colorado Limited Liability Company with an address of 236 South 3rd Street, #350, Montrose, CO 81401 (hereinafter referred to as "Declarant").

RECITALS:

a) Declarant is the owner of Lot 2 of the Bellgardt Subdivision, City of Montrose, County of Montrose, State of Colorado (hereinafter referred to as the "Property").

b) Declarant intends to subdivide the Property into Units and to create a Planned Community pursuant to the Colorado Common Interest Ownership Act Ownership Act of the State of Colorado (C.R.S. Sections §§38-33.3-101 et seq., "the Act"). To define and establish the rights, powers, duties, conditions and restrictions of Unit ownership in Crossroads Park, PD, Declarant hereby publishes and records this Declaration of Conditions, Covenants and Restrictions for Crossroads Park, PD.

c) Declarant has caused "Crossroads Park Owners Association, Inc." to be incorporated under the laws of the State of Colorado, for the purpose of exercising the functions as herein set forth.

d) The initial authorized number of Planned Community Units shall be fifty (50).

**ARTICLE I
SUBMISSION/DEFINED TERMS**

Section 1.01 Submission of Real Estate. The Declarant hereby submits the real estate above and such additional real estate as may be subsequently added, pursuant to the expansion rights reserved in this Declaration, together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon (Collectively, the "real estate") to the provisions of the Act as it may be amended from time to time and to the terms and conditions of this Declaration. In the event the Act is repealed, the Act on the effective date



715813

Page: 2 of 26

02/12/2004 09:16A

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of this Declaration shall remain applicable. Further, Declarant hereby declares that all of the real estate described above, and as added by expansion, shall be held or sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real estate and be binding on all parties having any right, title or interest in the real estate or any part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Unit Owner thereof. For purposes of the Act, the Common Interest Community shall be a Planned Community.

Section 1.02 Defined Terms. Each capitalized term in this Declaration or in the plat shall have the meaning specified or used in the Act.

ARTICLE II NAMES/DESCRIPTION OF REAL ESTATE

Section 2.01 Name and Type.

(a) Common Interest Community. The type of Common Interest Community is a Planned Community. The name of the Planned Community is Crossroads Park, PD.

(b) Association. The name of the Association is Crossroads Park Owners Association, Inc.

Section 2.02 Real Estate. The Planned Community is located in the City of Montrose, Montrose County, State of Colorado. The initial real estate of the Planned Community is described as Lot 2 of the Bellgardt Subdivision, City of Montrose, County of Montrose, State of Colorado.

Section 2.03 Utility Easements. Easements for utilities over and across the Common Elements shall be those shown upon the recorded plat of the Planned Community and such other easements as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any recorded document.

Section 2.04 Easements for the Executive Board. Each Unit shall be subject to an easement in favor of the Executive Board (including its agents, employees and contractors) to perform its obligations pursuant to this Declaration.

Section 2.05 Emergency Easements. A non-exclusive easement for



ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Planned Community to enter upon any part of the Planned Community in the performance of their duties.

ARTICLE III THE ASSOCIATION

Section 3.01 General Purposes and Powers. The Association, through its Executive Board, shall perform functions and manage the Planned Community as provided in this Declaration so as to further the interest of the residents, occupants, tenants and guests of the Planned Community and members of the Association. Any purchaser of a Unit shall be deemed to have assented to, ratified and approved such designation and management. The Association shall have all power necessary or desirable to effectuate such purposes.

Section 3.02 Authority of the Association. The business affairs of the Planned Community shall be managed by the Association. The Association shall be governed by its Articles of Incorporation and Bylaws, as amended from time to time. The Executive Board may, by written resolution, delegate authority to a manager or managing agent for the Association, provided no such delegation shall relieve the Board of final responsibility.

Section 3.03 Specific Powers.

a) The Association shall have the powers, authority and duties as follows and as necessary and proper to manage the business and affairs of the Planned Community.

b) The Association shall have all of the powers, authority and duties permitted or set forth in the Act.

c) The Association shall have the power to assign its right to future income, including the right to assign its right to receive Common Expense Assessments, but only upon the affirmative vote of the Unit Owners of Units to which at least fifty-one percent (51%) of the votes in the Association are allocated at a meeting called for that purpose.

Section 3.04 Membership. Every person or entity who is a record Unit Owner of a fee interest in any Unit which is subject to this Declaration shall be a member of the Association, including contract sellers. Membership



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Page: 4 of 26

02/12/2004 09:16a

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shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of such Unit shall be the sole qualification for such membership. Where more than one person holds an interest in any Unit, all such persons shall be members.

Section 3.05 Directors. The affairs of the Planned Community and the Association shall be governed by an Executive Board of the Association which, until the termination of the period of Declarant Control, shall consist of one person, until the first Unit is sold, and following such date shall consist of five (5) persons, all of which, shall be Unit Owners.

Section 3.06 Declarant Control.

a) The Declarant shall have the reserved powers, pursuant to Section 303(5) of the Act, to appoint and remove officers and members of the Executive Board. This power of Declarant (the period of Declarant Control) terminates no later than the earlier of (i) sixty (60) days after conveyance of seventy-five percent (75%) of all Units in the ordinary course of business to Unit Owners other than the Declarant; (ii) two (2) years after the last conveyance of a Unit by the Declarant in the ordinary course of business to a Unit Owner other than Declarant; or (iii) two (2) years after the right to add new Units was last exercised.

b) The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant Control, but, in that event, the Declarant may require, for the duration of the period of Declarant Control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Section 3.07 Indemnification. To the full extent permitted by law, each officer and director of the Association shall be and are hereby indemnified by the Unit Owners and the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer or director of the Association, or any settlements thereof, whether or not they are an officer or director of the Association at the time such expenses are incurred; except in such cases wherein such officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Executive Board approves such settlement and reimbursement as being for the best interest of the Association.



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Page: 8 of 26

02/12/2004 09:16A

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ARTICLE IV UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Section 4.01 Number of Units

a) The initial number of authorized Units in the Planned Community is fifty (50).

b) The Declarant reserves the right to create and add up to the maximum number of Units allowed by any governmental entity having jurisdiction, pursuant to any development plan for the Property.

Section 4.02 Identification of Units/Unit Descriptions. The identification number or letter of each Unit is shown on the map or plat. Every contract for sale, deed, lease, Security Interest, will or other legal instrument shall legally describe a Unit by its identifying Unit number or letter followed by the words:

"Crossroads Park, PD, Filing ____, in accordance with the recorded Declaration and Plat, Montrose County, Colorado."

The reference to the Declaration and Plat in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Declaration or Plat, without specific references thereto.

Section 4.03 Unit Boundaries of Units. Unit Owners are responsible for the maintenance, repair and replacement of the properties located within their Unit boundaries, except as provided in this Declaration. The boundaries of each Unit are as depicted on the map or Plat of Crossroads Park, PD.

a) Inclusions. Each Unit includes the spaces and improvements lying within the boundaries described above, as depicted on the Plat. Each Unit also includes the spaces and improvements within the spaces containing water heating facilities, all electrical switches, wiring, pipes, ducts, conduits, smoke detector or security systems and communications, television, telephone and electrical receptacles and boxes serving that Unit exclusively, the surface of these items being within the boundaries of that Unit, whether or not the spaces are contiguous.

b) Exclusions. Except when specifically included by other portions or this Declaration or by the Plat, the following are excluded from each Unit:



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Page: 6 of 26

02/12/2004 09:16A

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The spaces and improvements lying outside the boundaries described above.

c) **Noncontiguous Portions.** Certain Units may include special portions or pieces of equipment, such as air conditioning compressors, meter boxes, utility connection structures, air or gas pump and storage facilities and storage portions, which are situated in buildings or structures that are detached from the Unit. Such special equipment or storage portions are a part of the Unit, notwithstanding their non-contiguity with the principal portions.

Section 4.04 Limited Common Elements.

a) The areas depicted on the Plat as Limited Common Elements are Limited Common Elements for the exclusive use of those Units as denoted on the Plat. The expenses for these Limited Common Elements shall be the sole responsibility of the Units as denoted on the Plat.

Section 4.05 Common Elements.

a) All portions of the real estate described in Article II, Section 2.02 not designated on the Plat as a Limited Common Element, all portions of structures which are not designated as being within the unit boundaries in Section 4.03 above, or are not listed as Limited Common Elements in Section 4.04 above are Common Elements.

b) The Association shall be responsible for the maintenance, repair, improvement and replacement of any Common Element.

c) The Declarant reserves, through ten (10) years after the recording of this Declaration, the right to allocate areas as Common Elements. The Declarant may allocate or assign Common Elements (i) by making such an allocation in a recorded instrument, (ii) by recording an appropriate amendment or supplement to this Declaration, (iii) by recording a supplement to the map or plat, or (iv) by recording the allocation or assignment in the minutes or records of the Association. Such allocations by the Declarant may be made as a matter of reserved right by the Declarant.

Section 4.06 Unit Owners' Easements of Enjoyment. Every Unit Owner shall have a right and easement of enjoyment in and to any Common Elements and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

a) The right of the Association to promulgate and publish rules and regulations which each Unit Owner and their guests shall strictly comply



with.

b) The right of the Association to suspend the voting rights and rights to use the Common Element by a Unit Owner for any period during which any assessment against his Unit remains unpaid; and for a period not to exceed sixty days for any infraction of its published rules and regulations.

c) The right, power and authority of the Association to grant any easement, right-of-way, license, lease, dedication, transfer or conveyance or grant of any similar interest affecting the Common Elements, to the extent permitted by the Act, if the grant is approved by the affirmative vote of a majority of all Unit Owners having votes appurtenant to all Units, and consented to, in writing, by the holders of first lien Security Interests in the Units whose Unit Owners vote affirmatively; provided, that the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Elements shall not be deemed a transfer within the meaning of this clause. Any easement, right-of-way, license or similar interest granted by the Association pursuant to this Section shall state that the grant was approved by a majority all Unit Owners, and by the corresponding holders of first lien Security Interests.

d) The right of the Association to close or limit the use of the Common Elements while maintaining, repairing and making replacements in the Common Elements.

e) The Development and Special Declarant Rights of the Declarant reserved in this Declaration.

ARTICLE V ALLOCATED INTERESTS

Section 5.01 Allocated Interest. The Common Expense liability and votes in the Association allocated to each Unit are calculated as set forth in Article V, Section 5.02 hereof.

Section 5.02 Determination of Allocated Interest. The interest allocated to each Unit has been calculated as follows:

a) For each Unit, the percentage of liability for Common Expenses shall be equally allocated among all Units as reflected on the Plat.

b) The number of votes in the Association, on the basis of one vote for each Unit.



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Page: 8 of 28

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Section 5.03 Reallocation. If Units are added to or withdrawn from the Planned Community or use rights are re-designated, pursuant to the provisions of this Declaration and the Act, the formulas set forth above shall be used to reallocate the Allocated Interest.

ARTICLE VI COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 6.01 Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments. Declarant, for each Unit, shall be deemed to covenant and agree, and each Unit Owner, by acceptance of a Deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual Common Expense Assessments, annual or special Limited Common Element Expense Assessments, insurance assessments (assessed in proportion to risk), utility assessments (assessed in proportion to usage) and such other assessments as may be imposed by the Association. Such assessments, including fees, charges, late charges, attorney fees, fines and interest charged by the Association shall also be the personal obligation of the Unit Owner of such Unit at the time when the assessment or other charges became or fell due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them. No Unit Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the Common Expense Assessments are made. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted by any reason including, without limitation, any claim that the Association or the Executive Board is not properly exercising its duties and powers under this Declaration.

The Association's annual or special Common Expense Assessments, annual or special Limited Common Element Expense Assessments, insurance assessments (assessed in proportion to risk), utility assessments (assessed in proportion to usage) and such other assessments as imposed by the Association, including fees, charges, late charges, attorney fees, fines and interest charged by the Association, shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such assessment or charge is made. If any Assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due.



Section 6.02 Apportionment of Common Expenses and Limited Common Element Expenses. Except as provided in this Declaration, all Common Expense Assessments shall be assessed against all Units in accordance with formula for liability for the Common Expenses as set forth in this Declaration.

Section 6.03 Purpose of Assessments. The assessments levied by the Association through its Executive Board shall be used exclusively for the purposes of promoting the health, safety, and welfare of the residents and guests of the Planned Community and the members of the Association. Such purposes shall include, but shall not be limited to the following: the improvement, maintenance, repair, upkeep and reconstruction of the Common Elements and for the painting, landscape care and snow removal and any other maintenance obligations which may be deemed desirable for the common benefit of the Unit Owners or for the maintenance of property values, or for the payment of expenses which may be incurred by virtue of agreement with or requirement of the City of Montrose, Montrose County or other government authorities. The assessments may also be used to provide insurance of various types, and in such amounts deemed appropriate by the Executive Board. Also, a portion of the assessments may be used to provide a reserve fund for the replacement, repair, and maintenance of Common Elements of the real estate which must be replaced on a periodic basis.

Section 6.04 Annual Assessment/Commencement of Common Expense. The Common Expense Assessment may be made on an annual basis against all Units and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. Common Expense Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Executive Board. Failure to make payment within thirty (30) days of the due date thereof shall cause the total amount of such Unit Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. Any assessment not timely paid shall bear interest at the rate of 1.5% per month or portion thereof. Further, the Association may bring an action at law or in equity, or both, against any Unit Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Unit Owner's Unit. An action at law or in equity by the Association against a Unit Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor. Foreclosure or attempted foreclosure by the Association of its



715813

Page: 10 of 28

02/12/2004 09:16A

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lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase the Association votes appurtenant to ownership thereof, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any Assessment Lien, and a Unit Owner abandons or leaves vacant his or her Unit, the Board may take possession and rent said Unit or apply for the appointment of a receiver for the Unit without prior notice to the Unit Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a first lien Security Interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

Section 6.05 Lien Priority. The lien of the Association under this Section is prior to all other liens and encumbrances on a Unit except: 1) liens and encumbrances recorded before the recordation of the Declaration; 2) a first lien Security Interest on the Unit (except as allowed by the Act with regard to the limited lien priority allowed to the Association); and 3) liens for real estate taxes and other governmental assessments or charges against the Unit. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under State or Federal law. Sale or transfer of any Unit shall not affect the lien for said assessments or charges except that sale or transfer of any Unit pursuant to foreclosure of any first lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of assessment charges as provided by applicable State law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Unit from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

Section 6.06 Working Fund. The Association or Declarant may require the first Unit Owner of each Unit (other than Declarant) to make a non-refundable payment to the Association in an amount equal to one-twelfth (1/12th) of the annual Common Expense Assessment against that Unit in effect at the closing thereof, which sum shall be held, without interest, by the Association as a working fund. Said working fund shall be collected and transferred to the Association at the time of closing of the sale by Declarant of each Unit, as aforesaid, and shall be maintained for the use and benefit of the Association. Such payment shall not relieve a Unit Owner from making regular payments of assessments as the same become due. Upon the transfer of this Unit, a Unit Owner shall be entitled to a credit from

**715813**Page: 11 of 26
02/12/2004 09:16A
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his transferee for any unused portion of the aforesaid working fund. This account may be updated annually as of December 31st, and notice shall be given to all Unit Owners whose individual account does not equal one-twelfth (1/12th) of the current annual assessment. Payment of any shortage shall be due with the next regular assessment payment, following written notice.

ARTICLE VII RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Subject to the Development Rights and Special Declarant Rights reserved by the Declarant, the following use restrictions apply to all Units and to the Common Elements:

Section 7.01 Use/Occupancy.

(a) No Unit within the Planned Community shall be used for any purpose other than single-family residential purposes. No Improvements located upon a Unit shall be occupied in any manner at any time prior to being fully completed in accordance with approved plans nor shall any Improvements when completed, be in any manner occupied until there is compliance with all requirements, conditions, covenants, and restrictions herein set forth;

(b) No activity shall be conducted which will increase the rate charged for or cause the cancellation of any insurance maintained by the Declarant or the Association, or which would violate any law;

(c) No animals shall be kept which bother or constitute a nuisance to any other Owner, Declarant or adjoining landowner, with such additional restrictions as may be imposed by Association promulgated rules and regulations;

(d) No activities shall be conducted within the Planned Community and no improvements may be constructed within the Planned Community which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged within the Planned Community; and no open fires shall be lighted or permitted within the Planned Community except (i) in a contained barbecue unit while attended and in use for cooking purposes, (ii) within a safe and well-designed interior stove or fireplace, or an exterior patio fireplace or stove;

(e) No activity shall be conducted which generates noises which are excessively loud, odors which are offensive, nor any activity be conducted which is or may become a nuisance or cause significant disturbance or annoyance to others;

**715813**

Page: 12 of 28

02/12/2004 09:16A

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(f) There shall be no storage of waste and garbage except in covered sanitary containers shielded from the public view and the view of neighboring Owners. Refuse piles shall not be permitted;

(g) No above ground utilities or radio, television or cable receivers, antennas, satellite dishes or transmitters shall be permitted, except for antennas or satellite dishes, if any, not to exceed eighteen inches in diameter;

(h) No light shall be emitted from any location with the Planned Community which is unreasonably bright or causes unreasonable glare. Seasonal decorative lighting such as Christmas lighting shall be permitted, subject to Association promulgated rules and regulations. All exterior lights shall be fully shielded from above, and directed downward only, to reduce excess glare and light trespass to adjoining property. Under no circumstances are mercury vapor or similar lights permitted. Exterior lights will be restricted to 185 lumens per fixture except for spot or flood lights which may provide a maximum of 1300 lumens, provided that the light source is not visible from the street, adjacent Unit or any adjacent property;

(i) No junk vehicle, inoperative vehicle, or vehicle under repair shall be parked, stored or maintained in the Planned Community.

(j) No structures or other improvement of any type shall be constructed within any Common Element without the consent of the Association.

Section 7.02 Units to be Maintained. Each Unit at all times shall be kept in a clean, sightly, and wholesome condition, no trash, litter, junk boxes, containers, bottles, cans implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Unit so that the same are visible from any neighboring Unit, or any street, except as necessary during a period of construction. Declarant, its agents and assigns and the Association, and its agents, shall have the authority to enter and clean up Units which do not conform to the provisions of this Section, and to charge and collect from the Unit Owners thereof all reasonable costs related thereto. The exterior of each primary residential structure, along with landscaping of the front lawn area shall be maintained by the Association, the costs of such maintenance to be the responsibility of the Unit Owner.

Section 7.03 Nuisances. No Nuisance shall be permitted within the Planned Community, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Unit Owner or which may unreasonably interfere with the peaceful enjoyment or possession of the proper use of a Unit or Common Element, or any portion of the Planned Community by Unit Owners. Further, no unlawful use shall be permitted within the Planned Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Planned Community or a



portion thereof shall be observed. As used herein, the term nuisance shall not include any activities of Declarant which are reasonably necessary to the Planned Community and construction of improvements within this Planned Community provided, however, that such activities of the Declarant shall not reasonably interfere with any Unit Owner's use and enjoyment of his Unit, or any Unit Owner's ingress and egress to or from their Unit and a public way.

Section 7.04 No Restrictions on Mortgaging of a Unit. There are no restrictions on the right of the Unit Owners to mortgage or otherwise encumber a Unit. There is no requirement for the use of a specific lending institution or particular type of lender.

Section 7.05 Rules and Regulations. In furtherance of the provisions of this Declaration, and the general plan, rules and regulations concerning and governing the Planned Community any portion thereof may be adopted, amended, or repealed, from time to time, by the Executive Board, or its successors and assigns. The Executive Board may establish and enforce penalties for the infraction thereof.

ARTICLE VIII DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Section 8.01 Development Rights and Special Declarant Rights. The Declarant reserves, through ten (10) years after the recording of this Declaration, or until the following Development Rights and Special Declarant Rights:

a) the right to relocate boundaries between unsold adjoining Units, enlarge Units, enlarge the Common Elements, reduce or diminish the size of unsold Units, subdivide Units or complete or make improvements, as the same may be indicated on maps or plats filed of record or filed with the Declaration;

b) the right to create or construct additional Units, Common Elements and Limited common Elements (the "Additional Improvements") to subdivide Units and to Convert Units into Common Elements. In no event shall Declarant create more than 25 additional Units;

c) the right to withdraw all or any portion of the property; provided, however, that no portion of the Property may be withdrawn after a Unit in that portion of the Property has been conveyed to a purchaser;

d) the right to exercise any development rights reserved or allowed in



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Page: 14 of 28

02/12/2004 09:16A

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the Act;

e) the right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary;

f) the right to make the Planned Community subject to a master association and master declaration;

g) the right to merge or consolidate the Planned Community with another Common Interest Community or Planned Community;

h) the right to appoint or remove any officer of the Association or any Director during the Declarant Control period;

i) the right to add Units and to subject all or any part of the unspecified real estate (the "Development Property") to the provisions of this Declaration upon the substantial completion of improvements on the Development Property;

j) the right to amend the Declaration in connection with the exercise of any development right.

k) the right to amend the Declaration or maps or plat in connection with the exercise of any development right or to correct typographical or other errors to bring the Declaration, maps or plat into conformance with applicable law.

Section 8.02 Additional Reserved Rights. In addition to the rights set forth above, Declarant also reserves the following additional rights (the "Additional Reserved Rights"):

a) **Sales.** The right to maintain sales offices, management offices and models in Units or on the Common Elements.

b) **Signs.** The right to maintain signs and advertising in the Planned Community to advertise the Planned Community or other communities developed, managed or affiliated with the Declarant.

c) **Dedications.** The right to establish, from time to time, by dedication or otherwise, public ways, utility and other easements for purposes including but not limited to public access, access, paths, walkways, skyways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions.



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Page: 15 of 25

02/12/2004 09:16A

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d) Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulations of parking and/or recreational facilities and/or Common Elements, and/or the maintenance of the exterior of Units and appurtenant landscaping, which may or may not be a part of the Planned Community.

e) Construction Easement. Declarant expressly reserves the right to perform warranty work, and repairs and construction work and to store materials in secure areas, in Units and in Common Elements, and the future right to control such work and repairs, and the right of access thereto, until completion. All work may be performed by Declarant without the consent or approval of any Unit Owner or holder of a Security Interest. Declarant has such an easement through the Common Elements as may be reasonably necessary for exercising Declarant's reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the property.

f) Other Rights. The right to exercise any additional reserved right created by any other provision of this Declaration.

Section 8.03 Rights Transferable/Right Transferred.

(a) Any rights created or reserved under this Article or the Act for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred recorded in the real property records of Montrose County. Such instrument shall be executed by the transferor Declarant and the transferee.

(b) Notwithstanding the foregoing, the Development Rights and Special Declarant Rights of Declarant to relocate the boundaries of Units, to create new Units or Common Elements, and/or to further subdivide Units and the right of the Declarant to designate the type of use allowed in Units, shall be transferred and assigned to title Owner of those units within those levels for the maximum period of time reserved to the Declarant. The foregoing rights are subject to the following additional terms and conditions: (i) the Unit Owners of the Units affected must comply with the requirements of C.R.S. §38-33.3-210 and C.R.S. § 38-33.3-209(6); (ii) the authority of the Owners of the specified Units to make these changes is not limited by or subject to the consent of the Association or any other person; and (iii) the express written consent may be required of the Declarant, or, alternatively, the Declarant may veto and reject the proposed changes as it determines in its sole discretion, which powers of the Declarant to require approval by it or



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Page: 18 of 28

02/12/2004 09:16A

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to veto the change shall exist as long as the above rights exist.

Section 8.04 No Further Authorizations Needed. The consent of Unit Owners or holders of Security interests shall not be required for the Declarant to exercise any reserved rights, and Declarant may proceed without limitation at its sole option. Declarant may exercise any reserved rights on all or any portion of the property in whatever order Declarant, in its sole discretion, determines. Declarant shall not be obligated to exercise any reserved rights or to expand the Planned Community beyond the number of Units initially submitted.

Section 8.05 Amendment of the Declaration Map or Plat. If Declarant elects to exercise any reserved rights, Declarant shall comply with the Act.

Section 8.06 Interpretation. Recording of amendments by the Declarant to the Declaration and the map or plat in the office of the Clerk and Recorder of Montrose County shall automatically effectuate the terms and provisions of that amendment. Further, such amendment shall automatically:

i) vest in each existing Unit Owner the reallocated Allocated Interests appurtenant to their Unit; and

ii) vest in each existing Security Interest a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Unit.

Further, upon the recording of an Amendment to the Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the property, as expanded and, the Development Property, or any part thereof, or the Additional Improvements, shall be added to and become a part of the Property for all purposes. All conveyances of Units after such amendment is recorded shall be effective to transfer rights in all Common Elements, whether or not reference is made to any Amendment of the Declaration or plat or map. Reference to the Declaration and plat or map in any instrument shall be deemed to include all Amendments to the Declaration, and the plat and/or map without specific reference thereto.

Section 8.07 Maximum Number of Units. The maximum number of Units shall not exceed the greater of the maximum number of Units allowed by any governmental entity having jurisdiction, for the Property and the Development Property, or 75 Units.



Section 8.08 Construction. The buildings, structures and types of improvements to be placed on the Property or the Development Property or any part thereof shall be of a quality equal to or better than the Improvements previously constructed on the Property, but need not be of the same size, style or configuration. The Improvements may be located anywhere on the property reserved for future development or on the Development Property.

Section 8.09 Reciprocal Easements. If all or part of any property is withdrawn ("Withdrawn Property"):

i) the Unit Owner(s) of the property and/or Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Planned Community; and

ii) The Unit Owner(s) shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Property and Withdrawn Property.

Section 8.10 Termination of Reserved Rights. The rights reserved to Declarant, for itself, its successors and assigns, shall expire as set forth above or in the Act, unless (i) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of the expansion rights by Declarant, or (ii) extended as allowed by law.

ARTICLE IX INSURANCE/CONDEMNATION

Section 9.01 Insurance Carried. The Association shall obtain and maintain in full force and effect to the extent reasonably available, and at all times, the insurance coverage set forth herein and as set forth in the Act, which insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado. Commencing not later than the time of the first conveyance of a Unit to a person other than a Declarant, the Association shall maintain, to the extent reasonably available, policies with the following terms or provisions;

a) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Unit Owner and shall provide that such policies may not be canceled or modified without at least twenty (20) days prior written notice to all of the Unit

**715813**Page: 18 of 28
02/12/2004 09:16A
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Owners, holders of first lien Security Interests and the Association.

b) If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all holders of first lien Security Interests at least ten (10) days prior to expiration of the then current policies.

c) All liability insurance shall be carried in blanket form naming the Association, the Board, the manager or managing agent, if any, the officers of the Association, the Declarant, holders of first lien Security Interests, their successors and assigns and Unit Owners as insured.

d) Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions hereof, the Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the Common Elements, without deduction for depreciation, review any increases in the cost of living, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof. In no event shall any casualty insurance policy contain a co-insurance clause for less than one hundred percent (100%) of the full insurable replacement cost.

e) Unit Owners may carry and are advised to carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by Unit Owners and provided, further, that the policies of insurance carried by the Association shall be primary, even if a Unit Owner has other insurance that covers the same loss or losses as covered by policies of the Association. In this regard, Declarant discloses that the Association's insurance coverage, as specified hereunder and under the Act, does not obviate the need for Unit Owners to obtain insurance for their own benefit.

f) All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Unit Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to the Unit Owner's interest, or who permits or fails to prevent the happening of any events, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Unit Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.



Section 9.02 Hazard Insurance on the Common Elements. The Association shall obtain adequate hazard insurance covering loss, damage or destruction by fire or other casualty to the Common Elements and the other property of the Association. All policies shall contain a standard non-contributory mortgage clause in favor of each holder of first lien Security Interests, and their successors and assigns, which shall provide that the loss, if any thereunder, shall be payable to the Association for the use and benefit of such holders of first lien Security Interests, and their successors and assigns, as their interests may appear of record in the records of the office of the Clerk and Recorder of the County of Montrose, Colorado. If obtainable, the Association shall also obtain the following and any additional endorsements deemed advisable by the Executive Board: (a) an inflation guard endorsement by a Construction Code endorsement, (c) a demolition cost endorsement, (d) a contingent liability from operation of building laws endorsement, and (e) an increased cost of construction endorsement.

Section 9.03 Liability Insurance. The Association shall obtain adequate comprehensive policy of public liability and property damage liability insurance covering all of the Units and the Common Elements, including structural coverage of the Units, in such limits as the Board may from time to time determine, but not in any amount less than One million dollars (\$1,000,000.00) per injury, per person, and per occurrence, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other uses of the Planned Community. All liability insurance shall name the Association as the insured.

Section 9.04 Fidelity Insurance. The Association may obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The clause "officers, directors, trustees and employees" shall not include any officer, director, agent or employee of Declarant or any officer, director, agent or employee of any independent, professional manager or managing agent theretofore or hereafter employed by the Association. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees.

Section 9.05 Worker's Compensation and Employer's Liability Insurance. If applicable, the Association shall obtain worker's compensation



and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 9.06 Officers' and Directors' Personal Liability Insurance. The Association may obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability relation to their duties and responsibilities in acting as officers and directors on behalf of the Association.

Section 9.07 Flood Insurance. The Association, if required by holders of the first lien Security Interests, or by a governmental agency, shall purchase and maintain flood insurance.

Section 9.08 Other Insurance. The Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.

Section 9.09 Insurance Premium. Except as assessed in proportion to risk, if permitted under the terms of this Declaration, insurance premiums for the above provided insurance shall be a Common Expense to be included a part of the annual assessments levied by the Association.

Section 9.10 Managing Agent Insurance. The manager or managing agent, if any, shall be insured to the same extent as the Association, as herein provided, and as provided in the Act, for the benefit of the Association, and shall maintain and submit evidence of such coverage to the Association.

Section 9.11 Waiver of Claims Against Association. As to all policies of insurance maintained by or for the benefit of the Association and Unit Owners, the Association and the Unit Owners hereby waive and release all claims against one another, the Board and Declarant, to the extent of the insurance proceeds available, whether or not the insurance damage or injury is caused by the negligence of or breach of any agreement by and of said persons.

Section 9.12 Annual Insurance Review. The Board shall review the insurance carried by and on behalf of the Association at least annually, for the purpose of determining the amount of insurance required.

Section 9.13 Adjustments by the Association. Any loss covered by an insurance policy described above shall be adjusted by the Association,



and the insurance proceeds for that loss shall be payable to the Association, and not to any holder of a first lien Security Interest. The Association shall hold any insurance proceeds in trust for the Association, Unit Owners and holders of first lien Security Interests as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property and the Association Unit Owner and holders of first lien Security Interests are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

Section 9.14 Duty to Repair. Any portion of the Planned Community for which insurance proceeds are available under this Article which damaged or destroyed must be repaired or replaced promptly by the Association, except as provided in the Act.

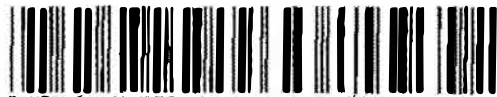
Section 9.15 Condemnation and Hazard Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Unit Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record, and pursuant to the Act.

ARTICLE X

SPECIAL RIGHTS OF HOLDERS OF FIRST LIEN SECURITY INTERESTS

Section 10.01 General Provisions. The provisions of this article are for the benefit of holders, insurers, or guarantors of holders of first lien Security Interests recorded within the Common Interest Community. To the extent applicable, necessary or proper, the provisions of this Article apply to both this Declaration and to the Articles and Bylaws of the Association. A holder, insurer or guarantor of a first lien Security Interest who has delivered a written request to the Association containing its name, address, the legal description and the address of the Unit upon which it holds a Security Interest, shall be considered an "Eligible Holder". Eligible insurers and guarantors of a first lien Security Interest shall have the same rights as Eligible Holder.

Section 10.02 Special Rights. Eligible Holders shall be entitled to: (a) timely written notice from the Association of any default by a mortgagor of a Unit in the performance of the mortgagor's obligations under this Declaration, the Articles of Incorporation, the Bylaws or the Rules and Regulations, which default is not cured within sixty (60) days after the Association learns of such default; b) examine the books and records of the Association during normal business hours; c) receive a copy of financial

**715813**Page: 22 of 25
02/12/2004 09:16A

C KRUSE, CLK&REC MONTROSE, CO DECCOV R 131.00 D 0.00

statements of the Association, including any annual audited financial statement; (d) receive written notice of all meetings of the Executive Board or Members of the Association; (e) designate a representative to attend any such meetings; (f) written notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; g) written notice of abandonment or termination of the Association of the plan contemplated under this Declaration; (h) thirty (30) days written notice prior to the effective date of any proposed, material amendment to this Declaration, the Articles of Incorporation, or the Bylaws; (i) thirty (30) days written notice prior to the effective date of termination of any agreement for professional management of the Association or the Common Elements, when professional management had been required previously under the terms of any Lien or Insurance Agreement for the Planned Community or by an Eligible Holder; and (ii) immediate written notice as soon as the Association receives notice or otherwise learns of any damage to the Common Elements or a Unit if the cost of reconstruction exceeds Twenty Thousand Dollars (\$20,000) and as soon as the Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Common Elements or any Units.

Section 10.03 Special Approvals. Unless at least all of the Eligible Holders of first lien Security Interests (based on one vote for each mortgage owned) of Units in the Association and requisite Unit Owners have given their written approval, neither the Association nor any Member shall (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements or any improvements thereon which are owned, directly or indirectly, by the Association (except that the granting of access easements, utility easements, drainage easements and water facilities easements or easements for other public proposes consistent with the intended use of such real estate by the Association shall not be deemed within the meaning of this provision); (b) change the method of determining the obligations, Assessments or other charges which may be levied against Members or the method of allocating distributions of hazard insurance policy proceeds or condemnation awards; (c) by act or omission change, waive or abandon any scheme or regulation, or enforcement thereof, pertaining to architectural approval of improvement of Units, including the architectural design of the exterior appearance of Units, or the upkeep of the Common Elements; (d) fail to maintain the casualty, fire and extended coverage insurance as elsewhere provided in this Declaration; (e) use hazard insurance proceeds for losses other than the repair, replacement or reconstruction of the improvements which were damaged or destroyed; (f) take action to terminate the legal status of the Planned Community after substantial destruction or condemnation occurs; (g) amend any material provision of this



Declaration; and (h) establish self management by the Association when professional management has previously been required by the legal documents for the Planned Community or by an Eligible Holder. An amendment shall not be deemed material if it is for the purpose of correcting technical errors, or for clarification only. If an Eligible Holder of a first lien Security Interest receives written request for approval of the proposed act, omission, change or amendment by certified or registered mail, with a return receipt requested, and does not deliver or post to the requesting party a negative response within 30 days, it shall be deemed to have approved such request.

Section 10.04 Payment of Insurance Premiums. Any holder of a first lien Security Interest shall be entitled to pay any taxes or other charges which are in default and which may or have become a lien against a Unit or any of the Common Elements and may pay any overdue premiums on hazard insurance policies or secure new hazard insurance coverage for the Common Elements or Units, and the holder of a first lien Security Interest making such payments shall be entitled to immediate reimbursement therefor from the Association.

ARTICLE XI GENERAL PROVISIONS

Section 11.01 Enforcement; Arbitration. In the event of a violation of any of the terms of this Declaration, the Association or a Unit Owner or Unit Owners of any of the Units may enforce the restrictions, conditions, covenants and reservations imposed by the provisions of this Declaration. Declarant, for each Unit, shall be deemed to covenant and agree, and each Unit Owner, by acceptance of a Deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and voluntarily agree, on their own behalf and on behalf of their heirs, successors and assigns, to submit any such enforcement action to arbitration under the provisions of the Uniform Arbitration Act, C.R.S. § 13-22-201 *et. seq.*, either to recover damages for such violation, including reasonable attorneys fees incurred in enforcing these covenants, or to restrain such violation or attempted violation. The process for designating an arbitrator shall be as follows: A party demanding arbitration of a dispute under this provision shall, in writing, submit a name of an arbitrator to the other parties to the dispute. The other parties shall have ten days from the date of the receipt of notice of designation of the arbitrator to object and name an alternate Arbitrator. Failure to object and designate an alternate arbitrator in writing within ten days shall be deemed to be an acceptance of the arbitrator so designated. If an alternate arbitrator is designated within



715813

Page: 24 of 28

02/12/2004 09:16A

C KRUSE, CLK&REC MONTROSE, CO DECCOV R 131.00

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the ten days and the initial party who designated the original arbitrator shall have ten days to object to the alternate arbitrator. If no such objection is received, the alternate arbitrator shall be the arbitrator of the dispute. If there is a timely written objection to the alternate arbitrator, the original and the alternate arbitrator shall jointly select a third arbitrator who shall be the sole arbitrator of the dispute. In the event the original and alternate arbitrators are not able to agree upon a third arbitrator, one shall be appointed by any court of competent jurisdiction. The parties agree that any arbitration held pursuant to this section shall be binding upon the parties and shall not be appealable to the courts except for the reasons listed in the Uniform Arbitration Act as cited above. Failure of the Association or of any Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Executive Board may post on a bulletin board at a conspicuous place on the Common Area notices of any covenant violations by members and copies of any recorded statements. Failure to post shall not affect the validity of any lien or covenant violation.

Section 11.02 Severability. Each of the provisions of this Declaration shall be deemed independent and severable. If any provision of this Declaration or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Declaration which can be given effect without the invalid provisions or applications.

Section 11.03 Term of Declaration. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 11.04 Amendment of Declaration by Declarant. Until the first Unit has been conveyed by Declarant by deed recorded in the office of the County Clerk and Recorder of the County of Montrose, Colorado, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration may be amended or terminated by Declarant by the recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Thereafter if Declarant shall determine that any amendments to this Declaration shall be necessary in order to make non-material changes, such as the correction of a technical, clerical or typographical error or clarification of a statement, then, subject to the following sentence of this Section, Declarant shall have the right and power to make and execute any such amendments without obtaining the approval of any Unit Owners. Each such amendment of this Declaration shall be made, if at all, by Declarant prior to December 31, 2006. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to an amendment under this section

**715813**Page: 25 of 26
02/12/2004 09:16A
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on behalf of each Unit Owner and holder of a Security Interest. Each deed, Security Interest, other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of Declarant to make, execute and record an amendment under this Section.

Section 11.05 Amendment of Declaration by Unit Owners. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of Declarant or others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of seventy-five percent (75%) of all of the votes in the Association and with the written consent of the Association. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Montrose County State of Colorado, of a certificate, setting forth the, amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Association.

Section 11.06 Amendment Required by Government Mortgage Agencies. Prior to ten (10) years after recording of this Declaration, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration which FHA, VA, FHLMC, GNMA, FNMA or any similar entity authorized to insure, guarantee, make or purchase mortgage loans requires to be amended or repealed may be amended or repealed by Declarant or the Association. Any such amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Montrose County, State of Colorado, of a certificate, setting forth the amendment or repeal in full.

Section 11.07 Required Consent of Declarant to Amendment. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or repeal of any provision of this Declaration shall not be effective unless Declarant has given its written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant of any certificate of amendment or repeal. The foregoing requirement for consent of Declarant to any amendment or repeal shall terminate ten (10) years after the recording of this Declaration, or upon conveyance of 100% of the Units to an Owner other than Declarant, whichever occurs first.

Section 11.08 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development of the Units and of promoting and effectuating the



fundamental concepts as set forth in the recitals of this Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 11.09 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 11.10 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section of article hereof.

Dated this 11 day of FEB, 2004.

Crossroads Park, LLC

By: 
RT Builders, LLC and TLC Construction, Inc.
by Timothy D. Clifford, Managing Member

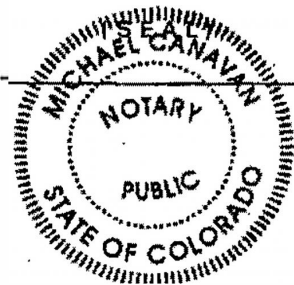
STATE OF COLORADO }
COUNTY OF OURAY } ss.

The foregoing document was acknowledged before me this 11 day of February, 2004 by Timothy D. Clifford, Managing Member of RT Builders, LLC and TLC Construction, Inc., Manager of Crossroads-Park, LLC.

Witness my hand and official seal.

My commission expires: 11-07-2007


Notary Public



UNIT LIMITED WARRANTY

RE: Unit(s) No. _____, Crossroads Park, PD in accordance with the recorded Declaration and Plat, Montrose County, Colorado (hereinafter referred to as the "Covered Unit").

Subject to the terms and conditions contained in this Unit Limited Warranty, RT Builders, LLC hereby warrants materials and workmanship on the above described Covered Unit(s) for a period of one (1) year, commencing on _____, 200____, and ending on _____, 200____.

This limited warranty is not transferable. Any obligation under it terminates if the Covered Unit(s) is/are resold or shall cease to be occupied by Unit Owner to whom it is originally issued.

Any request for service must be made as soon as reasonably practicable after the Unit Owner is aware of a defect or warranty claim. Request for warranty service must be in writing, mailed to RT Builders, LLC, P.O. Box 214, Montrose, CO 81402, mailed Certified Return Receipt, or can be Faxed to (970) 249-4031.

This limited warranty does not apply to any manufactured item in the Covered Unit such as appliances, fixtures, equipment or any other item that is covered by a manufacturer's warranty, nor does it cover any damages that are caused by failure of such manufactured item.

Further, this limited warranty does not apply to:

- a. Defects in outbuildings, including detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving your home); swimming pools and other recreational facilities; driveways; walkways; patios, decks, stoops, steps and porches; boundary wall, retaining walls, and bulkheads (except where boundary walls, retaining walls and bulkheads are necessary for the structural stability of a covered building); fences, or any other improvement not part of the physical Unit;
- b. Damage to real or personal property that is not part of the covered Unit(s);
- c. Damage to or defects in concrete floors of attached garages that are built separate from foundation walls or other structural elements of the covered Unit(s);
- d. Bodily or personal injury of any kind (including physical or mental pain and suffering and emotional distress), medical, hospital, rehabilitation or other incidental or consequential expenses, damage to personal property or damage to any property of others;
- e. Any loss or damage that the Unit Owner or Resident of the Unit have not taken appropriate action to minimize as soon as practicable;
- f. Any defect in material or work supplied by anyone other than RT Builders, LLC or its employees, agents or subcontractors, and any covered defect which was caused by defective material or work supplied by anyone other than RT Builders, LLC or its employees, agents or subcontractors;
- g. Any and all consequential loss or damages (except to the extent that any such exclusion is prohibited by law);
- h. Defects in any property that was not included in the original Covered Unit(s) delivered for the original final sales price;

- i. Any damage to the extent it is caused or made worse by: a) negligence, improper maintenance or improper operation by anyone other than RT Builders, LLC or its employees, agents or subcontractors; b) failure to give prompt and proper notice to RT Builders, LLC of any defects; c) changes of the grading of the ground, that do not comply with accepted grading practices; d) loss or damage not caused by a defect or deficiency in the design or construction of the Covered Unit(s) by RT Builders, LLC, its employees, agents or subcontractors; e) changes in the level of the underground water table which were not reasonably foreseeable at the time of construction of the Covered Unit(s); f) subsidence or soil movement which was not reasonably predictable through reasonable soil testing or other geological investigation at the time of construction of the Covered Unit(s); g) dampness or condensation due to failure to maintain adequate ventilation; h) failure by anyone other than RT Builders, LLC, its employees, agent or subcontractors, to comply with the warranty requirements of manufacturers of appliances, equipment or fixtures;
- j. Loss or damage externally caused, including, but not limited to: acts of God, riot or civil commotion, hurricane, tornado or other windstorm, fire, explosion, smoke, water, hail, lightning, falling trees or other objects, aircraft, vehicles, floor, mud slides, earthquakes, volcanic eruption, radon or other gases, abuse or use of the covered Unit(s), or any part thereof, beyond the reasonable capacity of such part for such use, or by any other external cause;
- k. Any loss, damage, defect, cost or expense which is caused, in whole or in part, by any peril or occurrence for which compensation is provided by state legislation, or which is covered by other insurance or public funds;
- l. Rotting of any kind, insect damage, vermin, insects, radiation, pollution or toxic substances of any kind;
- m. Any loss or damage that arises while the Covered Unit(s) is/are being used primarily for nonresidential purposes;
- n. Any condition that does not result in actual physical damage to the Covered Unit(s);
- o. Costs of shelter, transportation, food, moving, storage, or other incidental expenses related to relocation during repair, or any other costs due to loss of use, inconvenience or annoyance;
- p. Normal wear and deterioration;
- q. Glass breakage;
- r. Structural slab foundation systems that may have experienced some movement but are within the foundation's design performance criteria;
- s. Violation of local or national building codes, ordinances or standards;
- t. Any complaint or claim received after an unreasonable delay (which includes failure to inform RT Builders, LLC of any complaints that remain unresolved for 60 days or more) or later than 30 days after expiration of this warranty;
- u. Outside hose bibs and other hose connections; and
- v. loss or damage resulting from any failure to comply with federal, state, local or other elevation requirements, including but not limited to: a) failure of the lowest floor elevation of the home to meet or exceed the base flood elevation established by the Federal Emergency Management Agency and applicable community floodplain management ordinances; or, b) errors in connection with the collection and certification of elevation information, whether committed by RT Builders, LLC or agent of RT Builders, LLC, or by any person authorized by state or local law or ordinance to provide floodplain management information, or by any other person;
- w. Any and all consequential damages.

Representations made by Crossroads Park, LLC, RT Builders, LLC and all other obligations or liabilities with respect to the unit(s) covered by this warranty, including but not limited to implied warranties of merchantability, fitness for a particular purpose, and habitability, all of which are expressly excluded from this warranty, and RT Builders, LLC's obligation shall not exceed its obligation set forth in this warranty.

Executed this ____ day of _____, 200__.

RT Builders, LLC

By: _____
John Roger Trosper, Member