



CAÑON CITY AREA FIRE PROTECTION DISTRICT

1475 North 15th Street
Cañon City, Colorado 81212
(719) 275-8666

September 22, 2021

Mr. Ty Seufer
Royal Gorge Ranch & Resort
Canon City, CO 81212

RE: Road Status for Emergency Vehicle Access

Hello Ty,

After several inspections and emergency vehicle access trips through the proposed development, the Fire District finds the current configuration of roadways to meet our minimum requirements for emergency vehicle access to individual homesites and fire cisterns, subject to ordinary adverse weather conditions that may be present. This acceptance is subject to all conditions previously identified through correspondence from the District.

Please advise me if you need any further verification or documentation.

Regards,

David DelVecchio

David DelVecchio
Fire Chief



FREMONT COUNTY FIRE PROTECTION PLAN AND DISTRICT COMMENT FORM

The Fremont County Subdivision Regulations and Fremont County Zoning Resolution require a fire protection plan be submitted with many different types of applications, at the time of application submittal. In order to provide consistency in the information received, it shall be required that these plans be submitted on this form.

The Fremont County Department of Planning and Zoning (Department), Fremont County Planning Commission (Commission) and Fremont County Board of County Commissioners (Board) take into consideration the responses of the Applicant and the District during their respective review process.

Attachments can be made to this form to provide expanded narrative for any application item including supportive documentation or evidence for provided form item answers. Please indicate at the form item that there is an attachment and label it as an exhibit with the application item number, a period and the number of the attachment for that item (*as an example, the first attached document providing evidence in support of the answer given at application item number 4 would be marked - Exhibit 4.1, the fifth attached document supporting the narrative provided for application item 4 would be marked - Exhibit 4.5*). Exhibit numbers should be placed in either the lower right hand area or the upper right hand area of the exhibit.

If the subject property is not in a fire protection district, only applicants' information and map are required. A copy of the Colorado State Forest Service Wildfire Hazard Area Map with the subject property clearly and accurately located, shall be attached and marked as Exhibit A.

APPLICANT INFORMATION

1. Project Name Royal Gorge Ranch & Resort

2. Type of application:

- | | |
|--|--|
| ☐ Zone Change #1 | ☐ Special Review Use Permit |
| ☐ Zone Change #2 – Use Designation Plan | ☐ Conditional Use Permit |
| ☐ Zone Change #2 – Final Development Plan | ☐ Temporary Use Permit |
| ☐ Commercial Development Plan | ☐ Change of Use of Property |
| ☐ Commercial Development Modification | ☐ Subdivision Preliminary Plan |
| ☐ Expansion of an existing Business or Industrial Use | ☐ Minor Subdivision |
| | ☒ Mountain PUD Sketch Plan |

3. The subject property is located at:

1337 County Road 3A

Address and or General Location (*If general location only is used, it will be required that a legal description of the subject property be attached Marked as Exhibit 3.1*) ☐ An exhibit is attached.

4. Fire protection will be provided in what manner and with what resources? _____

Fire Protection Cisterns (Qty 4; minimum flow 1000 GPM);

Access roads maintained for fire apparatus access.

5. The source of water for fire protection is:

☐ --- Water District – Name of District: _____

☐ --- Well – Colorado Division of Water Resources Well Permit Number: _____

Is the well approved for fire protection? ☐ Yes --- ☐ No Please explain: _____

☒ ---Cistern – What is the cistern capacity? Min. 30,000 Gallons – What is the water source for filling the cistern? _____

Hauled water from Canon City

6. What is the distance from the subject property to the nearest fire hydrant? ~ 8 miles

7. What public roadways provide access to the subject property? _____

County Road 3A

8. How many accesses to public roadways will the subject property have? _____

7 accesses to public roadways

9. Are the interior roadways existing and or proposed for the subject property adequate for fire vehicle access? ☒ Yes --- ☐ No Please explain by providing right-of-way and surface widths, length of roadway, surface types for all interior existing and proposed roadways and turning radii for cul-de-sacs. _____

Surface types: All gravel. All roadways currently meet fire department's standards for width and grade.

10. What are the existing and or proposed interior roadway names? Please see Exhibit 24.1.3

11. Is the subject property located within a fire protection district? ☒ Yes --- ☐ No

If yes, please provide the district name: Cañon City Area Fire Protection District

If the subject property is not located within a fire protection district please answer the following questions and the form will be considered completed for submittal. If the subject property is located within a fire protection district then answers to the following will not be required, however the remainder of the form shall be addressed by a representative of the fire protection district in which the subject property is located.

a. What is the name of the fire protection district closest to the subject property? _____

b. What is the distance from the subject property to the nearest fire protection district boundary? _____

c. Is it logical and feasible to annex the subject property to a fire protection district?

☐ Yes ----- ☐ No Please explain: _____

d. What types of fire protection improvements are proposed for the subject property and or structures to be housed on the property? Please explain: _____

By signing this Application, the Applicant, or the agent/representative acting with due authorization on behalf of the Applicant, hereby certifies that all information contained in the application and any attachments to the Application, is true and correct to the best of Applicant's knowledge and belief.

Applicant understands that any required private or public improvements imposed as a contingency for approval of the application may be required as a part of the approval process.

Fremont County hereby advises Applicant that if any material information contained herein is determined to be misleading, inaccurate or false, the Board of Commissioners may take any and all reasonable and appropriate steps to declare actions of the Board regarding the Application to be null and void.

Signing this Application is a declaration by the Applicant to conform to all plans, drawings, and commitments submitted with or contained within this Application, provided that the same is in conformance with the Fremont County Zoning Resolution.

Ty Seufer
Applicant Printed Name


Signature

March 17, 2025
Date

Owner Printed Name

Signature

Date

FIRE PROTECTION AUTHORITY INFORMATION

1. The name of the fire protection authority is: Canon City Area Fire Protection District
2. Name of contact person: Austin Breuninger
Title: Life Safety Officer Telephone: 719.275.8666
3. The name and address of the responding fire station is: Station 2, 1349 Elm Ave, Canon City
4. The distance from the subject property, by public roadway, to the responding fire station is: 12 miles
5. The estimated response time to the subject property is: 15 minutes
6. The location of the closest fire hydrant to the subject property is: 8 miles
7. Is the existing hydrant size and location adequate for the existing neighborhood and the proposed development? ☐ Yes --- ☒ No Please explain: (4) 30k gallon cisterns have been strategically placed in order to provide neighborhood fire protection water
8. Are the existing public roadways accessing the subject property adequate for fire vehicle access? ☒ Yes --- ☐ No Please explain: _____
9. Are the interior roadways existing and or proposed for the subject property adequate for fire vehicle access? ☒ Yes --- ☐ No Please explain: _____
10. Are the proposed fire protection measures adequate for any existing or proposed structures to be housed on the subject property? ☒ Yes --- ☐ No Please explain: _____
11. What are the wildfire hazard classifications for the subject property, as prepared by the Colorado State Forest Service? Moderate fire intensity

12. Recommendations concerning fire protection in general, fire protection improvements, suggested road names, for this project are as follows: **NOTE:** Be sure to list type, size and location of improvements recommended (i.e.; hydrants, water lines, cisterns, dry hydrants, roadway improvements, etc.). Please indicate whether recommendations or requirements are the result of codes or regulations, and provide supporting information which will assist the Planning Commission and the Board of County Commissioners to determine whether to adopt any or all of the recommendations as requirements of the permit.

Requirements based upon 2018 IFC, and NFPA standards 1194, 1141, 1142, 1144

Fire mitigation required along roadways, home sites, and cisterns

Road names and home site have yet to be addressed

Knox gate access required for all restricted access points of the development

 Life Safety CCFD
Signature and title of Authorized Fire Protection Representative

20 MAR 2015
Date

John Grieve
CSFS Forester-Retired
611 Dalmatian Dr.
Canon City, CO 81212

April 29, 2025

To Whom It May Concern,

In August of 2020, as District Forester for CSFS Canon City office, I prepared a Wildfire Hazard Review for the proposed Royal Gorge Ranch and Resort. I have recently reviewed this report as well as an updated plat map of the proposed development.

I can see no significant changes to the development that would affect my report dated in 2020.

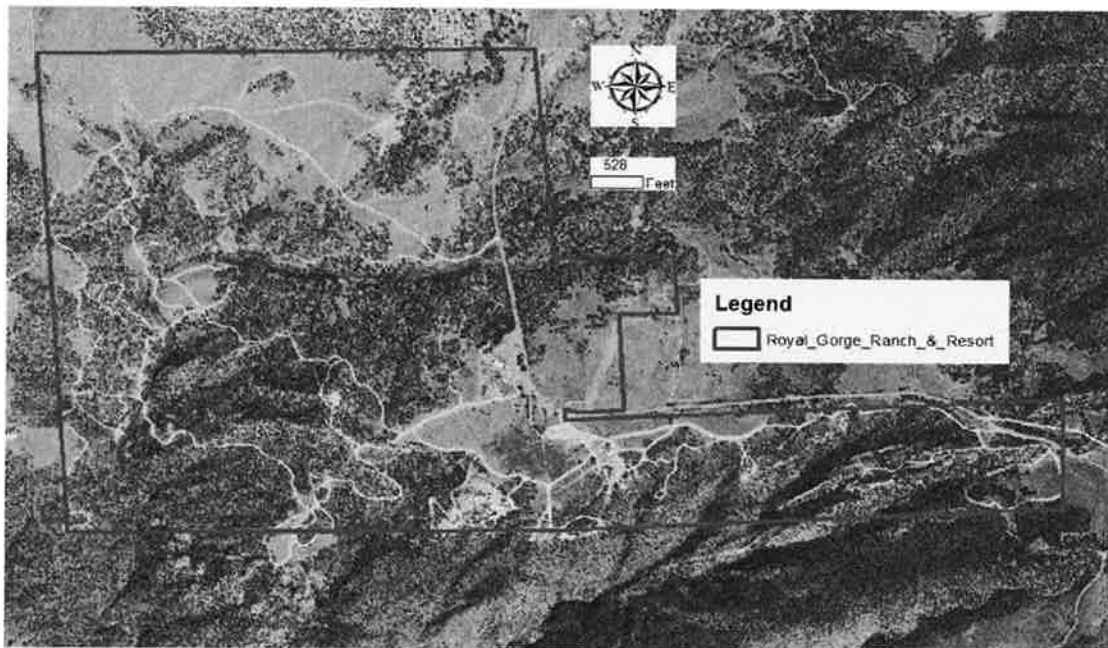
Respectfully
John Grieve
Forester-Retired

Royal Gorge Ranch and Resort
Wildfire Hazard Review
August 2020
John Grieve
Colorado State Forest Service
For
Heidi Anderson
Controller
Royal Gorge Rafting & Zip Line Tours
Royal Gorge Ranch & Resort
White Water Bar & Grill
Castle Rock Adventure Park

Hello Heidi,

On August 26, 2020 I toured the development sites A-E as shown on the maps you provided, dated 08/08/2020, to assess vegetative and terrain conditions. Wildfire behavior is influenced by available fuels, topography and weather conditions.

The dominant vegetation on Royal Gorge Ranch and Resorts (RGRR) is Pinyon pine and One-seed juniper. Mixed brush and grass make up a continuous layer of surface vegetation, which forms small and large meadows, particularly in the northern portion of RGRR. The aerial image below shows the arrangement of the dominant vegetative type (darker) and the meadows (lighter)

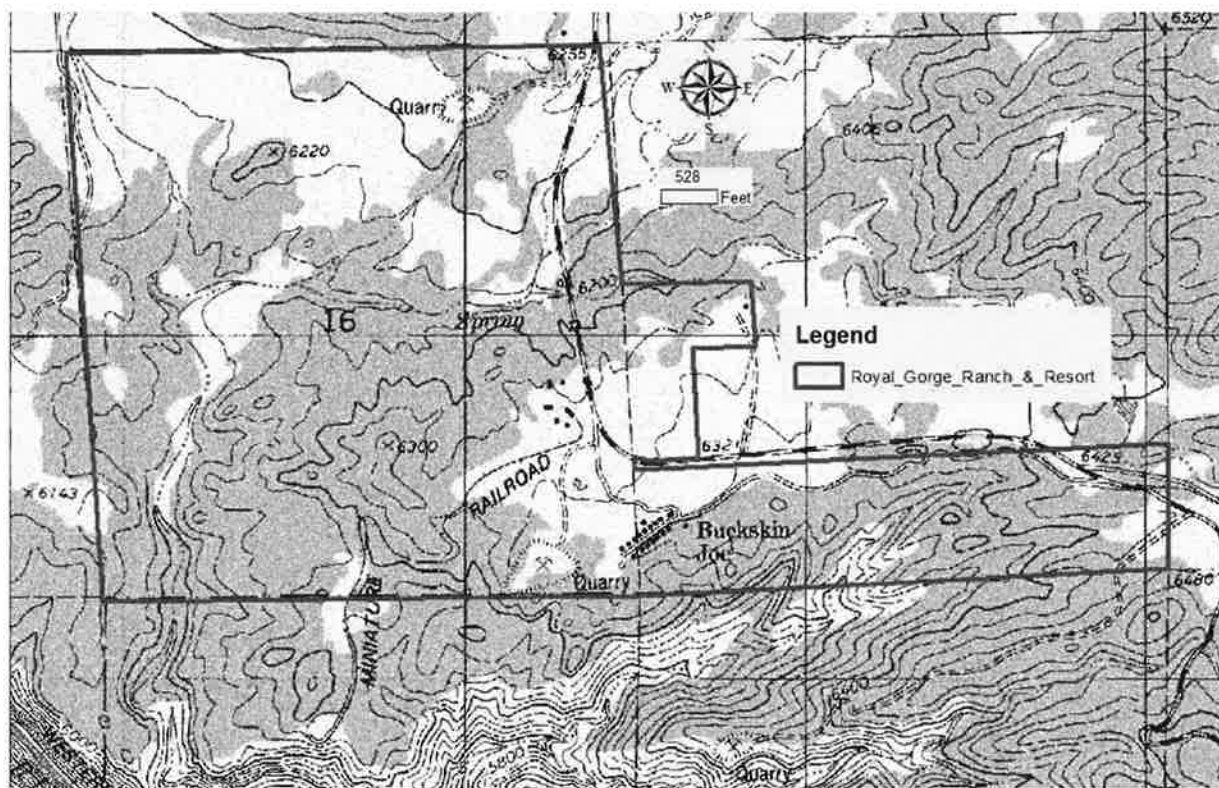


The condition of the Pinyon / Juniper woodlands has been adversely affected by bark beetles which infest and kill their primary host, Pinyon pine. As a result of past and ongoing bark beetle activity, there are a significant number of dead Pinyon pines both standing and lying on the ground which provide a significant amount of dry fuel for wildfire.

Light fuels such as short grass and widely scattered brush typically fuel fast moving fires of lower relative heat output at the flaming front. The fuel burns quickly and does not sustain flames long after the fire front has moved through the area. Areas of dense brush burn with more heat output and longer lasting flames. The rate of fire spread can be rapid, especially if there is a continuous layer of grass mixed with the brush to help carry fire forward. Adding another layer of fuel such as Pinyon / Juniper woodlands can fuel a fire with extreme heat output and much longer burning times. With the light fuels acting as the primary carrier of the fire, the rate of spread can remain rapid.

Terrain features such as steeper slopes effect wildfire behavior primarily by preheating fuels and positioning of fuel more directly in line with rising heat and flame. The uphill rate of fire spread increases with increased slope, with the rate (roughly) doubling with every 30% increase in slope when other factors (fuels, weather) remain equal.

The terrain in the western portion of RGRR (Areas A-D on the maps you provided) is gentle to moderate with slopes ranging from 10 to 30%. The steeper slopes are generally associated with intermittent drainages and small gullies which become more prevalent in the south half of this section of the property. Area E, which forms the southeastern leg of the property, has the steepest slopes which frequently exceed 50%. A deep and wide drainage with several steep side drainages leads to the river in the bottom of the gorge. This dominant terrain feature, which provides some of the more spectacular views on RGRR property could pose a threat in the event of a wildfire as it forms a chute or path for fire to spread uphill. The drainage can be seen in the aerial image on the previous page. A topographic map is shown below. (each contour line represents a 40 foot elevation change.)



Wildland-Urban Interface Risk Index:

The Wildland-Urban Interface Risk Index, created by the Colorado State Forest Service, is a rating of the potential impact of a wildfire on people and their homes. It is created using housing density combined with modeled fire behavior to determine where the greatest potential impact to people and homes is likely to occur. The index is calculated consistently for each Colorado county, available in the Colorado Forest Atlas at coloradoforestatlas.org.

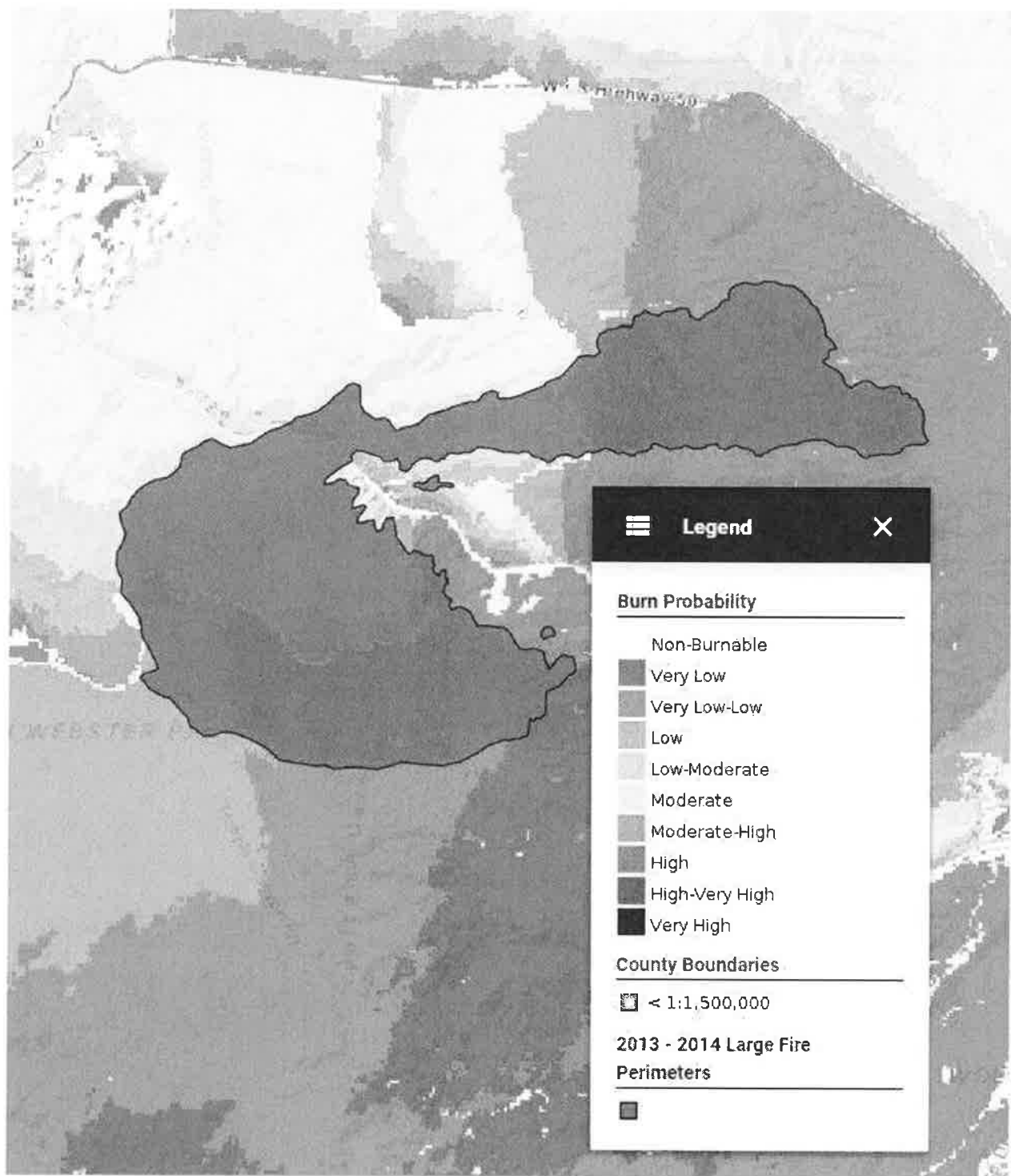
The above referenced database was used to generate a general review of the wildfire risks associated with RGRR. Maps produced by the dataset use a 30 meter per pixel resolution, which is appropriate for larger subdivisions but impractical for individual properties within a subdivision. Finer details of individual properties can be lost in the broader picture. The dataset was intended to be used in conjunction with on-site inspection of small properties. The dataset can be viewed with various themes.

Burn Probability:

Burn Probability (BP) is the annual probability of any location burning due to a wildfire. The annual BP was calculated as the number of times that a cell (30 meters x 30 meters) was burned and the number of iterations used to run the models. The annual BP was estimated for Colorado by using a stochastic (Monte Carlo) wildfire simulation approach with Technosylva's Wildfire Analyst software (www.WildfireAnalyst.com). A total number of 2,342,334 fires were simulated (3,200,000 if we consider those fires outside the Colorado border which were used in a buffer area around the study area to compute BP) with a mean ignition density of 8.68 fires/km². (from coloradoforestatlas.org)

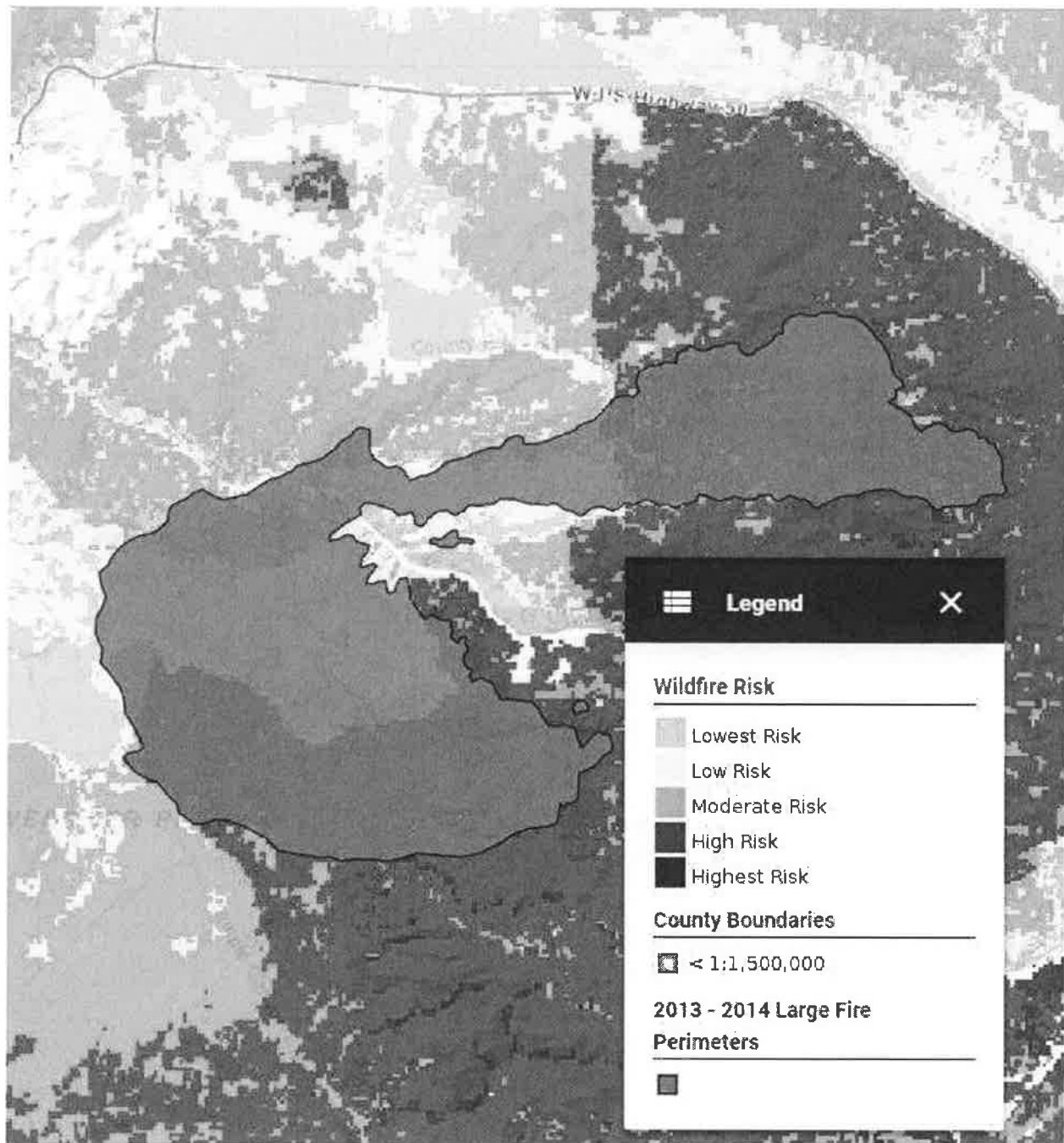
The map showing burn probability (as well as subsequent theme maps) does not include an overlay of the RGRR property boundary. I hope to be able to correct this mapping deficiency in the future with better integration of the forest atlas data set with my local GIS mapping software. For now, please use county road 3A which appears on the map as a thin white line for spatial reference. The burn footprint of the Royal Gorge fire is also shown for spatial reference.

The map shows that the RGRR property has a moderate burn probability. (see map on following page.)



Wildfire Risk:

Wildfire Risk is a composite risk map created by combining the Values at Risk Rating and the Burn Probability layers. It identifies areas with the greatest potential impacts from a wildfire – i.e. those areas most at risk when considering the four values layers. The Values at Risk Rating is a key component of Wildfire Risk. It is comprised of several individual risk layers including Wildland Urban Interface (housing density), Forest Assets, Riparian Assets and Drinking Water Importance.

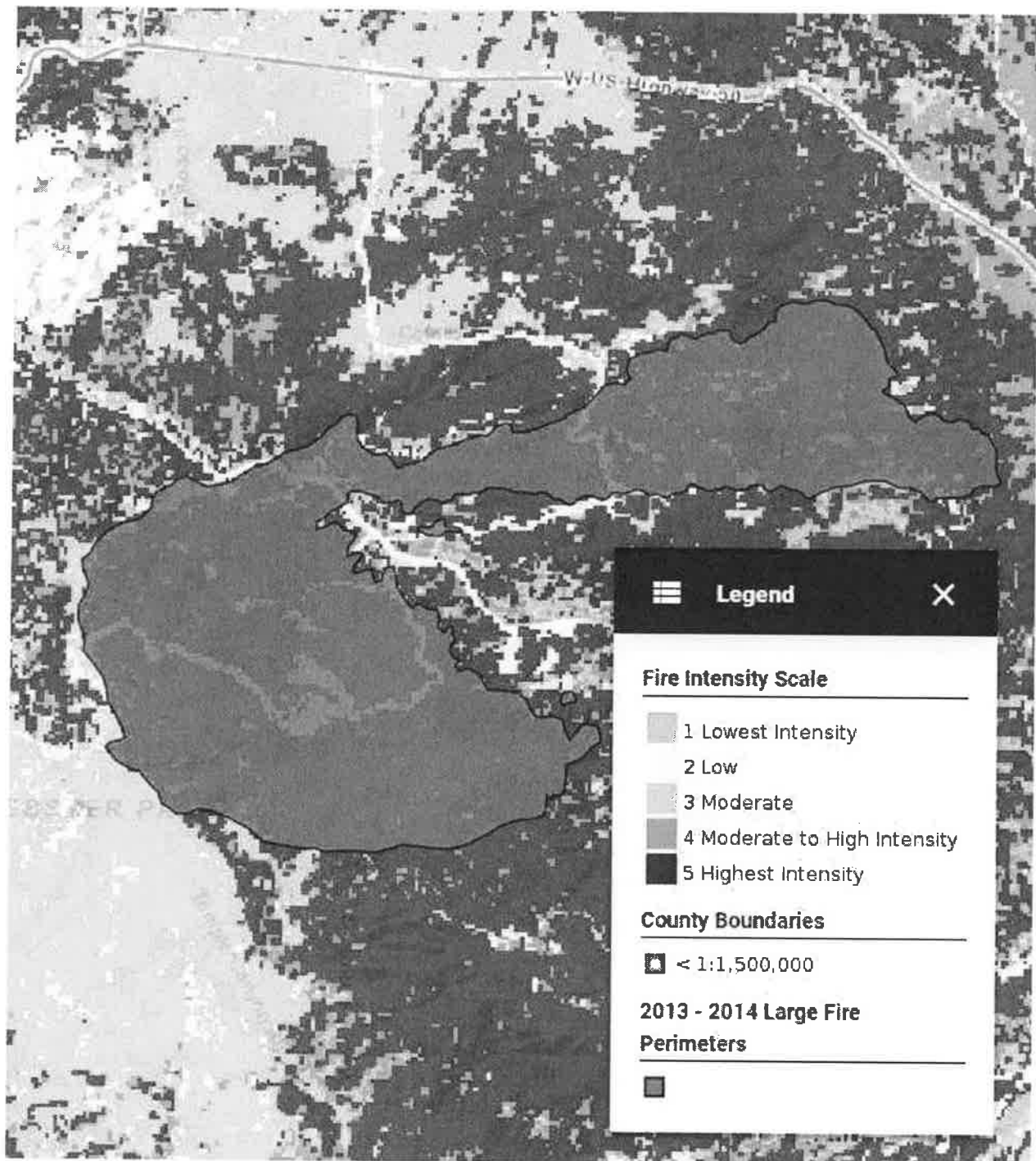


The wildfire risk theme map shows that the RGRR property has a moderate wildfire risk. Clearly, this map reflects the current values associated with the property. The addition of homes built on the property will add to the “values at risk” component used to produce the map and thus the overall wildfire risk will increase.

Fire Intensity Scale:

Fire Intensity Scale (FIS) specifically identifies areas where significant fuel hazards and associated dangerous fire behavior potential exist. Similar to the Richter scale for earthquakes, FIS provides a standard scale to measure potential wildfire intensity. FIS consist of five (5) classes where the order of

magnitude between classes is ten-fold. The minimum class, Class 1, represents very low wildfire intensities and the maximum class, Class 5, represents very high wildfire intensities.



This map shows that very high intensity wildfires are possible over much of the RGR property. Fires that burn with this highest intensity level are very resistant to suppression efforts. Such fires are capable of producing flames over 100 feet long and often produce their own winds due to strong convectional lifting (heat rising). Fire spread is increased by lifting and casting forward, small burning embers, which

can ignite fuel ahead of the main fire (spotting). Long range spotting is also possible. The Royal Gorge fire spread across the gorge from west to east by long range spotting. The potential wildfire behavior poses great potential harm or damage to life and property.

Mitigation of Risks:

Of the three primary factors effecting wildfire behavior (Fuels, Topography and Weather) only fuel can be practically manipulated. Reducing fuels serves to moderate wildfire behavior. The spatial arrangement of fuel is also an important consideration. When light, medium and heavy fuels (grass, brush, trees) are layered one over the other; the depth of the available fuel extends from the ground to the tree tops. Fire is often carried into tree tops by the close proximity of intermediate height fuels which carry the fire spread upward as well as across the landscape. Removing intermediate fuels such as brush and smaller trees from close proximity to trees desired for retention can reduce the potential for upward spread of fire. The effect is enhanced if lower limbs of retained trees are pruned to create a clear gap between grasses on the ground and the lowest branch of a retained tree. With reduced potential for vertical spread, it is possible for fire to burn across the landscape in lighter fuels alone, which do not have as much resistance to suppression efforts or potential for harm or destruction.

Fire can also spread from tree to tree across the landscape when trees are in close proximity to each other. Reducing fuels should also create horizontal separation of tree crowns and separation of trees from structures.

I strongly recommend that each home/structure built within RGRR include landscaping designed to reduce wildfire rate of spread and intensity. This landscape should extend a minimum of 100 feet from the total structure, including any projections such as decks, porches, or extended roof lines. Homes with exposures to steep, downhill slopes should add a foot of distance for each percentage of slope on the side(s) of the home with the downhill exposure.

CSFS publication 2012-1: [Protecting Your Home from Wildfire: Creating Wildfire-Defensible Zones](#) provides fairly detailed guidelines on how to create and manage the landscape around homes/structures for fire safety. I recommend that these guidelines be followed. A hard copy of this publication is included with this report. Additional copies are available for download from the CSFS website: <https://csfs.colostate.edu/>.

The fuel reduction guidelines for homes may also be applied to roads and driveways to help protect emergency access and evacuation routes in the event of a large wildfire.

I hope you find this information useful to your development plans. If you have any further questions or if anything needs to be clarified, please contact me at jgrieve@colostate.edu or 719-371-1134.



COLORADO

Parks and Wildlife

Department of Natural Resources

Salida Service Center
7405 W Highway 50
Salida, CO 81201
P 719.530.5520 | F 719.530.5554

FREMONT COUNTY
JAN 23 2020
PLANNING & ZONING

January 15, 2020

Tanya Fleming
Office Manager
Fremont County
Department of Planning and Zoning
615 Macon Ave, Room 210
Canon City, CO 81212

Subject: PP 19-001 Royal Gorge Ranch

Dear Mrs. Fleming,

The purpose of this letter is to provide land use comments regarding the proposed Royal Gorge Ranch development located at T 18S, R 71W portions of sections 15, 16, in Canon City, Colorado. The plan calls for 810 acres to be subdivided into 339 1-acre parcels with approximately 43% of the acreage for open space.

The proposed subdivision is located west of the City of Canon City. No known threatened or endangered species currently inhabit the site. The proposed development site is occupied by native short grass prairie plant species. Passerine bird species typical of this habitat type in the region are: species of sparrows, finches, wrens, swallows, humming birds, meadow larks, doves, scaled quail, ravens, crows, and Black-billed Magpie. Birds of prey such as, Red-tailed hawks, Swainson's hawks, Nighthawks, Kestrels, and owls are also common to this area. Reptiles of the area include the short-horned lizards, triploid checkered whiptail lizards, six lined race runner lizards, racer snakes, western hognose snakes, milk snakes, coachwhips, bull snakes, garter snakes, and the western rattle snake. Mammals of the area include Mule Deer, Mountain Lion, Black bear, foxes, raccoons, coyotes, cotton-tailed rabbits, jackrabbits, bats, pocket mice and other small rodent species. While some species in these lists may be migratory or only on the property intermittently other species are currently present on the proposed site. This will be the first subdivision in this general location with this level of development.

After reviewing the application and visiting the site, Colorado Parks and Wildlife (CPW), feels that wildlife impacts can be minimized provided measures are taken to avoid adverse effects upon wildlife and wildlife habitat.

With the location of the subdivision, owners of lots in this subdivision can expect to be visited by black bears, mountain lions, and mule deer. Generally, black bear complaints center around trash, which serves as an attractant for bears. We would recommend that lot owners invest in bear proof trash containers. Trash containers should be stored in their garage or in a solid locked storage shed until the morning of trash collection during those months when bears are most active (May - Oct.). Another possible alternative would be the use of a centralized and securely fenced trash collection site with the use of bear proof dumpsters that both homeowners and the local trash hauler would have access. This would eliminate the need for numerous individual trash cans. Homeowners should also keep their barbecues and any pet food locked away in the garage or a secure storage shed as well. CPW also recommends that barbecue grills be cleaned after each use, and placed in a secure area when not in use, so to not attract wildlife.



Exhibit 24c

Much of Colorado, including Fremont County, is prime mountain lion habitat. To reduce the risk of conflicts with mountain lion CPW ask property owners to follow a few simple precautions. Install outside lighting, so you could see a lion if present. Landscape or remove vegetation to eliminate hiding places for lions especially around children's play areas. Keep pets under control. Roaming pets are easy prey and can attract lions. Use of a kennel for dogs is recommended and should include a top panel to prevent mountain lions from gaining access. CPW recommends that pets not be allowed to roam free. Both dogs and cats chase, harass or prey on various wildlife species. CPW recommends that pets be fed inside and pet food stored inside the home, garage or other secure storage facility to prevent attracting nuisance or predatory wildlife species. If pets are fed outside, CPW recommends that feeding occur only for a specified period of time and food bowls returned afterwards to a secure site for storage. Food bowls left outside overnight attract a variety of wildlife.

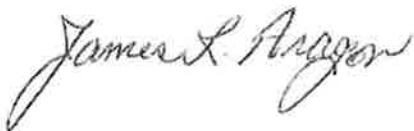
CPW notes that the feeding of most wildlife is prohibited, with the exception of birds. CPW would recommend that homeowners be discouraged from using bird feeders and hummingbird feeders since they also attract black bears. If bird feeders are used, CPW recommends they be brought in at night or placed so they are inaccessible to bears, raccoons, skunks and other wildlife species that might cause damage or threaten human safety.

CPW recommends that the developer utilize and maintain deer-resistant plantings in any development landscaping. The Colorado State University Extension provides a fact sheet "Preventing Deer Damage" to minimize conflicts. Deer will be present in the development.

CPW asks that the developer monitor and remove any invasive plant species as ground disturbance proceeds. The Colorado Weed Management Association provides the booklet "Noxious Weeds of Colorado" that provides information on identification and management of noxious weeds in Colorado.

Thank you for the opportunity to comment on this project. Should you have any questions please feel free to contact Bob Carochi, District Wildlife Manager, at (719)-276-8844.

Sincerely,



James L. Aragon
Area Wildlife Manager
Colorado Parks and Wildlife; Area 13-Salida
Cc: Bob Carochi, DWM

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

FOR

ROYAL GORGE RANCH AND RESORT

[Drafted September 2025]

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ROYAL GORGE RANCH AND RESORT

PREAMBLE

This Declaration of Covenants, Conditions and Restrictions establishes a governance structure and a flexible system of standards and procedures for the development, expansion, administration, maintenance, and preservation of Royal Gorge Ranch and Resort, a residential planned community located or to be located in Fremont County, Colorado. An integral part of the development plan is for The Royal Gorge Ranch and Resort Community Association, Inc., a Colorado nonprofit corporation (the "Association"), to own, operate and/or maintain various common areas, recreational amenities and other improvements and to administer and enforce this Declaration and the other Governing Documents.

DECLARATION OF COVENANTS

AJET Ventures, LLC, a Colorado limited liability company, its successors and assigns (the "Declarant"), by executing and recording this Declaration, declares that the property described in Exhibit "A" shall constitute the "Community" called Royal Gorge Ranch and Resort or "RGR&R", as referred to in this Declaration. This Declaration shall run with the title to such property, shall govern the development and use of such property, and shall be binding upon the Declarant and the future owners of any portion of the property, their respective heirs, successors, successors-in-title, and assigns, and any other person or entity that now or hereafter has any legal, equitable, or beneficial interest in any portion of such property.

This Declaration shall also be binding upon the Association, its successors and assigns. This Declaration is prepared pursuant to the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, et seq. (the "Act"), and the common interest community established by this document is a planned community as defined in the Act.

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Chapter 1 – GOVERNING DOCUMENTS

1.1 Scope and Applicability

The Community has been established and is administered pursuant to various documents that have a legal and binding effect on all owners and occupants of property in the Community, as well as on anyone else that may now or in the future have an interest in any portion of the property comprising the Community. Such documents, referred to in this Declaration as the “Governing Documents”, include this Declaration and the other documents described in Table 1.1, below, as they may be amended. All owners and occupants, as well as their tenants, guests, and invitees, are required to comply with the Governing Documents.

Governing Documents	
Declaration: (recorded)	this Declaration of Covenants, Conditions and Restrictions as it may be amended and supplemented, which creates obligations that are binding upon the Association and all present and future owners of property in RGR&R
Articles of Incorporation: (filed with the Colorado Secretary of State)	the Articles of Incorporation (“Articles”) of The Royal Gorge Ranch and Resort Community Association, Inc., as they may be amended, which establish the Association as a nonprofit corporation under Colorado law
By-Laws: (Board adopts)	the By-Laws of The Royal Gorge Ranch and Resort Community Association, Inc. adopted by its Board, as they may be amended, which generally govern the Association’s internal affairs, such as voting, elections, meetings, etc.
Guidelines: (Declarant adopts)	the design standards and architectural and aesthetic guidelines adopted pursuant to Chapter 6, as they may be amended, which govern new construction, including structures and other items on Units, and landscaping, and which also regulate modifications to Units, including improvements and landscaping, after initial construction or installation
Board Resolutions: (Board adopts)	the resolutions of the executive board of the Association to establish rules, regulations, policies, and procedures for internal governance or any other matter as permitted by the Act

Table 1.1 - Governing Documents

1.2 Conflicts

If there are conflicts between any of the Governing Documents and mandatory provisions of applicable federal, state or local law or regulation, the mandatory provisions of such law or regulation shall control. If there are conflicts between any of the Governing Documents and any permissive or non-mandatory provisions of applicable federal, state or local law or regulation, the Governing Documents shall control. If there are conflicts between or among any of the Governing Documents, then the Declaration, the Articles, the By-Laws, the Guidelines, and the Board Resolutions, in that order, shall control.

If any court determines that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision in other instances.

1.3 Definitions

Capitalized terms used in the Governing Documents have the meaning described in the paragraph where they first appear in bold print. An index of initial reference to defined terms may be found at the beginning of this Declaration for convenience only. All other terms used in the Governing Documents have their natural, commonly accepted definitions.

1.4 Interpretation of Certain References

Consent or Approval. All references in the Governing Documents to “consent” or “approval” shall refer to permission or approval, which unless otherwise expressly qualified in the specific provision, may be granted or withheld in the absolute and unqualified discretion of the Person whose consent or approval is required.

Discretion and Determination. All references in the Governing Documents to “discretion” or to the right to “determine” any matter shall refer to the sole and absolute power or right to decide or act for any reason or for no reason at all.

Person. References in the Governing Documents to a “Person” or “Persons” shall refer to an individual, a corporation, a partnership, a limited liability company, or any other legal entity.

Recording. All references in the Governing Documents to a “recorded” legal instrument, or to recordation or the recording of a legal instrument, shall refer to an instrument filed or the filing of a legal instrument in the official records of Clerk and Recorder of Fremont County, Colorado, or such other place designated as the official location for filing documents affecting title to real estate in Fremont County, Colorado, in order to make them a matter of public record.

Community-Wide Standard. Where the Governing Documents require compliance with the “Community-Wide Standard”, the standard to be applied is the highest of: (a) the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing in the Community; or (b) the minimum standards described in the Governing Documents. The Community-Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the discretion of the Board or the Reviewer (as defined in Chapter 6).

Maintenance. All references in this Declaration to “maintenance” shall refer to maintenance, repair, or replacement, as determined appropriate by the Board.

1.5 Plat

A plat of the Community (the “Plat”), along with a list of encumbrances affecting such property (the “Title Exceptions”) as required by § 38-33.3-209 of the Act are attached hereto as Exhibit “B” and Exhibit “C”, respectively.

Chapter 2 – COMMUNITY ADMINISTRATION

2.1 The Declarant

The Declarant has established the vision for the Community and, through the Governing Documents, has set forth the founding principles that will guide the Community during the initial period of development and sale. The Declarant’s proposed plan for development of the Community is described in the land use plan(s) for RGR&R as approved by Fremont County, as the plan(s) may be supplemented and amended, which encompasses all of the property described in Exhibit “A”.

The Declarant has reserved various rights in the Governing Documents with respect to development and administration of the Community. The Declarant may exercise certain of these rights throughout the “Development and Sale Period,” which is the period of time during which the Declarant or any “Declarant Affiliate” owns real property in the Community. A “Declarant Affiliate” is any Person that controls, is controlled by, or is under common control with the Declarant, and any Person who is an owner, a member, a partner, or a shareholder of the Declarant.

The Declarant has reserved other rights that may be exercised only during the “Declarant Control Period”, which is the period of time that the Declarant is entitled to appoint a majority of the members of the Board. The Declarant Control Period begins on the date of the Association’s incorporation and expires as provided by the Act.

The Declarant has certain approval rights for a limited period as provided in the By- Laws after the termination of the Declarant Control Period, as provided in the By-Laws.

The Declarant may assign its status and rights as the Declarant under the Governing Documents to any person who takes title to any portion of the property described in Exhibit “A” for the purpose of development and/or sale and may collaterally assign such rights to its lenders as provided by law.

2.2 The Association

The Declarant has established the Association as the primary entity responsible for administering RGR&R in accordance with the Governing Documents. The Association may exercise all rights and powers that the Governing Documents and Colorado law expressly grant to it, as well as any rights and powers that may reasonably be implied under the Governing Documents. The Association may also take any action reasonably necessary to effectuate any such right or power, subject to the limitations set forth in the Articles and the other Governing Documents.

2.3 The Board

The “Board” shall serve the same role, rights and responsibilities as the board of directors of a nonprofit corporation pursuant to Colorado corporate law and as the “executive board” as defined by the Act. Members of the Board are sometimes referred to in the Governing Documents as “directors”. The initial Board shall consist of three (3) directors, but may be expanded to no more than seven (7) or thereafter reduced to no less than (3), which changes in the number of members shall be made in accordance with the By-Laws. Unless the Governing Documents or Colorado law specifically provide otherwise, the Board may exercise the Association’s rights and powers without a vote of the membership.

The Board may institute, defend, settle, or intervene on behalf of the Association in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the Governing Documents, or any other civil claim or action, except as limited in the Governing Documents and, in all events, in compliance with the provisions of Chapter 19. However, the Board has no legal duty to institute litigation or any other proceeding on behalf of or in the name of the Association or its members.

2.4 The Owners

Each Person who holds record title to a Unit is referred to in the Governing Documents as an “Owner”. However, a Person who holds title merely as security for the performance of an obligation (such as a lender holding a mortgage or similar security instrument) is not

considered an “Owner”. If a Unit is sold under a recorded contract of sale, and the contract specifically so states, the purchaser (rather than the holder of fee simple title) will be considered the Owner. If a Unit has more than one Owner, all co-Owners are jointly and severally obligated to perform the responsibilities of the Owner under the Governing Documents.

Every Owner has a responsibility to comply with the Governing Documents and uphold the community standards described in this Declaration. Each Owner also has an opportunity to participate in the administration of the Community through membership in the Association and through service to the Community in various committee and leadership roles, as described in Chapters 3 and 4 and in the By-Laws.

2.5 Builders

Much of the responsibility and credit for helping to create RGR&R rests with the “Builders” - those Persons who purchase one or more unimproved lots or parcels of land within RGR&R for construction and sale of finished Units in the ordinary course of their business. The Builders have the same privileges and responsibilities as other Owners during the time that they own Units for construction and sale, including the privileges of membership in the Association. In addition, the Declarant may grant any of the rights it has reserved under the Governing Documents with respect to development, marketing, and sale of property in the Community to such Builders as it may designate in its discretion.

2.6 Mortgagees

If a Unit is made subject to a mortgage or other form of security instrument affecting title to a Unit (“Mortgage”), then the holder or beneficiary of that Mortgage (“Mortgagee”) also has an interest in the administration of the Community.

Chapter 3 – COMMUNITY STRUCTURE AND ORGANIZATION

3.1 Designations of Properties Comprising the Community Units.

The Governing Documents refer to those parcels of land or defined physical spaces as shown on the Plat that are designated for independent legal ownership, use and occupancy in RGR&R as “Units”. The term “Unit” refers to the land, if any, which is part of the Unit, as well as to any structures or other improvements on the Unit, subject to the other terms and conditions of this Declaration. The term “Unit” does not include Common Area, as defined below, or property dedicated to the public. The Declarant reserves the right to create and develop within the Community as it may exist from time to time, one hundred and thirty-

eight (138) Units within RGR&R (“Maximum Units”). Declarant shall have no obligation to develop the maximum number of Units or any particular number of Units within the Community.

Building Sites. Within each Unit, an area will be designated for construction of a physical structure intended for human habitation, or a “Residence”. Prior to the construction of a Residence, each Building Site shall be the area defined by the Declarant, called the “Initial Building Site”. All Residences approved by the Design Review Committee shall be constructed within the Initial Building Site. After completion of construction of a Residence, the Owners of each Unit will be entitled to the exclusive use and possession the area defined by the exterior finished surfaces of the Residence and vertical planes located at the edges of any open patios, decks, seating areas or other approved exterior areas physically associated with and accessible from the Residence furthest from the exterior finished surfaces of the Residence (the “Final Building Site”). All portions of the Unit located outside of any Initial or Final Building Site, shall be Common Area.

Common Area. Any real or personal property and facilities that the Association owns or in which it otherwise holds possessory or use rights for the common use or benefit of the Community is referred to as “Common Area”. The Common Area also includes any property that the Association holds under a lease, any easements in favor of the Association, and any contract or obligations concerning the Association. The Common Area may include, but is not required to include, open space, trails and paths, parks, club house or community center, recreational facilities, utilities installations, fire suppression facilities, retaining walls, fences, landscaping improvements, signs, picnic tables and related facilities, benches, chairs, light poles and other lighting improvements, trash receptacles, planters and flower gardens, mail kiosks, those portions of the Community that, as of a particular time, are intended for use as streets and are not maintained by any governmental or quasi-governmental entity, which shall include all gravel, grading, paving, curbs, gutters, and sidewalks, if any (“Private Streets”), Private Streets signs, and gates or fences, among other things.

Area of Common Responsibility. All of the properties and facilities for which the Association has responsibility under the Governing Documents, or for which the Association otherwise agrees to assume responsibility, are collectively referred to in the Governing Documents as the “Area of Common Responsibility”, regardless of who owns them. The Area of Common Responsibility includes all of the Common Area and may also include Units or portions of Units and property dedicated to the public, such as public rights-of-way. The initial Area of Common Responsibility is described in Chapter 11.

3.2 Establishment of Election Districts

The Declarant may at any time and from time to time before the end of the Development and Sale Period establish "Election Districts" whereby each of the Board members of the Association are elected by the Owners of Units in a particular area within the Community, the boundaries of which shall be established by the Declarant. The number of Election Districts shall not exceed the number of directors; provided that the Declarant may require that a certain number of directors be elected "at large" by all of the Owners of Units in the Community. Once established, the boundaries of each Election District may be changed, provided they are not changed more frequently than every four years. If the Declarant establishes Election Districts, Owners of Units within each Election District shall have the right to elect such members of the Board as may be determined that shall represent such Election District and such Owners shall have no right to vote for the election of Directors to represent other Election Districts. Elections within Election Districts shall be held either by written ballot or at a meeting of the Owners within such Election District, as the Board may determine; provided, however, upon written petition signed by Owners holding at least twenty-five percent (25%) of the votes attributable to Units within the Election District, the election for such Election District shall be held at a meeting. If a meeting will be held for an election of a member of the Board for a particular Election District, notice of such meeting shall be provided to all Owners within the Election District in the manner provided in the By-Laws. The presence, in person or by proxy, of Owners representing at least twenty percent (20%) of the total votes attributable to Units in the Election District shall constitute a quorum at any Election District meeting. The Declarant may eliminate any Election District or the use of Election Districts, generally, after they are initially established, and may re-establish any Election District or the use of Election Districts, generally, after they are eliminated in its discretion. After the expiration of the Development and Sale Period, all of the powers reserved to the Declarant in this section may be exercised by the Board.

3.3 Service Areas

Units may be part of one or more "Service Areas" in which the Units have special access to specific recreational or other amenities, or receive special benefits or services from the Association that it does not provide to all Units within the Community. As an illustration only, but without limiting the generality of this section, a Service Area may consist of all the Units for which access is limited to an entry gate or fence or may consist of all Units in proximity to particular recreational facilities within the Community. The Association may charge the Owners of Units within a Service Area a reasonable management fee for the administration of such benefits or services. A Unit may be assigned to more than one Service Area, depending on the number and types of special benefits or services it receives. A Service Area may be comprised of Units of more than one type and may include Units that are not contiguous.

The Declarant may initially designate Service Areas (by name or other identifying designation) and assign Units to a particular Service Area in Exhibit "A", or in a Board Resolution. During the Development and Sale Period, the Declarant may unilaterally amend this Declaration to change Service Area boundaries or descriptions.

In addition, the Board may, by resolution, designate Service Areas and assign Units to them upon petition of Owners of at least sixty-seven percent (67%) of the Units affected by the proposed designation.

Chapter 4 – ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.1 Membership

The Association shall have one class of membership, which is comprised of all Owners, including Builders, and the Declarant, among others. Every Owner is automatically a member of the Association. However, there shall be only one membership per Unit. Thus, if a Unit has more than one Owner, all co-Owners of the Unit shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth below and in the By-Laws.

If an Owner is a corporation, a partnership, a limited liability company, or other legal entity, its membership rights may be exercised by any officer, director, partner, member, manager, or trustee, or by an individual the Owner designates from time to time in writing, except that only the individuals residing in the Unit shall be entitled to use any Common Area, recreational facilities or Service Area amenities or services available for use by Owners.

4.2 Voting

Each Unit is assigned one equal undivided vote, subject to the limitations on voting set forth in this Declaration and the other Governing Documents. No vote shall be exercised for any property exempt from assessment. No vote shall be exercised on behalf of any Unit if any assessment for such Unit is delinquent and past due for more than sixty (60) days. Additionally, the voting rights of any Owner may be suspended by the Association, after notice and opportunity to be heard in accordance with the By-Laws, if any Owner is not in good standing as a result of any uncured default under the Governing Documents.

Owners shall be entitled to vote (i) for the election of members to the Board in accordance with this Declaration, (ii) veto of the budget described in Section 5.2(e), (iii) matters referred to the Owners by the Board, and (iv) all other matters for which Owners are entitled to vote in accordance with applicable law.

If there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners holding a majority of the ownership interest in the Unit determine among themselves. Any co-Owner may cast the vote for the Unit and majority agreement shall be conclusively presumed unless another co-Owner of the Unit protests promptly to the President or other person presiding over the meeting or the balloting, in the case of a vote taken outside of a meeting. In the absence of majority agreement, the Unit's vote shall be suspended if two or more co-Owners seek to exercise it independently.

In any election of directors to the Board, if Election Districts have not been created in accordance with this Declaration or if the Board or the Declarant has decided to eliminate Election Districts in accordance with this Declaration, each Unit shall have the number of votes equal to the number of directors to be elected to the Board by such election; provided, however that only one vote may be cast with respect to the election of each director to be elected. If Election Districts exist, each Unit shall have one vote for each director to be elected to represent that Election District and, if the Board or the Declarant has determined that a specified number of directors shall be elected "at large", each Unit shall have the number of votes equal to the number of directors to be elected "at large"; provided, however, that only one vote may be cast with respect to the election of each director to be elected. Cumulative voting shall not be allowed in the election of directors to the Board or for any other purpose.

4.3 Opportunities for Community Interaction.

The Association may make use of computers, the internet, and expanding technology to facilitate community interaction and encourage participation in Association activities. For example, the Association may sponsor community social media accounts, create and maintain a community intranet or internet home page, maintain an "online" newsletter or bulletin board, and offer other technology-related services and opportunities for Owners and residents to interact and participate in Association-sponsored activities. To the extent not prohibited by Colorado law, and unless otherwise specifically prohibited in the Governing Documents, the Association may send notices by electronic means, hold Board or Association meetings and permit attendance and voting by electronic means, and send and collect assessment and other invoices by electronic means. The Association may adopt from time to time Board Resolutions requiring the Owners to supply the Association with appropriate addresses, user names, or other information for purposes of providing electronic notifications or communications.

Chapter 5 – ASSOCIATION FINANCES

5.1 Association Expenses

(a) Common Expenses. Except as the Governing Documents otherwise specifically provide, all of the expenses that the Association incurs, or expects to incur, in connection with the ownership, maintenance, and operation of the Area of Common Responsibility, and otherwise for the general benefit of the Owners, are considered “Common Expenses”. Common Expenses include such operating reserves and reserves for repair and replacement of capital items within the Area of Common Responsibility as the Board finds necessary or appropriate.

The characterization of a particular expense as a “Common Expense” shall not preclude the Association from seeking reimbursement for, or a contribution toward, such expenses from other Persons who may be responsible for the expenses incurred or for sharing such expenses pursuant to this Declaration or any other recorded covenants or agreements (whether or not such agreements are recorded).

(b) Service Area Expenses. All expenses that the Association incurs or expects to incur in connection with the ownership, maintenance, and operation of, or in providing other benefits and services to a Service Area, including any operating reserve or reserve for repair and replacement of capital items maintained for the benefit of the Service Area, are considered “Service Area Expenses”. Service Area Expenses may include a reasonable administrative charge in such amount as the Board deems appropriate, provided that any such administrative charge is applied at a uniform rate per Unit among all Service Areas receiving the same service.

5.2 Budgeting for and Allocating Association Expenses

(a) Preparation of Budget. Until the Association first levies assessments, the Declarant shall be responsible for all Common Expenses. Thereafter, assessments for Common Expenses shall be levied at least annually in accordance with this chapter.

At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year. In addition, the Board shall prepare a separate budget for each Service Area reflecting the estimated Service Area Expenses that the Association expects to incur for the benefit of such Service Area in the coming year.

The estimated expenses in each budget shall include, in addition to any operating reserves, a reasonable contribution to a reserve fund for repair and replacement of any capital items to be maintained as a Common Expense or as a Service Area Expense of the Service Area

for whom the budget is prepared, as applicable. In determining the amount of such reserve contribution, the Board may take into account the number and nature of replaceable assets, the expected useful life of each, the expected repair or replacement cost, and the contribution required to fund the projected needs by annual contributions over the useful life of the asset. In order to assist it in determining the amount of the reserves, the Board may, but is not obligated to, engage a third-party reserve specialist to help determine when capital items need to be replaced and to calculate their replacement cost over a period not to exceed thirty (30) years. Neither the Board nor any of its members shall have any liability whatsoever to Owners or to any other Persons on account of the fact that actual Common Expenses will vary from any budget of estimated Common Expenses.

Each budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units (including amounts to which the Association is entitled pursuant to any covenant or agreement to share costs), and the amount to be generated through the levy of Base Assessments and Service Area Assessments pursuant to subsections (b) and (c).

(b) Calculation of Base Assessments. The total budgeted Common Expenses, less any surplus in the Common Expense budget from prior years and any income anticipated from sources other than assessments against the Units, shall be allocated equally among all Units subject to assessment under Section 5.5 and levied as a “Base Assessment”.

(c) Calculation of Service Area Assessments. The total Service Area Expenses budgeted for each Service Area, less any surplus in such Service Area budget from prior years, shall be allocated among all Units in the Service Area that are subject to assessment under Section 5.5 and levied as a “Service Area Assessment”. Service Area Assessments shall be set at a uniform rate per Unit in the Service Area, except that any portion of the assessment intended for Unit specific services, exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures may be levied on each of the benefited Units in proportion to the benefit received, as the Board may reasonably determine.

All amounts the Association collects as Service Area Assessments shall be expended solely for the benefit of the Service Area for which they were collected and shall be accounted for separately from the Association’s general funds.

(d) Declarant’s Subsidy Option. The Declarant may, but shall not be obligated to, pay a subsidy to the Association, for any fiscal year, which may artificially reduce the Base Assessment for the applicable fiscal year. Any such subsidy may be treated as a

contribution to the Association, a payment of any assessment owed by the Declarant, an advance against future assessments due from the Declarant, a loan, or in any other appropriate manner in the Declarant's discretion. Payment of such subsidy in any year shall not obligate the Declarant to continue payment of such subsidy in future years unless otherwise provided in a separate written agreement. Notwithstanding the foregoing provisions of this section, if the Declarant pays any subsidy to the Association and it is subsequently determined by a court or arbitrator having jurisdiction over the matter that the Declarant owes the Association any amount of assessments for any prior period, then the subsidy or subsidies previously paid by the Declarant to the Association shall be credited against the amounts owed by the Declarant, notwithstanding any previous characterization of such subsidy (e.g., a contribution or an advance payment or a loan), except that in the case of a subsidy that the Declarant caused to be characterized as a loan, the amount of such subsidy that shall be credited against amounts owed by the Declarant shall be limited to the amounts of such loan that have not been previously repaid by the Association.

(e) Notice of Budget and Assessment; Right to Disapprove. The Board shall send a summary of each applicable budget, together with notice of the amount of the Base Assessment and any Service Area Assessment to be levied pursuant to such budgets and a notice setting the date of a meeting for the Owners to consider the budget, to each Owner within ninety (90) days from the date the Board adopts the budget. Regardless of the presence or absence of a quorum, the Common Expense budget shall automatically become effective unless disapproved at the meeting by seventy-five percent (75%) of the Owners. Each Service Area budget shall automatically become effective unless disapproved at the meeting by Owners of at least sixty-seven percent (67%) of the Units within the Service Area. If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

(f) Budget Revisions. The Board may revise the budget for the Community and/or for any Service Area and adjust the Base Assessment or Service Area Assessments anytime during the year, subject to the same notice requirements and rights to disapprove set forth in subsection (e) above.

5.3 Special Assessments

The Association may levy "Special Assessments" to cover Common Expenses or Service Area Expenses that are non-routine, unanticipated, or in excess of those anticipated in the applicable budget for any reason. Except as otherwise specifically provided in this Declaration, any Special Assessment for Common Expenses shall become effective and

shall be allocated equally among all Units that will be subject to the Special Assessment unless the Owners of at least sixty-seven percent (67%) of such Units disapprove at a meeting held within thirty (30) days after the levy of the Special Assessment by the Board. Any Special Assessment for Service Area Expenses shall be allocated in the same manner as Service Area Assessments and shall become effective unless the Owners of at least sixty-seven percent (67%) of the Units in the benefited Service Area disapprove at a meeting held within thirty (30) days after the levy of the Special Assessment by the Board. In addition, during the Development and Sale Period, any Special Assessment shall also require the Declarant's written consent. Special Assessments shall be payable in such manner and at such times as the Board determines and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

5.4 Specific Assessments

The Association may levy "Specific Assessments" against a particular Unit as follows:

- (a) to cover the costs, including overhead and administrative costs, of providing services to the Unit upon request of the Owner pursuant to any menu of optional services the Association may offer (which might include the items identified in Section 12.1). Specific Assessments for optional services may be levied in advance of the provision of the requested service;
- (b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents and costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; however, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this subsection (b); and
- (c) to cover the Unit's pro rata share of any costs that the Association incurs in bringing the Service Area of which the Unit is a part into compliance with the provisions of the Governing Documents; however, the Board must give prior written notice to the Owners of Units in the Service Area and an opportunity for such Owners to be heard, in accordance with the By-Laws, before levying any such Specific Assessment.

5.5 Authority to Assess Owners; Time of Payment

The Declarant hereby establishes, and the Association is hereby authorized to levy, assessments as provided for in this chapter and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Unit on the first day of the month following the date on which the Declarant transferred title to the Unit. The first annual Base Assessment and Service Area Assessment, if any, levied on each Unit shall be

adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

So long as any Unit within the Community consists of unimproved land or land upon which no Residence is being constructed or has been completed, and is not occupied, or the Unit contains any model home that is being used for sales and marketing purposes (each, an “Unfinished Unit”), Common Expenses not be assessed against it. For clarity, Common Expenses shall be assessed exclusively to Units in the Community that are not Unfinished Units, except to the extent expressly stated below in this Section 5.5 with respect to a portion of Common Expenses that will be assessed against Unfinished Units.

The Owners of Unfinished Units shall be required to pay only twenty-five percent (25%) of the Base Assessment that would otherwise be applicable to such Unit and for all purposes such percentage is deemed to be a reasonable determination of the portion of Common Expenses that benefit such Unit. Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit. The Board may also impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in installments. Unless the Board otherwise provides, the Base Assessment and any Service Area Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

5.6 Obligation for Assessments

By accepting a deed or entering into a recorded contract to purchase any Unit, each Owner covenants and agrees to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of eight percent (8%) per annum or such other rate as the Board may establish, subject to the limitations of Colorado law), late charges as determined by Board resolution, costs, and reasonable attorneys’ fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

The Board’s failure to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Service Area Assessments at the rate established for the last year

for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfall.

No Owner may exempt himself or herself from liability for assessments by non-use of Common Area, abandonment of his or her Unit, or non-use of services provided to all Units or to all Units within the Service Area to which the Unit is assigned. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, and with reasonable advance notice, the Association shall furnish to any Owner liable for any type of assessment a certificate signed by an Association officer or the Association's managing agent setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable preparation and processing fee for the issuance of such certificate.

5.7 Lien for Assessments

(a) Existence of Lien. In accordance with the Act, and subject to the limitations of any other applicable provisions of the Act or Colorado law, the Association shall have a statutory lien against each Unit to secure payment of assessments, as well as interest, late charges (subject to the limitations of Colorado law), and costs of collection (including attorneys' fees and expenses). Such lien shall be superior to all other liens except as provided in the Act.

(b) Enforcement of Lien. The Association may foreclose its statutory lien in like manner as a mortgage on real estate. The Association may also bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; and (b) no assessment shall be levied on it. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same, in addition to pursuing any and all remedies allowed by law to enforce the lien. Any suit by the Association to recover unpaid assessments and other charges described in this Chapter 5 or to foreclose its statutory lien is an Exempt Claim and shall not be subject to the provisions of Chapter 19.

(c) Effect of Sale or Transfer. Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments.

5.8 Exempt Property

The following property shall be exempt from payment of Base Assessments, Service Area Assessments, and Special Assessments:

- (a) All Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility; and
- (b) Any property dedicated to and accepted by any governmental authority or public utility.

5.9 Capitalization of Association

The first Owner of each Unit, other than the Declarant, a Declarant Affiliate or a Builder, shall make a contribution to the working capital of the Association in an amount equal to one-fourth of the annual Base Assessment per Unit for that year. This amount shall be in addition to, not in lieu of, the annual Base Assessment and any Service Area Assessment levied on the Unit and shall not be considered an advance payment of such assessments. This amount shall be due and payable to the Association immediately upon transfer of title, for its use in covering initial start-up expenses, operating expenses and other expenses it incurs pursuant to the Governing Documents.

5.10 Use and Consumption Fees

The Board may charge use, consumption, and activity fees to any Person using Association services or facilities or participating in Association-sponsored activities. The Board may determine the amount and method of determining such fees. Different fees may be charged to different classes, types, levels or descriptions of users within each class as may be provided from time to time (e.g., Owners and non-Owners).

Chapter 6 – LOT DEVELOPMENT AREA & OPEN-USE PRESERVATION

6.1 Purpose and Applicability.

This Article establishes (a) a maximum Development Area on each Lot not to exceed one (1.00) acre, and (b) preservation of the remainder of each Lot as Agricultural or Other Open Use. These standards implement the Residential Planned Unit Development (RPUD) requirements for overall density and minimum open-use allocation community-wide. This Article applies to all Lots within the Community. Where this Article is more restrictive than other Governing Documents, this Article controls.

6.2 Definitions.

(a) Development Area (DA) means the total ground area on a Lot within which all Buildings and other Improvements must be located, and which may not exceed 1.00 acre (43,560 sq ft) per Lot.

(b) Improvements (for purposes of DA calculation) include: dwellings, attached or detached garages, guest structures, accessory buildings, driveways, parking pads, patios, decks at or under 30 inches above grade, terraces, hardscape, retaining walls, septic tanks and leach fields, water cisterns, wastewater or water treatment equipment, permanent utilities appurtenances, and construction staging areas that become permanent disturbed areas.

(c) Agricultural or Other Open Use (Open-Use Area) means the portion of a Lot outside the DA that must remain in predominantly natural, agricultural, or low-impact open condition, including native vegetation, habitat corridors, and passive recreation (e.g., trails) consistent with community wildlife and scenic objectives.

(d) Linear Access/Utility Corridor means a necessary driveway or utility trench/line that crosses Open-Use Area to reach the DA from a public or private road or utility source.

6.3 One-Acre Maximum; Measurement Rules.

(a) Cap. Each Lot is limited to 1.00 acre maximum DA. No combination of envelopes or “satellite” areas may exceed the cap.

(b) How to calculate. The DA is measured horizontally as the sum of all ground areas occupied or disturbed by Improvements described in §2.2. The area of any Linear Access/Utility Corridor outside the DA is counted toward the 1.00-acre cap (see §4.2 exception for minor utility bores).

(c) Exclusions (do not count toward DA):

(i) Temporary construction laydown areas fully restored to native condition within 90 days of Certificate of Occupancy;

(ii) Wildfire defensible-space mitigation (vegetation thinning only, no grading or hardscape);

(iii) Underground utility bores that do not create a permanent disturbed surface wider than 24 inches and are restored to pre-construction condition;

(iv) Non-motorized single-track trails $\leq$ 24 inches tread width built to Association standards.

(d) No Increase by Easement. Granting or receiving easements does not increase the allowed DA.

6.4 Location of Development Area; Access.

(a) Siting. The DA must be sited to (i) minimize habitat fragmentation, (ii) avoid natural drainage features and scenic view corridors identified by the Association, and (iii) comply with all setbacks and the community's architectural standards.

(b) Access & Utilities. Linear Access/Utility Corridors should be routed within the DA where feasible. Where unavoidable, a corridor may cross Open-Use Area to reach the DA; the disturbed width counts toward the DA unless excluded under §3.3(c).

(c) No Fencing in Open-Use Area. Fencing is prohibited community-wide; this reiterates the existing fence prohibition.

6.5 Improvements Allowed Inside vs. Outside the DA.

(a) Inside DA (Allowed, subject to approvals): Dwellings (subject to size/material/color limits elsewhere in the Declaration), garages, accessory structures, driveways/parking, patios/decks, septic/leach fields, tanks/cisterns, retaining walls, and hardscape.

(b) Outside DA (Open-Use Area, Allowed uses only): Native vegetation, wildlife habitat, view and drainage protection, non-motorized trails, habitat fencing for restoration projects authorized by the Association (temporary), low-intensity agricultural uses approved by the Association (e.g., limited grazing consistent with habitat standards), wildfire mitigation (vegetation thinning). No buildings, no hardscape, no vehicle parking, and no storage of any kind.

6.6 Required Development Area Plan; Approval.

(a) Submittal. Prior to any grading, the Owner shall submit a Development Area Plan (DAP) to the Design Review Committee (DRC) showing: (a) metes-and-bounds of the proposed DA polygon(s); (b) gross and net DA square footage; (c) all proposed Improvements; (d) access/utility corridors; (e) existing natural drainage features and scenic view corridors; and (f) erosion/sediment control and restoration details.

(b) Survey & Monumentation. The DA boundary shall be staked by a Colorado PLS prior to commencement and verified ("as-built") before final approval.

(c) Approvals Required. No work may begin until the DRC issues written approval and the Board ratifies that approval. The Association may impose reasonable conditions to ensure compliance with this Article and with wildlife, scenic, and drainage objectives.

(d) Adjustments. Minor field adjustments to the DA boundary up to a cumulative 5% of the DA area may be approved administratively by the DRC if the 1.00-acre cap is not exceeded and no additional resource impacts occur.

6.7 Preservation Covenant; Running with the Land.

(a) Owner Covenant. Each Owner covenants that all portions of the Lot outside the approved DA shall remain in Agricultural or Other Open Use in perpetuity, subject to reasonable vegetation management and passive recreation.

(b) Record Notice. The Association may require recording of a Development Area & Open-Use Affidavit (by Lot) identifying the approved DA and acknowledging the Open-Use Area covenant.

(c) Conservation Instruments. The Association may implement conservation easements or other acceptable legal instruments over Common Area tracts and, where appropriate, over Open-Use Areas to help achieve and maintain the RPUD $\geq 75\%$ open-use requirement.

6.8 Compliance, Inspections, and Restoration.

(a) Inspections. The Association (or its agents) may enter upon a Lot on reasonable notice to verify DA boundaries and compliance.

(b) Violations. Any Improvement constructed outside the approved DA, or any use of the Open-Use Area inconsistent with §5.2, is a violation.

(c) Remedies. In addition to fines and suspension of rights, the Association may require removal, restoration to native condition, and/or mitigation at the Owner's sole cost. If the Owner fails to cure, the Association may perform the work and assess all costs as a Specific Assessment and lien against the Lot.

(d) No Variances Above Cap. The 1.00-acre maximum may not be increased by variance, waiver, or estoppel.

6.9 Relationship to Governmental Approvals.

(a) Independence. Compliance with this Article is in addition to and independent of county, state, or federal permits and regulations.

(b) Stricter Standard Governs. If a governmental condition of approval is more restrictive than this Article, the stricter standard applies.

6.10 Severability.

If any provision of this Article is held invalid, the remainder shall continue in full force to the maximum extent permitted.

Chapter 7 – ARCHITECTURE, LANDSCAPING, AND AESTHETIC STANDARDS

7.1 General

All site work, landscaping, structures, improvements, and other items initially placed on a Unit in a manner or location visible from outside of any structures on the Unit (“Improvements”) are subject to the Guidelines adopted pursuant to this chapter and to the approval procedures set forth in this chapter, except as this chapter or the Guidelines may otherwise specify. After the initial construction and installation of all site work, landscaping, structures and all other improvements regulated under the Guidelines are complete, alterations, additions and other improvements to the landscaping, structures, improvements and other items placed on a Unit in a manner or location visible from outside of any Improvements are subject to the Guidelines. Improvements shall include, but not be limited to, staking, clearing, excavation, grading and other site work; initial construction of any Residence or accessory buildings; exterior alteration of existing improvements; installation or replacement of: mailboxes; basketball hoops; swing sets and similar sports and play equipment; garbage cans; antennas, satellite dishes and other apparatus for the transmission or reception of television, radio, satellite, or other similar signals of any kind; irrigation systems, sidewalks, parking areas or driveways; exterior lighting; awnings; hedges, walls, dog runs, animal pens, or fences of any kind; painting or other finish materials; artificial vegetation or sculpture; and planting or removal of landscaping materials. Notwithstanding the foregoing, regulation of antennas, satellite dishes, and any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind shall be in strict compliance with all federal laws and regulations.

No prior approval is necessary to repaint the exterior of existing structures using the most recently approved color scheme for such structures or to rebuild or restore any damaged structures in a manner consistent with the plans and specifications most recently approved for such structures. Generally, no approval is required for work done to the interior of a structure except as set forth in the Guidelines. All homes must have black exterior colors and black roofs, so as to preserve the visual aesthetics of the mountainous terrain in which it sits.

Approval under this chapter is not a substitute for any approvals or reviews required by any federal, state or local municipality, governmental or quasi-governmental agency or entity having jurisdiction over architectural, building or construction matters.

This chapter shall not apply to the Declarant's design and construction activities during the Development and Sale Period.

Any suit by the Association, the Declarant, the Reviewer or an affected Owner that involves a dispute concerning the procedures for approval of Improvements under this Chapter 6 is an Exempt Claim, including, without limitation, any suit arising from the Reviewer's failure to approve a proposed Improvement. Any suit by the Association, the Declarant or an affected Owner to enforce the provisions of this Chapter 6, including, without limitation, any suit with respect to a violation of the Guidelines, is an Exempt Claim.

7.2 Size Limitations, Bathrooms

All Residences constructed or installed on any one Unit shall have a combined ground floor space of not more than one thousand three hundred (1,300) square feet, as measured along the outside wall lines of the structure, exclusive of any portion thereof used for a garage or for an outside porch. Rooftop decks and basements of the same footprint as the Residences, up to one thousand three hundred (1,300) square feet, are also both allowed. Additionally, all Residences and other buildings constructed or installed on any one Unit shall collectively contain no more than two (2) bedrooms and two (2) bathrooms. For purposes of this Section, the term "bathroom" shall include any room or combination of spaces with any combination of a toilet, sink, shower, or bath, or any facility intended to provide for sanitation, personal hygiene, or any similar function to any of the foregoing.

7.3 Design Review Authority

(a) Declarant. The Declarant shall have exclusive authority to review and act upon all applications for review of proposed Improvements until the later of (i) the expiration of the Development and Sale Period, or (ii) such time as all Units planned for the property have been improved with Residences and conveyed to Owners other than the Declarant. The Declarant may designate one or more persons to act on its behalf in reviewing any application. In reviewing and acting upon any request for approval, the Declarant and its designee act solely in the Declarant's interest and owe no duty to any other Person.

From time to time, the Declarant may delegate any or all of its rights under this chapter to other Persons, committees appointed by Declarant, or the Design Review Committee. Any such delegation shall be in writing, shall specify the scope of responsibilities delegated, and shall be subject to (i) the Declarant's right to revoke such delegation at any time and reassume its prior control, and (ii) the Declarant's right to veto any decision by the Design

Review Committee in its discretion. So long as the Declarant has any rights under this chapter, the authority of others to consider, approve or deny applications for proposed Improvements shall be limited to such matters as the Declarant specifically delegates.

(b) Design Review Committee. Upon the Declarant's delegation of authority, or upon expiration or termination of the Declarant's rights under this chapter, the Board shall appoint a Design Review Committee ("Design Review Committee" or "DRC") to assume authority over matters related to the construction or alteration of Improvements, the Guidelines and related matters within the scope of the delegated authority or this chapter. The DRC shall consist of at least three, but not more than seven, persons who shall serve and may be removed and replaced in the Board's discretion. DRC members need not be Owners or representatives of Owners. The DRC may include architects, engineers, or similar professionals. The Association may compensate DRC members in such manner and amount, if any, as the Board may determine appropriate.

Until the earlier of expiration of the Declarant's rights under this chapter or the date upon which Declarant delegates all of its rights under this chapter, the DRC shall notify the Declarant in writing within three business days of any action (i.e., approval, partial approval, or disapproval) it takes under this chapter. A copy of the application and any additional information the Declarant may require shall accompany the notice. The Declarant shall have ten (10) business days after receipt of such notice to veto any such action, in its discretion, by written notice to the DRC. Additionally, the Declarant may also relieve the DRC of its obligation to provide such notice to Declarant in its discretion.

(c) Reviewer. For purposes of this chapter, the Person having jurisdiction in a particular application shall be referred to as the "Reviewer".

(d) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may also include reasonable costs incurred in having professionals review any application. The Board may include the compensation of such persons in the Association's annual operating budget.

7.4 Guidelines and Procedures

(a) Guidelines. The Declarant has prepared the initial Guidelines, which contain general provisions applicable to all of RGR&R as well as specific provisions that vary among uses, housing types, or locations within the Community. Without limiting the generality of the foregoing, the Declarant may also modify or supplement the Guidelines with provisions that are specific to uses, lot sizes, housing types, or locations within the Community; all references in the Governing Documents to the Guidelines shall include any such guidelines

that are specific to uses, lot sizes, housing types, or locations within the Community, as well as the guidelines that are applicable to all of RGR&R. The Guidelines are intended to provide guidance to Owners, architects, and contractors regarding matters of particular concern to the Reviewer. The Guidelines are not the exclusive basis for the Reviewer's decisions, and compliance with the Guidelines does not guarantee approval.

The Declarant shall have sole and full authority to amend the Guidelines for so long as it has review authority under this Declaration. The Declarant's right to amend the Guidelines shall continue even if it delegates reviewing authority to the DRC, unless the Declarant also delegates the power to amend the Guidelines to the DRC. Upon expiration or delegation of the Declarant's right to amend, the DRC may amend the Guidelines with the Board's consent.

Amendments to the Guidelines shall apply prospectively only. They shall not require modifications to or removal of any structures or landscaping previously approved once the approved construction or modification has begun. However, any new work on such structures must comply with the Guidelines, as amended. There shall be no limitation on the scope of amendments to the Guidelines and such amendments may eliminate requirements previously imposed or otherwise make the Guidelines less restrictive.

The Reviewer shall make the Guidelines available to Owners and their architects and contractors upon request.

(b) Procedures. Unless the Guidelines provide otherwise, no activities within the scope of this Chapter may begin on any property within RGR&R until a written application is submitted to and approved in writing by the Reviewer. The application must be accompanied by plans and specifications and such other information as the Reviewer or the Guidelines require.

In reviewing each application, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that such determinations are inherently subjective and that opinions may vary as to the desirability and/or attractiveness of particular Improvements.

The Reviewer shall have the discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations shall not be subject to the procedures in Chapter 19 or judicial review so long as they are made in good faith and in accordance with required procedures set forth herein and in the Guidelines.

The Reviewer may exempt certain activities from the application and approval requirements of this chapter if such activities are undertaken in compliance with the Guidelines and the Community-Wide Standard.

7.5 No Waiver of Future Approvals

The people reviewing applications under this chapter will change from time to time, and opinions on aesthetic matters, as well as interpretation and application of the Guidelines, may vary. It may not always be possible to identify objectionable features until work is completed. In such cases, the Reviewer may elect not to require changes to objectionable features. However, the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans shall not constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

7.6 Variances

Variances may be granted as provided in the Guidelines, provided, however, that no variance to the size or bathroom limitations, or any other provision of this Declaration that concern, effect, or control the Association Water in any manner shall be granted on any terms or conditions at any time.

7.7 Limitation of Liability

This chapter establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of RGR&R and they do not create any duty to act for the benefit of any Person. Review and approval of any application pursuant to this chapter and the Guidelines may be based purely on subjective aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that all structures are of comparable quality, value, size, or design, or are aesthetically pleasing or otherwise acceptable to other Owners.

The Declarant, its officers, directors, members, managers, employees and agents, the Association, its officers, directors, employees and agents, the Board, the Reviewer, any committee, any member of any of the foregoing and any other Reviewer shall not be liable for (a) soil conditions, drainage, or other general site work, including grading; (b) any defects in plans revised or approved hereunder; (c) any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not the Declarant has approved or featured such contractor as a Builder; or (d) any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to

any Unit. Neither the Declarant, its officers, directors, members, managers, employees or agents, nor the Association, its officers, directors, employees or agents, the Board, the Reviewer, any committee, any member of any of the foregoing and any other Reviewer shall have any duty or obligation whatsoever to warn or advise any Owner that has requested approval pursuant to this chapter of any condition, physical, financial, or otherwise, that may exist on or with respect to or in connection with such Owner's Unit (including the land contained within such Unit) in connection with such Owner's request for approval, and all such duty and obligation, if any would otherwise exist, is hereby fully and forever irrevocably waived, released and discharged in all respects. In all matters subject to this chapter, the Association shall defend and indemnify the Board, the DRC, any Reviewer, and the members, managers, shareholders, partners, officers, and directors of each, as provided in the By-Laws.

Chapter 8 – WATER

8.1 Definitions

(a) UAWCD. The Upper Arkansas Water Conservancy District shall be referred to as the "UAWCD".

(b) Augmentation Plan. The "Augmentation Plan" shall be the plan in place at any time by which the Owners may be given access to a supply of water, despite their status as out-of-priority users. As of the date this Declaration was recorded, the Augmentation Plan is the UAWCD's blanket augmentation plan, Case No. 18CW3076, Water Division 2. For so long as the UAWCD's blanket augmentation continues to apply to the Community, notwithstanding any additions, deletions, revisions, or other changes thereto, it shall continue to be the Augmentation Plan as defined in this section. Notwithstanding the foregoing, the Board shall have the power to adopt a new Augmentation Plan on behalf of the Owners so long as it provides similar benefits to those enjoyed at the time of the recording of this Declaration under the UAWCD blanket augmentation plan.

(c) Association Water. Water available to serve the Residences and other structures constructed within the Community will be available by wells to be constructed and operated by the Owners (collectively, the "Association Water"). In order to lawfully operate the wells in the Community, the water extracted by the wells must be subject to the Augmentation Plan.

(d) Bulk Water Cistern. As an alternative to or in addition to Association Water, an Owner may construct and use a bulk water cistern ("Bulk Water Cistern") to serve a Unit. Owners shall not take any actions that would affect their access to Association Water.

(e) Board Water Resolution. The Board shall adopt a Board Resolution detailing the procedures for obtaining access to Association Water for each Unit, including, if applicable, the procedures for the construction of wells and accessing water in those wells, the use of a Bulk Water Cistern, water metering, and water use reporting, which resolution shall be referred to as a "Board Water Resolution".

(f) Total Water Meter. Each Owner shall install a "Total Water Meter" on each Unit that uses Association Water, of the type and in the manner required by the Augmentation Plan. The Total Water Meter shall measure the total volume of Association Water used on the Unit.

(g) Exterior Water Meter. Each Owner shall install an "Exterior Water Meter" on each Unit that uses Association Water, of the same type and in the same manner as the Total Water Meter, except that the Exterior Water Meter shall measure only the amount of Association Water used on the exterior of all Residences or other buildings constructed thereon.

(h) Interior Water Use. The amount of Association Water used on the interior of all Residences or other buildings constructed on each Unit, including but not limited to water used for sanitation, hygiene, plumbing fixtures, food preparation and cooking, appliances, and heating and cooling, shall be referred to as "Interior Water Use". Interior Water Use shall be equal to use measured by the Total Water Meter minus the use measured by the Exterior Water Meter.

(i) Exterior Water Use. The amount of Association Water used on the exterior portions of each Residence or other buildings constructed on each Unit, including but not limited to water used for cleaning, shall be referred to as "Exterior Water Use". Exterior Water Use shall be equal to use measured by the Exterior Water Meter.

8.2 Augmentation Certificates

The Declarant shall obtain augmentation certificates from the UAWCD pursuant to the Augmentation Plan for each Unit, which certificates shall be transferred to each Owner other than the Declarant upon the purchase of each Unit.

8.3 Initial Construction

Prior to the initial construction and/or installation of a well, Bulk Water Cistern, Residence, landscaping, structures, Improvements, or other items on a Unit, each Owner or Builder must comply with the Augmentation Plan. If, pursuant to the Augmentation Plan or pursuant to requirements by any federal, state, or local municipality, governmental or

quasi- governmental agency or entity having jurisdiction over architectural, building, or construction matters, the Owner or Builder is required to construct a well on the Unit, take other steps to secure access to Association Water for the Unit, or construct a Bulk Water Cistern prior to construction and/or installation of any Residence, landscaping, structures, improvements, or other items, then that Owner or Builder shall follow the procedures detailed in the Board Water Resolution.

8.4 Restrictions on Exterior Water

Use Because of the limited amount of Association Water available to the Units, Exterior Water Use must be consistent with the Augmentation Plan. Exterior Water Use may not exceed two hundred forty-four (244) gallons per Unit per month. Additionally, no Association Water may be used on the exterior portion of any Unit for seasonal or tapering irrigation.

8.5 Reporting of Water Use to the UAWCD by Owners

Each Owner shall report the total amount of Association Water used on their Unit as frequently and in the manner required by the UAWCD and the Augmentation Plan. Notwithstanding the foregoing, in no event shall that reporting be performed less than annually.

8.6 Reporting of Water Use to the Association by Owners

To ensure compliance with reporting obligations, each Owner shall also report their Interior Water Use and Exterior Water Use as recorded by the Total Water Meter and Exterior Water Meter to the Association concurrently with any report of total Association Water use under this Declaration. Reporting shall occur as frequently and in the manner as required by the Board Water Resolution, but in no event shall it be performed less than annually.

8.7 Meter Reporting Services

The Association may, upon agreement by each Owner and the Board, provide meter reading and reporting services to individual Units or to Service Areas. The cost of such services shall be assessed against the affected Units pursuant to Chapter 5.

8.8 Failure to Report

Each Owner appoints the Association as the Owner's attorney in fact for purposes of reporting the total amount of Association Water used on each Unit as frequently and in the manner required by the UAWCD and the Augmentation Plan. In the event that any Owner fails to make any report as required by this Chapter 7, the Association is specifically authorized to enter onto the Unit for the purpose of reading meters and making such

reports. Pursuant to Chapter 5, the Association shall assess a fee against the affected Units for the services provided under this section.

8.9 Easement

Declarant hereby creates, grants, excepts, reserves and shall have for itself, its designees, successors, and assigns and the Association, a non-exclusive, permanent easement in, over, across and under each Unit, for the purpose of accessing water meters located thereon

Chapter 9 – USE AND CONDUCT

9.1 Use, Occupancy, and Transfer of Interests in Units

(a) Residential and Related Uses. Units may be used only for residential and related purposes, except as the Declarant may otherwise authorize with respect to construction, marketing, and sale activities of the Declarant and Builders it designates, which may provide for a wider range of uses. An activity shall be considered “related” to a residential use and thus permitted under this section only if conducted by a person or persons residing in the Unit and only if the activity:

- (1) is not apparent or detectable by sight, sound, or smell from outside of a permitted structure;
- (2) complies with applicable zoning and other governmental requirements, including, without limitation, requirements for home occupation, if applicable;
- (3) does not involve regular visitation of the Unit by employees who do not reside in the Unit, clients, customers, suppliers, or other business invitees, or door-to-door solicitation within the Community; and
- (4) is consistent with RGR&R’s overall character and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of others, as the Board may determine in its discretion.

“Business” as used in connection with uses related to residential use shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required. Upon request by the Association, any

Person engaged in a business activity in a Unit shall provide the Association with a copy of all permits, licenses or certificates required by governmental agencies.

(b) Second-Home Residential Use. It is the intention of the Declarant that the Community be closed during non-peak periods; specifically, it is the intention that the Community be closed during the period traditionally recognized as “winter” months, from approximately mid-October through approximately mid-March, except for the weeks of Thanksgiving, Christmas, and New Year’s Day. In conjunction with the foregoing intention, the Association shall create an annual schedule outlining when the Community will be closed. The Association shall communicate and make available such schedule to each Owner by Board Resolution. During such closure, the Association shall prohibit any access to any Unit by any Owner, except in the case of an emergency. The Association shall undertake no responsibility to maintain any Common Area, including any road, during this period, and unauthorized access to the Community during these periods of closures shall be considered trespassing. By accepting title to a Unit, each Owner understands and agrees that their access to each Unit will be restricted as outlined herein. Notwithstanding any of the foregoing, the Association and the Declarant may undertake work within the Community regardless of whether the Community is closed, and may have full access to the Common Areas of the Community at any time necessary for such work; however, the Association shall have no obligation to maintain any portion of the Community for the sole benefit of the Declarant during times when the Community is closed.

(c) Leasing. For purposes of this Declaration, the terms “Lease” and “Leasing” shall refer to the regular, exclusive occupancy of a Unit by any Person other than the Owner, for which the Owner receives any consideration or benefit.

All leases shall be in writing and shall disclose that the tenants and all occupants of the leased Unit are bound by and obligated to comply with the Governing Documents. However, the Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease.

For any Lease with a term in excess of thirty (30) days, the Owner of the leased Unit shall notify the Board or the Association’s managing agent of the lease and provide any additional information the Board may reasonably require within ten (10) days of the commencement of the Lease term. The Owner must give the tenant copies of the Governing Documents. In addition to, but consistent with this subsection, the Association or the Board may adopt resolutions governing leasing and subleasing, as further provided in subsection (f).

(d) Transfer of Title. Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The Owner desiring to sell or otherwise transfer title to his or her Unit shall comply with the all applicable provisions of federal, state and local law and regulation regarding disclosure to the buyer as it relates to the Community and shall deliver to the Association the buyer's signed acknowledgement that the Owner has made such disclosure as necessary.

(e) Subdivision and Combination of Units. No Person other than the Declarant and Builders whom the Declarant may authorize shall subdivide or change the boundary lines of any Unit or combine Units without the Board's prior written approval and the prior written approval of the Declarant during the Development and Sale Period. Any such action that the Board approves shall be effective only upon recording of an appropriate legal instrument reflecting the subdivision or new boundaries of the affected Unit(s). The Board's approval may set forth a determination of how combined Units shall be treated for purposes of voting or assessment. In the absence of such a determination, adjacent Units owned by the same Owner shall continue to be treated as separate Units for purposes of voting and assessment, even though such Units may be improved with only a physical structure.

(f) Timesharing. No Unit shall be used for operation of a timesharing, fraction-sharing, interval estate, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, unless such program is established by the Declarant or with the Declarant's prior written approval.

(g) Vehicles and Garages. No automobile of any kind may be left upon any portion of the Community if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. Any such vehicle shall be considered a nuisance and may be removed from the Community. No motorized vehicles shall be permitted on pathways or other facilities of the Common Area except as authorized by the Board.

All vehicles shall be subject to the Governing Documents. The Board may establish and levy fines and Specific Assessments for violation of the Governing Documents. The Association may also tow, at the expense of the Owner, any vehicle parked within the Community in violation of the Governing Documents. Only two vehicles are allowed to be parked on each lot.

(h) Signs. No sign of any kind shall be erected by an Owner or occupant without the prior written consent of the Board, except: (i) such signs as may be required by legal proceedings; (ii) not more than one professional security sign of such size deemed reasonable by the Board in its sole discretion; (iii) a sign in a size determined by the Board advertising the Unit upon which such sign is located is for sale; and (iv) political signs erected in accordance with the requirements of the Act, provided, further, that any permitted sign under this subsection shall be posted on the Residence or with the Final Building Site, only.

Unless in compliance with this section, no signs shall be posted or erected by any Owner or occupant within any portion of the Community, including the Common Area, any Unit, any Residence or other building located on the Common Area or any Unit, if such sign would be visible from the exterior of such structure as determined in the Board's sole discretion.

The Board reserves the right to restrict the number, size, color, lettering, design and placement of all signs, subject to applicable provisions, if any, of the Act. This provision shall not apply to entry, directional, or other signs installed by the Declarant.

(i) Lights and Overhead Utility Lines. Unless prior approval in writing is obtained from the Declarant or the DRC by the Owner or occupant, exterior lighting visible from the street shall not be permitted except for: (i) approved lighting as originally installed on a Unit; (ii) one approved decorative post light; (iii) pathway lighting; (iv) landscape and accent lighting; (v) street lights in conformity with an established street lighting program for the Community; (vi) seasonal decorative lights during the usual and common season; or (vii) front house illumination of model homes in compliance with the Guidelines. Overhead utility lines, including lines for cable television, shall not be permitted within the Community, except for temporary lines as required during construction and lines installed by or at the request of Declarant.

(j) Outdoor Play Equipment, etc. The Board shall have the power to adopt Governing Documents that limit or prohibit outdoor play equipment and similar items. Without limiting the scope of such Governing Documents, the regulations may limit the location of any such items, which shall in no event be located outside of the Final Building Site.

(k) Artificial Turf. Yard areas of Units may be a combination of shrubs, trees, other landscape materials and xeriscape materials, as may be approved by the Reviewer upon application of the Owner. However, artificial turf may be used on any Unit outside of the Residence on such Unit as approved by the DRC.

(l) Sight Distances at Intersections. All property located at street intersections or driveways shall be landscaped so as to permit safe sight across such areas and to comply with applicable requirements of any governmental or quasi- governmental agency having authority regarding visibility and site distances.

(m) Storage of Materials, Garbage, Dumping, Etc. All garbage cans shall be located or screened so as to be concealed from view of neighboring streets and property and to prevent access to trash by wildlife. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. There shall be no dumping of: grass clippings, leaves and other debris; rubbish, trash and garbage; petroleum products, fertilizers, and other potentially hazardous or toxic substances in any drainage ditch, stream or pond within the Community, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff.

No lumber, metals, bulk materials, refuse, trash and other similar materials shall be kept, stored, or allowed to accumulate outside the Residences on any Unit, except during the initial construction period of the improvements to the Unit and except for firewood that is stacked neatly, located in the rear yard of the Unit and is not visible from the street. In addition, during construction, the building materials on any Unit shall be placed and kept in an orderly fashion. Any Unit on which construction is in progress shall be policed prior to each weekend and during the weekend all materials shall be neatly stacked or placed and any trash or waste materials shall be removed. No boats or trailers may be stored on-site at any time.

(n) Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept or permitted on any Unit; provided, however, that a reasonable number of dogs, cats, and other usual and common household pets traditionally kept indoors, as determined by the Board from time to time whether by Board Resolution or otherwise, may be maintained and kept, but not bred for commercial purposes, within Units. No hooved animals of any kind or size, and no stables or corrals for hooved animals, shall be allowed within the Community. All pets shall be reasonably controlled by the owner whenever outside a structure and shall be kept in such a manner as to not become a nuisance by barking or other acts. The owners of the pet shall be responsible for all of the pet's actions and shall promptly clean up after the pet. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Community or to nearby property or destructive of wildlife, they shall be removed from the Community.

(o) Nuisance. It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No property within the Community shall be used, in whole or in part, for the

storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property.

Each Owner shall maintain its Unit in a neat and orderly condition throughout initial construction of a Residence and not allow trash and debris from its activities to be carried by the wind or otherwise scattered within the Community. Storage of construction materials on the Unit shall be subject to such conditions, rules, and regulations as may be set forth in the Guidelines. Each Owner shall keep roadways, easements, swales, and other portions of the Community clear of silt, construction materials and trash from its activities at all times. Trash and debris during initial construction of a Residence shall be contained in standard size dumpsters or other appropriate receptacles and removed regularly from Units and shall not be buried or covered on the Unit. Owners shall remove trash and debris from the Unit and temporarily suspend construction activities on the Unit upon reasonable notice by Declarant in preparation for special events.

No noxious or offensive activity as determined by the Board through Board Resolution or otherwise shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community as determined in the sole discretion of the Board. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes or as approved by Declarant or the DRC shall be located, installed or maintained upon the exterior of any structure or elsewhere within any Unit unless required by law.

(p) Enforcement. Any suit by the Association to enforce any of the terms, provisions and restrictions set forth in this Chapter is an Exempt Claim and shall not be subject to the provisions of Chapter 18 below.

9.2 Rulemaking Authority and Procedures

The Governing Documents establish a framework of covenants and conditions that govern the Community. Governing Documents, if any, shall be adopted by the Board in accordance with the procedure described below in this section.

The Association must be able to respond to unforeseen issues and changes affecting the Community. Therefore, the Board is authorized to change any of the Governing Documents it adopts in accordance with the following procedures, subject to the limitations set forth below.

(a) Board Authority. Subject to the notice requirements in subsection (b), the consent of the Declarant during the Development and Sale Period, and the Board's duty to exercise judgment and reasonableness on behalf of the Association and its members, the Board may adopt resolutions establishing Governing Documents, modifying existing Governing Documents or rescinding existing Governing Documents by majority vote of the directors at any Board meeting provided that the Owners do not disapprove of such resolutions in accordance with subsection (c).

(b) Notice. The Board shall send notice to all Owners concerning any proposal to adopt a Governing Document(s) or to change or rescind an existing Governing Document(s) at least thirty (30) days prior to the meeting of the Board at which such action is to be considered. At any such meeting, the Owners shall have a reasonable opportunity to be heard before the proposed action is put to a vote and to exercise their disapproval rights granted in subsection (c).

This notice requirement does not apply to administrative and operating policies that the Board may adopt relating to Common Area, such as hours of operation of a recreational facility (if any), speed limits on private roads (if any), the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times, and fees for the use of a facility, notwithstanding that such policies may be published as part of the Governing Documents.

(c) Owners' Rights. At the meeting of the Board at which a resolution to adopt a new Governing Document(s), to modify an existing Governing Document(s), and/or to rescind an existing Governing Document(s) is approved by majority vote of the directors at such Board meeting, such resolution shall automatically become effective, on the date described in subsection (d), regardless of the presence or absence of a quorum of the Owners, unless disapproved at the meeting by seventy-five percent (75%) of all Owners.

The disapproval rights of the Owners described in this subsection (c) do not apply to administrative and operating policies that the Board may adopt relating to Common Area, such as hours of operation of a recreational facility (if any), speed limits on private roads (if any), the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times, the procedures and requirements for obtaining access to

Association Water on each unit pursuant to Chapter 7, and fees for the use of a facility, notwithstanding that such policies may be published as part of the Governing Documents.

(d) Effective Date. A resolution proposing, modifying and/or rescinding a Governing Document(s) adopted under this section shall take effect ten (10) days after the date of the Board meeting at which such resolution was considered.

(e) Conflicts. No action taken under this section shall have the effect of modifying or repealing the Guidelines, or any provision of this Declaration other than the Governing Documents. In the event of a conflict between the Guidelines and any Governing Document, the Guidelines shall control. In the event of a conflict between a Governing Document and any provision of this Declaration, the Declaration shall control.

9.3 Protection of Owners and Others

Except as may be set forth in this Declaration (either initially or by amendment), all Governing Documents shall comply with the following provisions:

(a) Similar Treatment. Similarly situated Units shall be treated similarly; however, Governing Documents may vary by Neighborhood, Service Area, or housing type.

(b) Displays. Nothing in the Governing Documents shall prohibit an Owner or occupant from displaying political, religious, or holiday symbols and decorations on his or her Residence or with the Final Building Site of the kinds normally displayed in residential neighborhoods. However, the Association may adopt time, place, and manner restrictions with respect to signs, symbols, and displays visible from outside of structures on the Unit, including reasonable limitations on size and number.

(c) Household Composition. Nothing in the Governing Documents shall interfere with an Owner's freedom to determine household composition, except that the Association may impose and enforce reasonable occupancy limitations and conditions based on Unit size and facilities and its fair share use of the Common Area.

(d) Activities Within Residences. Nothing in the Governing Documents shall interfere with the activities carried on within a Residence, except that the Association may prohibit activities not normally associated with residential use. It may also restrict or prohibit activities that create monetary costs for the Association or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions visible from outside the Residence, or that are an unreasonable source of annoyance.

(e) Allocation of Burdens and Benefits. Nothing in the Governing Documents shall alter the allocation of financial burdens among the various Units or rights to use the Common Area

to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who are delinquent in paying assessments, abuse the Common Area, or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Chapter 5.

(f) Leasing and Transfer of Units. Nothing in the Governing Documents shall prohibit transfer of any Unit or require Association approval prior to transferring a Unit. Minimum lease terms may vary by Neighborhood, Service Area, or housing type. Governing Documents may also require that Owners use Board-approved lease forms (or include specific lease terms), and may impose a reasonable review or administrative fee in connection with the Board's review of a lease. Governing Documents shall not be inconsistent with the provisions of subsection 8.1(b).

(g) Abridging Existing Rights. Nothing in the Governing Documents shall require that an Owner dispose of personal property kept in or on a Unit in compliance with the Governing Documents in effect at the time such personal property was brought onto the Unit. This exemption shall apply only during the period of such Owner's ownership of the Unit and shall not apply to subsequent Owners who take title to the Unit after adoption of the regulation.

(h) Reasonable Rights to Develop. Nothing in the Governing Documents may interfere with the Declarant's, or any Builder's, ability to develop, market, and sell property in RGR&R.

(i) Interference with Easements. Nothing in the Governing Documents may interfere with the exercise of any easement.

9.4 Owners' Acknowledgment and Notice to Purchasers

By accepting a deed, each Owner acknowledges and agrees that the use, enjoyment, and marketability of his or her Unit is limited and affected by the Governing Documents, which may change from time to time. A copy of the current Governing Documents and administrative policies are available from the Association upon request. The Association may charge a reasonable fee to cover its reproduction cost.

Chapter 10 – MAINTENANCE, REPAIR, AND REPLACEMENT

10.1 Maintenance by Owners

Each Owner shall maintain his or her Unit, including all structures, landscaping, and other improvements comprising the Unit, in a manner consistent with the Governing Documents and the Community-Wide Standard, unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to this Declaration or by law.

10.2 Responsibility for Repair and Replacement Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement necessary to maintain the property to a level consistent with the Community-Wide Standard.

Each Owner shall carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible, unless the Association carries such insurance (which they may but are not obligated to do). If the Association assumes responsibility for insuring a Unit, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Unit and the Owner.

Within ninety (90) days after any damage to or destruction of a structure on a Unit, the Owner shall promptly repair or reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved pursuant to Chapter 6 unless the Board, in its discretion, agrees to extend such period. Alternatively, the Owner shall clear the Unit of debris and maintain it in a neat and attractive landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs that insurance proceeds do not cover.

Additional recorded covenants applicable to any Service Area may establish additional insurance requirements and more stringent standards for rebuilding or reconstructing structures on Units and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

10.3 Maintenance and Repair of Party Walls and Similar Structures Except as may otherwise be provided by law, a written agreement between Owners of adjacent Units, or other recorded documents applicable to adjacent Units:

(a) Each wall, driveway, or similar structure built as part of the original construction on the Units that serves and/or separates any two adjoining Units shall be considered a party structure. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who share the party structure.

(b) If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who shares the structure may restore it. All Owners that share the

structure shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other Owners that share the party structure under any rule of law regarding liability for negligent or willful acts or omissions.

(c) The right to and the obligation of contribution for party walls and similar structures between Owners, as provided in this section, shall be appurtenant to the land and shall pass to such Owner's successor-in-title.

(d) To the extent not inconsistent with the provisions of this section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to any party structure. Any dispute concerning a party structure shall be subject to the provisions of Chapter 18.

Chapter 11 – COMPLIANCE AND ENFORCEMENT

11.1 Compliance

Every Owner, occupant, and visitor to a Unit must comply with the Governing Documents and shall be subject to enforcement remedies for violations as described in this chapter. In addition, each Owner shall be responsible for, and may be sanctioned for, all violations of the Governing Documents by the occupants, tenants, guests, or invitees to their Units, and for any damage to the Area of Common Responsibility that such Persons may cause.

11.2 Remedies for Non-Compliance Subject to the limitations of this Declaration, the Association, the Declarant and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents. In addition, the Board may impose sanctions for violation of the Governing Documents, including those sanctions listed below and any others described elsewhere in the Governing Documents.

(a) **Sanctions Requiring Prior Notice and Hearing.** After written notice and an opportunity for a hearing in accordance with the By-laws, the Board may:

(1) impose reasonable monetary fines, which shall constitute a lien upon the violator's Unit. In the event that any occupant, tenant, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine may, but need not, first be assessed against the violator; provided, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board;

(2) suspend an Owner's right to vote (except that no hearing is required if the Owner is more than sixty (60) days delinquent in paying any Base, Service Area or Special Assessment or other charge owed to the Association);

(3) suspend any Person's right to use any Common Area facilities (A) for any period during which any charge against such Owner's Unit remains delinquent, and (B) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation (except that no hearing is required if the Owner is more than sixty (60) days delinquent in paying any assessment or other charge owed to the Association); provided, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(4) suspend services the Association provides (except that no hearing is required if the Owner is more than sixty (60) days delinquent in paying any assessment or other charge owed to the Association);

(5) exercise self-help or take action to abate any violation of the Governing Documents in a non-emergency situation (including removing personal property that violates the Governing Documents);

(6) preclude any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Chapter 6, including the Guidelines, from continuing or performing any further activities in RGR&R;

(7) levy Specific Assessments to cover costs the Association incurs in bringing a Unit into compliance with the Community-Wide Standard or other requirements under the Governing Documents; and

(8) record a notice of violation with respect to any Unit on which a violation exists.

(b) Other Sanctions. The Board may take the following actions to obtain compliance with the Governing Documents without prior notice or a hearing and without liability to any Person:

(1) exercise self-help or take action to abate a violation on a Unit in any situation which requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other persons or their property (specifically including, but not limited to, the towing of vehicles that are in violation of this Declaration or the other Governing Documents);

(2) exercise self-help or take action to abate a violation on the Common Area under any circumstances;

(3) require an Owner, at its own expense, to perform maintenance or to remove any structure or improvement on such Owner's Unit that is in violation of the Community-Wide Standard or other requirements under the Governing Documents and to restore the property to its previous condition;

(4) enter the property and exercise self-help to remove or cure a violating condition if an Owner fails to take action as required pursuant to subsection (3) above within ten (10) days after receipt of written notice to do so, and any such entry shall not be deemed a trespass; and

(5) bring suit at law for monetary damages or in equity to stop or prevent any violation, or both.

11.3 Board Decision to Pursue Enforcement Action

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. A decision not to enforce a particular provision shall not prevent the Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction, or rule.

10.4 Attorneys' Fees and Costs

In any action to enforce the Governing Documents the prevailing party shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action. In any action with respect to any claim in which an Owner is alleged to have violated a provision of the Act or the Governing Documents, and in which the court finds that the Owner prevailed because the Owner did not commit the alleged violation, the Association shall be precluded from allocating to the Owner's account with the Association any of the Association's costs or attorneys' fees incurred in asserting or defending the claim.

Chapter 12 – PROPERTY MANAGEMENT

12.1 Acceptance and Control of Association Property

(a) Transfers and Conveyances by Declarant. The Declarant and its designees may transfer or convey to the Association interests in real or personal property within or for the benefit of the Community, and the Association shall accept such transfers and conveyances. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real or personal property interests. If the Declarant or its

designees transfers or conveys any unimproved property upon which the Declarant or its designee intends to install or construct improvements therein or thereon or that may be required by a governmental authority having jurisdiction to be installed or constructed therein or thereon, including, without limitation, landscaping improvements, fences, retaining walls, recreational facilities, a club house, picnic tables and related improvements, benches, paving, curb and gutters for Private Streets, street lighting, including light poles, signs, including street signs, mail kiosks, entry booths, gates or fences, the Declarant, for itself, its designees, successors and assigns, excepts, reserves and shall have a non-exclusive easement in, over, across and under the real property transferred or conveyed to the Association as may be necessary for the installation or construction of any such improvements therein or thereon. No Common Area transferred or conveyed to the Association by the Declarant shall impose upon the Association any obligation to make monetary payments to the Declarant or any affiliate of the Declarant, including, but not limited to, any purchase price or rent.

Upon the Declarant's written request, the Association shall reconvey to the Declarant any unimproved real property that the Declarant originally conveyed to the Association for no payment, to the extent conveyed in error or needed to make minor adjustments in property lines or accommodate changes in the development plan.

(b) Management and Control. The Association is responsible for management, operation, and control of the Common Area, subject to any covenants set forth in the deed or other instrument transferring the property to the Association. The Association may enter into leases, licenses, or operating agreements with respect to portions of the Common Area, for payment or no payment, as the Board deems appropriate. The Association may permit use of Common Area facilities by persons other than Owners and occupants of Units and may charge use fees, in such amount as the Board may establish, for such use.

12.2 Maintenance of Area of Common Responsibility

The Association shall maintain the Area of Common Responsibility in accordance with the Community-Wide Standard. The Area of Common Responsibility includes, but is not limited to

(a) the Common Area, including, without limitation, maintenance, repair, and replacement of, and snow removal from, any Private Streets, unless such maintenance, repair, replacement and/or snow removal is performed by a governmental or quasi-governmental entity, including, without limitation, a Special District;

(b) landscaping within public rights-of-way within or abutting RGR&R to the extent that responsible governmental authorities do not maintain it to the Community-Wide Standard;

(c) such portions of any additional property as may be dictated by the Declarant, this Declaration, or any covenant or agreement for maintenance entered into by, or otherwise binding on, the Association; and

(d) any property and facilities that the Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its members. The Declarant shall identify any such property and facilities by written notice to the Association, and they shall remain part of the Area of Common Responsibility until the Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may maintain other property it does not own, including, without limitation, Units, or property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property it does not own except to the extent that it has been negligent in performing its maintenance responsibilities.

12.3 Discontinuation of Operation

The Association shall maintain the Common Area facilities in continuous operation unless the Declarant, during the Development and Sale Period, and at least seventy-five percent (75%) of the Owners other than the Declarant, consent in writing to discontinue such operation. This section shall not apply to restrict the Board's ability to establish reasonable operating hours, which may vary by season, nor to preclude temporary closures or interruptions in operation as the Board may determine appropriate to perform maintenance or repairs.

12.4 Restoring Damaged Improvements

In the event of damage to or destruction of portions of the Area of Common Responsibility for which the Association has insurance responsibility, only the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially its condition prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes. The Board may elect to forego filing and adjusting any insurance claims.

The Association shall repair or reconstruct damaged Common Area improvements unless the Declarant, during the Development and Sale Period, and at least seventy-five percent (75%) of the Owners, decide within sixty (60) days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such sixty-day period, then the period shall be extended until such funds or information is available. No Mortgagee shall have the right to participate in

determining whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Owners, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage.

12.5 Relationships with Other Properties

The Association may contract with the owner of any neighboring property to provide for sharing of costs associated with (a) maintenance and operation of mutually beneficial properties or facilities, or (b) provision of mutually beneficial services.

Chapter 13 – PROVISION OF SERVICES

13.1 Provision of Services to Units

The Association may arrange for or provide services to Owners and their Units, directly or through contracts with the Declarant or other third parties, including, without limitation, a Special District. The Association may enter into bulk service agreements by which a particular service is provided to all Units, or it may offer various services at the option of each Owner, or both. By way of example and not limitation, such services might include such things as cable television, utilities, fire protection, security, trash collection, landscape maintenance, pest control, caretaker services and technology services.

Any Association contract for services may require individual Owners or occupants to execute separate agreements directly with the Persons providing components or services in order to gain access to or obtain specified services. Such contracts and agreements may contain terms and conditions that, if violated by the Owner or occupant of a Unit, may result in termination of services provided to such Unit. Any such termination shall not relieve the Owner of the continuing obligation to pay assessments for any portion of the charges for such service that are assessed against the Unit as a Common Expense or Service Area Expense pursuant to Chapter 5.

In its discretion, the Board may discontinue offering particular services and may modify or cancel existing contracts for services, subject to the contract terms and any provision that

may exist elsewhere in the Governing Documents requiring the Association to provide such services.

13.2 Provision of Services to Service Areas

(a) **Service Areas Designated by Declarant.** The Association shall provide services to Units within any Service Area designated by the Declarant.

(b) **Service Areas Designated by Board.** In addition to Service Areas which the Declarant may designate, any group of Owners may petition the Board to designate their Units as a Service Area for the purpose of receiving from the Association (i) special benefits or services which are not provided to all Units, or (ii) a higher level of service than the Association otherwise provides. Any such petition shall be signed by Owners of a majority of the Units within the proposed Service Area. Upon receipt of such petition, the Board shall investigate the terms upon which the requested benefits or services might be provided and notify the Owners in the proposed Service Area of such terms and the initial fees for providing the requested service, which may include a reasonable administrative charge. If Owners of at least sixty-seven percent (67%) of the Units within the proposed Service Area approve the proposal in writing, the Board shall designate the Units as a Service Area and include the fees for such service as a line item in the Service Area budget.

13.3 Community Systems.

(a) **In General.** Without limiting the generality of Sections 12.1 and 12.2, the Association is specifically authorized to provide, or to enter into contracts with other Persons to provide services, including associated infrastructure, equipment, hardware, software, and Improvements to serve the Units in the Community ("Community Systems") specifically including, without limitation, construction and installation of infrastructure to allow compliance with the Augmentation Plan and other applicable law, reading of water meters and reporting pursuant to the Augmentation Plan, trash and recycling collection, and telecommunications receiving and distribution systems. Any such contracts may provide for installation, operation, management, maintenance, and upgrades or modifications to the Community Systems as the Board determines appropriate. The Association shall have no obligation to utilize any particular provider(s). However, except for cause (as defined by written agreement with the provider) or as otherwise provided by the Act, the Association may not, without the Declarant's consent, terminate or refuse to renew any contract entered into during the Declarant Control Period.

(b) **Water.** The Association shall at all times assure the continuous availability of Association Water under the Augmentation Plan to the Units, including, without limitation, by paying fees as required by the Augmentation Plan and reporting as required by the

Augmentation Plan (collectively, the “Water Obligations”). The Association shall assure that the assessments, fees and other charges levied by the Association on the Units as provided in this Declaration, whether as Common Expenses, Service Area Expenses, Specific Assessments, or otherwise, are sufficient to pay the cost of the Water Obligations in an ongoing fashion, including, without limitation, the funding of reserves sufficient to generate and maintain funds in the Association accounts necessary to pay the Water Obligations for at least two (2) years.

Chapter 14 – DECLARANT RIGHTS

14.1 Rights Reserved to the Declarant, Withdrawal of Property

The Declarant reserves the unilateral right during the Development and Sale Period to amend this Declaration to withdraw any portion of RGR&R from the coverage of this Declaration. For the purpose of this Section, each lot or tract identified as such on the Plat is a separate portion of RGR&R that may be withdrawn by the Declarant pursuant to this Section, except that no lot or tract shall be withdrawn by Declarant after such lot or tract has been conveyed by Declarant to any Person other than an affiliate of Declarant or to a Builder. Each withdrawal, if any, may be affected by the Declarant recording a withdrawal document in the office of the Clerk and Recorder of Fremont County. A withdrawal as contained in this Section constitutes a divestiture, withdrawal, and de-annexation of the withdrawn property from this Declaration so that after the date of recording a withdrawal document, the property so withdrawn shall not be part of RGR&R. Without limiting the generality of the foregoing, the conveyance by Declarant to a Person other than an affiliate of Declarant or to a Builder of any lot shall not in any manner affect, restrict or limit Declarant’s right to withdraw an adjacent or nearby lot or tract. If the property withdrawn contains Units, such a withdrawal shall reduce the total number of votes in the Association equal to the number of Units withdrawn and shall, likewise, reduce the total number of Units subject to assessment. If the property is Common Area, the Association shall consent to such withdrawal upon the request of the Declarant and shall reconvey to the Declarant any rights of the Association.

14.2 Governmental Interests

During the Development and Sale Period, Declarant may designate and convey sites (or the right to use such sites) owned by the Declarant within the Property for fire and police, utility facilities, parks, streets, and other public or quasi-public facilities. The sites may include portions of the Units, as shown on the Plat or by subsequent conveyance or limitation, or the Common Area, in which case the Association shall take whatever action is required

with respect to such site to permit such use, including conveyance of the site, if so directed by Declarant. The sites may include other property not owned by Declarant provided the owner of such other property consents.

14.3 Marketing and Sales Activities

Notwithstanding anything in the Governing Documents to the contrary, during the Development and Sale Period the Declarant and its designees or assigns may construct, use, and maintain upon portions of the Common Area and other property they own, such facilities and activities as, in the Declarant's opinion, may reasonably be required, convenient, or incidental to the construction or sale of Units. Such permitted facilities and activities may include business offices, signs, flags (whether hung from flag poles or attached to a structure), model homes, sales offices, holding or sponsoring special events, and exterior lighting features and/or displays. In addition, if reasonably required, convenient, or incidental to construction or sales activities, the Declarant and its employees, agents, and designees may park vehicles in designated parking areas.

14.4 Right to Make Improvements, Replat

During the Development and Sale Period, the Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area and to the Expansion Property as it deems appropriate. In addition, during the Development and Sale Period, the Declarant may subdivide and/or replat property it owns, in conformance with the requirements, if any, of Fremont County, and convert Units it owns into Common Area. Each such subdivision or replatting may change the number of Units in the Community. Such right includes the right to move any lot line(s) on Units for the purpose of accommodating Improvements which are, or may be, constructed.

14.5 Right to Approve Changes in RGR&R Standards

During the Development and Sale Period, no amendment to or modification of any Governing Documents or the Guidelines shall be effective without prior notice to and the written approval of the Declarant.

14.6 Additional Covenants and Restrictions

During the Development and Sale Period, no one other than the Declarant may record any additional covenants or restrictions affecting any portion of the Community without the Declarant's written consent. Any instrument recorded without the required consent shall be void and of no force and effect.

14.7 Community Systems

The Declarant reserves for itself, Declarant Affiliates, and their respective successors and assigns, a perpetual right and easement over all property in RGR&R to install and operate such Community Systems as the Declarant, in its discretion, deems appropriate to serve any portion of the Community. Such right shall include, without limitation, the Declarant's right to select and contract with companies licensed to provide telecommunications, cable television, and other Community Systems services in the region. The Declarant also has the right to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant government authority, if applicable. Notwithstanding the above, there is no guarantee or representation that any particular Community System will be made available or, if made available, will be continued in service.

14.8 Easement to Inspect and Right to Correct

The Declarant reserves for itself, the Association, each Builder and others it may designate the right, but not the obligation, to inspect, monitor, test, redesign, and correct any structure, improvement, or condition that may exist on any portion of the property within RGR&R, including Residences that are part of Units, and a perpetual nonexclusive easement of access throughout RGR&R to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner, and no entry into an enclosed structure shall be permitted without the Owner's agreement to the schedule for such entry; provided, however, that if the Owner refuses to agree to any schedule proposed by the Declarant or a Builder or the Association, as may be applicable (after the Declarant, Builder or the Association has proposed at least three different schedules for such entry), then the Declarant, Builder or the Association, as may be applicable, shall determine the schedule for such entry and give such Owner at least seven (7) days' prior written notice of such schedule and, upon the giving of such notice, such schedule shall be final and binding upon such Owner and any right to challenge such schedule is hereby fully and irrevocably waived by such Owner. The person exercising this easement shall promptly repair, at such person's own expense, any damage he or she causes. Nothing in this section shall relieve an Owner of the responsibility for the maintenance and repair of his or her Unit.

14.9 Right to Transfer or Assign the Declarant's Rights

Any or all of the Declarant's rights and obligations set forth in this Declaration or the By-Laws, including, without limitation, any or all special declarant rights (as that term is defined in the Act) may be transferred in whole or in part to other Persons. However, such a

transfer shall not reduce an obligation or enlarge a right beyond that which Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a recorded instrument the Declarant signs. The foregoing sentence shall not preclude the Declarant from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to the Declarant in this Declaration or the By-Laws where the Declarant does not intend to transfer such right in its entirety. In such case, it shall not be necessary to record any written assignment unless necessary to evidence the Declarant's consent to such exercise.

14.10 Special Declarant Rights

In addition to the other rights described in this chapter and elsewhere within this Declaration, the Declarant hereby reserves the following "special declarant rights" (as that term is defined in the Act):

(a) the right to complete any improvements indicated on the Plat recorded with or in connection with this Declaration and development plans approved by Fremont County;

(b) the right to exercise any of the following rights:

(1) the right to subdivide or combine Units it owns or to convert Units it owns into Common Area;

(2) the right to withdraw from the Community any Unit or any portion of a Unit not yet conveyed by the Declarant, or any property that is subject to this Declaration but which is not a Unit and has not yet been conveyed by the Declarant, subject to such local government approvals as may be required;

(3) the right to reconfigure the boundaries of the Common Area;

(c) the right to maintain sales offices, management offices, and advertising signs on the Property;

(d) the right of access over the Common Area for the purpose of making improvements within the Property;

(e) the right to merge or consolidate the Association with another common interest community of the same form of ownership; and

(f) the right to appoint and remove any director or officer of the Association during the Declarant Control Period as provided in the By-Laws.

The foregoing rights may be exercised with respect to different portions of the Community at different times. If a development right (as that term is defined in the Act) is exercised with

respect to any portion of the Community, it need not be exercised with respect to all or any other portion of the Community. No assurances are made that any development rights will be exercised and no assurances are made as to the boundaries of the Community or with respect to the order in which such development rights may be exercised. In all events, all development rights expire at 11:59 p.m. on December 31, 2045. The special declarant rights shall be prior and superior to any other provisions of the Governing Documents. The special declarant rights may not, notwithstanding any other provision of this Declaration or the other Governing Documents, be modified, amended, limited, rescinded, terminated or affected by any amendment of this Declaration or the other Governing Documents without the Declarant's prior written consent.

14.11 Termination of Rights

The rights contained in this chapter shall not expire until the earlier of (a) expiration of the Development and Sale Period; or (b) the Declarant's recording of a written statement that all sales activity has ceased and Declarant has surrendered such rights, except that, in all events, the rights contained in this chapter expire at 11:59 p.m. on December 31, 2045.

Chapter 15 – EASEMENTS

15.1 Easements in Common Area

The Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association; and
- (c) The Board's right to:
 - (1) adopt resolutions regulating Common Area use and enjoyment, including regulations limiting the number of guests who may use the Common Area, and to charge use fees for such use;
 - (2) suspend an Owner's right to use Common Area facilities;
 - (3) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;
 - (4) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;

(5) rent any portion of any clubhouse or other Common Area recreational facilities on an exclusive or non-exclusive short-term basis to any Person;

(6) permit use of any recreational facilities situated on the Common Area by the general public, which use may be subject to admission charges, membership fees, or other user fees established in the Board's discretion;

(7) permit use of any Common Area facilities, at such charge or no charge as the Board may determine appropriate, for the purpose of offering and conducting classes or other activities for interested Owners and occupants, whether offered on a for profit or nonprofit basis; and permit use of any Common Area facilities by the general public, which use may be subject to admission charges or other user fees established in the Board's discretion;

(8) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to any approval requirements set forth in the Governing Documents.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable Board regulation. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit for the period of the lease.

15.2 Easements Over Private Streets for Access and Utilities.

(a) Access Easement. The Declarant grants to each Owner of a Unit that is served by a Private Street, if any, a non-exclusive easement over and across all of the Private Streets for vehicular and pedestrian access, ingress and egress by such Owner and the occupants, tenants, guests and invitees of such Owner, and for parking by such Owner and occupants, tenants, guests and invitees, as may be reasonably necessary for use and enjoyment of the Owner's Unit, provided there is no hindrance or encroachment upon the rights of other Owners and their occupants, tenants, guests and invitees to the use and enjoyment of the other Owners' Units or upon the rights of the Association in and to the Private Streets or the performance by the Association of its duties and obligations with respect thereto. With respect to Owners of Units that are contained within a Service Area for which access is limited by a booth, gate or fence, the easement granted by this Section shall be applicable only to those Private Streets located within such Service Area and shall not be applicable to Private Streets, if any, located elsewhere in the Community.

(b) Utility Easement. The Declarant grants to each Owner of a Unit that is served by a Private Street, if any, a non-exclusive easement in, across, under and through the Private Streets, but only in the location where utilities and related facilities are originally installed by the Declarant or by a Builder or in such other location as may be designated in writing

from time to time by the Association, for the purpose of installation, operation, maintenance, repair and replacement of underground utilities and related surface facilities necessary for the use, enjoyment and operation of the Owner's Unit, including, but not limited to, water lines, sanitary sewer lines, natural gas lines, electricity lines, telephone lines, cable television and other telecommunications lines, and all equipment and facilities incidental thereto, and for access, ingress and egress necessary for such installation, operation, maintenance, repair and replacement; provided that each such Owner shall comply with the requirements of the Association, including with respect to scheduling, before excavating, drilling or otherwise engaging in any construction in the Private Streets.

(c) Limitations. The easements granted in subsections (a) and (b) above are and shall be subject to: (i) the Governing Documents and any other applicable covenants; (ii) any restrictions or limitations contained in any deed conveying Private Streets to the Association; (iii) the Board's right to adopt resolutions and policies regulating use and enjoyment of Private Streets, including, without limitation, regulations limiting the hours during which excavation, drilling or other construction work in any Private Street may be conducted, insurance required to be maintained by any contractor performing any such work, and obligations to restore such Private Street after such work has been completed; and (iv) the right of the Declarant or the Association to dedicate or transfer Private Streets to a governmental or quasi- governmental authority, including, without limitation, a Special District.

15.3 Easements for Utilities, Etc.

(a) Installation and Maintenance. During the Development and Sale Period, the Declarant reserves for itself and grants to the Association and all utility providers perpetual non-exclusive easements throughout RGR&R (but not through a structure), including, without limitation, Units (but not through a structure), Private Streets and all other Common Area, to the extent reasonably necessary to:

- (1) install walls, fences, utilities and related infrastructure to serve RGR&R, other Community Systems, security and similar systems, and drainage systems;
- (2) install walkways, pathways and trails, street lights, and signage on property the Declarant or the Association owns or within or adjacent to a Private Street or within public rights-of-way or easements reserved for such purpose on the recorded Plat;
- (3) inspect, maintain, repair, and replace the utilities, walls, fences, infrastructure, and other improvements described above; and

(4) access and read utility meters. Notwithstanding the above, the Declarant reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) Specific Easements. The Declarant also reserves the non-exclusive right and power to grant and record such specific easements consistent with this Section as it deems necessary to develop the property described in Exhibit "A". The location of the specific easement shall be subject to the written approval of the Owner or owner of the burdened property, which approval shall not unreasonably be withheld, delayed, or conditioned.

(c) Minimal Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this section shall be performed so as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to the condition existing prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

15.4 Easements to Serve Additional Property

The Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and Mortgagees, an easement over the Common Area, including, without limitation, Private Streets, for the purposes of enjoyment, use, access, and development of the Expansion Property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. The Person exercising such easement rights shall be responsible for the repair of any damage caused to the Common Area as a result of their actions in connection with development of such property.

15.5 Easements for Maintenance, Emergency, and Enforcement

By this Declaration, the Declarant grants to the Association easements over RGR&R as necessary to enable the Association to fulfill its maintenance responsibilities and its enforcement rights. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance, to inspect for compliance with the Governing Documents, and to enforce the Governing Documents. Any member of the Board and its duly authorized agents and assignees and all emergency personnel in the performance of their duties may exercise such right. Except in

an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

15.6 Easements for Snow Removal and Stacking

Declarant hereby reserves for itself and its successors, any Builders, Fremont County and any other municipal entity and any Special District charged with the responsibility to conduct snow removal activities a perpetual, nonexclusive easement over and across Units, and the Common Area for the purpose of conducting snow removal activities within RGR&R. Such activities may include, but not be limited to, the use of snow plows, distribution of traction material (e.g., sand), and depositing accumulated snow onto Units to a distance of 25 feet from any lot line. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from the exercise of this easement: Declarant; the Association or the Owners (in their capacities as such); Allison Valley Development Company, LLC, a Colorado limited liability company, its successors, successors-in-title, or assigns; any Builder or contractor (in their capacities as such); or any officer, director, manager, member, shareholder or owner thereof.

Chapter 16 – CHANGES IN THE COMMON AREA

16.1 Condemnation

If any part of the Common Area is taken by any authority having the power of condemnation or eminent domain, or conveyed by the Association in lieu of and under threat of condemnation with such approval as may be required, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within sixty (60) days after such taking the Declarant, during the Development and Sale Period, and at least seventy-five percent (75%) of the Owners shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of this Declaration regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore any improvements on the Common Area, or if net

funds remain after any such restoration or replacement is complete, then such award or net funds shall be treated in the same manner as proceeds from the sale of Common Area.

16.2 Partition

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action to partition any portion of the Common Area without the written consent of all Owners and Mortgagees. This section shall not prohibit the Board from acquiring and disposing of tangible personal property or from acquiring and disposing of real property that may or may not be subject to this Declaration, with such approval as may be required under Section 16.4.

16.3 Transfer, Partition or Dedication of Common Area

The Association may dedicate portions of the Common Area to Fremont County, Colorado, or to any other local, state, or federal governmental or quasi-governmental entity may subject Common Area to a security interest, or may transfer or convey Common Area as follows:

(a) Except as may otherwise be specifically provided in this Declaration, the Common Area shall not be judicially partitioned or subdivided into Units, nor shall the ownership of the Common Area be otherwise divided or made subject to a security interest after conveyance to the Association, except upon the approval of sixty-seven percent (67%) of the votes held by the Owners other than the Declarant, and the consent of Declarant during the Development and Sale Period. Any such transfer, partition, or encumbrance shall be further subject to the Act. This section shall not prevent the Association from granting easements with respect to the Common Area as otherwise permitted in this Declaration and the Act.

(b) The Association shall have the authority, subject to approval of sixty- seven percent (67%) of the votes held by the Owners other than the Declarant, and the consent of Declarant, during the Development and Sale Period, to transfer portions of the Common Area and improvements thereon to appropriate governmental entities or tax-exempt organizations for the maintenance, operation and preservation thereof; provided, that any such transfer shall not deprive the Association and the Owners of the rights and benefits of the Association and the Owners as provided in this Declaration, and such Common Area shall otherwise be subject to the provisions of this Declaration.

(c) The proceeds from the sale or mortgaging of Common Area shall be an asset of the Association to be used as the Board determines.

Chapter 17 – DISCLOSURES AND WAIVERS

17.1 Facilities and Services Open to the Public

Certain facilities and areas within RGR&R, including Common Area, may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example: open spaces such as climbing areas, scenic view protection, protection of natural drainage features, trails and paths, parks, and other neighborhood spots conducive to gathering and interaction; roads; sidewalks; and medians. The Declarant may designate such facilities and areas as open to the public at the time the Declarant makes them a part of the Area of Common Responsibility, or the Board may so designate at any time thereafter.

17.2 Waiver of Certain Liability Use by Owners and their occupants, tenants, guests and invitees of the Common Area involves certain inherent risks. In particular, but without limitation, use of a building, cooking facilities (whether indoor or outdoor), recreational facilities and trails involves risks. These risks are likely to be higher when children and/or seniors are involved. Owners shall warn their occupants, tenants, guests and invitees of such risks and specifically of the provisions of this section. By making use of the Common Area, Owners and their occupants, tenants, guests and invitees:

- (a) assume all such risks;
- (b) acknowledge that they have read and understand the provisions of this section;
- (c) agree that the Declarant, all Builders and the Association, and their respective shareholders, partners, officers, directors, members, managers, employees and agents, shall have no obligation whatsoever to provide any warning of such risks, including, without limitation, posting any warning; provided, however, that the posting of a warning at any Common Area shall in no way limit, modify, restrict or affect the provisions of this section;
- (d) shall be deemed to have waived all rights any of them may at any time have against the Declarant, all Builders, and the Association, and the shareholders, partners, officers, directors, members, managers, employees and agents of any of them, for any and all claims, damages, losses, demands, liabilities, obligations, actions, or causes of action, in any way directly or indirectly arising out of or in connection with the use of any Common Area, except only that such waiver shall not apply to claims arising solely from the negligent maintenance or repair of any Common Area by any of the foregoing if such person is obligated to perform such maintenance or repair by the terms of this Declaration. Without limiting the foregoing, such waiver shall apply to claims (i) that any or all of the foregoing persons failed to provide an adequate warning of the risks of using the Common

Area or any particular portion of the Common Area: (ii) of improper or negligent design or construction of the Common Area or any particular portion of the Common Area.

17.3 Safety and Security

Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Community. The Association may, but shall not be obligated to, maintain or support certain activities within the Community designed to promote or enhance the level of safety or security that each person provides for himself or herself and his or her property. However, neither the Association nor the Declarant shall in any way be considered insurers or guarantors of safety or security within the Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

Without limiting the generality of the foregoing, in the event that Declarant or the Association or a Builder causes a security booth, gate or fence to be constructed on or about any portion of the Community or operates a controlled access entrance to any portion of the Community, such actions shall not be deemed under any circumstances as an undertaking by Declarant or the Association or the Builder to guarantee the safety and security of Owners and their occupants, tenants, guests, or invitees to their Units or the security of the property of such persons. Declarant and the Association and the Builder disclaim all responsibility to ensure the security and safety of persons and property within the Community and no person shall be entitled to rely upon such security booth, gate or fence constructed on any portion of the Community as a guarantee of safety and security.

No representation or warranty is made that any systems or measures, including security monitoring systems or any mechanism or system for limiting access to the Community, cannot be compromised or circumvented or that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing any tenants and other occupants of such Owner's Unit, that the Association, its Board and committees, and the Declarant are not insurers or guarantors of security or safety and that each Person within the Community assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

17.4 Changes in the Community

Each Owner acknowledges that RGR&R is a master planned community, the development of which is likely to extend over many years, and agrees that the Association shall not

engage in, or use Association funds to support any protest, challenge, or other form of objection to (a) changes in uses or density of property within RGR&R, or (b) changes in the Expansion Property as it relates to property outside RGR&R, without the Declarant's prior written consent.

17.5 Various Housing Types.

Each Owner acknowledges and understands that various types, styles, densities and prices of housing may be within the Community, including, without limitation, paired homes, duplexes, townhomes, patio homes, single family attached homes, single family detached homes, custom homes and apartments, single story structures and multiple story structures.

17.6 View Impairment

Neither the Declarant, the Association, nor any Builder guarantee or represent that any view over and across the Units or any open space within the Community will be preserved without impairment. The Declarant, Declarant Affiliates, Builders and the Association shall have no obligation to relocate, prune, or thin trees or other landscaping except to maintain the Community-Wide Standard or as otherwise required under a separate written covenant or agreement. The Association (with respect to the Common Area) has the right to add trees and other landscaping from time to time, subject to applicable law. There shall be no express or implied easements for view purposes or for the passage of light and air.

17.7 Notices and Disclaimers as to Community Systems

Each Owner acknowledges that interruptions in cable television and other Community Systems and services will occur from time to time. The Declarant, Declarant Affiliates, or any of their respective successors or assigns shall not be liable for, and no Community System or service user shall be entitled to refund, rebate, discount, or offset in applicable fees for, any interruption in Community Systems and services, regardless of whether or not such interruption is caused by reasons within the service provider's control.

17.8 Landscaping, Soils and Environmental Matters

(a) The association shall maintain the area of common responsibility in such a fashion that the soil surrounding the foundations of the residences and other improvements shall not become so impregnated with water that they cause expansion of or shifting of the soils supporting the improvements or other damage to the improvements and do not impede the proper functioning drainage, landscaping, or sprinkler systems as originally installed. Such maintenance shall include, where necessary, the removal or replacement of improperly functioning drainage or irrigation system elements and shall also include preventing

ponding and regrading and resurfacing where necessary to provide for adequate drainage and preventing any changes in drainage in such a way as to endanger the structural integrity or the stability of any of the landscaping, walkways, walks, drainage or irrigation systems, or the other improvements upon the property. The association and the owners shall indemnify declarant from any liability, claims and expenses, including, without limitation, reasonable attorneys' fees, resulting from any breach of this provision.

(b) The owners acknowledge and understand that soil, ecological and/or environmental conditions, including, without limitation, radon gas, hazardous or toxic substances, may affect this property and that declarant does not warrant and instead affirmatively disclaims any liability for any existing or future soil, ecological or environmental conditions affecting the property, and that the soil in the Colorado area contains clay and other substances which may cause it to swell or collapse when wet and so can cause earth movement around a residence's foundation; the owners accept the soil conditions, the foundations and the residences so installed without any express or implied warranties or representations.

(c) The U.S. Environmental Protection Agency ("EPA") states that exposure to elevated levels of radon gas can be injurious. Any test to measure the level of radon gas can only show the level at a particular time under the circumstances occurring at the time of testing. Declarant, its agents, contractors, successors and assigns are not qualified to measure radon gas or to evaluate all aspects of this complex area of concern. Prior or subsequent to closing of the owner's purchase of a unit and/or residence, the owner may wish to test for the presence of radon gas and to purchase or install devices that may be recommended by qualified radon specialists. Declarant, its agents, contractors, successors and assigns, expressly disclaim and the owner and the association agree to waive and release declarant, its agents, contractors, successors and assigns, from any claim of liability or responsibility with respect to radon gas and related matters and to hold harmless from any claims or liability against declarant, its agents, contractors, successors or assigns with respect to radon gas and related matters.

(d) Fiberglass insulation (also known as glass wool) is commonly used for insulation of homes, fiberglass in various thicknesses and values is used in the areas of walls, floor to ceiling, assemblies and ceiling to roof assemblies of homes to prevent movement of heat and to reduce noise. The U.S. Department of Health and Human Services produced a report that lists glass wool as a substance "which may be reasonably anticipated to be a carcinogen", but that report merely identifies substances selected for further study because of potential risk. The listing of a substance in the report is not an assessment that there is a casual connection between glass wool and illness. The owners and the

association acknowledge that fiberglass is used in the residences, and waive any claims against declarant, its agents, contractors, successors and assigns, arising as a result of the use of fiberglass insulation, and agree to hold declarant, its agents, contractors, successors and assigns harmless from any claim or liability resulting from the existence of fiberglass insulation in the residences.

(e) The association and the owners agree to do nothing which would change the grading or landscaping so as to cause or permit poor drainage or other damage to the residences, to accept the soil conditions, landscaping, insulation, radon, ecological and environmental conditions, which now or hereafter exist on the property, and to release and indemnify declarant from any loss, damage and expense resulting from any of the foregoing.

17.9 Disclosures, Disclaimers And Releases

No representation, promise or warranty, has been made by declarant, its agents, contractors, successors and assigns, regarding the investment potential of the units, any economic benefit to the owners, their heirs, successors and assigns, to be derived from the managerial or other efforts of declarant, its agents, contractors, successors and assigns, or any other third party designated or arranged by declarant, its agents, contractors, successors and assigns, related to the ownership or rental of the units, or regarding the continued existence of any view from the units. The owners, their heirs, successors and assigns, understand that declarant, its agents, contractors, successors and assigns, are under no obligation with respect to future plans, zoning or development of additional property in the area. The owners, their heirs, successors and assigns, understand that the sizes and type of residences may change at the sole discretion of declarant, its agents, contractors, successors and assigns, and that the sales prices may decrease or increase at the sole discretion of declarant.

By acquiring title to a unit, the owners, their heirs, successors and assigns covenant and agree that except for any written limited warranty, declarant, its agents, contractors, successors and assigns make no representations or warranties, express or implied, of any nature, including, without limitation, any representation or warranty as to the fitness, workmanlike construction, merchantability, design, condition, quality, or habitability of the residences, the property, or any improvements related thereto or any electrical, plumbing, heating, gas, water, sewer, structural components, or other mechanical or utility systems or components or appliances or fixtures related thereto. The owners and the association accept the foregoing disclaimer of warranties and waive, release and indemnify declarant, its agents, contractors, successors and assigns from all claims related thereto, together with any claims for bodily injury, property damage and incidental or consequential damages made by any person or party. The owners, theirs heirs, successors and assigns

and the association covenant and agree that declarant, its agents, contractors, successors and assigns shall not be liable for claims relating to the residences, units or to the property as to any defect in workmanship or in any material used in construction unless otherwise provided in a specific written limited warranty signed by declarant, the owners, their heirs, successors and assigns and the association, expressly waive and release all rights to sue for a defect in construction of the residences, units or the property and shall rely solely on the owner's own inspection and examination of the residences, units and property and not on any representations or warranties of declarant, its agents, contractors, successors and assigns. The owners, their heirs, successors and assigns covenant and agree that the sales prices of the residences and/or units are based in part upon the releases, waivers and indemnity contained in this section and the other provisions of the declaration.

17.10 Waiver

By acceptance of a deed to a Unit, each Owner hereby releases, waives, and discharges the Declarant, each Builder, the Association and the DRC, and their respective officers, directors, members, partners, agents and employees, heirs, personal representatives, successors and assigns, from all losses, claims, liabilities, costs, expenses, and damages, arising directly or indirectly from any hazards, disclosures or risks set forth in this Declaration, including those contained in this Chapter.

17.11 Limitation on Liability

The Declarant, any Builder, the Association, the Board, and the DRC, and their respective directors, officers, shareholders, members, managers, partners, agents or employees, shall not be liable to any Person for any action or for any failure to act arising out of this Declaration and the Guidelines, if any, unless the action or failure to act was not in good faith and was done or withheld with malice. This limitation is addition to, and not in place of, the non-liability for design review in Chapter 6.

Chapter 18 – RIGHTS OF LENDERS

The following provisions are for the benefit of holders, insurers, and guarantors of first Mortgagees on Units in RGR&R. The provisions of this chapter apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

18.1 Notices of Action

An institutional holder, insurer, or guarantor of a first Mortgage that provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates), thereby becoming an “Eligible Holder”, will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss that affects a material portion of RGR&R or that affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;
- (b) Any delinquency in the payment of assessments or charges owed by the Owner of a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Governing Documents relating to such Unit or the Owner or occupant that is not cured within sixty (60) days;
- (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
- (d) Any proposed action that would require the consent of a specified percentage of Eligible Holders.

18.2 No Priority

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

17.3 Failure of Mortgagee to Respond

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association’s request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

18.4 Construction

Nothing contained in this chapter shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, the By-Laws, or Colorado law for any of the acts set out in this chapter.

Chapter 19 – DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

19.1 Resolution of Disputes Without Litigation

(a) **Bound Parties.** The Declarant, all Builders, the Association and members of its committees, and their respective officers, directors, members, managers, partners, employees and agents, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this chapter (collectively, “Bound Parties” and individually, a “Bound Party”), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving them without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees to resolve all Claims by using the procedures in this Chapter and not by litigation, and each Bound Party agrees not to file suit in any court with respect to a Claim. If a Bound Party commences any action in a court of law or equity against any person or organization that is not a Bound Party, such Bound Party shall nevertheless be required to comply with the provisions of this Chapter with respect to any Claim it wishes to assert against a Bound Party, even if such Claim is the same or substantially the same, or arises from the same or similar facts, as the claim against the non-Bound Party. Each Bound Party agrees that the procedures in this Chapter are and shall be the sole and exclusive remedy that each Bound Party shall have for any Claim. The provisions of this Chapter shall be deemed a contract between and among all Bound Parties, as well as covenants and equitable servitudes that run with all land located within the Community. Declarant, all builders, the association, the drc and, by acceptance of a deed or other instrument of conveyance for a unit, each owner agree to have any and all claims resolved in accordance with the provisions of this chapter, waive their respective rights to pursue any claim in any manner other than as provided in this chapter, and acknowledge that, by agreeing to resolve claims as provided in this chapter, they are giving up their respective rights to have such claims tried before a court or jury.

(b) **Claims.** As used in this chapter, the term “Claim” shall refer to any claim, grievance, or dispute arising out of or relating to:

- (1) the interpretation, application, or enforcement of the Governing Documents;
- (2) the rights, obligations, and duties of any Bound Party under the Governing Documents;
- (3) the physical condition and/or the design and/or construction of Improvements within the Community, including, without limitation, any and all Residences and other Improvements on Units, and any and all Common Areas; except that disputes concerning the procedures for approval of Improvements under Chapter 6 shall not be subject to

review by a court or arbitrator. Any Claim described in this subsection is referred to below as a “Defect Claim;” or

(4) any warranties, promises, representations, statements, or other communications made by or on behalf of any Bound Party.

(c) Exempt Claims. The following suits (“Exempt Claims”) shall not be considered “Claims” unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 18.2:

(1) any suit by the Association to collect assessments or other amounts due from any Owner or to foreclose any lien to collect such assessments or other amounts;

(2) any suit or action by the Association that involves the protest of real property taxes;

(3) any suit by the Association to challenge condemnation proceedings;

(4) any suit by the Association, the Declarant, the Reviewer or an affected Owner that involves a dispute concerning the procedures for approval of Improvements under Chapter 6, including, without limitation, any suit arising from the Reviewer’s failure to approve a proposed Improvement;

(5) any suit between or among Owners, which does not include the Association, Declarant and/or any Builder as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Governing Documents;

(6) any suit or dispute between an Owner and a Builder arising out of or relating to an agreement of purchase and sale of a Unit or the design and/or construction of a Residence on a Unit where the Owner and Builder have agreed to submit the suit or dispute to other dispute resolution procedures;

(7) any suit by the Association, the Declarant or an affected Owner to enforce the provisions of Chapter 6, including, without limitation, any suit with respect to a violation of the Guidelines;

(8) any suit by the Association, the Declarant or an affected Owner to enforce the provisions of Chapter 8;

(9) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association’s ability to enforce the provisions of this Declaration (relating to creation and maintenance of community standards);

(10) any suit to compel mediation or arbitration of a Claim or to enforce any award or decision of an arbitration conducted in accordance with this Chapter;

(11) any suit to enforce a settlement agreement reached through negotiation or mediation pursuant to this Chapter; and

(12) any dispute in which a necessary party to the dispute is not a Bound Party and has not agreed to submit to the procedures set forth in Section 18.2.

(d) Amendment. This Section shall not be amended unless such amendment is approved by a vote of Owners entitled to cast seventy-five percent (75%) of the total votes in the Association (or such lesser percentage as may be the maximum permitted by the Act) and by seventy-five percent (75%) of all first Mortgagees (or such lesser percentage as may be permitted by the Act) and by the Declarant; provided that, approval by first Mortgagees shall not be required if such requirement is contrary to mandatory provisions, if any, of applicable law. Any amendment to this Section shall not apply to Claims based on alleged acts or omissions or circumstances that predate the recording of the amendment.

(e) Reformation. All Bound Parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving Claims. Accordingly, they recognize that one of the essential purposes of this Declaration is to provide for the submission of all Claims to mediation and final and binding arbitration. Therefore, if any court concludes that any provision of this Chapter is void, voidable or otherwise unenforceable, all Bound Parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the express desire of the Bound Parties that the merits of all Claims be resolved only by mediation and final and binding arbitration and, to the greatest extent possible and permitted by law, in accordance with the principles, limitations, procedures and provisions set forth in this Chapter.

19.2 Dispute Resolution Procedures

(a) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice ("Notice") by mail or personal delivery to each Respondent and to the Board, and if the Claim is a Defect Claim involving a Unit, then to the First Mortgagee, if any, with a lien against such Unit, and if the Claim is a Defect Claim involving any Common Area, then to all first Mortgagees, stating plainly and concisely:

(1) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(2) if the Claim is a Defect Claim, (A) a list of all alleged design and/or construction defects or other physical conditions that are the subject of the Defect claim and a detailed description thereof specifying the type and location of such defects or conditions (identified by the specific room or room where the alleged defects or conditions exist if contained within a structure or identified on a plat plan or map where the defects or conditions exist outside a structure, in either case with a legend that identifies the type of defect), (B) a description of the damages claimed to have been caused by the alleged defects or conditions, and (C) a list of the Persons involved and a description of the Respondent's role in the Defect Claim;

(3) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(4) the Claimant's proposed resolution or remedy; and

(5) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. The Board may appoint a representative to assist the parties in negotiating a resolution of the Claim if a written request, accompanied with a copy of the Notice, is submitted to the Board by either Claimant or Respondent.

(c) Right to Inspect. If the Claim is a Defect Claim, the Claimant shall permit each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Unit (including the Claimant's Residence), or, if the Association is the Claimant, the Association shall allow each Respondent, its employees, agents, contractors and consultants to enter each Common Area that is the subject of the Claim, in either case at reasonable times, to permit each Respondent to inspect the matters identified in the Defect Claim. Declarant hereby reserves for itself, and grants to the Association and each Respondent, an easement to enter upon Claimant's Unit (including the Residence thereon) and any Common Area for the purposes of making inspections pursuant to this subsection. Each Respondent shall make reasonable efforts to schedule convenient times with the Claimant for such inspections, but the Claimant's refusal to schedule such times shall not relieve the Claimant of its obligations set forth in this subsection. If the Claimant refuses to allow each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Residence and lot (or the applicable Common Area if the Association is the Claimant) in order to make such inspections, the Claimant shall be deemed to be in breach of its obligations set forth in this subsection and shall be liable to each Respondent that has been denied access, and each such Respondent shall be entitled to recover from the

Claimant, liquidated damages in the amount of One Hundred Dollars (\$100.00) per day for each day after the Claimant's receipt of the Respondent's written request for access to the Unit or Common Area, as may be applicable, until the Claimant provides such access; provided that the amount of liquidated damages shall increase by five percent (5%) on each anniversary of the date upon which this Declaration is recorded (for example, but without limitation, on the first anniversary of the date upon which this Declaration is recorded, the amount of liquidated damages required by this subsection shall be \$105.00 per day). Liquidated damages provided in this subsection are separate from and independent of liquidated damages provided in subsection (d), below, and a Respondent that is in breach of its obligations under each Section will be liable for liquidated damages under each Section. By acquiring ownership of any real property located within the Community, each Owner and the Association acknowledge and agree that the actual damages to a Respondent arising from a Claimant's breach of its obligations set forth in this subsection would be extremely difficult and impractical to ascertain, including, without limitation, loss of reputation and goodwill, and that the liquidated damage amount referenced in the preceding sentence is a fair and reasonable estimate thereof. If the Association makes a Defect Claim on behalf of one or more Owners with respect to the Units of those Owners (and nothing in this Declaration creates an authority for the Association to do so), or if any Owner or other Person makes a Defect Claim in the nature of a derivative action on behalf of the Association, then the Person making such Defect Claim shall be required to provide access to each Unit that is the subject of the Defect Claim and all of the provisions of this subsection shall apply to such Person and such Defect Claim.

(d) Right to Remedy. If the Claim is a Defect Claim, if a Respondent informs the Claimant in writing that the Respondent intends to repair, redesign, remedy or otherwise cure one or more matters described in the Claim, the Claimant shall provide access to its Unit including the Residence on the Unit, or the applicable Common Area if the Association is the Claimant, to such Respondent, its employees, agents, contractors and consultants for the purpose of making such repair, redesign, remedy or cure. Declarant hereby reserves for itself, and grants to the Association and each Respondent, an easement to enter upon Claimant's Unit (including the Residence thereon) for the purposes of making any repair, redesign, remedy or cure pursuant to this subsection. The Respondent shall make reasonable efforts to schedule convenient times with the Claimant for the performance of such work, but the Claimant's refusal to schedule such times shall not relieve the Claimant of its obligations set forth in this subsection. The Claimant agrees that each Respondent has an absolute right to attempt to repair, remedy or otherwise cure one or more matters described in the Claim. The Claimant further agrees that nothing contained in this subsection creates any obligation upon any Respondent to attempt to repair, remedy or

otherwise cure any matters described in the Claim and each Respondent's obligations in that respect are limited to those obligations, if any, imposed by any written express warranty separately provided to the Claimant (and which, by its terms, may not run to the benefit of succeeding owners of the property) and by applicable law. If the Claimant refuses to allow each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Unit, including the Residence on the Unit, or applicable Common Area if the Association is the Claimant, in order to perform such work, the Claimant shall be deemed to be in breach of its obligations set forth in this subsection and shall be liable to such Respondent, and such Respondent shall be entitled to recover from the Claimant, liquidated damages in the amount of One Hundred Dollars (\$100.00) per day for each day after the Claimant's receipt of the Respondent's written notice that it intends to repair, remedy or otherwise cure one or more matters described in the Claim until the Claimant provides such access; provided that the amount of liquidated damages shall increase by five percent (5%) on each anniversary of the date upon which this Declaration is recorded (for example, but without limitation, on the first anniversary of the date upon which this Declaration is recorded, the amount of liquidated damages required by this subsection shall be One Hundred and Five Dollars (\$105.00) per day). Liquidated damages provided in this subsection are separate from and independent of liquidated damages provided in subsection (c), above, and a Respondent that is in breach of its obligations under each Section will be liable for liquidated damages under each Section. By acquiring ownership of any real property located within the Community, each Owner and the Association acknowledges and agrees that the actual damages to a Respondent arising from a Claimant's breach of its obligations set forth in this subsection would be extremely difficult and impractical to ascertain, including, without limitation, loss of reputation and goodwill, and that the liquidated damage amount referenced in the preceding sentence is a fair and reasonable estimate thereof. If the Association makes a Defect Claim on behalf of one or more Owners with respect to the Units of those Owners (and nothing in this Declaration creates an authority for the Association to do so), or if any Owner or other Person makes a Defect Claim in the nature of a derivative action on behalf of the Association, then the Person making such Defect Claim shall be required to provide access to each Unit that is the subject of the Defect Claim and all of the provisions of this subsection shall apply to such Person and such Defect Claim.

(e) Mediation. If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the Notice (or within any other agreed upon period), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with a Dispute Resolution Service, which shall be designated by the Association if the Association is not a

party to the Claim. Each Bound Party shall present the mediator with a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant on account of such Claim.

If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (a "Termination of Mediation") indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to commence binding arbitration on the Claim, pursuant to and as provided in subsection (g), below.

Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall pay an equal share of the mediator's fees.

(f) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to comply again with the procedures set forth in this Chapter. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

(g) Arbitration. After receiving a Termination of Mediation, if the Claimant wants to pursue the Claim and the Claim is not otherwise barred as provided elsewhere in this Chapter, the Claimant shall initiate final, binding arbitration of the Claim under the auspices of a Dispute Resolution Service (which does not necessarily have to be the same Dispute Resolution Service that provided mediation with respect to the Claim), and the Claimant shall provide to the Respondent a "Notice of Intent to Arbitrate", all within twenty (20) days after the Termination of Mediation. If the Claimant does not initiate final, binding arbitration of the Claim and provide a Notice of Intent to Arbitrate to the Respondent within twenty (20) days after the Termination of Mediation, then the Claimant shall be deemed to have waived the Claim, and that Respondent shall be relieved of any and all liability to the Claimant on account of such Claim. The term "Party" when used in this subsection shall mean a party to an arbitration proceeding to resolve a Claim and the term "Parties" shall mean all the

parties to such arbitration proceeding. The following arbitration procedures shall govern each Claim submitted to arbitration:

- (1) The arbitration shall be presided over by a single arbitrator.
- (2) The arbitrator must be a person qualified to consider and resolve the Claim with the appropriate industry and/or legal experience.
- (3) No Person shall serve as the arbitrator where that Person has any financial or personal interest in the arbitration or any family, social or significant professional acquaintance with any Party to the arbitration. Any Person designated as an arbitrator shall immediately disclose in writing to all Parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the arbitration (“Arbitrator Disclosure”). If any Party objects to the service of any arbitrator with fourteen (14) days after receipt of the Arbitrator’s Disclosure, such arbitrator shall be replaced in the same manner as the initial arbitrator was selected.
- (4) The arbitrator shall have the exclusive authority to, and shall, determine all issues about whether a Claim is covered by this Chapter. Notwithstanding anything herein to the contrary (including, but not limited to, subsection 19.2(g)(8) below), if a Party contests the validity or scope of arbitration in court, the arbitrator or the court shall award reasonable attorneys’ fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Party.
- (5) The arbitrator may hold hearings in which the Parties, their attorneys and expert consultants may participate, or may determine Claims in any other manner the arbitrator may deem appropriate. The arbitration proceedings shall be conducted in Fremont County, Colorado unless the Parties otherwise agree.
- (6) No formal discovery shall be conducted without an order of the arbitrator or express written agreement of all Parties.
- (7) Unless directed by the arbitrator, there shall be no post hearing briefs.
- (8) The arbitration award shall address each specific Claim to be resolved in the arbitration, provide a summary of the reasons therefore and the relief granted, and be rendered no later than fourteen (14) days after the close of the hearing, unless otherwise agreed by the Parties. The arbitration award shall be in writing and shall be signed by the arbitrator.
- (9) The arbitrator shall apply the substantive law of Colorado and may award injunctive relief or any other remedy available in Colorado but shall not have the power to award punitive damages, consequential damages, exemplary damages, treble damages, indirect or incidental damages, attorneys’ fees, expert’s fees and/or costs to the prevailing Party.

Each Party is responsible for any fees and costs incurred by that Party, including, without limitation, the fees and costs of its attorneys, consultants and experts. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court of competent jurisdiction.

(10) The Parties shall pay their pro rata share of all arbitration fees and costs, including, without limitation, the costs for the arbitrator.

(11) With respect to a Defect Claim, the arbitrator shall have authority to establish reasonable terms regarding inspections, destructive testing and retention of independent consultants and may require that the results of any such inspections and testing and the reports of independent consultants be submitted to the arbitrator and to the other Parties, whether or not the Party that ordered such inspections or testing or engaged the consultant intends to present such results or reports to the arbitrator as evidence.

(12) Except as may be required by law or for confirmation of an arbitration award, neither a Party nor an arbitrator may disclose the existence or contents of any arbitration without the prior written consent of all Parties to the arbitration. (h) Amendment. This Section shall not be amended unless such amendment is approved by a vote of Owners entitled to cast seventy-five percent (75%) of the total votes in the Association (or such lesser percentage as may be the maximum permitted by the Act) and by seventy-five percent (75%) of all first Mortgagees (or such lesser percentage as may be permitted by the Act) and by the Declarant; provided that, approval by first Mortgagees shall not be required if such requirement is contrary to mandatory provisions, if any, of applicable law. Any amendment to this Section shall not apply to Claims based on alleged acts or omissions or circumstances that predate the recording of the amendment.

19.3 Initiation of Litigation or Arbitration by Association

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any litigation (if the foregoing alternative dispute resolution procedures are not applicable) or arbitration proceeding, or engage any attorney to initiate any litigation or arbitration or to advise the Board and/or the Association, with respect to doing so unless first approved by: (a) the Board; and (b) the affirmative vote of Owners entitled to cast seventy-five percent (75%) of the total votes in the Association (or such lower percentage, if any, that may be expressly specified in the Act as the maximum that may be required as condition to initiation by the Association of litigation or arbitration proceedings), except that only the approval of the Board and not the approval of Owners shall be required for actions or proceedings:

(a) That are initiated by the Board and assert only Exempt Claims and not any Claims that are subject to the procedures set forth in this Chapter; or

(b) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

If a Claim alleges that any Improvements, including Residence(s), located within the Community, suffer from construction and/or design defects, the following additional requirements must be satisfied before such a Claim may be submitted to arbitration: (a) if the Claim relates to Improvements, including Residences, on one or more Units, the prior written approval of the Owner of each such Unit and the first Mortgagee, if any, on each such Unit must be obtained; (b) if the Claim relates generally to Improvements on the Common Area, the prior written approval of at least seventy-five percent (75%) of all first Mortgagees must be obtained. In addition, if the Claim is a Defect Claim, the Association shall not initiate any litigation (if the foregoing alternative dispute resolution procedures are not applicable) or arbitration proceeding unless and until it has obtained the written consent of all first Mortgagees holding liens against each Unit that is the subject of the Defect Claim, and if the Defect Claim involves any Common Areas, the written consent of seventy-five percent (75%) of all first Mortgagees. The Board and the Association have no authority or jurisdiction whatsoever to initiate any litigation or arbitration without first obtaining all of the requisite approvals and consents required by this Section and any litigation or arbitration initiated without such approvals and consents shall be dismissed by the court or arbitrator, as applicable, who shall award the defendant(s) in such action reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal. Notwithstanding the requirements in this paragraph to obtain the consent of first Mortgagees under certain circumstances, if any, with respect to a particular circumstance, such requirement is contrary to mandatory provisions, if any, of applicable law, then such consent shall not be required in such circumstance.

Prior to commencing any action or proceeding that requires approval of Owners and first Mortgagees as provided in this Section, the Board shall mail or deliver written notice that such action or proceeding is being considered to each Owner at the last known address described in the Association's records and to each First Mortgagee referred to in the immediately preceding paragraph. The notice shall state a general description of (i) the nature of the action and the relief sought, including a statement of the Claim and the Respondent's response to the Claim, including any settlement offer; (ii) the expenses and fees that the Board anticipates will be incurred in prosecuting the action, including, without limitation, any amounts that may be payable to the Association's attorneys if the Board or the Association decides to settle or withdraw the Claim without the consent, or against the

advice of, the Association's attorneys; (iii) the name of the attorney(s) that the Board proposes to engage, the terms of the proposed engagement and a copy of any proposed engagement letter; (iv) an estimate of the time that will be necessary to pursue the Claim to resolution; (v) the potential impact of the Claim and the litigation or arbitration of the Claim on the ability of the Owners to sell their Units; (vi) the potential impact of the Claim and the litigation or arbitration of the Claim on the ability of the Owners to obtain a new loan or refinance an existing loan secured by their Units; and (vii) a statement advising the Owners of their duty to disclose the Claim to prospective purchasers and current and prospective mortgagees of their Units. Such written statement shall also be sent to the Respondent at least ten (10) days before the meeting of Owners at which the possible initiation of litigation or arbitration will be considered and the Respondent shall have the right to attend and make a presentation at such meeting. The Association shall hold a meeting of the Owners to consider such litigation or arbitration no sooner than ten (10) days following the Association providing the written statement described in this paragraph.

In addition, if a Claim alleges that any Residence or other Improvements on a Unit suffer from construction and/or design defects, the Claimant shall promptly disclose the Claim and its details to his/her prospective purchasers and current and prospective Mortgagees.

Notwithstanding any other provision of this Chapter or this Declaration, arbitration with respect to a Claim must be initiated within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings in a court based on such Claim would be barred by the applicable statute of limitations or statute of repose, except that any claim based on breach of a written express warranty must be made within the time specified in the express warranty document. If any Claim is not timely submitted to arbitration, or if the Claimant fails to appear and participate in good faith for the arbitration proceeding when scheduled, then the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant on account of any such Claim.

This Section shall not be amended unless such amendment is approved by a vote of Owners entitled to cast seventy-five percent (75%) of the total votes in the Association (or such lesser percentage as may be the maximum permitted by the Act) and by seventy-five percent (75%) of all first Mortgagees (or such lesser percentage as may be permitted by the Act) and by the Declarant; provided that, approval by first Mortgagees shall not be required if such requirement is contrary to mandatory provisions, if any, of applicable law. Any amendment to this Section shall not apply to Claims based on alleged acts or omissions or circumstances that predate the recording of the amendment.

Chapter 20 – ASSOCIATION INSURANCE

20.1 Required Coverages

The Association shall obtain and maintain in effect the following insurance coverage, if reasonably available, or if not reasonably available, the most nearly equivalent coverage as is reasonably available:

(a) Blanket property insurance covering “risks of direct physical loss” on a “special form” basis (or comparable coverage by whatever name denominated) for all insurable improvements on

(1) the Common Area;

(2) other portions of the Area of Common Responsibility, to the extent that the Association has responsibility for repair or replacement in the event of a casualty; and

(3) any Service Area, to the extent specified or authorized. If such coverage is not generally available at reasonable cost, then “broad form” coverage may be substituted. The limits of Association property insurance policies shall be sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes.

(b) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its members for damage or injury caused by the negligence or other tortious conduct of the Association or any of its members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage shall have a limit of at least Two Million Dollars (\$2,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage. Such coverage may be provided through a combination of primary and umbrella policies. However, if additional coverage and higher limits are available at reasonable cost that a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(c) Workers compensation insurance and employer’s liability insurance, if and to the extent required by law;

(d) Directors’ and officers’ liability coverage; and

(e) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board’s business judgment but not less than an amount equal to one-fourth of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation. The Association shall arrange for an annual review of the sufficiency of its insurance

coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Grand Junction area. In the exercise of its business judgment, the Board may obtain additional insurance coverage and higher limits than this Section requires.

20.2 Deductibles

The Association's policies may contain a reasonable deductible, which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Service Area Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

20.3 Policy Requirements

All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Owner.

To the extent available at reasonable cost and terms, all Association insurance shall:

- (a) be written with a company authorized to do business in Colorado that satisfies the requirements of Fannie Mae, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;
 - (b) be written in the name of the Association as trustee for the benefited parties. All policies shall be for the benefit of the Association and its members, as their interests may appear;
 - (c) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;
 - (d) contain an inflation guard endorsement;
 - (e) include an agreed amount endorsement, if the policy contains a co- insurance clause;
 - (f) provide that each Owner is an insured person with respect to liability arising out of such Owner's status as a member of the Association;
 - (g) provide a waiver of subrogation against any Owner or household member of an Owner;
- and

(h) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any act or omission of one or more Owners, unless acting on the Association's behalf within the scope of their authority, or on account of any curable defect or violation, without prior written demand to the Association and allowance of a reasonable time to cure the defect or violation.

In addition, the Board shall use reasonable efforts to secure insurance policies that list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's directors, officers, employees, and manager;

(j) a waiver of the insurer's right to repair and reconstruct instead of paying cash;

(k) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(l) an endorsement requiring at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(m) a cross liability provision; and

(n) a provision vesting in the Board exclusive authority to adjust losses, except to the extent applicable law permits an Owner to file a claim to the same extent, and with the same effect, as if the Owner were an additional named insured. However, Mortgagees having an interest in such losses may not be precluded from participating in the settlement negotiations, if any, related to the loss.

20.4 Insurance Premiums

Premiums for all Association insurance shall be a Common Expense, except that premiums for property insurance on particular Units may be assessed against such Units as a Specific Assessment or a Service Area Assessment (as those terms are defined in Chapter 5), unless the Board reasonably determines that other treatment of the premiums is more appropriate.

Chapter 21 – TERMINATION AND AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

21.1 Term and Termination

This Declaration shall have perpetual duration, unless terminated in the manner provided in the Act by agreement of Owners representing at least eighty percent (80%) of the total votes in the Association and the written consent of the Declarant during the Development and Sale Period. If Colorado law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration automatically shall be extended at the expiration of such period for successive periods of 20 years each, unless terminated by agreement of the Owners representing at least eighty percent (80%) of the total votes in the Association in the manner provided in the Act.

This section shall not permit termination of any easement created in this Declaration without the written consent of the holder of such easement.

21.2 Amendment

(a) Corrections. Notwithstanding anything to the contrary contained in this Declaration, this Declaration may be amended in whole or in part, at any time, by the Declarant without the consent or approval of any other Owner or any other Person, in order to correct clerical, typographical, or technical errors, or to clarify this Declaration or any provision hereof. The Declarant's right of amendment set forth in the preceding sentence shall terminate upon termination of the Development and Sale Period.

(b) Satisfaction of Mortgage Market. Notwithstanding anything to the contrary contained in this Declaration, this Declaration may be amended in whole or in part, at any time, by the Declarant without the consent or approval of any other Owner or any other Person, in order to comply with the requirements, standards, or guidelines of the Government National Mortgage Association, Fannie Mae (formerly the Federal National Mortgage Association), the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, including the Federal Housing Administration, the Veterans Administration, 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 such entities. The Declarant's right of amendment set forth in the preceding sentence shall terminate upon termination of the Development and Sale Period.

(c) Other Amendments. Except in cases of amendments that may be executed unilaterally by Declarant during the Development and Sale Period in the exercise of its development rights under this Declaration, or amendments executed by Declarant or the Association as authorized in the Act, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of at least sixty-seven percent (67%) of the votes held by the Owners, and the consent of Declarant during the Development and Sale

Period and, with respect to an amendment that would, pursuant to this Declaration, require the consent of a specified percentage of Eligible Holders, the written consent of the specified percentage of Eligible Holders.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Amendments to this Declaration shall be executed by the President or the Vice President of the Association and shall contain a recitation and certification that the requisite number of votes were obtained. Any amendment shall be effective upon recordation unless a later effective date is specified in the amendment.

No amendment may remove, revoke, limit, condition, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege. Without limiting the foregoing, the rights and privileges referred to in the immediately preceding sentence include, without limitation, any provision of this Declaration that states that Declarant has or has reserved or is granted or given a right, any provision of this Declaration that states that a particular action requires the approval or consent of the Declarant, and any provision of this Declaration that states that the Declarant may veto a particular action and, in all events, including, without limitation, the provisions of Chapter 18.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any procedural challenge to an amendment must be made within six months of its recordation, or such amendment shall be presumed to have been validly adopted, except only with respect to an amendment as to which the Act provides that a procedural challenge to such amendment must be made within one year of its recordation, as to which the one-year deadline shall be applicable. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

21.3 Exhibits

Exhibits "A", "B", and "C" are incorporated by this reference, and this chapter shall govern amendment of those exhibits.

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made by Allison Valley Development Company, LLC, a Colorado limited liability company, as Declarant, and in witness thereof, it has executed this Declaration this ____ day of _____, 20__.

DECLARANT: Royal Gorge Ranch & Resort, LLC By: _____, its
_____ STATE OF COLORADO ss. COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____ as _____ of Royal Gorge Ranch & Resort, LLC, a Colorado limited liability company, on behalf of such company.

Witness my hand and official seal.

My Commission expires: _____

Notary Public (Seal)

Exhibit 28.1 – Existing Property Zoning

As of Friday, September 206, 2025, Fremont County currently has the property listed as primarily R3, with a small section + the property panhandle listed as RHB – please see snip below from the FC Zoning Viewer (found at fremontgis.com).

At the appropriate time, and when requested, we will gladly prepare and submit a complete Zone Change application to convert the entire property to R1.



Exhibit 31.1: Subdivision Design Standard and Zoning Waiver Requests

This exhibit is submitted as part of the Royal Gorge Ranch & Resort Residential PUD Sketch Plan Application from October 2025. Please find in lines below a detailed list of all requested waivers from the subdivision design standards outlined in Appendices I and II of the Fremont County Subdivision Regulations, as well as any proposed variations from the minimum zoning standards associated with the R1 zone district. For each waiver, this exhibit identifies the applicable standard, the proposed variation, the justification for deviation and any additional and relevant comments. These requests are made pursuant to the County's provisions for modification under the Planned Unit Development (PUD) process and are intended to demonstrate consistency with the purpose and intent of the underlying regulations. We are happy to provide further information upon request.

Subdivision Regulations found at: <https://fremontcountycogov/sites/default/files/subdivisionregulations.pdf>

Waiver ID	Reference	Standard (Text)	Lots Affected	Justification for Deviation	Additional Comments
APPENDIX 1					
(n/a)	A. 1	The design and development of subdivisions shall preserve, insofar as is possible, the natural terrain, natural drainage, wildlife habitats, mineral resource areas, existing topsoil and trees.	(n/a)	(n/a)	Our Sketch Plan puts the land first by limiting each homestead to a one-acre envelope, following existing contours, leaving natural drainage and wildlife connections intact. Our primary purpose is to preserve this stunning habitat for future owners to enjoy and appreciate for generations to come.
W-1	A. 2	Land subject to hazardous conditions such as landslides, mud flows, avalanches, rock falls, mine subsidence, shallow water table, floods and polluted or non-potable water and wildfire hazards shall be mitigated.	Multiple	No homes will be allowed to be constructed in any hazardous conditions. In addition to requiring county-approved building permits for each lot, we will work closely with owners to ensure that all construction avoids all rock fall areas, potential mud flow areas, and other hazard areas.	
(n/a)	B. 1	No single lot shall be divided by a municipal or county boundary line.	None	(n/a)	
W-2	B. 2	A lot shall not be divided by a road, alley or other lot. In case of wedge shaped lots, no lot width shall be less than the permitted width of the existing or proposed zone district. The building setback line shall be located, by dimensions, at a point where the minimum lot width complies with the required lot width and required setback as per the zone district. The setback shall be from the closest property line.	Lot 51	Crosses a small, one-way road. We request variances on lot width to allow context-sensitive lot shapes that follow existing terrain and natural features - our primary goal is to minimize disturbance to the natural terrain, while also establishing lots that are as compliant as possible.	
W-3	B. 3		Multiple		
W-4	B. 4	Front on public street: All residential lots in subdivisions shall front on a public street.	All	All lots will front on private road easements that access public right-of-ways (via County Road 3a).	
(n/a)	B. 5	Frontage on major highways: Where a residential subdivision abuts a major highway, service roads shall be required.	(n/a)	(n/a)	
W-5	B. 6	Double frontage lots: Double frontage lots shall be accessed from only one (1) street or right-of-way.	Multiple	We are happy to determine double frontage lot access during the preliminary or final plat stages of this PUD project.	We are happy to ensure all lots comply with this standard.
(n/a)	B. 7	Corner lots shall have enough width to permit appropriate building sites with an orientation from both streets, unless access is limited to only one of the streets. Each lot shall have access to a public dedicated street in the continuous integrated network of county, city, state and federal roadways.	(n/a)	(n/a)	
W-6	B. 8		Multiple	All lots with private road easements will have access to public right-of-ways (via County Road 3a).	
W-7	B. 9	The side lines of all lots, as far as practicable, shall be at right angles to the street which the lot faces or approximately radial to the center of curvature, if such street is curved. Side lines of lots shall be approximately radial to the center of curvature of the cul-de-sac on which the lot faces. If non-radial it shall be indicated.	Multiple	To serve our primary purpose of preserving the natural terrain, lots have been created per the natural features surrounding and within them. Wherever possible, our lots have right angles so as to satisfy this standard; but where needed, we request a waiver so as to alter the natural terrain as little as possible.	
W-8	B. 10	Wherever possible, the depth of lots should not be greater than twice its width.	Multiple	To serve our primary purpose of preserving the natural terrain, multiple lots will have a depth greater than twice its width.	
(n/a)	B. 11	Each lot shall have an adequate building area in relation to zoning regulations, taking into consideration, poor soils, high water tables, flooding possibilities, or other limiting hazards to building.	(n/a)	(n/a)	We pledge that no homes shall be built in areas earmarked as having poor soils, high water tables, flooding possibilities, or other limiting building hazards.

(n/a)	B.12	Flag Lot (a,b,c,d)	(n/a)	(n/a)	No current flag lots.
(n/a)	C.1	Public Right-Of-Way Dedication: All lots created by a subdivision shall have lot frontage along a public roadway unless exempted by conditions set forth in the Design Criteria for private roads.	(n/a)	(n/a)	
W-9	C.2	Private Roads: The use of private roads is limited and permitted only upon approval by the Board. Private roads will be considered as access only when the following conditions exist: a. There is an existing easement from a public right-of-way. b. The distance from a public right-of-way creates a situation which makes the dedication of a public right-of-way impractical and non-feasible. Street Improvements: a. The type of improvements required, i.e. curb, gutter, sidewalks, paved streets or graveled streets, shall be determined by the Board. b. Any lots, parcels, tracts, etc. which are created by subdivision in accordance with Fremont County Regulations, which are accessed from a previously platted right-of-way or a proposed platted right-of-way, shall be required to have a roadway located in such right-of-way built to current Fremont County specifications unless access is to be gained from an existing County maintained roadway. If construction is required it shall be along the entire frontage from which the property is accessed. If a proposed lot, tract or parcel is to be accessed by a stem, but the bulk of the lot is adjacent to an undeveloped right-of-way and the frontage along the undeveloped right-of-way is longer than the proposed stem is wide, then the adjacent right-of-way shall also be developed to current County roadway construction specifications.	All	All private roads have an easement off County Road 3A. We currently have five accesses from County Road 3A, via private easement to each lot.	
W-10	C.3		Multiple	Per our goal of creating lots that respect the natural terrain and features as much as possible, all roads currently meet fire department standards and are approved gravel roads. General note: This PUD will have no curbs, gutters, sidewalks, or paved streets.	
(n/a)	D.1	Standards for Highways (a-j)	(n/a)	(n/a)	
(n/a)	D.2	Standards for Principal Arterial (a-j)	(n/a)	(n/a)	
(n/a)	D.3	Standards for Minor Arterial (a-j)	(n/a)	(n/a)	
(n/a)	D.4	Standards for Collector Streets (a-j)	(n/a)	(n/a)	
(n/a)	D.5	Standards for local streets: a. Functions: (1) Local streets provide direct access to adjacent property. (2) All traffic carried by local streets should have an origin or destination within the neighborhood. Standards for local streets: b. Right-of-way widths: Fifty (50) to Sixty (60) feet.	(n/a)	(n/a)	
W-11	D.5	Standards for local streets: c. Roadway width: Thirty-eight (38) feet minimum (rural). Thirty (30) feet minimum (urban).	Multiple	Every road is drafted and shown with 30-foot easements.	
W-12	D.5	Standards for local streets: d. Roadway surface: Paved or other approved hard surface.	Multiple	Every road is drafted and shown with 30-foot easements. All roads are approved by the fire department.	
W-13	D.5		All	All roads are approved by the fire department and consist of a gravel surface. Roads are not paved.	
(n/a)	D.5	Standards for local streets: e. Number of moving lanes: Generally, two (2).	(n/a)	(n/a)	
(n/a)	D.5	Standards for local streets: f. Maximum grade: Six (6) to eight (8) percent.	(n/a)	(n/a)	
(n/a)	D.5	Standards for local streets: g. Travel lane width: Twelve (12) feet.	(n/a)	(n/a)	
(n/a)	D.5	Standards for local streets: h. Access Conditions: Intersections at grade with direct access to abutting properties.	(n/a)	(n/a)	
W-14	D.5	Standards for local streets: i. Traffic characteristics: On street parking is allowed on both sides of the street unless otherwise specified. Standards for local streets: j. Planning characteristics: (1) Local streets should be designated to discourage through traffic from moving through those areas. (2) These streets should intersect arterial street as infrequently as possible and only in reasonable locations.	All	No on-street parking will be allowed.	
(n/a)	D.5		(n/a)	(n/a)	
W-15	D.6	Standard for Cul-de-Sac Streets (a-i)	Multiple	We will be providing for a hammer-head turnaround at the end of each cul-de-sac.	
(n/a)	D.7	Standards for Frontage or Service Roads (a-f)	(n/a)	(n/a)	
(n/a)	D.7	Standards for Frontage or Service Roads g. Access Conditions: Direct access to residential properties is by way of curbed cuts or by drive-over (ramp type) curbs. Standards for Frontage or Service Roads h. Traffic characteristics: (1) On street parking is allowed on the sides of the streets adjacent to residential properties. (2) Intersections are at grade.	(n/a)	(n/a)	
(n/a)	D.7		(n/a)	(n/a)	

(n/a)	D.7	Standards for Frontage or Service Roads i. Planning Characteristics (1) Frontage road intersections should be at least two-hundred (200) feet away from the major arterial street and the feeder street intersection. (2) No sidewalks should be installed between major arterial streets and frontage roads. (3) Sidewalks may be installed adjacent to the curb on the residential side of the street. (4) The planter strip area between the frontage road and the major arterial street shall be landscaped.	(n/a)	(n/a)	
(n/a)	D.8	Standards for Alleys	(n/a)	(n/a)	
(n/a)	H.1	OTHER DESIGN STANDARDS: 1. All streets shall be aligned to join with planned or existing streets.	(n/a)	(n/a)	
(n/a)	H.2	OTHER DESIGN STANDARDS: 2. All streets shall be designed to bear a logical relationship to the topography of the land.	(n/a)	(n/a)	Per our primary goal of respecting the natural terrain and original features of the land, we have designed all streets to bear a logical relationship to the topography of the land.
W-16	H.3	OTHER DESIGN STANDARDS: 3. Intersections of streets shall be at right angles unless otherwise approved by the County Official.	Multiple		While we have complied with this design standard wherever possible, the nature of the land and its natural features requires that some of our gravel fire-department-approved roads do not intersect at right angles.
W-17	H.4	OTHER DESIGN STANDARDS: 4. Cul-de-sacs shall be permitted only if they are not more than seven-hundred and fifty (750) feet in length in rural areas and have a turn around at the end thereof with a radius of at least fifty (50) feet for each cul-de-sac. Surface drainage on a cul-de-sac shall be adequately addressed.	Multiple		While we have complied with this design standard wherever possible, the nature of the land and its natural features requires that some of our gravel fire-department-approved roads do terminate in cul-de-sacs that are longer than 750 feet in length.
(n/a)	H.5	OTHER DESIGN STANDARDS: 5. Except as provided above for cul-de-sacs, no dead-end streets shall be permitted except in cases where such streets are designed to connect with future streets on adjacent land in which case a temporary turn around easement at the end thereof with a diameter of at least eighty (80) feet must be provided. Such turn around easement shall not be required if no lots in the subdivision are dependent on such street for access.	(n/a)	(n/a)	
(n/a)	H.6	OTHER DESIGN STANDARDS: 6. In the event residential lots in a subdivision are adjacent to a principal or minor arterial street, no access to individual lots from such arterial street shall be permitted unless approved by County Official.	(n/a)	(n/a)	
(n/a)	I.1	Intersection Design Requirements 1. Curb Radius: Curb radii shall not be less than ten (10) feet.	(n/a)	(n/a)	
(n/a)	I.2	Intersection Design Requirements 2. Grade at intersections: In no case shall grades exceed four (4) percent for a distance of at least one-hundred (100) feet from all intersections.	(n/a)	(n/a)	
(n/a)	I.3	Intersection Design Requirements 3. Site Distance: The intersection site distance shall be: (a) Arterial Streets: (b) Collector Streets: (c) Residential Streets: Four-hundred (400) feet minimum. Three-hundred (300) feet minimum. Two-hundred (200) feet minimum.	(n/a)	(n/a)	
W-18	I.4	Intersection Design Requirements 4. General: Intersecting streets shall meet at a ninety (90) degree angle.	Multiple		While we have complied with this design standard wherever possible, the nature of the land and its natural features requires that some of our gravel fire-department-approved roads do not intersect at right angles.
W-19	J.1	Curves in Streets: 1. Radii of curvature: The minimum radii of curvature for streets on the center line shall be: (a) Arterial Streets: (b) Collector Streets: (c) Residential Streets: Six-hundred (600) feet minimum. Four-hundred (400) feet minimum. Two-hundred (200) feet minimum.	Multiple		Due to our primary goal of preserving the natural features of this land, and to leave as untouched as possible any wildlife corridors, drainage areas, etc., some of our road curvatures deviate from this design standard.
W-20	J.2	Curves in Streets: 2. Reverse Curves: Between reverse curves on collector and arterial streets there shall be a tangent of at least one-hundred (100) feet long.	Multiple		Due to our primary goal of preserving the natural features of this land, and to leave as untouched as possible any wildlife corridors, drainage areas, etc., some of our road curvatures deviate from this design standard.

See above answer/waiver request for article H.3

W-21	J.3	Curves in Streets: 3. Vertical Curves: All changes in grade for arterial and collector streets shall be connected by vertical curve of a minimum length equal to twenty (20) times the algebraic difference in the rates of grade; the length of curve for all other streets shall be ten (10) times the algebraic difference in rates of grade, but in no case less than onehundred (100) feet. Curves in Streets: 4. Superlevation: Superlevation may be required on collector and arterial roadways. The superlevation shall be a maximum of six-hundredths (0.06) foot with minimum transition length of one-hundred and fifty (150) feet. When superlevation is necessary, supporting data will be supplied to the County Official for approval. SITE DISTANCE: Clear visibility, measured along the centerline, shall be provided for at least six-hundred (600) feet on arterial streets and collectors, four-hundred (400) feet on all other streets.	Multiple	Due to our primary goal of preserving the natural features of this land, and to leave as untouched as possible any wildlife corridors, drainage areas, etc., some of our road curvatures deviate from this design standard. Due to our primary goal of preserving the natural features of this land, and to leave as untouched as possible any wildlife corridors, drainage areas, etc., some of our road curvatures deviate from this design standard. Maintaining the natural terrain features of the land, which is our primary goal, means that the permissible speeds on the private easements will be less than "regular" residential road speeds. This will account for the shorter visibility some of the natural features create.
W-22	J.4		Multiple	
W-23	K		Multiple	
(n/a)	L.1	Street Grades: 1. Street grades shall not exceed: (a) Arterial and Collector Streets (b) All other streets Six percent (6%) Eight percent (8%) Street Alignment: Where appropriate to the design, proposed streets shall be continuous and in alignment with existing planned or platted streets with which they are to connect. The centerlines of streets not in alignment shall be offset by a minimum of onehundred and thirty-five (135) feet unless otherwise approved by the Board.	(n/a)	(n/a)
(n/a)	M		(n/a)	(n/a)
(n/a)	APPENDIX 2	No waiver requests for entirety of Appendix 2	(n/a)	(n/a)



Stewart Title Company dba Empire Title, A
Division of Stewart
120 North 9th Street, Suite A
Canon City, CO 81212
(719) 275-4900
Fax: (719) 235-5029

Date: July 23, 2025

File Number: 2679812-IO

Property Address: 1337 County Road 3A, Canon City, CO 81212
1101 County Road 3A, Canon City, CO 81212

Buyer/Borrower: Informational Only Commitment

Please direct all Closing inquiries to:

Rosie Butts

Phone: (719) 275-4900

Fax: (719) 235-5029

Email Address: rosie@empirecanon.com

Informational Only Commitment

Delivery Method: Emailed

AJET Ventures, LLC, a Colorado limited liability company

Delivery Method: Emailed

WIRED FUNDS ARE REQUIRED ON ALL CASH PURCHASE TRANSACTIONS. PLEASE FEEL FREE TO CONTACT THE ESCROW OFFICE AS NOTED ABOVE.

We Appreciate Your Business and Look Forward to Serving You in the Future.



ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)

ISSUED BY
STEWART TITLE GUARANTY COMPANY

NOTICE

IMPORTANT - READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

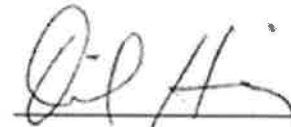
Subject to the Notice; Schedule B, Part I - Requirements; Schedule B, Part II - Exceptions; and the Commitment Conditions, STEWART TITLE GUARANTY COMPANY, a Texas corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Amount of Insurance and the name of the Proposed Insured.

If all of the Schedule B, Part I - Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.


Authorized Countersignature
Stewart Title Company dba Empire
Title, A Division of Stewart
120 North 9th Street, Suite A
Canon City, CO 81212




Frederick H. Eppinger
President and CEO


David Hisey
Secretary

This page is only a part of a 2021 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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File No.: 2679812-IO

ALTA Commitment for Title Insurance (07-01-2021)

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AMERICAN
LAND TITLE
ASSOCIATION



COMMITMENT CONDITIONS

1. DEFINITIONS

- a. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- b. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- c. "Land": The land described in Item 5 of Schedule A and improvements located on that land that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- d. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- e. "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- f. "Proposed Amount of Insurance": Each dollar amount specified in Schedule A as the Proposed Amount of Insurance of each Policy to be issued pursuant to this Commitment.
- g. "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- h. "Public Records": The recording or filing system established under State statutes in effect at the Commitment Date under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
- i. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- j. "Title": The estate or interest in the Land identified in Item 3 of Schedule A.

2. If all of the Schedule B, Part I - Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- a. the Notice;
- b. the Commitment to Issue Policy;
- c. the Commitment Conditions;
- d. Schedule A;
- e. Schedule B, Part I - Requirements;
- f. Schedule B, Part II - Exceptions; and
- g. a countersignature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company is not liable for any other amendment to this Commitment.

This page is only a part of a 2021 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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5. LIMITATIONS OF LIABILITY

- a. The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - i. comply with the Schedule B, Part I - Requirements;
 - ii. eliminate, with the Company's written consent, any Schedule B, Part II - Exceptions; or
 - iii. acquire the Title or create the Mortgage covered by this Commitment.
- b. The Company is not liable under Commitment Condition 5.a. if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- c. The Company is only liable under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- d. The Company's liability does not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Condition 5.a. or the Proposed Amount of Insurance.
- e. The Company is not liable for the content of the Transaction Identification Data, if any.
- f. The Company is not obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I - Requirements have been met to the satisfaction of the Company.
- g. The Company's liability is further limited by the terms and provisions of the Policy to be issued to the Proposed Insured.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT; CHOICE OF LAW AND CHOICE OF FORUM

- a. Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- b. Any claim must be based in contract under the State law of the State where the Land is located and is restricted to the terms and provisions of this Commitment. Any litigation or other proceeding brought by the Proposed Insured against the Company must be filed only in a State or federal court having jurisdiction.
- c. This Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- d. The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- e. Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- f. When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT IS ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for closing, settlement, escrow, or any other purpose.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. CLAIMS PROCEDURES

This Commitment incorporates by reference all Conditions for making a claim in the Policy to be issued to the Proposed Insured. Commitment Condition 9 does not modify the limitations of liability in Commitment Conditions 5 and 6.

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10. CLASS ACTION

ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS COMMITMENT, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS COMMITMENT, ANY BREACH OF A COMMITMENT PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS COMMITMENT, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING. ANY POLICY ISSUED PURSUANT TO THIS COMMITMENT WILL CONTAIN A CLASS ACTION CONDITION.

11. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Amount of Insurance is \$2,000,000 or less may be arbitrated at the election of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

STEWART TITLE GUARANTY COMPANY

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at: Stewart Title Guaranty Company, P.O. Box 2029, Houston, Texas 77252-2029.

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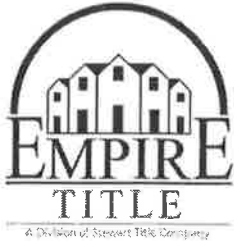
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File No.: 2679812-IO

ALTA Commitment for Title Insurance (07-01-2021)

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UNDERSTANDING YOUR TITLE COMMITMENT

SCHEDULE A:

No. 1: Effective date: This is the date our title plant is certified through. There will typically be a 1-2 week gap between the certification date and the date the commitment is issued.

No. 2A : Owner's Policy Proposed Insured: This is how the buyer's name(s) appear(s) on the Contract, all Closing documents and your Final Title Policy. If your name is appearing incorrectly, please advise your Realtor, Builder and/or Lender.

No. 2B : Loan Policy Proposed Insured: This is how your lender has requested their name appear. If you are working with a Mortgage Broker, then this name may be unfamiliar to you. If a determination has not yet been made on what lender will be providing your loan, then this may appear as 'TBD' (To Be Determined). If you are paying cash for this purchase, this item will be left blank.

Charges: Title Premiums, Endorsements and Tax Certificates: These are fees for the items that the Company has determined may be required by your Lender and/or to meet the terms of your contract. Your lender may request additional items. This does not include any closing fees.

No. 3: The estate or interest in the land...: This shows the type of ownership that is going to be insured.

No. 4: The Title is, at the Commitment Date...: This shows the name(s) of the current owner(s).

No. 5: The land referred to in the Commitment...: This is the 'legal' property description for the real estate you are buying or selling.

SCHEDULE B-SECTION 1:

These are Requirements that must be satisfied in order to provide clear title to the Buyer and/or Lender. The closer and/or processor for the Title Company, will generally take care of satisfying these requirements, however there may be times when your help will be needed as well. Some requirements will be met prior to closing, and others will be met at the time of closing.

SCHEDULE B-SECTION 2:

These items are Exceptions to your coverage. We are telling you these items exist (whether by recordation in the County Clerk and Recorder's office or because we have knowledge of them through other means). Since these items have been disclosed to you, you will not be provided any coverage for same. Owner's Extended Coverage will delete Items 1-5 of the pre-printed items on Residential Sale Commitments, provided that the coverage was requested by contract and collected at closing. Copies of the plat and covenants will be automatically sent to the buyer and/or Selling Agent. We are happy to also provide you with copies of any other exceptions as well.



WIRE FRAUD

ALERT

NOTIFICATION:

READ THIS BEFORE YOU WIRE FUNDS

WIRE FRAUD: THE THREAT IS REAL

Buying a home is an exciting time. You've saved, found the perfect home and planned the move. Now, the closing day for your home is just around the corner.

We want to make sure your home purchase doesn't get derailed by a dangerous threat that could keep you from getting the keys, painting walls and decorating. Criminals have stolen money meant for the purchase of homes through malicious wire fraud schemes targeting consumers across the country.

Criminals begin the wire fraud process way before the attempted theft occurs. Most often, they begin with a common social engineering technique called phishing. This can take the form of email messages, website forms or phone calls to fraudulently obtain private information. Through seemingly harmless communication, criminals trick users into inputting their information or clicking a link that allows hackers to steal login and password information.

Once hackers gain access to an email account, they will monitor messages to find someone in the process of buying a home. Hacks can come from various parties involved in a transaction, including real estate agents, attorneys or consumers. Criminals then use the stolen information to email fraudulent wire transfer instructions disguised to appear as if they came from a professional you're working with to purchase a home. If you receive an email with wiring instructions, don't respond. Email is not a secure way to send financial information. If you take the bait, your money could be gone in minutes.

What can I do to protect myself?

Despite efforts by the title industry and others to educate consumers about the risk, homebuyers continue to be targeted. Here are some tips on what you can do to protect yourself and/or your clients:

1. **If requested**, wiring instructions will be provided via an encrypted email.
2. **Call, don't email**: Confirm all wiring instructions by phone before transferring funds. Use the phone number from the title company's website or a business card.
3. **Be suspicious**: It's not common for title companies to change wiring instructions and payment info
4. **Confirm it all**: Ask your bank to confirm not just the account number but also the name on the account before sending a wire. The name on the account should state Stewart Title Company dba Empire Title, A Division of Stewart Escrow Account.
5. **Verify immediately**: You should call the title company or real estate agent to validate that the funds were received. Detecting that you sent the money to the wrong account within 24 hours gives you the best chance of recovering your money from the hackers.
6. **Forward, don't reply**: When responding to an email, hit the "forward" button instead of clicking the "reply" button, and then start typing the person's email address. Criminals use email addresses that are very similar to the real one for a company. By typing in email addresses, you will make it easier to discover if a fraudster is after you.

ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)
SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:

Issuing Agent: Stewart Title Company dba Empire Title, A Division of Stewart
Issuing Office: 120 North 9th Street, Suite A, Canon City, CO 81212
Issuing Office's ALTA® Registry ID:
Loan ID Number:
Commitment Number: 2679812-IO
Issuing Office File Number: 2679812-IO
Property Address: 1337 County Road 3A, Canon City, CO 81212
1101 County Road 3A, Canon City, CO 81212
Revision Number:

1. Commitment Date: July 17, 2025 at 8:00AM

2. Policy to be issued:

Proposed Amount of Insurance

(a) 2021 ALTA® Owner's Policy
Proposed Insured: Informational Only Commitment

(b) ALTA® Loan Policy
Proposed Insured:

3. The estate or interest in the Land at the Commitment Date is:

FEE SIMPLE

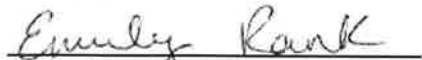
4. The Title is, at the Commitment Date, vested in:

AJET Ventures, LLC, a Colorado limited liability company

5. The Land is described as follows:

See Exhibit "A" Attached Hereto

STEWART TITLE GUARANTY COMPANY


Authorized Countersignature

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File No.: 2679812-IO

ALTA Commitment for Title Insurance Schedule A (07-01-2021)

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AMERICAN
LAND TITLE
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ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)
SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

STATEMENT OF CHARGES

These charges are due and payable before a policy can be issued:

Informational Only Commitment Fee:

\$850.00

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File No.: 2679812-IO

ALTA Commitment for Title Insurance Schedule A (07-01-2021)

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ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)

EXHIBIT "A"

LEGAL DESCRIPTION

ISSUED BY

STEWART TITLE GUARANTY COMPANY

File No.: 2679812-IO

Lots 1 and 2, BUCKSKIN JOE SUBDIVISION, County of Fremont, State of Colorado.

For Informational Purposes Only: 1337 County Road 3A, Canon City, CO 81212
1101 County Road 3A, Canon City, CO 81212

APN: R028198, R036550

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AMERICAN
LAND TITLE
ASSOCIATION



ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)

SCHEDULE B PART I

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 2679812-IO

Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. NOTE: This product is for informational purposes only. It is not a title insurance product and does not provide any form of coverage. This product is not a guarantee or assurance and does not warrant, or otherwise insure any condition, fact or circumstance. This product does not obligate this Company to issue any policies of title insurance for any subsequent transaction based on the information provided or involving the property described herein. This Company's sole liability for any error(s) relating to this product is limited to the amount that was paid for this product.

FOR INFORMATIONAL PURPOSES ONLY:

24-month Chain of Title: The only conveyance(s) affecting said land recorded within the 24 months preceding the date of this commitment is (are) as follows:

Quit Claim Deed recorded February 3, 2022, as Reception No. 1012335. (Lot 2)

Quit Claim Deed recorded February 3, 2022, as Reception No. 1012334. (Lot 1)

Warranty Deed recorded October 1, 2018, as Reception No. 966504. (All)

NOTE: If no conveyances were found in that 24 month period, the last recorded conveyance is reported. If the subject land is a lot in a subdivision plat less than 24 months old, only the conveyances subsequent to the plat are reported.

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File No.: 2679812-IO

ALTA Commitment for Title Insurance Schedule BI (07-01-2021)

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ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)

SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 2679812-IO

Exceptions

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.
2. Rights or claims of parties in possession, not shown by the public records.
3. Easements, or claims of easements, not shown by the public records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the Land and not shown by the public records.
5. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) Minerals of whatsoever kind, subsurface and surface substances, in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records or listed in Schedule B.
7. Water rights, claims or title to water.
8. Any and all unpaid taxes and assessments and any unredeemed tax sales.
9. A right of way to Fremont County as described in Deed recorded July 3, 1911 in Book 167 at Page 8, Reception No. 93119.
10. Reservation for ditches canals constructed by the Authority of the United States in Patent recorded January 11, 1912 in Book 54 at Page 360.
11. Right of Way for Road Purposes granted to Fremont County recorded September 8, 1926 in Book 231 at Page 363, Reception No. 154952.
12. Right of Way for ditches or canals as reserved in United States Patent recorded October 12, 1926 in Book 213 at Page 229.

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ALTA Commitment for Title Insurance Schedule BII (07-01-2021)

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ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)

SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

13. Right of Way to City of Canon City recorded February 17, 1937 in Book 272 at Page 531.
14. Easement granted to Southern Colorado Power Company recorded March 26, 1946 in Book 303 at Page 284 Reception No. 240915 and September 1, 1960 in Book 418 at Page 90.
15. Easement granted to Southern Colorado Power Company recorded August 7, 1946 in Book 303 at Page 598.
16. Possible reservation of all mineral rights and rights of way for all roads and rights of way for maintenance of powerlines now existing on premises as reserved and as shown on deed recorded March 30, 1950 in Book 316 at Page 592 and September 8, 1952 in Book 332 at Page 174. The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.
17. Easement granted to Southern Colorado Power Company recorded December 27, 1960 in Book 421 at Page 185.
18. Right of Way Easement granted to Mountain States Telephone and Telegraph Company, A Colorado Corporation recorded June 11, 1984 in Book 705 at Page 295.
19. Right of Way Easement granted to Mountain States Telephone and Telegraph Company, A Colorado Corporation, recorded January 22, 1986 in Book 750 at Page 259.
20. Right of way Easement granted to Mountain States Telephone and Telegraph Company recorded January 22, 1986 in Book 750 at Page 252.
21. All mineral interests, geothermal resources and groundwater, and rights associated therewith, together with any other rights/interests as reserved in, and obligations associated with, State of Colorado Patent No. 8311 recorded February 20, 2003 at Reception No. 763242. The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.
22. County Roads 3A and 61 as evidence by Fremont County Assessor's Map No. 3819-000.
23. The following matters as disclosed by the Land Survey Plat of Randy G. Reeves, Professional Land Surveyor, dated September 7, 2010:
 - a) County Road 3-A not within the boundaries of the recorded right of way.
 - b) Right of way for railroad tracks over Parcel B which extends into neighboring parcel to the South.
 - c) County roads not within the boundaries of the recorded right of ways over Parcel B.
 - d) As noted on the survey, the right of way described in that Right of Way No. 386, Book 3 document is believed to have ambiguous calls.
 - e) Royal Gorge Scenic Railroad Company and Buckskin Joe, Inc. Right of Way (Right of Way No. 1702, Book 17).
 - f) 20 foot wide Southern Colorado Power Division, Central Telephone and Utilities Corporation Right of Way (Right of Way No. 1791, Book 17).
24. State of Colorado Certificate of Title for a Manufactured Home recorded November 27, 2018 as Reception No. 968271.
25. All matters shown on the plat of BUCKSKIN JOE SUBDIVISION recorded February 3, 2022 as Reception No. 1012333.

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ALTA Commitment for Title Insurance Schedule BII (07-01-2021)

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ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)
SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

26. Declaration of Covenants and Restrictions to real Property regarding an Accessory Dwelling Unit recorded January 9, 2025 as Reception No. 1042586. (Affects Lot 1)
27. A Deed of Trust executed by AJET Ventures LLC, to the Public Trustee, to secure an indebtedness of \$1,200,000.00 in favor of Bank of the San Juans, Division of Glacier Bank recorded November 27, 2019 as Reception No. 980341. (Affects both Lot)
28. Any and all unrecorded leases or tenancies and any and all parties claiming by, through, or under such leases or tenancies.

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ALTA Commitment for Title Insurance Schedule BII (07-01-2021)

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AMERICAN
LAND TITLE
ASSOCIATION





DISCLOSURE REGARDING FUNDS FOR CLOSING

Escrow Agent may receive other benefits from the financial institution where the funds are deposited. Based upon the deposit of escrow funds in demand deposit accounts and other relationships with the financial institution, Escrow Agent is eligible to participate in a program whereby it may (i) receive favorable loan terms and earn income from the investment of loan proceeds and (ii) receive other benefits offered by the financial institution.

AFFILIATED BUSINESS DISCLOSURE

This is to give you notice that **Rocky Mountain Recording Services** has a business relationship with **Stewart Title Company** and its affiliated and subsidiary companies. Stewart Title Company and Rocky Mountain Recording Services share common ownership. Stewart Title Company is wholly owned by Stewart Title Guaranty Company, which shares the same ownership as Rocky Mountain Recording Services. Because of this relationship, this referral may provide Rocky Mountain Recording Services and Stewart with a financial or other benefits.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the above provider as a condition for settlement of this transaction on the above referenced property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Colorado Recording Fee Schedule

Processing / Verification Fee:

Per Escrow file - \$35.00

E-Recording Fee:

Per Document - \$ 7.00

Pursuant to House Bill 24-1269, government recording fees as of 12:00 AM, July 1, 2025, will be:

- Flat Fee of \$40.00 per document instead of a fee per page
- \$1.00 surcharge and \$2.00 electronic filing surcharge, per document unless otherwise specified. (See Below)

UCC's -

- Electronic filings remain unchanged: \$8.00 - \$18.00

Death Certificates –

- No flat fee charge
- No electronic filing surcharge
- \$1.00 surcharge still applies (exception: El Paso County and Custer County are absorbing surcharge)

State Transfer Tax –

- \$.01 per \$1,000.00 based on the Sales Price remains unchanged

Stewart Title Company dba Empire Title, A Division of Stewart
120 North 9th Street, Suite A
Canon City, CO 81212
(719) 275-4900

DISCLOSURES

File No.: 2679812-IO

Pursuant to C.R.S. 10-11-122, notice is hereby given that:

- A. THE SUBJECT REAL PROPERTY MAY BE LOCATED IN A SPECIAL TAXING DISTRICT;
- B. A CERTIFICATE OF TAXES DUE LISTING EACH TAXING JURISDICTION SHALL BE OBTAINED FROM THE COUNTY TREASURER OR THE COUNTY TREASURER'S AUTHORIZED AGENT;
- C. INFORMATION REGARDING SPECIAL DISTRICTS AND THE BOUNDARIES OF SUCH DISTRICTS MAY BE OBTAINED FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR

Note: Colorado Division of Insurance Regulations 8-1-2, Section 5, Paragraph G requires that "Every title entity shall be responsible for all matters which appear of record prior to the time of recording whenever the title entity conducts the closing and is responsible for recording or filing of legal documents resulting from the transaction which was closed." Provided that Stewart Title Company dba Empire Title, A Division of Stewart conducts the closing of the insured transaction and is responsible for recording the legal documents from the transaction, exception number 1 will not appear on the Owner's Title Policy and the Lender's Title Policy when issued.

Note: Colorado Division of Insurance Regulations 8-1-2, Section 5, Paragraph M requires that every title entity shall notify in writing that

Affirmative Mechanic's Lien Protection for the Owner may be available (typically by deletion of Exception No. 5 of Schedule B, Section 2 of the Commitment from the Owner's Policy to be issued) upon compliance with the following conditions:

- A. The land described in Schedule A of this commitment must be a single-family residence, which includes a condominium or townhouse unit.
- B. No labor or materials have been furnished by mechanics or materialmen for purposes of construction on the land described in Schedule A of this Commitment within the past 6 months.
- C. The Company must receive an appropriate affidavit indemnifying the Company against unfilled Mechanic's and Materialmen's Liens.
- D. The Company must receive payment of the appropriate premium.
- E. If there has been construction, improvements or major repairs undertaken on the property to be purchased, within six months prior to the Date of the Commitment, the requirements to obtain coverage for unrecorded liens will include: disclosure of certain construction information; financial information as to the seller, the builder and/or the contractor; payment of the appropriate premium; fully executed Indemnity agreements satisfactory to the company; and, any additional requirements as may be necessary after an examination of the aforesaid information by the Company.

No coverage will be given under any circumstances for labor or material for which the insured has contracted for or agreed to pay.

To comply with the provisions of C.R.S. 10-11-123, the Company makes the following disclosure:

- a. That there is recorded evidence that a mineral estate has been severed, leased or otherwise conveyed from the surface estate and that there is a substantial likelihood that a third party holds some or all interest in oil, gas, other minerals, or geothermal energy in the property; and
- b. That such mineral estate may include the right to enter and use the property without the surface owner's permission.

NOTE: THIS DISCLOSURE APPLIES ONLY IF SCHEDULE B, SECTION 2 OF THE TITLE COMMITMENT HEREIN INCLUDES AN EXCEPTION FOR SEVERED MINERALS.

Notice of Availability of a Closing Protection Letter: Pursuant to Colorado Division of Insurance Regulation 8-1-3, Section 5, Paragraph C (11)(f), a closing protection letter is available to the consumer.

NOTHING HEREIN CONTAINED WILL BE DEEMED TO OBLIGATE THE COMPANY TO PROVIDE ANY OF THE COVERAGES REFERRED TO HEREIN, UNLESS THE ABOVE CONDITIONS ARE FULLY SATISFIED.

STEWART INFORMATION SERVICES CORPORATION GRAMM-LEACH BLILEY PRIVACY NOTICE

This Stewart Information Services Corporation Privacy Notice ("Notice") explains how we and our affiliates and majority-owned subsidiary companies (collectively, "Stewart," "our," or "we") collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of your information. Pursuant to Title V of the Gramm-Leach Bliley Act ("GLBA") and other Federal and state laws and regulations applicable to financial institutions, consumers have the right to limit some, but not all sharing of their personal information. Please read this Notice carefully to understand how Stewart uses your personal information.

The types of personal information Stewart collects, and shares depends on the product or service you have requested.

Stewart may collect the following categories of personal and financial information from you throughout your transaction:

1. Identifiers: Real name, alias, online IP address if accessing company websites, email address, account name, unique online identifier, or other similar identifiers.
2. Demographic Information: Marital status, gender, date of birth.
3. Personal Information and Personal Financial Information: Full name, signature, social security number, address, driver's license number, passport number, telephone number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, credit reports, or any other information necessary to complete the transaction.

Stewart may collect personal information about you from:

1. Publicly available information from government records.
2. Information we receive directly from you or your agent(s), such as your lender or real estate broker.
3. Information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Stewart may use your personal information for the following purposes:

1. To provide products and services to you in connection with a transaction.
2. To improve our products and services.
3. To communicate with you about our affiliates', and others' products and services, jointly or independently.

Stewart may use or disclose the personal information we collect for one or more of the following purposes:

- To fulfill or meet the reason for which the information is provided.
- To provide, support, personalize, and develop our website, products, and services.
- To create, maintain, customize, and secure your account with Stewart.
- To process your requests, purchases, transactions, and payments and prevent transactional fraud.
- To prevent and/or process claims.
- To assist third party vendors/service providers who complete transactions or perform services on Stewart's behalf pursuant to valid service provider agreements.
- As necessary or appropriate to protect the rights, property or safety of Stewart, our customers, or others.
- To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- To help maintain the safety, security, and integrity of our website, products and services, databases and other technology-based assets, and business.
- To respond to law enforcement or regulator requests as required by applicable law, court order, or governmental regulations.
- Auditing for compliance with federal and state laws, rules, and regulations.
- Performing services including maintaining or servicing accounts, providing customer service, processing, or fulfilling orders and transactions, verifying customer information, processing payments.
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all our assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by us is among the assets transferred.

Stewart will not collect additional categories of personal information or use the personal information we collected for materially different, unrelated, or incompatible purposes without providing you notice.

Disclosure of Personal Information to Affiliated Companies and Nonaffiliated Third Parties

Stewart does not sell your personal information to nonaffiliated third parties. Stewart may share your information with those you have designated as your agent throughout the course of your transaction (for example, your realtor, broker, or a lender). Stewart may disclose your personal information to non-affiliated third-party service providers and vendors to render services to complete your transaction.

We share your personal information with the following categories of third parties:

- Non-affiliated service providers and vendors we contract with to render specific services (For example, search companies, mobile notaries, and companies providing credit/debit card processing, billing, shipping, repair, customer service, auditing, marketing, etc.)
- To enable Stewart to prevent criminal activity, fraud, material misrepresentation, or nondisclosure.
- Stewart's affiliated and subsidiary companies.
- Parties involved in litigation and attorneys, as required by law.
- Financial rating organizations, rating bureaus and trade associations, taxing authorities, if required in the transaction.
- Federal and State Regulators, law enforcement and other government entities to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order.

The law does not require your prior authorization or consent and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or browsing information with non-affiliated third parties, except as required or permitted by law.

Right to Limit Use of Your Personal Information

You have the right to opt-out of sharing of your personal information among our affiliates to directly market to you. To opt-out of sharing your information with affiliates for direct marketing, you may send an "opt out" request to OptOut@stewart.com, or contact us through other available methods provided under "Contact Information" in this Notice. We do not share your Personal Information with nonaffiliates for their use to directly market to you without your consent.

How Stewart Protects Your Personal Information

Stewart maintains physical, technical, and administrative safeguards and policies to protect your personal information.

Contact Information

If you have specific questions or comments about this Notice, the ways in which Stewart collects and uses your information described herein, or your choices and rights regarding such use, please do not hesitate to contact us at:

Phone: Toll Free at 1-866-571-9270
Email: Privacyrequest@stewart.com

Postal Address: Stewart Information Services Corporation
Attn: Mary Thomas, Chief Compliance and Regulatory Officer
1360 Post Oak Blvd., Ste. 100, MC #14-1
Houston, TX 77056

STEWART INFORMATION SERVICES CORPORATION PRIVACY NOTICE FOR CALIFORNIA RESIDENTS

Stewart Information Services Corporation and its affiliates and majority-owned subsidiary companies (collectively, "Stewart," "our," or "we") respect and are committed to protecting your privacy. Pursuant to the California Consumer Privacy Act of 2018 ("CCPA") and the California Privacy Rights Act of 2020 ("CPRA"), we are providing this **Privacy Notice** ("CCPA Notice"). This CCPA Notice explains how we collect, use, and disclose personal information, when and to whom we disclose such information, and the rights you, as a California resident have regarding your Personal Information. This CCPA Notice supplements the information contained in Stewart's existing privacy notice and applies solely to all visitors, users, consumers, and others who reside in the State of California or are considered California Residents as defined in the CCPA ("consumers" or "you"). All terms defined in the CCPA & CPRA have the same meaning when used in this Notice.

Personal and Sensitive Personal Information Stewart Collects

Stewart has collected the following categories of personal and sensitive personal information from consumers within the last twelve (12) months:

- A. Identifiers.** A real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, Social Security number, driver's license number, passport number, or other similar identifiers.
- B. Personal information categories listed in the California Customer Records statute (Cal. Civ. Code § 1798.80(e)).** A name, signature, Social Security number, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information.
- C. Protected classification characteristics under California or federal law.** Age, race, color, ancestry, national origin, citizenship, marital status, sex (including gender, gender identity, gender expression), veteran or military status.
- D. Commercial information.** Records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.
- E. Internet or other similar network activity.** Browsing history, search history, information on a consumer's interaction with a website, application, or advertisement.
- F. Geolocation data**

Stewart obtains the categories of personal and sensitive information listed above from the following categories of sources:

- Directly and indirectly from customers, their designees, or their agents (For example, realtors, lenders, attorneys, brokers, etc.)
- Directly and indirectly from activity on Stewart's website or other applications.
- From third parties that interact with Stewart in connection with the services we provide.

Use of Personal and Sensitive Personal Information

Stewart may use or disclose the personal or sensitive information we collect for one or more of the following purposes:

- a. To fulfill or meet the reason for which the information is provided.
- b. To provide, support, personalize, and develop our website, products, and services.
- c. To create, maintain, customize, and secure your account with Stewart.
- d. To process your requests, purchases, transactions, and payments and prevent transactional fraud.
- e. To prevent and/or process claims.
- f. To assist third party vendors/service providers who complete transactions or perform services on Stewart's behalf pursuant to valid service provider agreements.
- g. As necessary or appropriate to protect the rights, property or safety of Stewart, our customers, or others.
- h. To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- i. To personalize your website experience and to deliver content and product and service offerings relevant to your interests, including targeted offers and ads through our website, third-party sites, and via email or text message (with your consent, where required by law).
- j. To help maintain the safety, security, and integrity of our website, products and services, databases and other technology-based assets, and business.
- k. To respond to law enforcement or regulator requests as required by applicable law, court order, or governmental regulations.
- l. Auditing for compliance with federal and state laws, rules, and regulations.
- m. Performing services including maintaining or servicing accounts, providing customer service, processing, or fulfilling orders and transactions, verifying customer information, processing payments, providing advertising or marketing services or other similar services.
- n. To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all our assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by us is among the assets transferred.

Stewart will not collect additional categories of personal or sensitive information or use the personal or sensitive information we collected for materially different, unrelated, or incompatible purposes without providing you notice.

Disclosure of Personal Information to Affiliated Companies and Nonaffiliated Third Parties

Stewart does not sell your personal information to nonaffiliated third parties. Stewart may share your information with those you have designated as your agent throughout the course of your transaction (for example, a realtor, broker, or a lender).

We share your personal information with the following categories of third parties:

- a. Service providers and vendors we contract with to render specific services (For example, search companies, mobile notaries, and companies providing credit/debit card processing, billing, shipping, repair, customer service, auditing, marketing, etc.)
- b. Affiliated Companies.
- c. Parties involved in litigation and attorneys, as required by law.
- d. Financial rating organizations, rating bureaus and trade associations.
- e. Federal and State Regulators, law enforcement and other government entities

In the preceding twelve (12) months, Stewart has disclosed the following categories of personal information:

Category A: Identifiers

Category B: California Customer Records personal information categories

Category C: Protected classification characteristics under California or federal law

Category D: Commercial Information

Category E: Internet or other similar network activity

Category F: Non-public education information

A. Your Consumer Rights and Choices Under CCPA and CPRA

The CCPA and CPRA provide consumers (California residents as defined in the CCPA) with specific rights regarding their personal information. This section describes your rights and explains how to exercise those rights.

i. Access to Specific Information and Data Portability Rights

You have the right to request that Stewart disclose certain information to you about our collection and use of your personal information over the past 12 months. Once we receive and confirm your verifiable consumer request, Stewart will disclose to you:

- The categories of personal information Stewart collected about you.
- The categories of sources for the personal information Stewart collected about you.
- Stewart's business or commercial purpose for collecting that personal information.
- The categories of third parties with whom Stewart shares that personal information.
- The specific pieces of personal information Stewart collected about you (also called a data portability request).
- If Stewart disclosed your personal data for a business purpose, a listing identifying the personal information categories that each category of recipient obtained.

ii. Deletion Request Rights

You have the right to request that Stewart delete any personal information we collected from you and retained, subject to certain exceptions. Once we receive and confirm your verifiable consumer request, Stewart will delete (and direct our service providers to delete) your personal information from our records, unless an exception applies.

Stewart may deny your deletion request if retaining the information is necessary for us or our service providers to:

1. Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you.
2. Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity, or prosecute those responsible for such activities.
3. Debug products to identify and repair errors that impair existing intended functionality.
4. Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law.
5. Comply with the California Electronic Communications Privacy Act (Cal. Penal Code § 1546 seq.).
6. Engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the information's deletion may likely render impossible or seriously impair the research's achievement, if you previously provided informed consent.
7. Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us.
8. Comply with a legal obligation.
9. Make other internal and lawful uses of that information that are compatible with the context in which you provided it.

iii. Opt-Out of Information Sharing and Selling

Stewart does not share or sell information to third parties, as the terms are defined under the CCPA and CPRA. Stewart only shares your personal information as commercially necessary and in accordance with this CCPA Notice.

iv. Correction of Inaccurate Information

You have the right to request that Stewart correct any inaccurate information maintained about.

v. Limit the Use of Sensitive Personal Information

You have the right to limit how your sensitive personal information, as defined in the CCPA and CPRA is disclosed or shared with third parties.

Exercising Your Rights Under CCPA and CPRA

If you have questions or comments about this notice, the ways in which Stewart collects and uses your information described herein, your choices and rights regarding such use, or wish to exercise your rights under California law, please submit a verifiable consumer request to us by the available means provided below:

1. Emailing us at OptOut@stewart.com; or
2. Visiting <https://www.stewart.com/en/quick-links/ccpa-request.html>

Only you, or someone legally authorized to act on your behalf, may make a verifiable consumer request related to your personal information. You may also make a verifiable consumer request on behalf of your minor child, if applicable.

To designate an authorized agent, please contact Stewart through one of the methods mentioned above.

You may only make a verifiable consumer request for access or data portability twice within a 12-month period. The verifiable consumer request must:

- Provide sufficient information that allows us to reasonably verify you are the person about whom we collected personal information or an authorized representative.
- Describe your request with sufficient detail that allows us to properly understand, evaluate, and respond to it.

Stewart cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and confirm the personal information relates to you.

Making a verifiable consumer request does not require you to create an account with Stewart.

Response Timing and Format

We endeavor to respond to a verifiable consumer request within forty-five (45) days of its receipt. If we require more time (up to an additional 45 days), we will inform you of the reason and extension period in writing.

A written response will be delivered by mail or electronically, at your option.

Any disclosures we provide will only cover the 12-month period preceding the verifiable consumer request's receipt. The response we provide will also explain the reasons we cannot comply with a request, if applicable.

Stewart does not charge a fee to process or respond to your verifiable consumer request unless it is excessive, repetitive, or manifestly unfounded. If we determine that the request warrants a fee, we will tell you why we made that decision and provide you with a cost estimate before completing your request.

Non-Discrimination

Stewart will not discriminate against you for exercising any of your CCPA rights. Unless permitted by the CCPA, we will not:

- Deny you goods or services.
- Charge you a different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties.
- Provide you a different level or quality of goods or services.
- Suggest that you may receive a different price or rate for goods or services or a different level or quality of goods or services.

Record Retention

Your personal information will not be kept for longer than is necessary for the business purpose for which it is collected and processed. We will retain your personal information and records based on established record retention policies pursuant to California law and in compliance with all federal and state retention obligations. Additionally, we will retain your personal information to comply with applicable laws, regulations, and legal processes (such as responding to subpoenas or court orders), and to respond to legal claims, resolve disputes, and comply with legal or regulatory recordkeeping requirements.

Changes to This CCPA Notice

Stewart reserves the right to amend this CCPA Notice at our discretion and at any time. When we make changes to this CCPA Notice, we will post the updated Notice on Stewart's website and update the Notice's effective date.

Link to Privacy Notice

<https://www.stewart.com/en/privacy.html>

Contact Information

Stewart Information Services Corporation
Attn: Mary Thomas, Chief Compliance and Regulatory Officer
1360 Post Oak Blvd., Ste. 100, MC #14-1
Houston, TX 77056

Ty Seufer
4505 W. U.S. 50
Canon City, CO, 81212
Phone: 303-419-6782
Email: ty.seufer@gmail.com

Date: October, 2025

Via Certified Mail – Return Receipt Requested

To: Grant Adkisson (estate of Florence Van Buskirk)

Mailing Addresses:

P.O. Box 39, Canon City, CO, 81215

Re: Royal Gorge Ranch & Resort – Planned Unit Development (Sketch Plan)

Property: Lots 1 and 2, Buckskin Joe Subdivision (APNs R028198 & R036550) at 1337 County Road 3A, Cañon City, CO 81212

Dear Mineral Interest Owner:

Our records show that you potentially hold a **severed mineral interest** in the above-referenced property, via the estate of Florence van Buskirk. This notice is being provided pursuant to Fremont County Subdivision Regulations (FCSR § IV.C.14) and Colorado Revised Statutes (§ 24-65.5-103) to inform you of a proposed development on the property.

Project Description: We intend to file a **Planned Unit Development (Sketch Plan)** known as the **Royal Gorge Ranch & Resort**. The project is located on the parcels described above and is designed to boost economic activity through responsible home ownership in Fremont County.

Hearing Notice: The Planning Commission has *not yet set a date for the hearing*. This courtesy letter serves to make you aware of the project at the earliest opportunity. As soon as a hearing date has been set, we will send another letter informing you of the date, time, and place of the hearing.

Attachments: Enclosed are:

- A **Mineral Interest Owner Notification Form** consistent with county requirements
- A vicinity map/legal description of the property.

Please note that your mineral rights remain unaffected by this notification, but you have the right to review the application, comment, or negotiate a surface-use agreement. If you have questions or wish to discuss the proposal, please contact me at the phone number or email above.

Thank you for your attention to this matter. We value your participation in the review process.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Ty Seufer', with a long horizontal flourish extending to the right.

Ty Seufer

Applicant / Project Representative

SUBDIVISION - MINERAL INTEREST OWNER NOTIFICATION FORM

TO: Grant Adkisson (estate of Florence Van Buskirk)
Mineral Interest Owner

FROM: Ty Seufer - Royal Gorge Ranch & Resort
Subject Property Owner

DATE: October 2025

REFERENCE: Royal Gorge Ranch & Resort
Proposed Subdivision Name

It has been determined by research of the Fremont County Assessor's Records that you own a severed mineral interest of a property proposed for subdivision. As required by the Fremont County Subdivision Regulations (FCSR) you are entitled to notice of the proposed subdivision.

- Type of application: ☐ **Minor Subdivision** – Said notice to be post marked a minimum of thirty (30) days prior to the Fremont County Planning Commission (Commission) meeting at which the application is anticipated to be heard, not to include the day of the meeting.
- ☒ **Sketch Plan** – Said notice to be post marked a minimum of thirty (30) days prior to the Commission meeting at which the application is anticipated to be heard, not to include the day of the meeting.
- ☐ **Preliminary Plan** – Said notice to be post marked a minimum of thirty (30) days prior to the Commission meeting at which the application is anticipated to be heard, not to include the day of the meeting.
- ☐ **Final Plat** – Said notice to be post marked a minimum of thirty (30) days prior to the Fremont County Board of County Commissioners (Board) meeting at which the application is anticipated to be heard, not to include the day of the meeting.

The subject property, as referenced above is located at 1337 County Road 3a, Canon City, CO, 81212.
General Location or Address (see Vicinity Map Exhibit A)

The subject property is legally described as: Lots 1 and 2, BUCKSKIN JOE SUBDIVISION, County of Fremont, State of Colorado.

☐ Check here if legal description is attached as Exhibit B.

The proposed subdivision will result in the creation of 152 lots with a density of just 0.21 units per acre.

The proposed land use for the proposed lots is Residential PUD (Planned Unit Development).

This application is anticipated to be heard by the ☐ Commission on Date TBD
The public meeting starts at 3:00 PM.

This application is anticipated to be heard by the ☐ Board on Date TBD
The public meeting starts at 9:30 AM.

These meetings are held in Room LL3 (*lower level Board Meeting Room*) of the Fremont County Administration Building, 615 Macon Avenue, Cañon City, Colorado. You and or your representative (*representative documentation may be required*) may attend the meeting to present your comments or written comments will be accepted at the meeting or prior to the meeting at the Department of Planning and Zoning (Department) in Room 210 of the Administration Building. Oral comments cannot be accepted except at the meeting at which the application is to be heard.

If you would like further information regarding the application you can contact the Department by telephone at (719) 276-7360 or by email at planning@fremontco.com to schedule an appointment to review the application. For further reference regarding the governing regulations:

the Fremont County Zoning Resolution may be viewed on the Internet at
<http://www.fremontco.com/planningandzoning/zoningresolution.shtml>
and the Fremont County Subdivision Regulations may be viewed on the Internet at
<http://www.fremontco.com/planningandzoning/subdivisionregulations.shtml>

The Department, Commission and Board would welcome your comments regarding this application and will include written comment, on or accompanied by this form, in the hearing body's review packet if received by the Department with enough time to include prior to finalization of the review packets. Please complete the following information with any written comments.

Mineral Interest Owner's Name(s): _____

Mailing Address: _____

Street Address	City	State	Zip Code
Telephone # _____	Email: _____		

Property Address: _____

Street Address	City	State	Zip Code
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Are you the current owner of the mineral interests of the reference property? ☐ Yes --- ☐ No

Are you currently leasing these mineral interests to another party? ☐ Yes --- ☐ No If yes, please pass this notification in a timely fashion to the lessee. Lessee: _____

Are there current or proposed mineral extraction plans for the subject property? ☐ Yes --- ☐ No
Please explain. _____

As a severed mineral interest owner(s) of the subject property; I or We are ☐ --- FOR this subdivision; I or We are ☐ --- AGAINST this subdivision; for the following reasons: (or I or We are ☐ --- Neutral but have the following comments) [☐ other comments] _____

Failure to provide written comment prior to the meeting, written comment at the meeting or oral comment at the meeting at which the application is to be heard will result in the Department, Commission and Board assuming that you, as a mineral interest owner of the subject property, have no comments with regard to the proposed subdivision.

Mineral Interest Owner Printed Name

Signature

Date

Ty Seufer
4505 W. U.S. 50
Canon City, CO, 81212
Phone: 303-419-6782
Email: ty.seufer@gmail.com

Date: October, 2025

Via Certified Mail – Return Receipt Requested

To: Greg Tabiteau

Mailing Addresses:

1193 County Road 3A, Cañon City, CO 81212

Re: Royal Gorge Ranch & Resort – Planned Unit Development (Sketch Plan)

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Applicant / Project Representative