DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF RINN VALLEY RANCH

RECITALS

This Declaration of Covenants, conditions and Restrictions is made by St. Vrain Development LLC, a Colorado limited liability company, hereinafter referred to as **"Declarant".** Declarant is the owner of certain real property located in Weld County, Colorado, as more particularly described on **Exhibit A** attached hereto and incorporated herein by reference. The Declarant intends to construct a residential community on this real property together with other improvements thereon. Declarant will convey this real property, subject to the protective covenants, restrictions, reservations, and obligations as hereinafter set forth.quor Now therefore, Declarant hereby submits the real property described in **Exhibit A,** together with all easements, rights, and appurtenances thereto and improvements thereon to the provisions of the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101, as it may be amended from time to time. In the event the Act is repealed, the Act as it exists on the date this Declaration is recorded shall remain applicable. Declarant hereby declares that all of the real property described in **Exhibit A** shall be held or sold, and conveyed subject to the following easements, restrictions, covenants, conditions and obligations which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on and ensure to the benefit of all parties having any right, title or interest in the this real property or any part thereof, their heirs, personal representatives, successors and assigns.

1. ARTICLE ONE: DEFINITIONS

As used in this Declaration, unless the context otherwise requires, the terms hereinafter set forth shall have the following meanings:

1.1 ACT means the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101, *et seq.,* as it may be amended from time to time.

1.2 AGENCIES means and collectively refers to the Federal National Mortgage Association (**FNMA**), the Federal Home Loan Mortgage Corporation (**FHLMC**), the Department of Housing and Urban Development (**HUD/FHA**), the Veterans Administration (**VA**) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity, which performs, or may in the future perform, functions similar to those currently performed by any of these entities.

1.3 ALLOCATED INTERESTS means the Common Expense Liability and votes in the Association which are allocated to each of the Lots in The Planned Community. The formulas used to establish the Allocated Interests are as follows:

(a) Votes. Each Lot in The Planned Community has one vote.
(b) Common Expense Liability. All Common Expenses shall be assessed against Lots on

the basis of a fraction, the numerator of which is one and the denominator of which is the total number of Lots then within The Planned Community.

1.4 ARTICLES or **ARTICLES OF INCORPORATION** means the Articles of Incorporation of the Association.

1.5 ASSESSMENT(S) means the (a) Common Expense Assessment, (b) Special Assessment, (c) Individual Assessment, and (d) fines levied pursuant to this Declaration.

1.6 ASSESSMENT LIEN means the statutory lien on a Lot for any Assessment levied against that Lot together with all Costs of Enforcement as herein defined. All Costs of Enforcement are enforceable as Assessments.

1.7 ASSOCIATION means Rinn Valley Ranch Homeowners Association, Inc., a Colorado Corporation, not for profit, organized pursuant to 38.33.3-301 of the Act, its successors and assigns, the Articles and Bylaws of which, as herein defined, along with this Declaration, shall govern the administration of The Planned Community, the Members of which shall be all of the Owners of the Lots within The Planned Community.

1.8 BOARD OF DIRECTORS or **BOARD** means the Board of Directors of the Association duly elected pursuant to the Bylaws of the Association or appointed by the Declarant as herein provided. The Board of Directors is the governing body of the Association and shall act on behalf of the Association. The term Board of Directors as used herein is synonymous with the term Executive Board as the latter term is used in the Act.

1.9 BYLAWS means the Bylaws, which are adopted by the Board of Directors for the regulation and management of the Association including any amendments thereto.

1.10 COMMON AREAS means any real property (including all Improvements thereon) designated as such on the Plat and held for the common use and enjoyment of the Owners. All of the Common Areas are owned by the Association. The Common Areas include all areas and facilities which are to be maintained for the good of subdivision, including greenbelts, drainage facilities, drainage easements, public roadways, etc. The term Common Areas as used herein is synonymous with the term Common Elements as the latter term is used in the Act.

1.11 COMMON EXPENSE ASSESSMENTS means all those assessments described in Paragraph 5.2.

1.12 COMMON EXPENSE LIABILITY means the liability for Common Expenses allocated to each Lot which is determined in accordance with that Lot's Allocated Interests as described in Paragraph 1.3.

1.13 COMMON EXPENSES means expenditures made by or liabilities incurred by or on behalf of the Association, together with allocations to reserves.

1.14 COSTS OF ENFORCEMENT means all fees, late charges, interest, expenses, including receiver's fee, and reasonable attorney's fees and costs incurred by the Association (a) in connection with the collection of Assessments, or (b) in connection with the enforcement of the terms, conditions and obligations of the Project Documents.

1.15 COVENANT ENFORCEMENT COMMITTEE means the committee that shall enforce all the land use restrictions contained in the Project Documents.

1.16 DECLARANT means: St Vrain Development LLC, a Colorado limited liability company, or its successors as defined in 38-33.3-103 (12) of the Act.

1.17 DECLARATION means this Declaration of Covenants, Conditions and Restrictions of Rinn Valley Ranch, as may be amended from time to time.

1.18 DESIGN REVIEW COMMITTEE or **COMMITTEE** means the committee formed pursuant to Article Six to review and approve or disapprove plans for Improvements, as defined herein, as more fully provided for in this Declaration.

1.19 DESIGN REVIEW GUIDELINES means the Design Review Guidelines for Rinn Valley Ranch, as amended and supplemented. These guidelines may be adopted by the Declarant or the Association and are intended to implement and interpret the provisions of Article Six. These guidelines may contain, among other things, guidelines that will clarify the design, materials, heights, size of structures and the maximum and minimum setbacks that will be considered in design approval.

1.20 DEVELOPMENT RIGHTS AND SPEECIAL DECLARANT RIGHTS means the right as defined by 38-33.3-103(14) of the Act reserved by the Declarant under Article Nine.

1.21 DWELLING UNIT means the residence constructed on each Lot within The Planned Community and any replacement thereof, including but not limited to, the patio, fence, basement, and garage, if applicable.

1.22 ELIGIBLE MORTGAGEE means a owner, holder, insurer or guarantor of a Security Interest (as hereinafter defined) that has priority of record over all other recorded liens except those liens made superior by statute (such as general ad valorem tax liens and special assessments), who has delivered a written request to the Association containing its name,

address, the legal description and the address of the Lot encumbered by its Security Interest.

1.23 FIRST MORTGAGEE means any Person which owns, holds, insures or is a guarantor of a Security Interest (as herein defined) encumbering a Lot with The Planned Community that has priority of record over all other recorded liens except those liens made superior by statute (such as general ad valorem tax liens and special assessments). A First Mortgagee shall also include the holder of executory land sales contracts wherein the Administrator of Veterans Affairs (Veterans Administration) is the seller, whether such contract is recorded or not.

1.24 GUEST means (a) any person who resides with an Owner within The Planned Community; (b) a guest or invitee of an Owner; (c) an occupant or tenant of a Dwelling Unit within The Planned Community, and any members of his or her household, invitee or cohabitant of any such person; or (d) a contract purchaser of a Dwelling Unit.

1.25 IMPROVMENTS means:

(a) All exterior improvements, structures and any appurtenances thereto or components thereof of every type or kind;

(b) The grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern;

(c) All landscaping features, including, but not limited to, building, outbuilding, swimming pools, tennis courts, patios, patio covers, awnings, solar collectors, painting or other finish materials on any visible structure, additions, walkways, sprinkle systems, garages, carports, driveways, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior light fixtures, poles, signs, exterior tanks and exterior air conditioning, cooling, heating and water softening equipment; and

(d) Any change, alteration, modification, expansion, or addition to any Improvement, including any change of exterior appearance, finish material, color or texture.

1.26 LOT means each platted lot shown upon the Plat of The Planned Community, which is subject to this Declaration, together with all appurtenances and improvements now, or hereafter located thereon. Lot shall include any Dwelling Unit constructed thereon as the term Dwelling Unit is herein defined. The term Lot as used herein synonymous with the term Unit as the latter term is used in the Act. The maximum number of Lots that may be subject to this Declaration is 148. The term “Lot” does not include Common Areas, public streets, or any lot designed on the Plat as an “outlot” or other similar designation.

1.27 MANAGING AGENT means anyone or more persons employed by the Association who is engaged to perform any of the duties, powers or functions of the Association.

1.28 MEMBER means each Owner.

1.29 NOTICE AND HEARING means a written notice and a public hearing before the Board of Directors in the manner provided in the Bylaws.

1.30 OWNER means the record owner of the fee simple title to any Lot that is a part of

The Planned Community, whether one or more persons or entities, including the Declarant, so long as any Lot remains unsold, excluding, however, those having an interest merely as security for the performance of any obligation.

1.31 PERIOD O DELCARANT CONTROL means that period of time as defined in Paragraph 4.7.

1.32 PERSON means a natural person, a corporation, a partnership, an association, a trustee, a limited liability company, a joint venture, or any other entity recognized as being capable of owning real property under Colorado law.

1.33 PROJECT DOCUMENTS means this Declaration and the Plat recorded and filed pursuant to the provisions of the Act, the Articles and Bylaws of the Association, the Design Review Guidelines, and the Rules and Regulations, if any, as they may be amended from time to time. Any exhibit, schedule or certification accompanying a Project Document is a part of that Document.

1.34 THE PLANNED COMMUNITY means such real property and the Improvements located therein as more fully described on Exhibit A attached hereto.

1.35 PLAT means the plat of The Planned Community recorded in the office of the Weld County Clerk and Recorder in accordance with 38-33.-103(22.5) of the Act.

1.36 rules and regulations means any rules and regulations adopted by the Board of Directors from time to time for the regulation and management of The Planned Community, as such rules and regulations may be amended from time to time.

1.37 SECURITY INTEREST means an interest in real estate or personal property created by contract or conveyance, which secures payment or performance of any obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of leases or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation.

1.38 SPECIAL ASSESSMENTS means those Assessments defined in Paragraph 5.4.

1.39 TURNOVER DATE means the date the Period of Declarant Control terminates as more fully set forth in Paragraph 4.7.

ARTICLE TWO: SCOPE OF THE DECLARATION

2.1 Property Subject to this Declaration. Declarant, as the owner of fee simple title to The Planned Community, expressly intends to and, by recording this Declaration, does hereby

subject The Planned Community to the provisions of this Declaration.

2.2 Conveyances Subject to this Declaration. All easements, restrictions, conditions, obligations, reservations, rights, benefits and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant to and running with the
land, and shall at all times inure to the benefit of and be binding on any person having at any time and interest or estate in The Planned Community, and their respective heirs, successors, representatives or assigns. Any instrument recorded subsequent to this Declaration and purporting to establish and affect any interest in The Planned Community shall be subject to the provisions of this Declaration despite any failure to make reference thereto.

2.3 Owner's rights Subject to this Declaration. Each Owner shall own his or her Lot in fee simple and shall have full and complete dominion thereof, subject to the provisions of this Declaration.

2.4 Number of Lots The Maximum number of Lots within The Planned Community is 148 which includes the 78 Lots that may be added if the real property described in **Exhibit B** is annexed to The Planned Community in accordance with Article 9.

2.5 Identification of Lots. The identification number of each Lot is shown on the Plat of The Planned Community.

2.6 Lot Boundaries. The boundaries of each Lot are located as shown on the Plat of The Planned Community.

ARTICLE THREE: THE COMMON AREAS

3.1 Common Area Dedication. The Declarant in recording the Plat of The Planned Community, in the records of the County Clerk and Recorder of Weld County, Colorado, has designated certain areas of The Planned Community as Common Areas. The Common Areas are not dedicated for use by the general public, but are dedicated to the common use and enjoyment

of only the Owners of Lots located within The Planned Community and these Owner's Guests, as more fully provided for in this Declaration. This Plat is hereby incorporated herein and made a part of this Declaration.

3.2 Title to the Common Areas. The Declarant in recording the Plat of The Planned Community as noted above in Section 3.1, has conveyed to the Association fee simple title to the Common Areas in accordance with 38-33.3-201 of the Act.

3.3 Duty to accept the Common Areas Transferred by Declarant. The Association shall accept title to the Common Areas and own and maintain any property, including all improvements located thereon, and personal property relating thereto, transferred to the Association by Declarant as Common Areas. Any property or interest in property transferred to

the Association by Declarant shall be transferred to the Association free and clear of all liens and encumbrances (other than the lien of real estate taxes not then due and payable).

3.4 Duty to Manage and Care for the Common Areas. The Association shall manage, operate, care for, insure, maintain, repair and reconstruct all of the Common Areas and the improvements located thereon and keep the same in a safe, attractive and desirable condition for the use and enjoyment of all of the Owners. As part of the foregoing described obligation, the Association shall manage, operate, care for, insure, maintain, repair and reconstruct the Rink Lateral, the Rural Ditch, the Boulder and Weld County Ditch, and the Godding Ditch Lateral identified on the Plat.

3.5 Owner's Rights in the Common Areas. Every Owner and such Owner's Guests shall have the right and easement of use and enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to a Lot to each Owner subject to the Development Rights and Special Declarant Rights of the Declarant reserved herein and the following rights of the Board of Directors: (a) to borrow money to improve the Common Areas and to mortgage the Common Areas as security for any such loan; provided, however, that the Association may not subject any portion of the Common Areas to a Security Interest unless the Security Interest is approved by Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated, including sixty-seven percent (67%) of the votes allocated to Lots not owned by the Declarant as more fully set forth m 38-33.3-312 of the Act: (b) to convey or dedicate all or any part of the Common Areas for such purposes and subject to such conditions as may be agreed to by the Owners to which at least sixty-seven percent (67%) of the vote in the Association are allocated, including sixty-seven percent (67%) of the votes allocated to Lots not owned by the Declarant as more fully set forth in 38-33.3-312 of the Act. The granting of permits, licenses and easements shall not be deemed a conveyance or encumbrance within the meaning of this paragraph; (c) to promulgate and adopt Rules and Regulations with which each Owner and Their Guests shall strictly comply; (d) to suspend the voting rights of a Owner for any period during which any Assessment remains unpaid and, for a period not to exceed sixty days,

for any infraction of the Declaration, Bylaws or Rules and Regulations; (e) to take such steps as are reasonably necessary to protect the Common Areas against foreclosure; (t) to enter into, make, preform or enforce any contracts, Leases, agreements, licenses, easements and right-of-way, for the use of Common Areas by Owners and Guests for any purpose the Board may deem to be useful, beneficial or otherwise appropriate; (g) to close or limit the use of the Common Areas, temporarily while maintaining, repairing and making replacements in the Common Areas, or permanently if approved by owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated; (h) to make such use of the Common Areas as may by necessary or appropriate for the performance of the duties and functions which it is obligated or permitted to perform under this Declaration; (i) to exercise the rights granted to the Board of Directors in Paragraph 4.13.

3.6 Delegation of Use. Any Owner may delegate his or her right of enjoyment to the Commo Areas and facilities to their Guest.

ARTICLE FOUR: THE ASSOCIATION

4.1 Name. The name of the Association is Rinn Valley Ranch Homeowners Association.

4.2 Purpose and Powers. The Association, through its Board of Directors, shall perform functions and manage The Planned Community as provided in this Declaration so as to further the interests of the residents of The Planned Community and Members of the Association. Any purchaser of a Lot shall be deemed to have assented to ratified and approved such designations and management. The Association shall have all the power necessary or desirable to effectuate such purposes. The Board of Directors shall have all of the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the Association.

4.3 Board of Directors. The affairs of the Association shall be managed by a Board of Directors which may by resolution may delegate authority to a Managing Agent for the Association as more fully provided for in the Bylaws, provided no such delegation shall relieve the Board of final responsibility for management of the affairs of the Association.

4.4 Articles and Bylaws. The purposes and powers of the Association and the rights and obligations with respect to Members set forth in this Declaration may and shall be amplified by provisions of the Articles of Incorporation and Bylaws. In the event either the Articles or Bylaws

conflict with the Declaration, the Declaration shall control. In the event the Articles conflict with the Bylaws, the Articles shall control.

4.5 Membership. Members of the Association shall be every record owner of a Lot subject to this Declaration. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of a Lot shall be the sole qualification for such membership. Where more than one person holds interest in any Lot, all such persons shall be Members.

4.6 Voting Rights The Association shall have one class of voting membership. Owners shall be entitled to one vote for each Lot owned. The vote for a Lot, the ownership of which is held by more than one Owner, may be exercised by anyone of them, unless an objection or protest by any other holder of an interest in the Lot is made prior to the completion of the vote, in which case the vote for the Lot shall be exercised, as the persons holding the interest shall determine between themselves. Should the joint Owners of a Lot be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. The total number of votes, which may be cast in connection with any matter, shall be equal to the total number of Lots then existing within The Planned Community.

4.7 Declarant Control of the Association. Subject to Paragraph 4.8, there shall be a "Period of Declarant Control" during which a Declarant may appoint and remove the officers and members of the Board. The Period of Declarant Control terminates no later than the earlier of: (a) sixty days after conveyance of seventy-five percent of the maximum number of Lots that may be created under provisions of this Declaration, to Owners other than the Declarant; or (b) two years after the last conveyance of a Lot by the Declarant in the ordinary course of business to owners other than Declarant; or (c) two years after any right to add new Lots was last exercised. A Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Period of Declarant Control. In that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

4.8 Election by Owners. Not later than sixty days after conveyance of twenty-five percent of the Lots to Owners other than Declarant, at least one member and not less than twenty-five percent of the members of the Board of Directors must be elected by Owners other than the Declarant. Not later than sixty days after conveyance of fifty percent of the Lots to Owners other than Declarant, not less than thirty-three and one-third percent of the members of the Board of Directors must be elected by Owners other than the Declarant. Not later than the termination of the Period of Declarant Control, the Owners shall elect a Board of Directors of a least three members, at least a majority of whom must be Owners other that the Declarant. The Board of Directors shall elect the officers of the Association. The Owners' Board of Directors shall take office upon their election.

4.9 Delivery of Documents by Declarant. Within sixty days after the Owners other than the Declarant elect a majority of the members of the Board of Directors, the Declarant shall deliver without charge to the Board of Directors all property of the Owners and of the Association held by or controlled by the Declarant, including, without limitation, the items identified in 38-33.3-303(9) of the Act.

4.10 Budget. The Board of Directors shall cause to be prepared, at least sixty days prior to the commencement of each calendar year, a budget for such calendar year. Within thirty days after the adoption of any budget by the Board, the Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the budget to each Owner and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen days nor more than sixty days after mailing or other delivery of the summary. Unless at that meeting sixty-seven percent of the Owners present who are entitled to vote reject the budget, the budget shall be deemed ratified, whether or not a quorum is present. In the event that the budget is rejected, 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.

4.11 Association Agreements. Any agreement for professional management of The Planned Community may not exceed one year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon not less than ninety days' written notice; provided; however, the Association shall not be bound either directly or indirectly to contracts or leases (including management contracts) entered into during the Period of Declarant Control unless the Association is provided with a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time after such conversion upon not more than ninety days' notice to the other party thereto.

4.12 Indemnification. Each officer, Director and committee member of the Association shall be indemnified by the Association against all expenses and liabilities including attorney fees, reasonably incurred by or imposed upon him or her in any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been an officer, Director or committee member of the Association, or any settlements thereof, whether or not he or she is an officer, Director or committee member of the Association at the time such expenses are incurred, to the full extent permitted by Colorado Law.

4.13 Certain Rights and Obligations of the Association.
(a) Contracts, Easements and Other Agreements: The Board of Directors shall have the right to enter into, grant, perform, enforce, cancel and vacate: contracts, easements, licenses, leases, agreement, and/or right-of-way, for the use by Owners, their Guest, and other persons, concerning the Common Areas and any Improvements locate thereon. Any of such contracts,

easements, licenses, leases, agreements, and/or right-of-way, shall be upon such terms and conditions as may be agreed to from time to time by the Board of Directors, without the necessity of the consent thereto, or joinder therein, by the Owners or First Mortgagees.
(b) Other Association Functions: The Association may undertake any activity, function or service for the benefit of or to further the interests of all, some or any Members on a self-supporting, Special Assessment or Common Expense Assessment basis.
(c) Implied Rights: The Board of Directors shall have and may exercise any right or privilege given to it expressly by this Declaration, or reasonably to be implied from the provisions of this Declaration, or given or implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights or privileges.
(d) The Association shall fulfill the obligations as the assignee of the Declarant under the Agreement between the Rural Ditch Company and Declarant, recorded in the records of Weld County, Colorado (the "Records") under Reception No. 2865044 on July 11, 2001. In the event that the property described on Exhibit B to this Declaration is annexed into The Planned Community, then the Association shall fulfill the obligations as the assignee of the Declarant under the Agreement between the Boulder and Weld County Ditch Company and Declarant recorded in the Records under Reception No. 2745455 on January 20, 2000, and the Agreement between the Godding Ditch Company and Declarant recorded in the Records under Reception No. 2747079 on January 31, 2000. The officers of the Association shall execute, on behalf of the Association, any documents required to effectuate such assignments.

ARTICLE FIVE: ASSESSMENTS

5.1 OBLIGATION. Each Owner, including Declarant, by acceptance of a deed therefore, whether or not it shall be so expressed in the deed, covenants and agrees that he or she shall be personally obligated to pay to the Association (a) Common Expense Assessments, (b) Special Assessments, (c) fines and Individual Assessments, and (d) Costs of Enforcement, which shall be a continuing lien upon the Lot against which each such Assessment is levied. The Obligation for these payments by each Owner to the Association is an independent personal covenant with all amounts due, from time to time, payable in full when due without notice or demand and without setoff or deduction. All Owners of each Lot shall be jointly and severally, personally liable to the Association for the payment of all Assessments and costs of Enforcement attributable to their Lot. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them.

5.2 Purpose of the Assessment. The Common Expense Assessment shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents of The Planned Community and the Members of the Association. These purposes shall include but not

be limited to the improvement, repair, maintenance and reconstruction of the Common Areas, and any other purpose reasonable, necessary or incidental to such purposes. Common Expense Assessments shall include the establishment and maintenance of a reserve fund for the improvement, maintenance, reconstruction, and repair of the Common Areas on a periodic basis, provided, however, that Common Expense Assessments levied against a Lot during the Period of Declarant Control may not be used for the purpose of constructing capital improvements.

5.3 Date of Commencement of the Common Expense Assessments. The Common Expense Assessment shall commence as to each Lot on the first day of the month following the effective date of the first budget of the Association. Until the commencement of the Collection of the Common Expense Assessment, the Declarant shall pay all of the expenses of the Association.

5.4 Special Assessments. In addition to the other Assessments authorized herein, the Board of Directors, subject to the limitations set forth below, may levy a Special Assessment for the purpose of defraying, in whole or in part, any unexpected expense to include but not be limited to, the cost of any construction, reconstruction, improvement, repair or replacement of a capital Improvement upon the Common Areas, including fixtures and personal property relating thereto, or for the funding of any operating deficit incurred by the Association provided that any such assessment shall have been approved by Owners to whom at least sixty-seven percent of the votes in the Association are allocated, who are voting in person or by proxy at a meeting duly called for this purpose. Any such Special Assessment shall be levied against each Lot in accordance with that Lot's Common Expense Liability determined in accordance with Paragraph 1.3. Notwithstanding the foregoing, Special Assessments levied during the Period of Declarant Control may not be used for the purpose of constructing capital improvements. Written notice of any meeting called for the purpose of making a Special Assessment shall be sent to all Owners not less than fifteen days nor more than thirty days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies to whom at least sixty percent of the votes in the Association are allocated shall constitute a quorum. If the required quorum is not present another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

5.5 Fines. The Board of Directors shall have the right to levy a fine against an Owner or Owners for each violation of this Declaration, the Bylaws, the Articles, and the Rules and Regulations of the Association. No such fine shall be levied until the Owner or Owners to be charged have been given Notice and a Hearing as provided for in the Bylaws of the Association. Fines may be levied in a reasonable amount as determined from time to time by the Board of Directors in its discretion and uniformly applied. Fines shall be collected as part of the Costs of Enforcement.

5.6 Individual Assessments. The Board of Directors shall have the right to individually levy upon any Owner or Owners amount as provided for by this Declaration. No Individual Assessment shall be levied until Owner or Owners to be charged have been given Notice and a Hearing as provided for in the Bylaws. Individual Assessments shall be collected as part of the Cost of Enforcement.

5.7 Levy of Assessments. Common Expense Assessments shall be levied on all Lots based upon a budget of the Association's cash requirements to accomplish the purposes as set forth in Paragraph 5.2. The Common Expense Assessment shall be prorated among the Lots in accordance with that Lot's Common Expense Liability as set forth in Paragraph 1.3. The omission or failure of the Board of Directors to levy the Common Expense Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay. Special Assessments shall be levied in accordance with Paragraph 5.4. Fines and Individual Assessments may be levied at any time as required. Both of these Assessments are exempt from any voting requirements by the Members required for other Assessments provided for under this Declaration. No Owner may waive or otherwise avoid liability for the Common Expense Assessment provided for herein by the non-use of the Common Areas or the abandonment of his or her Lot.

5.8 Due Date. Fines and Individual Assessments shall be due and payable as established by the Board of Directors. The Common Expense Assessment shall be levied on an annual basis and shall be due and payable in installments, in advance, in such frequency as the Board of Directors determines in its discretion from time to time, provided that the first Common Expense Assessment shall be adjusted to reflect the time remaining in the Association's first fiscal year. Any Owner purchasing a Lot between annual due dates shall pay a prorated share of Common Expense Assessments. Special Assessments shall be due and payable as established by the Board and may be payable on an installment basis as determined by the Board. Written notice of all assessments shall be sent to each Owner subject thereto specifying the type of Assessment, the amount, and the date the Assessment is due.

5.9 Remedies for Nonpayment of Assessments. If any Assessment (to include Costs of Enforcement) is not fully paid within fifteen (15) days after the same becomes due and payable, then:

(a) Interest shall accrue from the due date until the date of payment, at the default rate set by the Rules and Regulations of the Association or established by the Board of Directors from time to time on any amount of the Assessment that is unpaid.

(b) The Board may accelerate and declare immediately due and payable all unpaid installments of the Assessment otherwise due in the fiscal year during which the default occurred.

(c) The Board may bring as action at law in any court of competent jurisdiction against any

Owner personally obligated to pay the same and obtain a judgment for the amounts due.
(d) The Board may proceed to foreclose its lien against the Lot subject to the Assessment pursuant to the power of sale granted to the Association by this Declaration in the manner and form provided by Colorado law for foreclosure of real estate mortgages. An action at law or in equity by the Association against an Owner to recover a judgment for unpaid Assessments may by commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessment.

5.10 The Assessment Lien. The Association is hereby granted an Assessment Lien against each Lot for any Assessment levied by the Board of Directors and for Cost of Enforcement levied against such Lot for any sums not paid as required by this Declaration. All Costs of Enforcement incurred pursuant to this Declaration are enforceable as Assessments. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due. The Association's lien on a Lot for Assessments shall be superior to all other liens and encumbrances except the following:
(a) Real property ad valorem taxes and special assessment liens duly imposed by the Colorado governmental or political subdivision or special taxing district, or any other lien-made superior by statute; and (b) The lien of any first Mortgagee except to the extent the Act grants priority for Assessments to the Association. Recording of the Declaration constitutes record notice and perfection of the lien. No further recording of any claim of lien for Assessments under this Article or otherwise is required. However, the Board of Directors may prepare, and record in the county in which the Lot is located, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot, and a description of the Lot. If notice of the lien is filed, the cost thereof shall be considered a Cost of Enforcement. Sale or transfer of any Lot shall not affect the lien for Assessments, except that sale or transfer of any Lot pursuant to foreclosure of any First Mortgagee, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture, shall only extinguish the Assessment Lien if and to the extent provided by Colorado law. No such sale, deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Owner from continuing liability for any Assessment thereafter becoming due, nor from the lien thereof. Any First Mortgagee who acquires title to a Lot by virtue of foreclosing a first mortgage or by virtue of a deed in lieu of foreclosure will take the Lot free of any claims for unpaid Assessments and Cost of Enforcement against that Lot which have

accrued prior to the time such First Mortgagee acquires title to the Lot to the extent provided by Colorado law, but subject to any lien priority for Assessments granted under the Act. In any action by the Association to collect Assessments and Cost of Enforcement or to foreclose a lien for unpaid Assessments, the court may appoint a receiver to collect all sums alleged to be due from the Owner prior to or during the pending of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Common Expense Assessments and Cost of Enforcement. The Assessment Lien hereby given shall also be a lien upon all of the rents and profits of the

encumbered Lot, but this Lien and the rights of the Association shall be expressly subordinate to the rights of any First Mortgagee of a Lot under any assignment of rents given in connection with a first deed of trust. Without prejudice to any other right or remedy, the Association may exercise its lien rights to rents and profits by delivering a notice of exercise of such right to the occupant or any payer of rents and profits, and thereafter shall be entitled to collect all such rents and profits to the extent of any delinquency. The Association's lien on a Lot for Assessments and Costs of Enforcement shall be superior to any homestead exemption now or hereafter 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 exemption as against this Assessment Lien.

5.11 Surplus Funds. Any surplus funds of the Association remaining after payment of or making provisions for Common Expense and any prepayment of or making provisions for reserves shall be retained by the Association as unallocated reserves and need not be credited to the Owners in proportion to their Common Expense Liability to reduce their future Common Expense Assessments or in any other manner.

5.12 Working Capital Fund. At the closing of the initial sale of a Lot to an Owner other than the Declarant, a non-refundable contribution shall be made by the Owner to the working capital fund of the Association in an amount determined by the Declarant prior to the fist closing of a Lot to an Owner other than the Declarant. This contribution shall be collected and transferred to the Association at the time of closing of the sale of each Lot and shall, until used be maintained in a segregated account with other working capital funds for the use and benefit of the Association, including, without limitation, to meet unforeseen expenditures or to purchase additional equipment, property or services. This contribution to the working capital fund shall not relieve an Owner from paying regular Assessments as the same become due. Upon the transfer of a Lot, the Owner shall be entitled to a credit from his or her transferee (but not from the Association) for one half of the aforesaid contribution to working capital fund.

5.13 Certificate of Status of Assessments. The Association shall furnish to an Owner and the Owner's First Mortgagee upon written request delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the Association's registered agent, a Statement setting forth the amount of unpaid Assessments currently levied against the Owner's Lot. The statement shall be furnished within twenty (20) business days after receipt of the request and is binding upon the Association, the Board of Directors, and every Owner. If no

statement is furnished to an Owner or First Mortgagee who submitted a written request in accordance with the foregoing provisions, then the Association shall not have the right to assert a priority lien upon the Lot for unpaid Assessments which were due as of the date of the request.

5.14 No Offset. All Assessments shall be payable in the amounts specified in the levy

thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration. The Declarant is exempt from the requirements of this Paragraph 5.14.

ARTICLE SIX: ARCHITECTUAL APPROVAL/DESIGN REVIEW

6.1 Approval of Improvements Required. Each Improvement must be constructed in accordance with the "Design Guidelines of Rinn Valley Ranch Homeowners Association," if these Guidelines have been promulgated at the time of construction, and this Declaration, and approved in accordance with such Guidelines and this Article. The approval by the Design Review Committee shall be required prior to the commencement of the construction of Improvements on any portion of The Planned Community, except as prior approval may be waived or certain Improvements may be exempted under written guidelines or rules promulgated by the Committee. Purchase of a Lot does not grant any implied guarantee of approval by the Committee of the Improvements to be located thereof. The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decision of the Committee.

6.2 Membership of the Committee. The Committee shall consist of three members, all of whom shall be appointed by the Declarant. The Declarant shall have the continuing right to appoint and reappoint the members of the Committee, which right shall terminate at the option of the Declarant, but in any event shall terminate without further act or deed in accordance with the limitations set forth in Paragraph 9.3. Thereafter, the Board of Directors shall have the right to appoint the members of the Committee. Members of the Committee may but shall not necessarily be Members of the Association. Members of the Committee appointed by Declarant may be removed at any time by Declarant and shall serve until resignation or removal by Declarant. Members of the Committee appointed by the Board of Directors may be removed at any time by the Board, and shall serve for such term as may be designated by the Board or until resignation or removal by the Board.

6.3 Address of the Committee. The address of the Committee shall be that of the principal office of the Association.

6.4 Submission of Plan/Design Review Fee. Prior to commencement of work to accomplish any proposed Improvement, or any modification to any Improvement, the Person ("Applicant") proposing to make the Improvement or modification shall submit to the Committee, at its offices, such descriptions, surveys, plot plans, drainage plans, elevation

drawings, construction plans, specifications, and samples of materials and colors as the Committee shall reasonably request, showing the nature, kind, shape, height, width, color,

materials, location of the proposed Improvement or modification thereof. The Committee may, in its guidelines or rules, provide for the payment of a reasonable fee to accompany each request for approval of any proposed Improvement or modification. The Committee may provide that the amount of the fee shall be uniform for similar types of Improvements or that the fee shall be determined in any other reasonable manner, such as basing the fee on the estimated cost of the proposed Improvement or modification. The Committee may require submission of additional plans, specifications or other information prior to approving or disapproving the Improvement. Until receipt by the Committee of all required materials in connection with the Improvement, the Committee may postpone review of any materials submitted for approval by a particular Applicant. No Improvement of any kind shall be erected, altered, placed, modified, or maintained within The Planned Community unless and until the final plans, elevations, and specifications thereof have received written approval by the Committee as herein provided.

6.5 Waiver. The approval or consent of the Committee, 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 Committee as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required.

6.6 Criteria for Approval. The Committee shall have the right to disapprove any proposed Improvement or modification thereof, which is not in accordance with the Design Guidelines of Rinn Valley Ranch Homeowners Association (if these Guidelines have been promulgated at the time of construction) and this Declaration, or is not suitable or desirable in the Committee's opinion for aesthetic or other reasons. In passing upon the Improvement or modification the Committee shall have the right to take into consideration the suitability of the proposed Improvement or modification and of the materials of which it is to be built, the color scheme, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings, the topography of the land and the effect of the Improvement or modification as planned on the outlook from the adjacent or neighboring property, and if it is in accordance with all of the provisions of this Declaration. The Committee may disapprove the proposed Improvement or modification if the plans and specifications submitted are incomplete, or in the event the Committee deems the materials submitted are contrary to the spirit or intent of the Declaration. The Committee may condition its approval upon the making of such changes thereon as the Committee may deem appropriate.

6.7 Decision of the Committee. The decision of the Committee shall be made within thirty days after receipt by the Committee of all materials required by the Committee unless such time period is extended by mutual agreement. The decision shall be in writing and, if the decision is not to approve a proposed Improvement or modification, the reasons therefore shall be stated. The decision of the Committee shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the Committee. Submittals shall be approved by an affirmative vote of a majority of the members of the Committee.

6.8 Failure of Committee to Act on Plans. Any request for approval of a proposed Improvement or modification shall be deemed approved, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Committee within thirty days after the date of receipt by the Committee of all necessary materials as determined by the Committee.

6.9 Prosecution of Work After Approval. After approval, the proposed Improvement or modification shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed Improvement or modification, any materials submitted to the Committee in connection therewith, and any conditions imposed by the Committee. Failure to complete any proposed Improvement or modification within eight months from the date the foundation was dug or other material work begun in accordance with the description and materials furnished to, and the conditions imposed by, the Committee, shall constitute a violation of this Article.

6.10 Notice of Completion. Upon completion of the Improvement or modification, the Applicant shall give written notice of completion to the Committee. Until the date of receipt of a notice of completion, the Committee shall not be deemed to have notice of completion.

6.11 Inspection of Work. The Committee or its duly authorized representatives shall have the right to inspect any Improvement prior to or after completion.

6.12 Notice of Noncompliance. If, as a result of inspections or otherwise, the Committee finds that any Improvement or modification thereto has been done without obtaining the approval of the Committee, or was not done in substantial compliance with the description and materials furnished to, and any conditions imposed by, the Committee, or was not completed within eight months from the date the foundation was dug or other material work begun, the Committee shall notify the Applicant in writing of the noncompliance; which notice shall be given within thirty days after the Committee has inspected the Improvement. The notice shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

6.13 Failure of Committee to Act After Completion. If, for any reason other than the Applicant's act or neglect, the Committee fails to notify the Applicant of any noncompliance within thirty days after receipt by the Committee of written notice of completion from the Applicant, the Improvement or modification thereto shall be deemed to be in compliance if the Improvement or modification thereto was, in fact, completed as of the date of notice of completion.

6.14 Correction of Noncompliance. If the Committee determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than thirty days from the date of receipt by the Applicant of notice from the Committee. If the Applicant

does not comply within such period, the Committee shall notify the Board of Directors and the

Board may, at its option, record a “Notice of Noncompliance” against the Lot on which the noncompliance exists, or may remove the noncomplying Improvement or may otherwise remedy the noncompliance. The Board may levy an Individual Assessment in accordance with Paragraph 5.6 against the Owner of such Lot for costs and expenses incurred. The right of the Board of Directors to remedy or remove any noncompliance shall be in addition to all other rights and remedies which the Board may have at law, in equity, or under this Declaration.

6.15 Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder.

6.16 No Implied Waiver or Estoppel. No action or failure to act by the Committee or by the Board of Directors shall constitute a waiver or estoppel with respect to future action by the Committee or the Board of Directors. Specifically, the approval by the Committee of any Improvement or modification thereto shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar Improvement or modification or similar proposals, plans, specifications or other materials submitted with respect to any other Improvement.

6.17 Estoppel Certificates. The Board of Directors shall, upon the reasonable request of any interested party and after confirming any necessary facts with the Committee, furnish a certificate with respect to the approval or disapproval or any Improvement or with respect to whether any Improvement was made in compliance herewith. Any person, without actual notice to the contrary, shall be entitled to rely on this certificate with respect to all matters set forth therein.

6.18 Record of Actions. The committee shall report in writing to the Board of Directors all final actions of the Committee and the Board shall keep a permanent record of such actions.

6.19 Architectural Standards/Design Guidelines. The Committee may promulgate rules and regulations to interpret and implement the provisions of this Article. These rules and regulations shall contain, among other things, guidelines that will clarify the types of designs and materials that will be considered in design approval. The applicant shall be responsible to apply for all permits and approvals required by the County.

6.20 No Liability for Committee Action. There shall be no liability imposed on the Design Review Committee or any member of this Committee, any authorized representative of this Committee, the Association, any member of the Board of Directors or Declarant for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Committee, if such party acted in good faith and without malice. In reviewing any matter, the Committee shall not be responsible for passing on safety, whether structural or otherwise, or

conformance with building codes or other governmental laws or regulations, nor shall its approval of an Improvement be deemed approval of such matters.

ARTICLE SEVEN; LAND USE AND OTHER RESTRISCTION

7.1 Limitations and Restrictions. All Lots and Common Areas shall be held, used and enjoyed subject to the following limitations and restrictions, but also subject to the exemptions for Declarant as set forth in this Declaration. The strict application of the following limitations and restrictions in any specific case may be modified or waived in whole or in part by the Committee if such application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing.

7.2 Land Use and Building Type. No Lot within The Planned Community shall be used for any purpose other than single-family residential purpose or for a home occupation so long as such occupation is allowed by the local zoning codes. No Improvement as herein defined, shall be erected on any part of The Planned Community which is not compatible with the character, quality and amenities associated with the neighborhood and approved in writing by the Committee in accordance with Article Six. ***Modular homes are expressly prohibited.***

7.3 Building Locations and Height Restriction Requirements. The Committee shall approve the location and height of any structure placed on any Lot. This approval must be obtained before commencement of any construction or alteration in accordance with the Article Six.

7.4 Minimum Finished Square Footage. The minimum finished square footage of a single story Dwelling Unit constructed on any Lot within The Planned Community shall be 1,600 square feet, exclusive of open Porches, decks, patios, basements and garages. The minimum finished square footage of the first floor of a two story Dwelling Unit constructed on any Lot within The Planned Committee shall be 900 square feet, exclusive of open porches, decks, patios, basements and garages. In addition, the Declarant may establish and promulgate a minimum and maximum garage size and other requirements for each Dwelling Unit.

7.5 Temporary Structures. No Temporary house trailer, tent, garage or outbuilding shall be placed or erected upon part of The Planned Community except with the prior written approval of the Committee obtained in each instance. No Dwelling Unit located upon The Planned Community shall be occupied in any manner at any time prior to its being fully completed in accordance with approved plans nor shall any Dwelling Unit when completed be in any manner occupied until there is compliance with all requirements, conditions, covenants and restrictions herein set forth.

7.6 Restrictions on Garbage and Trash. Each Owner shall keep all of his or her trash, garbage or other refuse in a container in his or her garage. Each owner shall provide for a regular removal of garbage and agrees to use the trash company designated by the Board of Directors, if one is so designated. Each Owner shall keep his or her Lot at all times in a neat and clean condition and grass and weeds shall be kept mowed. No trash, litter, garbage, grass, shrub or tree trimmings, plant waste, lumber, compost, metal, bulk materials, scrap refuse or debris of any kind shall be permitted to remain exposed upon any Lot so it is visible from any neighboring Lot or from the street. In addition, trash is not to be disposed of in any permanent manner on the Lot. The Board of Directors shall have the right and duty, through its agents and employees, after Notice and a Hearing to enter upon any Lot and remove unsightly objects and materials. The cost of removal shall be chargeable to such Owner by Individual Assessment in accordance with Paragraph 5.6.

7.7 Nuisances. No noxious or offensive activity shall be carried on upon The Planned Community or any part thereof, nor shall anything be done or maintained thereon which may be or become an annoyance or nuisance to the neighborhood or which is or may cause an unreasonable embarrassment, disturbance or annoyance to others, or detract from its value as an attractive residential community. Habitually barking, howling or yelping dogs shall be deemed a nuisance.

7.8 No Annoying Lights, Sounds or Odors. No light shall be emitted from any portion of the Planned Community which is unreasonably bright or cause unreasonable glare, and no sound or odor shall be emitted from any portion of The Planned Community which would reasonably be found by others to be noxious or offensive. Without limiting the generality of the foregoing, no exterior spot lights, searchlights, speakers, horns, whistles, bells or other light or sound devises shall be located or used on any portion of The Planned Community except with the prior written approval of the Committee.

7.9 No Hazardous Activities. No activity shall be conducted on any portion of The Planned Community that is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any portion of The Planned Community and no open fires shall be lighted or permitted on any portion of The Planned Community except in a contained barbecue unit while attended and in use for cooking purposes or within a fireplace designed to prevent the disposal of burning embers.

7.10 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure, including all tractors, snow removal equipment and garden or maintenance equipment, except when actually in use. No clotheslines, drying yards, service yards, wood piles or storage area shall be so located on any Lot as to be

visible from neighboring Lots or from the street. No types of refrigerating, cooling or heating apparatus shall be permitted, except when appropriately screened and approved by the Committee

7.11 Utilities. All electric, television, radio, and telephone line installations and connections from a Lot property lie to Dwelling Unit shall be placed underground. All types of refrigerating, cooling or heating apparatus must be concealed except solar collector panels. The Committee must approve all solar collector installations.

7.12 Restrictions on Signs and Advertising Devices. No sign, poster, billboard,

advertising device or display of any kind shall be erected or maintained anywhere within The Planned Community except such signs as may be approved in writing by the Committee which may include signs indicating protection by security systems and neighborhood watch programs. One sign advertising Lot for sale or for lease may be placed on each Lot or Dwelling Unit, provided however, that standards relating to dimensions. color, style and location or such sign shall be determined from time to time by the Committee and shall comply with the local sign codes and with all other applicable statues, ordinances and regulations. Notwithstanding the foregoing, reasonable signs, advertising or billboards used by the Declarant in connection with development of or construction on each Lot shall be permissible.

7.13 Compliance with Insurance Requirements. Except as may be approved in writing by the Board of Directors, nothing shall be done or kept on The Planned Community which may result in an increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Association.

7.14 Compliance with Laws. No unlawful use shall be permitted or made of any Lot or any portion thereof. All laws, ordinances and regulations of all governmental bodies having jurisdiction over the Lots, or any portion thereof, shall be observed.

7.15 Restoration in the Event of Damage or Destruction. If due to casualty or for any other reason a Dwelling Unit located on a Lot shall be destroyed or so damaged that the Dwelling Unit is no longer habitable, then the Owner of such Lot shall, within a reasonable time not to exceed one hundred and twenty days after the event resulting in such damage or destruction, either commence and diligently pursue repair or reconstruction of the Dwelling Unit or demolish the same. Demolition of a Dwelling Unit shall include removal of any foundation slab, basement walls and floors, regrading the Lot to a level condition and the installation of such landscaping as may be required by the Committee pursuant to a plan submitted to the Committee by the Lot Owner. If the Owner of a Lot does not either commence repair, reconstruction or demolition activities within a reasonable time as provided herein above and diligently pursue the same in conformance with plans approved by the Design Review Committee, then the Association may, in its reasonable discretion, after providing Notice and a Hearing, enter upon

the Lot for the purpose of demolishing the Dwelling Unit and landscaping the Lot in conformance with approval plans. The cost related to such demolition and landscaping shall be levied against the Owner as an Individual Assessment in accordance with Paragraph 5.6

7.16 Household Pets. No animal, livestock, birds, poultry, reptiles or insects of any kind, shall be raised, bred, pastured, housed, kept or boarded in or on any portion of The Planned Community; except that a reasonable number of dogs, cats, and other household pets may be kept in The Planned Community if they are not raised, bred or maintained for any commercial purpose, and are not kept in such number or in such manner as to create a nuisance or inconvenience to any residents of The Planned Community. The Board of Directors shall have the right and authority to determine in its sole discretion that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such numbers or in such manner as to be unreasonable or to create a nuisance, or that an Owner is otherwise in violation of the provisions of this Paragraph. The Board of Directors shall make the determination of "reasonable numbers" based upon the potential for noise, dust, odors and other nuisance, as well as the right of quiet enjoyment by all Members of the Association. The Board of Directors shall take such action or actions, as it deems reasonably necessary to correct the violation to include after Notice and a Hearing, directing permanent removal of the pet or pets from The Planned Community. Household pets shall not be allowed to run at large within The Planned Community, but shall at all times be under the control of such pet's owner and such pets shall not be allowed to litter the Common Areas. Reimbursement for damages caused by pets and costs incurred by the Association, to include attorney's fees and costs, in the removal of a pet or pets from The Planned Community or incurred by the Association in cleanup after pets may be levied after Notice and a Hearing against such pet's owner as an Individual Assessment in accordance with Paragraph 5.6 No dog runs or animal pens of any kind shall be permitted on any Lot except with the prior written approval of the Committee.

7.17 Vehicular Parking, Storage and Maintenance. Only one of the following may be parked or stored anywhere within The Planned Community so they are visible from neighboring Dwelling Units or from the street except in emergencies or as a temporary expedience: a house trailer, camping trailer, horse trailer, camper, camper shell, boat trailer, hauling trailer, boat or boat accessories, truck larger than one ton, recreational vehicle or equipment, mobile home, or commercial vehicle. This applies to vehicles referred to above even if they are licensed by the State of Colorado or any other jurisdiction as "passenger vehicles." No emergency or temporary parking or storage shall continue for more than seventy-two hours. Parking is not allowed on landscaped or lawn areas. No abandoned, unlicensed, wrecked or inoperable vehicles of any kind shall be stored or parked within The Planned Community except in garages or except in emergencies. Any "abandoned or inoperable vehicle" shall be defined as any of the vehicles listed above or any other kind of passenger vehicle which has not be driven under its own propulsion for a period of one week or longer, or which does not have installed within it in

operable propulsion system; provided however, that any vehicle belonging to an Owner which is otherwise permitted will not be deemed to be abandoned while the Owner is ill or out of town. The Board of Directors shall have the right to remove and store a vehicle in violation of this Paragraph after Notice and a Hearing, the expenses of which shall be levied against the Owner of the vehicle as an Individual Assessment in accordance with Paragraph 5.6 Preventative vehicle maintenance only is allowed within The Planned Community and only in a garage. Garage doors must remain closed except when the garage is in use.

7.18 Owner Caused Damages. If, due to the act or neglect of an Owner or such Owner's Guests, loss or damage shall be caused to any person or property within the Common Areas or any other real or personal property which the Association has an obligation to repair, maintain and/or reconstruct, such Owner shall be liable and responsible for the loss or damage. The amount of loss or damage, together with costs or collection and reasonable attorney's fees, if necessary, may be collected from the Owner by the Board of Directors after Notice and a Hearing, as an Individual Assessment against the Owner in accordance with Paragraph 5.6

Determination with respect to whether or not a particular activity or occurrence shall constitute violation of the paragraph shall be made by the Board of Directors and shall be final.

7.19 Antennas. Exterior radio antennas, television antenna or other antenna, satellite dish, or audio or visual reception devices may be placed, erected and maintained on a Lot, subject to the written approval of the Committee.

7.20 Lease of a Dwelling Unit. Any Owner shall have the right to lease his or her Dwelling Unit upon such terms and conditions as the Owner may deem advisable, subject to the following:
(a) No owner may lease less than his or her entire Dwelling Unit or for transient or hotel purposes or for a term of less that ninety days;
(b) Any lease or rental agreement shall be in writing and provide that the lease or rental agreement is subject to the terms of this Declaration, the Bylaws, Articles of Incorporation, and the Rules and Regulations of the Association;
(c) The lease or rental agreement shall state that the failure of the lessee or renter to comply with the terms of the Declaration, the Bylaws Articles of Incorporation, or the Rules and Regulations of the Association shall constitute a default and such default shall be enforceable by either the Board of Directors or the lessor, or both of them;
(d) Any Owner who leases his or her Dwelling Unit shall, within three days after the execution of a lease, forward a copy to the Board of Directors.

7.21 Exemption for the Declarant. The Declarant shall be exempt from the provisions of this Article to the extent that it impedes Declarant in development, construction, marketing, sales, or leasing activities.

7.22 Foundation Restrictions. Because certain areas of The Planned Community may consist of potentially expansive soils, each Owner must provide the Committee with a satisfactory soils report and engineered foundation plan signed and stamped by a registered professional engineer licensed in the State of Colorado. All foundations must be engineered foundations.

7.23 Drainage Ditch Maintenance. It shall be the responsibility of each Owner to provide for the landscaping and maintenance of the drainage ditch that abut each Lot, which shall include, but not be limited to, removing any accumulation or buildup of sediment, trash and debris which blocks the ditch. If the Owner fails to preform this landscaping and maintenance in a timely fashion, the Board of Directors shall have the right and duty, through its agents and employees, after Notice and a Hearing to enter upon any Lot and perform such maintenance. The cost of maintenance shall be chargeable to Owner by Individual Assessment in accordance with Paragraph 5.6.

7.24 Covenant Enforcement Committee. The Board of Directors shall appoint three members of a Covenant Enforcement Committee. This Covenant Enforcement Committee shall be responsible for and enforce all of the land use restrictions contained in the Declaration.

ARTICLE EIGHT: EASEMENTS

8.1 Utility Easements. Easements for utilities over and across the Common Areas shall be those shown upon the Plat of The Planned Community. Other easements may be established pursuant to the provisions of this Declaration.

8.2 Easements for the Board of Directors. Each Lot shall be subject to an easement in favor of the Board of Directors (including its agent, employees and contractors) to perform its obligations pursuant to this Declaration.

8.3 Emergency-Easement. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, five 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.

8.4 Easements Deemed Appurtenant. The easements, uses and rights herein created for the benefit of the Owners shall be deemed perpetual and appurtenant to the Lots owned by the Owners. All conveyance documents or any other instruments affecting title to a Lot shall be deemed to grant and reserve the easements, uses and rights as provided for herein, as though set forth in the conveyance document or other instruments in full, even though no specific reference

to such easements, uses or rights appear in such conveyance document or other instrument.

ARTICLE NINE: DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

9.1 Reservation. The Declarant reserves the following Development Rights and Special Declarant Rights (**"Declarant Right(s)"**) that may be exercised, where applicable, anywhere within The Planned Community:
(a) To complete the Improvements indicated on the Plat;
(b) To exercise any Declarant Rights reserved herein;
(c) To maintain business/sales offices, parking spaces, management offices, storage areas, nursery, construction yards, signs, advertising and model Dwelling Units;
(d) To maintain signs and advertising in the Common Areas to advertise The Planned Community;
(e) To use, and to permit others to use, easements through the Common Areas as may be reasonably necessary for construction within The Planned Community and for the purpose of discharging the Declarant obligations under the Act and this Declaration;
(f) To merge or consolidate The Planned Community with another planned community or subject it to a master association;
(g) To appoint or remove any officer of the Association or a member of the Board of Directors during the Period of Declarant Control subject to the provisions of Paragraph 4.7;
(h) To amend the Declaration and/or the Plat in connection with the exercise of any Declarant Rights;
(i) To enlarge the Planned Community by annexing the additional real property described in **Exhibit B** attached hereto and incorporated by this reference, consisting of no more than seventy eight (78) additional Dwelling Units, and which will be known as Rinn Valley Ranch, Filing No. 2. Declarant does not represent the order in which Dwelling Units will be annexed into The Planned Community, nor guaranty that these Dwelling Units will be annexed into The Planned Community.
(j) To exercise any other Declarant Right created by any other provisions of this Declaration or the Act.

9.2 Rights Transferable. Declarant Rights created or reserved under this Article for the benefit of Declarant may be transferred to any Person by an instrument describing the Declarant Rights transferred and recorded in Weld County, Colorado, executed by the transferring Declarant and the transferee.

9.3 Limitations. The Declarant Rights shall terminate at the option of the Declarant by its written notice to the Secretary of the Association, but in any event the Declarant Rights shall terminate without further act or deed seven years from the date of the recording of this Declaration.

9.4 Interference with the Declarant Rights. Neither the Association, the Board of Directors nor any Owner may take any action or adopt any rule that will interfere with or diminish Declarant Rights without the prior written consent of the Declarant.

9.5 Use by Declarant. The exercise of Declarant Rights by Declarant shall not unreasonably interfere with the access, enjoyment or use of any Lot by any Owner nor the access, enjoyment or use of the Common Areas; nor shall any activity be conducted which might be unsafe, unhealthy, or hazardous to any person.

9.6 Models, Sales Offices and Management Offices. Subject to the limitations set forth in Paragraph 9.3, the Declarant its duly authorized agents, representatives and employees may maintain any Dwelling Unit owned by the Declarant as a model Dwelling Unit, sales, leasing or management office.

9.7 Declarant Easements. The Declarant reserves the right to perform warranty work, and repairs and construction work on Lots, Dwelling Units, and Common Areas, to store materials in secure areas, and to control and have a right of access necessary and appropriate for this work and repair. The Declarant may perform this work and repair without the consent of approval of the Board of Directors. The Declarant has an easement through the Common Areas as may be reasonably necessary for the purpose of discharging the Declarant'**s** obligations or exercising the Declarant Rights, whether arising under the Act or reserved in the Article.

9.8 Signs and Marketing. The Declarant reserves the right to post signs and displays on the Common Areas in order to promote sales of Lots and Dwellings Units. Declarant also reserves the right to conduct general sales activities in a manner that will not unreasonably disturb the rights of Owners.

9.9 Declarant's Personal Property. The Declarant reserves the right to retain all personal property and equipment used in the sales and marketing activities, or in management, construction and maintenance of the Common Areas that has not been represented as property of the Association. The Declarant reserves the right to remove from The Planned Community any and all goods and improvements used in development, marketing and construction, whether or not they have become fixtures.

ARTICLE TEN: INSURANCE/CONDEMNATION

10.1 Coverage. To the extent reasonably available, the Board of Directors shall obtain and maintain insurance coverage as set forth in this Article. If this insurance is not reasonably available, the Association shall cause notice of that fact to be mailed to each Owner and

Mortgagee to whom a certificate of insurance has been issued at their last known address.

10.2 Property Insurance. The Board of Directors shall obtain and maintain property insurance, insuring the insurable Improvements on the Common Areas for broad form covered causes of loss and on all personal property owned by the Association. The insurance will be for an amount (after application or any deductions of depreciation) equal to one hundred percent of full insurable replacement cost of the insurable Improvements located on the Common Areas exclusive of land, foundations, excavations and other items normally excluded form property insurance policies. The Board of Directors is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of such property, and the cost of such appraisals shall be a Common Expense. Insurance policies required herein shall provide that:
(a) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner.
(b) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy.
(c) If, at the time of a loss under the policy, there is other insurance in the name of an Owner that covers the same risk covered by the policy, the Association's policy provides primary insurance.
(d) Losses must be adjusted with the Board of Directors.
(e) Insurance proceeds shall be paid to the Board of Directors.

10.3 Liability Insurance. Commercial general liability insurance, as set forth in 38-33.3-313(b) of the Act, will be maintained in an amount determined by the Board of Directors, but in no event shall it be less that $1,000,000. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained. This insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage

arising out of or in connection with the use, ownership or maintenance of the Common Areas and any other real property which the Association has an obligation to maintain, repair and/or reconstruct and the activities of the Association; and may also include, if applicable, comprehensive automobile liability insurance garage keeper's liability, liability for property of others, host liquor liability, water damage liability, contractual liability, workers compensation insurance for employees of the Association, and other risks as shall customarily be required by private institutional mortgage investors with respect to projects similar in construction, location, and use. Insurance policies carried pursuant to this Paragraph shall provide that:
(a) Each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Areas and any other real property which the Association has an obligation to maintain, repair and/or reconstruct or membership in the Association;
(b) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner;

(c) An act of omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy; (d) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.

10.4 Fidelity Bonds. The Association shall obtain and maintain, to the extent reasonably available fidelity bond insurance coverage for any Owner or Association employee who either handles or is responsible for funds held or administered by the Association. The bond or insurance shall name the Association as obligee, and shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. In no event shall the bond or coverage be for an amount less than the sum of three months' assessments plus reserve funds, as calculated from the current budget of the Association. The bond or coverage shall include a provision requiring not less than ten days' written notice to the Association, before the bond can be canceled or substantially modified for any reason. The Association must also require any independent contractor who manages the Association to obtain and maintain fidelity bond insurance coverage in the same amount, to the extent that it is reasonably available, unless they are covered under the Association's fidelity bond insurance coverage.

10.5 Owner Policies. An insurance policy issued to the Association does not preclude Owners from obtaining insurance for their own benefit.

10.6 Workers Compensation Insurance. The Board of Directors shall obtain and maintain workers compensation insurance if required to meet the requirements of the laws of the State of Colorado.

10.7 Directors' and Officers' Liability Insurance. The Board of Directors shall obtain and maintain directors' and officers' liability insurance, if reasonably available, covering all of the directors and officers of the Association. This insurance will have limits determined by the Board of Directors.

10.8 Ditch Company Insurance. The Board of Directors shall obtain and maintain comprehensive general liability insurance in an amount not less than $2,000,000.00 as required under the Agreements referred to in Section 4.13, covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use and maintenance of the lateral ditches located within The Planed Community and operated by the Godding Ditch Company, the Rural Ditch Company, and the Boulder and Weld County Ditch Company. These Ditch companies shall be named as co-insureds in all such insurance policies.

10.9 Other Insurance. The Association may carry other insurance, which the Board of Directors considers appropriate to protect the Association.

10.10 Premiums. Insurance premiums for insurance maintained by the Association shall be a Common Expense.

10.11 Procedures. The Board of Directors may adopt written nondiscriminatory policies and procedures for claims adjustment and responsibility for deductibles. To the extent the Board of Directors settles claims for damages to real property, it shall have the authority to assess negligent owners causing loss or benefitting from repair or restoration all deductibles paid by the Association. If more than one Lot or Dwelling Unit is damaged by a loss, the Board of Directors, in its reasonable discretion. may assess each Owner a pro rata share or any deductible paid by the Association.

10.12 General Provisions. All Association insurance shall be carried in blanket policy form naming the Association as insured and attorney-in-fact for the Association. The polices shall contain:
(a) A standard non-contributory First Mortgagee's clause in favor of each First Mortgagee, and shall provide that it cannot be canceled or materially altered by either the insured or the insurance company until thirty days' prior written notice is given to the insured and each First Mortgagee.
(b) Waiver of any defense based on invalidity arising from any acts or negligence of an Owner where such Owner is not under the control of the Association.

10.13 Insurance Proceeds. Any loss covered by the property insurance policy described in Paragraph 10.2 shall be adjusted by the Board of Directors and the insurance proceeds for that loss shall be payable to the Association, and not to any First Mortgagee. The Board of Directors shall hold any insurance proceeds in trust for the Association, Owners, and lien holders as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged property, and the Owners, the Association, and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or reconstructed. If proceeds are distributed, the distribution shall be as the parties in interests determine or pursuant to the Act.

10.14 Damage to Property. Any portion of the Common Areas for which insurance is required under 38.33.3-313 of the Act or for which insurance carried by the Association is in effect, that is damaged or destroyed, shall be repaired or reconstructed by the Association in accordance with 38-33.3-313(9) of the Act.

10.15 Certificate of Insurance. An insurer that has issued an insurance policy for the insurance described in this Article shall issue certificates of insurance to the Association and, upon request, to any Owner or First Mortgagee. The insurer issuing the policy may not cancel or refuse to renew it until thirty days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Owner and First Mortgagee, at their last known address.

10.16 Condemnation. If an entire Lot is acquired by condemnation or if a part of a Lot is acquired by condemnation leaving the Owner with a partial Lot, which may not practically or lawfully be used for any purpose permitted by the Declarant, the award must include compensation to the Owner for that Lot and its Dwelling Unit. If parts of the Common Areas are acquired by condemnation, that portion of any award attributable to the Common Areas taken must be paid to the Association.

ARTICLE ELEVEN: MAINTENANCE, REPAIR, AND RECONSTRUCTION

11.1 Maintenance of the Common Areas. The Association shall provide for the repair, maintenance and/or reconstruction of the Common Areas. Without limiting the generality of the foregoing and by way of illustration, the Association shall keep the Common Areas safe, attractive, clean, functional and in good repair and may make necessary or desirable alterations or improvements thereon. In the event repair, maintenance and/or reconstruction results from the willful neglect or destruction by an Owner or Owner's Guest, the Board of Directors shall have the right, after Notice and Hearing, to repair, maintain and/or reconstruct the Common Areas. The cost of maintenance, repair and/or reconstruction shall be chargeable to such Owner by an Individual Assessment in accordance with Paragraph 5.6. Determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this Paragraph shall be made by the Board of Directors and shall be final.

11.2 Failure to Maintain. Each Owner shall be responsible for the maintenance, repair and reconstruction of the exterior of the Owner's Dwelling Unit and the Owner's Lot. In the event any Owner shall fail to maintain the exterior or the Owner's Dwelling Unit or Lot in a manner satisfactory to the Board of Directors, the Board of Directors shall have the right and duty, after Notice and Hearing, to enter upon the Lot and repair, maintain and/or reconstruct the Owner's Dwelling Unit and the Lot. However,, Notice and Hearing shall not be required in the case of an emergency that is creating a danger to the Common Areas contrary to the intent and meaning of the provisions of this Declaration. If the Association undertakes action without

Notice and Hearing, the action undertaken shall be the minimum necessary to eliminate the emergency. The cost of such maintenance, repair and/or reconstruction shall be chargeable to the Owner by an Individual Assessment in accordance with Paragraph 5.6.

11.3 Maintenance of Drainage Pattern. There shall be no interference with the established drainage pattern initially established by the Declarant over any portion of The Planned Community, except as approved in writing by the Design Review Committee.

ARTICLE TWELVE: FIRST MORTGAGEE PROVISIONS

12.1 Benefit of Provision. The provisions of this Article are for the benefit of holders, insurers, or guarantors of holders of first mortgages recorded against Lots within The Planned Community who qualify as a Eligible Mortgagee as defined in Paragraph 1.22.

12.2 Notice of Action. Each Eligible Mortgagee shall be entitled to written notice of:
(a) Any material condemnation loss or casualty loss which affects a material portion of The Planned Community or any Lot encumbered by a first mortgage held, insured, or guaranteed by an Eligible Mortgagee;
(b) Any delinquency in the payment of the Common Expense Assessment owed by an Owner whose Lot encumbered by a first mortgage held, insured, or guaranteed by an Eligible Mortgagee, if this delinquency remains uncured for sixty days;
(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees.

12.3 Amendment to Documents/Special Approvals.
(a) Except as to amendments effected by the exercise of any Development Rights and Special Declarant Rights or as otherwise permitted under the Act, the consent of Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated shall be required to add to or amend any material provisions of this Declaration. However, the approval of at least fifty-one percent (51%) of the Eligible Mortgagees (which percentage is measured by votes allocated to Dwelling Units), shall also be required if the amendment adds or deletes any material provision pertaining to the following (unless the amendment is solely for the purpose of correcting technical errors or for clarification only).
(i) Voting rights;
(ii) Assessments, Assessment Liens, or the priority of the Assessment Lien;
(iii) Reserves for maintenance, repair and replacement of the Common Areas;
(iv) Responsibility for maintenance and repair of any portion of the Common Areas;
(v) Right to use the Common Areas;
(vi) Convertibility of Lots into Common Areas or Common Areas into Lots;
(vii) Subject to the provisions of Article Nine, expansion or contraction of The Planned Community or the addition, annexation or withdrawal of property to or from The

Planned Community;

(viii) Insurance or fidelity bonds;
(ix) Leasing of Dwelling Units;
(x) Imposition of any restrictions on an Owner's right to sell or transfer his or her Lot or Dwelling Unit;
(xi) A decision by the Association to establish self-management of the Association, when professional management had previously been required by an Eligible Mortgagee;
(xii) Any provisions which are for the express benefit of First Mortgagees;
(xiii) Reconstruct or repair of The Planned Community after damage due to an insurable hazard or a partial condemnation in a manner other than specified in the Project Documents;
(xiv) Merger of The Planned Community with any other planned community; and
(xv) A determination not repair or reconstruct in the event of substantial destruction of any part of a Lot or the Common Areas.

12.4 Special FHIMC Provisions. The following requirements apply in addition to and not in lieu of the foregoing, unless at least sixty-seven percent of the Eligible Mortgagees (which percentage is measured by votes allocated to Dwelling Units) or Owners (other than Declarant) have given their prior written approval, the Association is not entitled to take any of the following actions:
(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer any property owned directly or indirectly, by the Association (excluding the granting of permits, licenses and easements for public utilities, roads or other purposes reasonably necessary or useful for the proper maintenance or operation of the property or the Association);
(b) Change the method of determining the obligations, assessments, dues or other charges, which may be levied against an Owner;
(c) Partition or subdivide any Lot;
(d) By act or omission seek to abandon or terminate The Planned Community; and
(e) Use hazard insurance proceeds for property losses in the Common Areas for purpose other than repair, replacement or reconstruction of this property.

12.5 Implied Approval. Implied approval by an Eligible Mortgagee shall be assumed when an Eligible Mortgagee fails to submit a response to any written proposal for an amendment within thirty days after the Eligible Mortgagee receives notice of the proposal, provided this notice was sent by certified or registered mail with return receipt requested.

12.6 Payment of Charges. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which mayor have become a charge against the Common Areas and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of any Association policy, and First Mortgagees making such payments shall be entitled to immediate reimbursement from the Association. Entitlement to such reimbursement is to be reflected in an agreement duly executed by the Association.

12.7 Payment and Records. Owners and their First Mortgagees shall have the right to

examine the books and records of the Association at the office of the Association in accordance with the procedure set forth in the Association's Bylaws or as otherwise determined by the Board of Directors.

ARTICLE THIRTEEN: DURATON, AMENDMENT AND TERMINATION OF THE DECLARATION.

13.1 Duration. The covenants, restrictions and obligations of this Declaration shall run with and bind the land in perpetuity until this Declaration is terminated in accordance with Paragraph 13.7.

13.2 Amendments by Owners. Except as expressly permitted or restricted elsewhere in this Declaration, the Declaration may be amended by the written agreement of Owners to which at least sixty-seven percent (67) of the votes in the Association are allocated. Any such amendment shall be effective upon the recording of the amendment together with a notarized certificate of the Secretary of the Association certifying that the requisite number of Owners and Eligible Mortgagees, if required, have given their written consent to the amendment. The Secretary shall further certify that originals of the written consents by Owners and Eligible Mortgagees, as applicable, along with the recorded amendment, are in the records of the Association and available for inspection. Each amendment to the Declaration must be recorded in accordance with the Act. Where a Lot is owned by more than one person, the execution of an amendment shall be valid if executed by any one Owner. Signatures need not be notarized. Amendments can be executed in counterparts, provided that the recorded document shall also contain a certification of the Secretary of the Association that all counterparts, as executed, are part of the document. No action shall be commenced or maintained to challenge the validity of any aspect of any amendment of the Declaration, Articles, or Bylaws unless it is commenced within one year from the effective date of the amendment, unless fraud or willful negligence is asserted and proven. Section 4.13 and Section 10.8 of the Declaration shall not be amended without the prior written consent of the Rural Ditch Company, the Boulder and Weld County Ditch Company, and the Godding Ditch Company.

13.3 Amendments by Declarant. Declarant reserves the right to amend, without the consent of Owners or Eligible Mortgagees, this Declaration, the Articles of Incorporation or Bylaws, anytime within the limitations set forth in Paragraph 9.3, as follows:
(a) To make nonmaterial changes, such as the correction of a technical, clerical, grammatical or typographical error or clarification of a statement.
(b) To comply with any requirements of any of the Agencies or to induce any of the agencies to make, purchase, sell, insure or guarantee First Mortgages.
(c) To comply with any requirements of the Act.

13.4 Consent of Declarant Required. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment of any provision of this Declaration shall not be effective unless Declarant has given its written consent to the amendment, which consent

shall be evidenced by the execution by Declarant of any certificate of Amendment. The foregoing requirement for consent of Declarant to any amendment shall terminate at the option of the Declarant by its written notice to the Secretary of the Association, but in any event, shall terminate without further act or deed in accordance with the limitations set forth in Paragraph 9.3.

13.5 Expenses. All expenses associated with preparing and recording an amendment shall be allocated in accordance with the Act.

ARTICLE FOURTEEN: GENERAL PROVISIONS

14.1 Right of Action. The Association and any aggrieved Owner shall have an appropriate right of action against an Owner for such Owner's failure to comply with this Declaration, the Article of Incorporation, and Bylaws, the Rules and Regulations, or with decisions of the Board of Directors, which are made pursuant thereto, Owners shall have a similar right of action against the Association.

14.2 Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Owner and their heirs, personal representatives, successors and assigns.

14.3 Severability. Any portion of this Declaration invalidated in any manner whatsoever shall not be deemed to affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

14.4 No Waiver. No provision contained in the Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches, which may occur.

14.5 Registration by Owner of Mailing Address. Each Owner shall register his or her mailing address with the Association, and except for monthly statements and other routine notices, which shall be personally delivered or sent by regular mail, all other notices or demands intended to be served upon an Owner shall be delivered personally or sent by either registered or certified mail, postage prepaid, return receipt requested, addressed in the name of the Owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Board of Directors or the Association shall be sent by certified mail, postage prepaid, to Wayne Barcewski, St. Vrain Development, LLC, 2531 East 126th Way, Thornton, Colorado

80241, unless a different person or address is established as the Registered Agent of the Association by a notice duly filed with the Office of the Secretary of State of Colorado.

14.6 Conflict. The Project Documents are intended to comply with the requirements of the Act and the Colorado Nonprofit Corporation Act. If there is any conflict between the Project Documents and the provisions of the Act or the Colorado Nonprofit Corporation Act, the provisions of the Act or the Colorado Nonprofit Corporation Act shall control. In the event of any conflict between this Declaration and any other Project Documents, this Declaration shall control.

14.7 Mergers. The Planned Community may be merged or consolidated with another planned community of the same form of ownership by complying with 38.33.3-221 of the Act.

14.8 Attorney's Fees and Costs. If any action is brought in a court of law or placed in arbitration as to the enforcement, interpretation, or construction of any of the provisions of this Declaration, the prevailing party in such action shall be entitled to reasonable attorneys' fees as well as all costs incurred in the prosecution or defense of such action.

14.9 Captions. The captions and headings in this Declaration are for convenience only, and shall not be considered in construing any provision of this Declaration.

14.10 Numbers and Genders. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, plural the singular, and the use of any gender shall include all genders.

14.11 Lateral Water. Any water located in or flowing through any ditch lateral located within the Planned Community is not owned by the Association and neither the Association nor any Owner shall have any rights or interest therein by virtue of this Declaration.

In witness whereof, the Declarant has caused this Declaration to be executed on the date specified below.

St. Vrain Development LLC, a Colorado limited liability company

By:_____
Wayne Barcewski, Managing Member

State of Colorado)
) ss

County of__Adams____)

The foregoing instrument was acknowledged before me on __11-7____, 2001, by Wayne Barcewski as Managing Member of St. Vrain Development LLC, a Colorado limited liability company.

My commission expires:_____ _____
Witness my seal and official seal. Notary Public
[Seal}

_____
_____
Notary Public Address

EXHIBIT A
To the Declaration of Covenants,
Conditions and Restrictions
Of
Rinn Valley Ranch Filing No. 1

Legal Description of Rinn Valley Ranch Filing No. 1

A parcel of land in the Southwest one-quarter of Section 15, Township 2 North, Range 68 West of the 6th P.M., Weld County, Colorado, being more particularly described as follows:

Commencing at the Southwest corner of said Section 15, thence N00°04'55"W, 1584.52 feet along the West line of the Southwest one-quarter of said Section 15 to the true point of beginning, thence N00°04'55"W, 1073.50 feet along said West line to the West one-quarter corner of said Section 15; thence N89°58'58"E, 27.00 feet along the North line of the Southwest one-quarter of Section 15; thence S00°04'55"E, 607.00 feet; thence N34° 14'02"E, 734.35 feet to a point on said North line; thence N89°58'58"E, 2212.01 feet along said North line to the center one-quarter corner of said Section 15; thence S00° 08'51"E, 1411.54 feet along the East line of the Southwest one-quarter of said Section 15 to a point from which the South one-Quarter of said Section 15 bears S00°08'51"E, 1247.28 feet; thence S89°44'07"W, 1469.33 feet to a point of tangency on a curve to the right having a deflection angle of 44°30'19" and a radius of 405.00 feet; thence along said curve to the right 314.59 feet to a point of tangency on a curve to the left having a deflection angle of 36°59'31" and a radius of 845.00 feet; thence along said curve to the left 545.56 feet to a point of tangency on a curve to the left having a deflection angle of 08°25'15" and a radius of 134.00 feet; thence along said curve to the left 19.69 feet; thence S88°49'41"W, 218.90 feet; thence S89°55'05"W, 179.94 feet to the true point of beginning, containing 79.911 acres more or less.

EXHIBIT B
To the Declaration of Covenants,
Conditions and Restrictions
of
Rinn Valley Ranch Filing No.

Legal Description of Rinn Valley Ranch Filing No. 2

A parcel of land in the Southwest one-quarter of Section 15, Township 2 North, Range 68 West of the 6th P.M., Weld County, Colorado, being more particularly described as follows:

Commencing at the Southwest corner of said Section 15, being the true point of beginning, thence N00°04'55"W, along the West line of said Southwest one-quarter, 1130.00 feet; thence N 89°52'15"E, 209.00 feet: thence N00°04'55"W, 209.00 feet; thence S89°52'15"W, 209.00 feet to a point on the said West line: thence N00°04'55"W, along said West line, 245.52 feet; thence N89°55'05"E, 179.94 feet: thence N88°49'41"E, 218.90 feet to a point of tangency on a curve to the right having a deflection angle of 08°25'15" and a radius of 134.00 feet; thence along said curve to the right 19.69 feet to a point of tangency on a curve to the right having a deflection angle of 36°59'31" and a radius of 845.00 feet; thence along said curve to the right 545.56 feet to a point of tangency on a curve to the left having a deflection angle of 44°30'19" and a radius of 405.00 feet; thence along said curve to the left 314.59 feet: thence N89°44'07"E, 1469.33 feet to a point on the East line of aforesaid Southwest one-quarter; thence S00°08'51"E, along said East line, 256.76; thence N80°32'00"W, 134.67 feet; thence S58°11'00"W, 37.60 feet; thence S05°015'00E, 407.00 feet; thence S16°51'00"W, 110.80 feet; S41°55'00"W, 54.80 feet; thence S62°46'00"W, 157.50 feet; thence S49°33'00W, 254.90 feet; thence S81°50'00W, 85.80 feet; thence N00°10'00"W, 9.60 feet; thence N88°07'00"W, 165.00 feet; thence S73°23'00"W, 54.50

feet; thence S02°33’00”W, 190.75 feet to a point on the south line of the aforesaid Southwest one-quarter; thence N90°00’00”W, along said South line, 1812.74 feet to the true point of beginning, containing 73.294 acres, more or less.

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