

**AMENDED DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR THE LA ROCHE SUBDIVISION**

This Amended Declaration of Covenants, Conditions and Restrictions for the La Roche Subdivision (Amended Declaration) is made and declared this 25th day of September, 2013, by the owners of the lots and units located within the La Roche Subdivision, as defined below, (collectively, the Owners) pursuant to the provisions of C.R.S. § 38-33.3-120, § 38-33.3-217(1) and Article XV, Section 15.1 of the Declaration - La Roche Condominiums, dated March 15, 1982, and recorded in the records of the Mesa County Clerk and Recorder in Book 1365 at Page 644, as amended (the Original Declaration).

RECITALS

The La Roche Subdivision, consisting of Lot 1, Block 6, The Ridges Filing No. Two as further subdivided and developed (the Property), started as a condominium development in 1982. Since the original filing, several additional phases of development were undertaken on the Property, culminating with the creation of La Roche Enterprise Phase 4, a townhome development, in 2004.

After the addition of La Roche Enterprise Phase 4, the La Roche Subdivision became a mixed-use development providing for condominium ownership of the Condominium Units and ownership in fee simple of the Townhome Lots. The condominium ownership of the Condominium Units permits ownership in fee simple of individual air spaces and for co-ownership with others, as tenants in common, of Common Elements, as herein defined, while the fee simple ownership of the Townhome Lots provides for fee title ownership of the Townhome Lots together with a right of beneficial use and to the Common Elements, as defined herein. Each Condominium Unit and Townhome Lot, as defined below, including each Condominium Unit's and Townhome Lot's identifying number, is depicted on the Maps, defined below, and incorporated herein by reference.

Since the fundamental nature of the La Roche Subdivision has changed, and the Owners' desire to update the Original Declaration and better address the needs of the La Roche Subdivision as it exists, the Owners have determined to amend the Original Declaration, including all amendments thereto, in its entirety and replace the Original Declaration with this Amended Declaration, it being their intention that the Original Declaration should be of no further force or effect and that the Property be subject, instead, to the following covenants, conditions and restrictions. The Property remains subject to the provisions of the Protective Covenants for "The Ridges" PUD recorded September 14, 1977, in the records of the Mesa County Clerk and Recorder in Book 1119, at Page 809, as amended.

ARTICLE 1.
DEFINITIONS

1.1 "Act" means the Colorado Common Interest Ownership Act, presently codified at C.R.S. §38-33.3-101, *et seq.*, as it may be amended, supplemented, repealed and re-enacted and otherwise modified in the future.

1.2 "Allocated Interests" shall mean and refer to the ownership interest in Common Elements, the common expense liability and votes in the Association as set forth in this Amended Declaration. The formulas for the Allocated Interests are as follows:

1.2.1. *Percentage share of Common Elements and Common Expenses.* Each Condominium Unit shall own 4% percent of the Common Elements, as shown on the Maps, and be responsible for 3.28% percent of the Common Expenses. Each Townhome Lot shall not own or have any title in or to the Common Elements, as shown on the Maps, but shall own its Townhome Lot in fee simple, and shall be responsible for three percent (3%) of the Common Expenses.

1.2.2. *Voting.* Each Condominium Unit shall have 100 votes in the Association. Each Townhome Unit shall have 91 votes in the Association.

1.3 "Articles" shall mean and refer to the Articles of Incorporation of the Association.

1.4 "Association" shall mean the La Roche Condominium Association, Inc., a Colorado nonprofit corporation, its successors or assigns.

1.5 "Association Documents" means the Articles, Bylaws, Policies, Procedures, Rules and Regulations of the Association, as defined herein, as each of them may be modified from time to time.

1.6 "Board" shall mean and refer to the Board of Directors of the Association.

1.7 "Buildings" shall mean and refer to any structure, including all fixtures and improvements thereto, situated on the Property, including those containing the Condominium Units, as shown on the Maps.

1.8 "Bylaws" shall mean and refer to the Bylaws of the Association.

1.9 "Common Elements" means all portions of the Property shown on the Maps except the Condominium Units and the Townhome Lots. Common Elements consist of General Common Elements and Limited Common Elements.

1.9.1. "General Common Elements" means all tangible physical properties within the Subdivision except the Limited Common Elements, the Condominium Units, and the Townhome Lots.

1.9.2. "Limited Common Elements" means those parts of the Common Elements which are either limited or reserved in this Amended Declaration, on the Maps, by action of the Association, or by the Act, for the exclusive use of an Owner of a Condominium Unit or are limited to and reserved for the use of less than all Owners. Unit owners are

responsible for the maintenance and repair of the following: back decks (accessible only through the condominium unit), doors, garage doors, driveways and windows exclusive to their unit.

1.10 "Common Expenses" means (i) all expenses expressly declared to be common expenses by this Amended Declaration; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing, or replacing the Common Elements; (iii) insurance premiums; (iv) utilities not separately metered to specific Units and Lots; (v) a reasonable and adequate contingency or other reserve or surplus fund for insurance deductibles and general routine maintenance, repairs and replacement of improvements within the Common Elements on a periodic basis, as needed; (vi) all expenses lawfully determined to be common expenses by the Board; (vii) other costs which the Act permits to be added to an assessment including, but not limited to, costs of collection, fines, fees, interest, and attorneys' fees.

1.11 "Condominium Unit" means an individual air space bounded by and contained within the perimeter doors, windows and the unfinished interior surfaces of the perimeter walls, floors, and ceilings, as shown and numbered on the Maps together with all fixtures and improvements therein contained and an undivided interest in the Common Elements as set forth in section 1.2.1, above. Any indication on the Maps to the contrary notwithstanding, the following are not part of a Unit: bearing walls, floors and roofs (except the interior finished surfaces of any perimeter wall, floor or ceiling), foundations, shafts, and other services used by more than one Unit, pipes, vents, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the Unit. The interior surfaces of a perimeter window or door means the points at which surfaces are located when such windows or doors are closed.

1.12 "Amended Declaration" shall mean and refer to this Amended Declaration of Covenants, Conditions and Restrictions.

1.13 "Director" shall mean and refer to one or more members of the Board elected as provided in the Bylaws.

1.14 "Improvements" shall mean and refer to any and all structures and all associated facilities of any kind, including exterior architectural elements, fixtures, utilities services, outlets, and related facilities, awnings, solar paneling, parking areas, fences, screening fences, retaining walls, stairs, decks, hedges, windbreaks, plantings, trees, shrubs, signs, objects of art, mailboxes, and other facilities, such as pumps, pipes and sprinklers and other structures of every type and kind situated on the Property.

1.15 "Maps" shall mean and refer to those certain maps and plats of the Property showing the Condominium Units and the Townhome Lots recorded in the Mesa County Clerk and Recorder's records including, without limitation, the document titled La Roche Enterprise recorded in Book 12 at Page 372, the document titled A Condominium Map of La Roche Condominiums First Phase recorded at Reception No. 1287846, the document titled A Condominium Map of La Roche Condominiums First & Second Phase recorded at Reception No. 1307937, the document titled A Condominium Map of La Roche Condominiums First, Second & Third Phase recorded at Reception No. 1334191, the document titled Amended Condominium Map of La Roche Condominiums Building A recorded at Reception No. 1613864, the document titled Amended Condominium Map of La Roche Condominiums Building J recorded at Reception No. 1664714, and the document titled La Roche Enterprise Phase 4 recorded in Book 3702, at Page 230.

1.16 "Member" shall mean and refer to a person or entity which is a member of the Association as defined in the Bylaws and in Article 4, below.

1.17 "Officer" shall mean and refer to an officer of the Association, appointed to serve as an officer pursuant to the provisions of the Bylaws.

1.18 "Owner" shall mean and refer to the record owner, whether one or more Persons, of fee simple title to any Condominium Unit or Townhome Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.19 "Party Wall" shall mean any foundation, wall, or other structure, regardless of its technical description or name, which lies along or over any property line between Townhome Lots and which foundation, wall or other structure is common to the Townhomes constructed on either side of such property line and shall include those portions of such foundation, wall or other structure from the bottom of the foundation to top of the roof.

1.20 "Person" shall mean any natural person, corporation, limited liability company partnership, association, or any other entity or combination thereof.

1.21 "Policies, Procedures, Rules and Regulations" means, collectively, all written terms and conditions, however denominated, that are adopted by the Association for the management, regulation, use, operation or any other aspect of all or any part of the Property, including any amendments thereto.

1.22 "Property" shall mean and refer to Lot 1, Block 6 The Ridges Filing No. Two, as the same has been further subdivided and developed as shown on the Maps, or any part thereof, together with all Buildings and other Improvements thereon.

1.23 "Security Interest" shall mean an interest in real estate or personal property constituting, attached to, or located on the Property, or any portion thereof, including any Condominium Unit or Townhome Lot, created by contract or conveyance which secures payment or performance of any obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation.

1.24 "Security Interest Holder" means any person named as a secured party, security interest holder or beneficiary, or in a similar capacity, under any Security Interest.

1.25 "Subdivision" shall mean and refer to the common interest community, commonly known as the La Roche Subdivision, described herein, created on the Property.

1.26 "Townhome" shall mean a Building or portion thereof constructed within the boundaries of a Lot, as shown on the Plat, and designed for residential occupancy, including an attached garage, but excluding any other accessory buildings.

1.27 "Townhome Lot" shall mean and refer to that part of the Property owned in fee simple by the Owners. The boundaries of each Townhome Lot, and an identifying number for each Townhome Lot, are reflected on the Maps.

ARTICLE 2.
GENERAL DECLARATION

2.1 Intent. By making the Amended Declaration, the Owners specifically intend to enhance, perfect and preserve the value, desirability and attractiveness of the Property and, to provide for the maintenance of the Common Elements, the Improvements and the Buildings in a manner beneficial to all Owners. By this Amended Declaration, the Owners expressly intend and do hereby subject the Property to the provisions of the Amended Declaration. All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Amended Declaration shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding upon any person having at any time any interest or estate in the Property, and their respective heirs, successors, representatives or assigns.

2.2 Owners' Estates and Rights to Common Elements. The Property is divided into Condominium Units and Townhome Lots. Owners of either Condominium Units or Townhome Lots shall have a nonexclusive right and easement of enjoyment in and to the Common Elements, plus a right and easement of ingress and egress over, across and upon the Common Elements, for the purpose of access, ingress and egress to and from his or her Condominium Unit or Townhome Lot and public ways, for both pedestrian and vehicular travel, which rights and easements shall be appurtenant to and pass with the transfer of title to every Condominium Unit and Townhome Lot, within the restrictions imposed by this Amended Declaration and the Association Documents, without hindering or encroaching upon the lawful rights of the other Owners. Any Owner may delegate his or her right of enjoyment to the Common Elements and facilities for the members of his or her family, his or her tenants, or contract purchasers who reside on the Property. Each Owner of a Condominium Unit or Townhome Lot shall be entitled to the exclusive ownership and possession thereof and title to said Condominium Unit or Townhome Lot may be held or owned by any Person in any manner in which title to other real property may be held or owned in the State of Colorado, including, without limitation, joint tenancy or tenancy in common. Ownership of each Condominium Unit carries a separate undivided interest in the Common Elements as described in section 1.2.1, above. Such undivided interest in the Common Elements shall be appurtenant to and shall pass with the title to every Condominium Unit subject to the provisions of this Amended Declaration and the Association Documents. The Owners may not convey any interest in or title to the Common Elements to any person or entity other than a successor in interest to the Owners' Condominium Units. Ownership of each Townhome Lot shall not carry any ownership interest, right, or title, aside from the right of enjoyment described and reserved in this section 2.2, in or to the Common Elements.

2.3 Extent of Owners' Easements. The rights and easements created hereby shall be subject to the following:

2.3.1. The terms, provisions, covenants, conditions, restrictions, easements, reservations, uses, limitations, and obligations contained in this Amended Declaration; and

2.3.2. The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Elements and to mortgage or otherwise encumber the Common Elements to secure any such loan; provided, however, that the Association may not subject any portion of the Common Elements to a Security Interest unless, in conformity with the Act, such is approved by Members casting at least seventy percent (70%) of the votes in the Association, including seventy percent (70%) of the votes allocated to Condominium Units and Townhome Lots not owned by the Declarant; and

2.3.3. The right of the Association to take such steps as are reasonably necessary to protect the Common Elements against foreclosure; and

2.3.4. The right of the Association to promulgate, amend, repeal, re-enact and publish rules and regulations with which each Member shall strictly comply; and

2.3.5. The right of the Association to regulate and/or restrict vehicular parking, storage and repairs; and

2.3.6. The right of the Association to suspend the voting rights of a Member for any period during which any assessment against the Member's Unit or any other amount due from such Member to the Association remains unpaid and, for a period not to exceed sixty (60) days, for any infraction of the Bylaws of the Association or the Association's rules and regulations; and

2.3.7. The right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer shall be effective unless first approved by the Members entitled to cast at least seventy percent (70%) of the votes in the Association, including seventy percent (70%) of the votes allocated to Condominium Units and Townhome Lots not owned by the Declarant and unless written notice of the proposed agreement and the proposed dedication or transfer is sent to every Member at least thirty (30) days in advance of any action taken. Notwithstanding the foregoing, the granting of permits, licenses and easements for public utilities, roads or for other purposes reasonably necessary or useful for the proper maintenance or operation of the Property shall not be deemed a transfer within the meaning of this subsection 2.3.7; and

2.3.8. The right of the Association, through its Board of Directors, to enter into, make, perform or enforce any contracts, leases, agreements, licenses, easements and rights-of-way, for the use of real property or Improvements by Owners, other Persons, their family members, guests and invitees, for any purpose(s) the Board of Directors may deem to be useful, beneficial or otherwise appropriate; and

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

2.4 Conveyance or Encumbrance of Common Elements.

2.4.1. Portions of the Common Elements may be conveyed or subjected to a Security Interest by the Association only if persons entitled to cast at least seventy percent (70%) of the votes in the Association, including seventy percent (70%) of the votes allocated to Condominium Units and Townhome Lots not owned by a Declarant, agree to that action.

2.4.2. An agreement to convey Common Elements or subject them to a Security Interest must be evidenced by the execution of an agreement, or ratification thereof, in the same manner as a deed, by the Owners having the requisite number of votes in the Association. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement and all ratifications thereof must be recorded in every county in which a portion of the Property is situated and is effective only upon recordation.

2.4.3. The Association, on behalf of all Owners, may contract to convey an interest in the Property pursuant to subsection 2.4.1 of this Section, but the contract is not enforceable against the Association until approved, executed and ratified. Thereafter, the Association has all powers necessary and appropriate to affect the conveyance or encumbrance, including the power to execute deeds or other instruments.

2.4.4. Unless in compliance with this Section, any purported conveyance, encumbrance, judicial sale or other transfer of Common Elements is void.

2.4.5. A conveyance or encumbrance of Common Elements pursuant to this Section shall not deprive any Unit of its rights of ingress and egress to the Unit and support of the Unit.

2.4.6. A conveyance or encumbrance of Common Elements pursuant to this Section does not affect the priority or validity of preexisting encumbrances.

2.5 No Partition. The Common Elements shall be owned in common by all of the Owners of the Condominium Units and shall remain undivided. By the acceptance of his or her deed or other instrument of conveyance or assignment, each Owner specifically waives his or her right to institute and/or maintain a partition action or any other action designed to cause a division of the Common Elements. Each Owner agrees not to institute any such action. Furthermore, each Owner agrees that this section may be pleaded as a bar to the maintenance of such an action. A violation of this provision shall entitle the complying Owners to personally collect, jointly and severally, from the parties violating the same, the actual attorneys' fees, costs and other damages the complying Owners incur in connection therewith.

2.6 Limited Common Elements. Limited Common Elements (LCE) shall include all areas designated as LCEs on the Maps and shall include, without limitation, balconies and decks attached to and accessible through a Condominium Unit, all subject to the Association Documents.

2.7 Changing Boundaries. Condominium Units and Townhome Lots may not be further subdivided or combined with one another and the legal boundaries between Condominium Units and Townhome Lots may not be changed or altered in any way from those shown on the Maps.

ARTICLE 3.
RESTRICTIONS ON USE

3.1 Building Restrictions.

3.1.1. Subject to the provisions of the Association Documents, the Owners may make any improvements or alterations to their respective Condominium Units and Townhome Lots that do not impair the structural integrity or functionality of any Building, electrical systems, communication systems, water systems, wastewater systems, mechanical systems, or Improvements, or lessen the support of any Common Element. No Improvement or alteration shall be erected without the prior written approval of the Association as provided in Section 4.5.

3.1.2. No structure of a temporary character, nor any recreational vehicle, trailer, teepee, tent, shack, garage, barn or other outbuilding shall be placed, kept, stored or erected, on any portion of the Property either temporarily or permanently.

3.1.3. An Owner shall not change, modify, paint, decorate, alter or in any way make any change to any Common Element, or to any exterior wall, surface, roof, entry, landscaping, paving, trees, shrubbery or other Improvements without the approval of the Association as provided in Section 4.5.

3.1.4. Unless installed in a Condominium Unit or Townhome Lot on or before November 10, 2009, only fireplaces or stoves which generate heat by means of electricity or combustion of natural gas may be installed or used in any Condominium Unit or Townhome Lot, it being the intention of this provision that no wood or pellet burning stoves or fireplaces, nor any other device which burns solid fuel with an open flame, be permitted within any Condominium Unit, Townhome Lot or anywhere within the Subdivision.

3.1.5. No grills, smokers, bar-b-ques or any other devices useful for or intended for use in cooking, which are capable of producing or do generate heat by means of an open flame, regardless of fuel source or size, shall be permitted in any Condominium Unit or upon the Limited Common Areas, including, without limitation, balconies and decks. This restriction shall apply to Townhome Lots.

3.2 Maintenance Obligations.

3.2.1. *Maintenance of Condominium Units and Limited Common Elements.* The Owners of all Condominium Units, at their sole expense, shall keep, maintain and repair their Condominium Units, together with Limited Common Elements allocated to their Condominium Units, in good repair, and in a clean, safe, and attractive manner, free from the accumulation of trash or debris or visual deterioration. In the event any Owner fails or refuses to perform maintenance required by this section 3.2.1, the Association may cause such work to be performed and assess such Owner for the costs thereof pursuant to Section 5.4.

3.2.2. *Maintenance of Townhome Lots.* The Owners of all Townhome Lots, at their sole expense, shall keep, maintain and repair their Townhome Lot and all improvements associated with the Townhome Lot including any Buildings, walkways, driveways, and other Improvements, including, all glass surfaces, screens, doors and windows, and all landscaping, in good repair, and in a clean, safe, and attractive manner, free from the accumulation of trash or debris or visual deterioration. In the event any

Owner fails or refuses to perform maintenance required by this section 3.2.2, the Association may cause such work to be performed and assess such Owner for the costs thereof pursuant to Section 5.4.

3.2.3. *Maintenance of General Common Elements.* The Association shall keep, maintain and repair the General Common Elements in a neat, clean, cultivated, attractive and well maintained condition, in proper working condition, and free from the accumulation of trash or debris or visual deterioration. The Owners shall promptly report to the Association, or its designated agent, any defect or need for repairs or maintenance for which the Association is responsible. The Owners shall not make any alterations in the portions of the Property which are to be maintained by the Association or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety or soundness of the Buildings without first obtaining the written consent of the Association. The costs and expenses incurred for the purpose of owning, maintaining, repairing and restoring the General Common Elements and Improvements thereon shall be borne by the Owners as a common expense assessment as provided in Article 5, hereof. The Association shall not be required to obtain the prior approval of the Owners to cause such maintenance or repairs to be accomplished, regardless of the cost thereof.

3.2.4. *Maintenance Necessitated by Owner's Negligence.* Notwithstanding anything to the contrary contained in this Amended Declaration, in the event that the need for maintenance, repair or reconstruction of the Common Elements, a Condominium Unit, Townhome Lot, or any other Improvement on the Property is caused by the willful or negligent act or omission of any Owner, any member of such Owner's family or by a guest or invitee of such Owner, the cost of such repair, maintenance, reconstruction or expense to avoid such damage shall be the personal obligation of such Owner to the extent that said Owner would be liable for the acts of such persons under the laws of the State of Colorado; and any costs, expenses and fees incurred by the Association for such maintenance, repair or reconstruction shall be added to the assessment to which such Owner's Condominium Unit or Townhome Lot is subject and shall be subject to all of the terms and provisions of this Amended Declaration. A determination of the negligence or willful act or omission of any Owner, or any member of an Owner's family or a guest or invitee of any Owner, and the amount of the Owner's liability shall be determined by the Association at a hearing after notice to the Owner, provided that any such determination which assigns liability to any Owner pursuant to the terms of this section may be appealed by said Owner to a court of law.

3.2.5. *Party Wall Repair, Maintenance and Restoration Costs.* The costs and expenses of necessary and reasonable repair, maintenance or restoration of any portion of a Party Wall, including restoration in the event of damage or destruction due to fire or other casualty, shall be shared equally by the Owner of each Townhome Lot sharing the Party Wall, without prejudice however, to the right of any such Owner to recover from the other such Owner, or another party, under any rule of law with respect to liability for negligent or willful acts or omissions. However, nothing contained herein shall require an Owner to share the costs and expenses of repair and maintenance of any portion of the Party Wall which is attached to the framing or other structural features of such Party Wall and is interior to another Owner's Townhome. Except as otherwise specifically provided herein, the general rules of law applicable to Party Walls and of liability for property damage arising from negligence or willful acts or omissions shall apply with respect to any Party Wall.

3.3 Use Restrictions and Offensive Activities.

3.3.1. *No Accumulation of Trash.* No Condominium Unit or Townhome Lot shall be used as a dumping ground for rubbish. No garbage, rubbish or trash shall be allowed to accumulate in any Condominium Unit, on the Common Elements, or on the Townhome Lots. All garbage, rubbish and trash shall be disposed of in appropriate trash receptacles and shielded from view.

3.3.2. *Residential Use Only.* No Condominium Unit or Townhome Lot shall be used for any purpose other than residential purposes and home occupations. For purposes of this section, "home occupations", shall mean an occupation by the resident conducted entirely within the Condominium Unit or the Building constructed on a Townhome Lot, which does not entail the employment of third persons on the premises, does not entail the delivery of goods or services to customers upon the premises, and does not entail visits by customers to the premises. For example, but not by limitation, an insurance agent may use a Condominium Unit or the Building constructed on a Townhome Lot as a personal office so long as his or her customers are not permitted to come to his or her personal office; however, the establishment of a barber shop would be prohibited. No goods, equipment, materials or supplies used in connection with any trade, service, or business shall be kept within the Condominium Units or on Townhome Lots.

3.3.3. *Nuisances and Decisions Regarding Use.* No obnoxious, offensive, or otherwise disturbing or annoying activity which would constitute a public or private nuisance or annoyance to the Property shall be permitted. In the event a dispute arises as to whether a particular use of a Condominium Unit or Townhome Lot constitutes a nuisance or annoyance to the Property under this section 3.3.3, the Association, acting through the Board, shall determine the matter in its sole and absolute discretion, exercised in accordance with the Association Documents and the Act.

3.3.4. *Hazardous Activities.* No activities shall be conducted within or upon the Property, in any Condominium Unit or on any Townhome Lot, which are or may be unreasonably hazardous to any person or property. Except as expressly permitted in the Association Documents, no Owner shall use or permit its Condominium Unit or Townhome Lot to be used for the manufacture, storage, use, or disposal of any substance classified or categorized as hazardous by federal, state or local law or regulation (Hazardous Material), nor will any Owner do or permit any act or omission anywhere within the Property that is in violation of any federal, state or local law or regulation. No Owner shall do or permit any act or omission anywhere within the Property that would or may cause the cancellation of any insurance. Each Owner shall indemnify and hold each other Owner, and the Association, harmless from and against all costs, including attorney's fees and other expert or professional consultant's fees, expenses, losses, liabilities, and damages of any nature, including personal injury, property damage, and remediation costs, which result or arise, in whole or in part, from the manufacture, storage, use, or disposal of any Hazardous Material within the Property.

3.3.5. *Firearms.* No firearms, illegal fireworks, explosives, air rifles, BB guns, crossbows or similar devices shall be discharged within the Property.

3.4 Pets. No animals shall be allowed other than domestic pets. Not more than one (1) pet shall be kept within a Condominium Unit or on a Townhome Lot and only then if they are kept solely as household pets for private use and not for commercial purposes. No such animal may be kept which is a nuisance or annoyance to other Owners. The household pet shall be contained in its Owner's Condominium Unit or on its Owner's Townhome Lot or on a leash and shall not be

permitted to run loose. At the request of any Owner, the Board of the Association shall determine whether a particular animal shall be considered a household pet, a nuisance, or whether the number of any such animals in any Unit is in compliance with the Association Documents. Habitually barking and/or vicious dogs are prohibited, at the sole discretion of the Association. No horses, livestock, pigs, pot belly pigs, or ferrets of any type shall be kept in any Unit. Household pets shall be under the control of their owners at all times and their Owners shall immediately clean all animal waste generated from such household pets. Those household pets permitted under the Original Declaration, which were brought to and consistently kept within a Condominium Unit or on a Townhome Lot pursuant to the Original Declaration on or before November 10, 2009, shall not constitute a violation of this section 3.4.

3.5 Rental. All tenants or future tenants are subject to the covenants, conditions and restrictions of the Amended Declaration. The mere rental of any Condominium Unit or Townhome Lot or the mere act of occupancy of any Condominium Unit or Townhome Lot shall signify that the covenants, conditions and restrictions set forth in this Amended Declaration are accepted. The Condominium Units and Townhome Lots shall not be rented by the Owners for transient or hotel purposes, which shall be defined as: (a) rental for a period less than thirty (30) days; and/or (b) any rental if the occupants are provided customary hotel services. Other than the foregoing obligations and restrictions, the Owners shall have the absolute right to lease the Condominium Units and Townhome Lots, provided that the lease is made subject to the covenants, conditions and restrictions set forth in this Amended Declaration.

3.6 Parking. All motor vehicles shall be parked, kept and stored in garages, driveways, or designated parking areas only. Garages, driveways and parking areas are for the parking of vehicles only and shall not be converted to living, recreational or business spaces, nor shall they be used for the storage of any item(s) of any description, other than motor vehicles, which prevent motor vehicles from parking in such garages, driveways, or parking areas. Parking on the Property may be further limited or restricted by the Association Documents.

3.7 Signs. Political campaign signs shall be permitted in the Property at such times and in such manner as specifically provided by federal, state, or local law. Aside from political campaign signs as provided, no sign of any kind shall be displayed to the public view on any Condominium Unit or on any Townhome Lot except one professional sign of not more than four (4) square feet, and a sign of not more than five (5) square feet advertising a Condominium Unit or Townhome Lot for sale or rent. Signs located on the Common Elements are governed by the Association.

3.8 Roof-Mounted Equipment and Facilities. Subject to the provisions of Section 4.5, the Owner of each Condominium Unit shall have the right to use the roof, or the designated space beneath the roof as shown on the Maps, lying immediately above its Unit to install, operate, maintain, repair, and replace machinery, equipment, or personal property of any kind, including, roof maintained evaporative coolers, which serves such Condominium Unit. The Association may restrict the use of the roof, and of the designated spaces beneath the roof as shown on the Maps, pursuant to the Association Documents. Subject to the provisions of section 4.5, the Owner of each Townhome Lot shall have the right to install, operate, maintain, repair, and replace machinery, equipment, or personal property of any land, including, roof maintained evaporative coolers, provided they are located over the rear portion of the Building and are mounted so the top portion of such facilities are not visible from the street. The Association may grant a variance where the requirements of this section cannot be met due to technical constraints. Ground mounted air conditioning units are allowed on the Townhome Lots, if the location has been approved by the Association.

3.9 Miscellaneous.

3.9.1. No portion of the Property shall be used in any manner whatsoever to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substances or other mineral of any type.

3.9.2. All facilities for permanent utilities service shall be kept or maintained underground, or in the original condition at such time the Condominium Unit or Townhome Lot are first completed.

3.9.3. No antenna for transmission or reception of television signals or any other form of electromagnetic radiation shall be erected, used or maintained out of doors, except as shall be approved and permitted by the Association, acting in accordance with federal, state, and local law or regulation.

3.9.4. No hunting, shooting, trapping or harming of wildlife shall be permitted, it being the intent to conserve and protect all wildlife.

3.9.5. No recreational vehicles, motorcycles, dirt bikes, off-road vehicles, etc. shall be operated in the Property at any time except for ingress and egress to and from the Property and upon established roads.

3.10 Easement for Maintenance and Entry. Each Owner shall afford to the Association and the other Owners, and to their agents or employees, access through such Owner's Condominium Unit or Townhome Lot reasonably necessary for maintenance, repair and replacement of any Common Elements and any other property or Improvements. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on the Common Elements, any other property, or any Condominium Unit or Townhome Lot, the Owner responsible for the damage or expense to avoid damage, or the Association if it is responsible, is liable for the cost of prompt repair or avoidance. Further, each Condominium Unit and Townhome Lot shall be subject to an easement in favor of the Association (including its agents, employees and contractors) for performing maintenance, repair and/or reconstruction as provided in this Article during reasonable hours after reasonable notice to the Owners or occupants, except that in emergency situations entry upon a Condominium Unit or Townhome Lot may be made at any time provided that the Owner or occupants shall be warned of impending emergency entry as early as is reasonably possible.

3.11 Utilities. There is hereby created a blanket easement upon, across, over and under the Common Elements for utilities and the installation, replacement, repair and maintenance of utilities, including, but not limited to, water, sewer, gas, telephone, electricity, computer cable, and master television antenna or cable or satellite television systems, if any. By virtue of this blanket easement it shall be expressly permissible to erect and maintain the necessary facilities, equipment and appurtenances on the Common Elements and to affix, repair, and maintain water and sewer pipes, gas, electric, telephone, computer and television wires, cables, circuits, conduits and meters. The easement provided for in this section shall in no way affect, avoid, extinguish or modify any other recorded easement(s) on the Common Elements.

ARTICLE 4.
THE ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

4.1 Purpose and Membership. By acceptance of a deed to a Condominium Unit or Townhome Lot, each Owner shall be a Member of the Association organized for the general purpose of being and constituting an entity for the furtherance of the mutual interests of the Owners of the Property pursuant to this Amended Declaration and the Association Documents, including without limitation, enforcement of the Amended Declaration; repairing and maintaining the Common Elements; levying and enforcing assessments to defray the cost and expenses of operation; providing other utilities and services pursuant to the Association Documents; and for all other purposes, with such powers, as are enumerated in the Act.

4.2 Directors of the Association. The affairs of this Association shall be managed by a board of at least three (3) directors. Directors shall meet the qualifications described in the Association Documents.

4.3 Voting Rights.

4.3.1. Association membership shall be appurtenant to and may not be separated from ownership of any Condominium Unit or Townhome Lot.

4.3.2. The Association shall have one class of voting membership, and there shall be the number of votes for each Condominium Unit and each Townhome Lot in any matter subject to a vote of the Members as provided in Section 1.2.2. Votes may be cast as the Owners determine, but in no event shall more votes be cast with respect to any Condominium Unit or Townhome Lot than have been allocated to it by this Amended Declaration.

4.4 Limitation Upon Liability.

4.4.1. *Indemnification of Officers and Board Members.* Neither the Association, any member of the Board, any officer of the Association, nor any agent or employee of the Association, shall be liable to any Owner or other person or entity for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without willful or intentional misconduct. The Association shall indemnify and hold harmless any member of the Board, any officer of the Association or any agent or employee of the Association from any and all reasonable costs, damages charges, liabilities, obligations, fines, penalties and claims, demands, or judgments and any and all expenses, including, without limitation, attorneys' fees, incurred in the defense or settlement of any action arising out of or claimed on account of any act, omission, error or negligence of such person or of the Association, the Board, or any committee of the Association, provided that such person has acted in good faith and without willful or intentional misconduct.

4.4.2. *Limitation Upon Liability of Association.* Notwithstanding the duty of the Association to maintain and repair parts of the Property, the Association shall not be liable for injury or damage, other than the normal costs of the maintenance and repair, caused by any latent condition of the Property or by the conduct of the Owners or other Persons or by casualties for which insurance pursuant to this Amended Declaration is not required, or for which insurance is not provided by the Association.

4.5 Architectural Control. No Improvements of any kind shall be erected, placed or altered on any Common Element, within any Condominium Unit, or on any Townhome Lot until the construction plans and specifications, and a plan showing the location of the structure or Improvements, have been approved by the Association, acting through its Architectural Control Committee (ACC), as to quality of workmanship and materials, harmony of design with existing structures, and as to siting and/or location, all in conformity with the Association Documents, including, but not limited to, the requirements set forth in Section 3.1.

4.5.1. The ACC shall consist of three (3) persons. The members of the ACC shall be the Directors of the Board. The method and manner of the ACC's extension, replacement and/or removal, as well as method of operation, to the extent not provided herein, shall be as set forth in the Association Documents.

4.5.2. Duplicate copies of plans and specifications relating to any Improvements shall be submitted to the ACC for review and final approval, one (1) copy of which will be retained by the ACC for its records. Plans and specifications shall contain, without limitation, the plot plans showing layout, floor plans showing overall dimensions, roof plans, materials, colors, elevations showing doors and windows, a perspective sketch, if requested, and other details necessary to explain any feature or component of the Improvements requested by the ACC, or required by the Association Documents.

4.5.3. The ACC's approval or disapproval shall be in writing. In the event the ACC, or its designated representative, fails to approve or disapprove within forty-five (45) days after sufficient plans and specifications have been submitted to it, approval will not be required. Receipt of submitted plans and/or specifications should be documented in writing. Approval or disapproval as required in this Amended Declaration shall be determined by majority vote of the members of the ACC.

4.5.4. The ACC and the members thereof shall make decisions concerning the approval or denial of an Owner's application for architectural review in accordance with the standards and procedures set forth in the Association Documents and shall not be made arbitrarily or capriciously. Notwithstanding the foregoing, the ACC and the members thereof shall not be liable for damage to any person submitting requests for approval or to any Owner by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to such request to the fullest extent permitted by law. The actions of the ACC shall be deemed conclusively binding upon the Owners.

4.5.5. Neither the members of the ACC, nor such representatives as it may designate to carry out its functions under this Amended Declaration and/or the Association Documents, shall be entitled to any compensation for services performed. Nothing in this Section 4.5.5 shall restrict the authority of the ACC, or its designated representatives, to engage and pay for the services of an appropriately qualified professional, such as an engineer or architect, for the purpose of evaluating applications. Persons so engaged shall not be construed to be representatives of the Association.

4.5.6. In addition to all the other criteria herein set forth, the ACC shall generally determine whether the proposed Improvements will protect the value of the Property both at the time of the request and in the future. The ACC shall, in the exercise of its judgment and determination, use reason and good faith. Among the other considerations applied, the ACC will determine and base its approval or rejection upon the fact of whether said proposed Improvements are reasonably compatible with other Improvements erected and planned in the Property. The ACC shall evaluate the proposed construction as to location of the Improvements, harmony of design, materials and colors with existing Improvements and surroundings, and other criteria it deems necessary for the purposes set forth in this Section 4.5.6.

4.6 Acquiring and Disposing of Real and Personal Property. The Association may acquire, own and hold for the use and benefit of all Owners tangible and intangible personal property and real property for such uses and purposes as the Board of Directors may in its discretion deem appropriate from time to time, and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be deemed to be owned by the Owners in the same undivided proportion as their respective undivided interests in the Common Elements. Such beneficial interest of an Owner shall not be transferable except with the transfer of that Owner's Unit. Transfer of a Unit, including transfer pursuant to foreclosure, shall transfer to the transferee ownership of the transferor's beneficial interest in such personal and/or real property without any reference thereto. Each Owner may use such personal and/or real property in accordance with the purposes for which such property is intended and in accordance with such conditions, limitations, restrictions, and rules and regulations as may be placed on any such property by the Board of Directors in its sole discretion from time to time, provided that such use of any Owner shall not hinder or encroach upon the lawful rights of other Owners.

4.7 Specific Powers and Duties of the Association. In addition to all other rights, duties, privileges and liabilities of the Association, as provided by this Amended Declaration, the Association Documents, and the Act, the Association shall have the following specific powers and duties and shall provide to the Owners the following services, all of which shall be paid as part of the common expense assessments.

ARTICLE 5. ASSESSMENTS

5.1 Owner's Obligation. By accepting a deed to any Condominium Unit or Townhome Lot, each Owner agrees to pay to the Association all the assessments, to be fixed and levied from time to time as provided in this Amended Declaration, and the Association Documents. Such assessments, together with interest accruing thereon and the costs of collection in the event of a delinquency of payment, shall be the personal obligation of the person who is the Owner, or the persons who are jointly and severally the Owner, at the time the assessment was made.

5.2 Common Expense Assessments.

5.2.1. The common expense assessments made for Common Expenses shall be based upon the advance estimate of the cash requirements by the Association to provide for the payment of all Common Expenses growing out of or connected with the maintenance of the Common Elements and operation of the Association, which sums may include, among other things, sewer and water fees, expenses of management, taxes and special assessments, premiums for all insurance which the Association is required or

permitted to maintain, landscaping and care of grounds, common lighting and heating, repairs and renovations, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Amended Declaration, the Articles of Incorporation and the Bylaws of the Association, any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or surplus fund and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners, less an amount equal to the anticipated balance (exclusive of any reserves) in the operating fund at the start of such year which is attributable to the operation and maintenance assessments for the prior year. The sum or net advanced estimate so determined shall be assessed to the Owners as a common expense assessment by allocating each Condominium Unit and each Townhome Lot its share of Common Expenses as provided in section 1.2.1, above. Assessments shall be paid in monthly installments.

5.2.2. Within ten (10) days after adoption of any proposed budget for the Association, the Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than ten (10) nor more than fifty (50) days after mailing or other delivery of the summary. Unless at that meeting Owners entitled to cast sixty percent (60%) of the votes in the Association reject the budget, the budget is ratified, whether or not a quorum is present in person or by proxy. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

5.3 Special Assessments. If at any time during the fiscal year the common expense assessment levied pursuant to section 5.2, above, proves inadequate for any reason, including, without limitation, nonpayment of any Owner's share of common expenses, the Board may levy a further assessment in the amount of such actual or estimated inadequacy. Any special assessment so levied shall be assessed to the Owners according to each Condominium Unit or Townhome Lot's allocated interest, as provided in section 1.2.1, above. Such special assessment shall be paid as the Association directs.

5.4 Capital Improvement Assessments. An assessment may also be levied for the purpose of defraying in whole or in part the cost of any capital improvement upon the Property, including fixtures, landscaping or personal property related thereto, provided that such assessment shall have the assent of a majority of the members of the Association subject to the assessment.

5.5 Reimbursement Assessment. The Board may levy a reimbursement assessment against any Owner as a result of such Owner's failure to restore or maintain his or her Condominium Unit or Townhome Lot as provided herein. Such reimbursement assessment shall be for the purpose of reimbursing the Association for its actual costs and expenses incurred for the repair, maintenance or restoration of such Owner's Condominium Unit or Townhome Lot and shall be due and payable as the Association directs.

5.6 Reserve Fund. The Association shall establish a reserve fund, funded through common expense assessments, for the maintenance, repair and replacement of the Property. The amount held in reserve may be increased or decreased as determined by the Association and shall be held by the Association in a separate account, which may be an interest-bearing account, to be held in trust for the Owners for such purposes.

5.7 Enforcement, in the event any assessment is not paid when due, the Association may enforce payment of such obligation by any or all of the following remedies:

5.7.1. The Association may elect to accelerate and declare immediately due and payable the remaining balance of regular or special assessments for such fiscal year.

5.7.2. The Association may bring a suit at law to collect the delinquent assessments, including any accelerated assessment. Any judgment rendered in such action shall include a sum for costs of suit, including reasonable attorney's fees.

5.7.3. All delinquent assessments shall be a lien on the Owner's Unit as provided for in Section 5.8.

5.7.4. Beginning with the second month of delinquency, a five percent (5%) penalty will be added to all delinquent amounts each month until payments are current.

5.8 Out-of-State Owners Who Are Not Occupants. In the event an Owner shall not occupy his residence and shall further maintain his principal residence outside of the State of Colorado, the Board may, to insure and guarantee payment of the assessments provided herein, require such out-of-state Owner who does not occupy his residence to:

5.8.1. Post a surety bond with the Association indemnifying the Association against the default of such Owner in the payment of any assessment levied herein, the amount of such surety bond to be twice the amount of the regular assessment for the preceding fiscal year; or

5.8.2. Pay the full annual common expense assessment pursuant to Section 5.2 hereof in advance by the 10th day of the first month of the fiscal year; or

5.8.3. Either or both of the immediately preceding subsections.

5.9 Lien for Assessments.

5.9.1. The Association has a statutory lien on a Condominium Unit or Townhome Lot for any assessment levied against that Condominium Unit or Townhome Lot. Fees, charges, late charges, attorney fees, fines and interest charged pursuant to this Amended Declaration are enforceable as assessments. The amount of the lien shall include all those items set forth in this section from the time such items become due. If an assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid acceleration of installment obligations.

5.9.2. Recording of this Amended Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessments is required. However, the Board of Directors or managing agent of the Association may prepare, and record in the records of Mesa County, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Condominium Unit or Townhome Lot, and a description of the Condominium Unit or Townhome Lot. If a lien is filed, the costs and expenses thereof shall be added to the assessment and collected as a part thereof. The Association's lien may be foreclosed in like manner as a mortgage on real estate.

5.9.3. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within six (6) years after the full amount of assessments becomes due.

5.10 Priority of Association Lien.

5.10.1. Pursuant to the Act, and as provided therein, a lien under this Article 5 is prior to all other liens and encumbrances. Notwithstanding anything herein to the contrary or anything in the Act to the contrary, if federal law applies, no liens for assessments shall be prior to the lien of a mortgage insured or guaranteed by the FHA, VA or other government agencies to the extent required by such federal law.

5.10.2. This section does not affect the priority of mechanics' liens or the priority of liens for other assessments made by the Association. A lien under this Article is not subject to the provisions of part 2 of Article 41 of Title 38, C.R.S., as amended, or to the provisions of C.R.S. § 15-11-201, as amended.

ARTICLE 6.
INSURANCE

6.1 Insurance. The Association shall maintain the following types of insurance on the Common Elements within the Property, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance, and the cost of said coverage shall be paid by the Association as common expenses. In addition, the Association may maintain such insurance on such other property as the Board of Directors may determine in its discretion from time to time, or as may be hereinafter required. Notwithstanding any of the specific insurance requirements specified in this Article, the Association may also consider, in determining the types and amount of insurance it needs to obtain, the then-existing requirements of any governmental agencies with respect to their insurance, guaranty or purchase of security interests.

6.1.1. Property insurance for broad form coverage causes of loss; except that the total amount of insurance must not be less than the full insurable replacement cost of all the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, foundations, excavations and other matters normally excluded from property policies.

6.1.2. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements, insuring the Association in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence, insuring the Board of Directors, the Association, any managing agent, and their respective employees, agents and all Persons acting as agents. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance shall cover claims of one or more insured parties against other insured parties.

6.1.3. A policy providing comprehensive fidelity coverage or fidelity bonds to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and/or any independent contractor employed by the Association for the purpose of managing the Property and/or any Owner who controls or disburses funds of the Association, in an amount at least equal to the estimated maximum of funds, including maintenance reserves, in the custody of the Association at any given time; provided, however, that such fidelity coverage or fidelity bonds shall not be in an amount less than two (2) months aggregate assessments, plus such reserve funds as calculated from the current budget of the Association. The Association may carry fidelity insurance in amounts greater than required above and may require any independent contractor employed for the purposes of managing the Property to carry more fidelity insurance coverage than required above. In the event the Association has delegated some or all of its responsibility for the handling of funds to a managing agent, the Association may require the managing agent to purchase, at its own expense, a policy of fidelity insurance or bonds which fully complies with the provisions of this subparagraph 6.1.3.

6.1.4. If any Common Elements are or should become located within an area identified by the Federal Emergency Management Agency as having special flood hazards, and flood insurance coverage on such parcels has been made available under the National Flood Insurance Program, then such a policy of flood insurance on such parcels in an amount at least equal to the lesser of:

(a) the maximum coverage available under the National Flood Insurance Program for all Condominium Buildings and other insurable property located within a designated flood hazard area; or

(b) one hundred percent (100%) of current replacement cost of all Buildings and other insurable property located within a designated flood hazard area.

6.1.5. In addition, the Association may obtain insurance against such other risks of a similar or dissimilar nature, as it shall deem appropriate, to the extent that such coverage is reasonably available, including, but not limited to, personal liability insurance to protect Directors and Officers of the Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Association, and coverage on fixtures, equipment and other personal property inside Units.

6.2 General Provisions of Insurance Policies. All policies of insurance carried by the Association shall be carried in blanket policy form naming the Association as insured, or its designee as trustee and attorney-in-fact for all Owners, and each Owner shall be an insured person under such policies with respect to liability arising out of any Owner's membership in the Association. The policy or policies shall contain a standard non-contributory Security Interest Holder's clause in favor of each Security Interest Holder and a provision that it cannot be canceled or materially altered by either the insured or the insurance company until at least thirty (30) days' prior written notice thereof is given to the insured and each Security Interest Holder, insurer or guarantor of a Security Interest. The Association shall furnish a certified copy or duplicate original of such policy or renewal thereof, with proof of premium payment and a certificate identifying the interest of the Owner in question, to any party in interest, including Security Interest Holders, upon request. Any such Owner's policy shall also contain waivers of subrogation. All policies shall contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not under the control of the Association.

6.3 Deductibles. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment.

6.3.1. To the extent the Association settles claims for damages, it shall have the authority to assess negligent Owners causing such loss or benefitting from such repair or restoration all deductibles paid by the Association. In the event that more than one (1) Condominium Unit and/or Townhome Lot is damaged by a loss, the Association, in its reasonable discretion, may assess each Owner a pro rata share of any deductible paid by the Association.

6.3.2. Any loss to any Common Elements which the Association has the duty to maintain, repair and/or reconstruct, which falls within the deductible portion of such policy, shall be borne by the person who is responsible for the repair and maintenance of the property which is damaged or destroyed. In the event of a joint duty of repair and maintenance of the damaged or destroyed property, then the deductible may be apportioned among the persons sharing in such joint duty or may be partly or wholly borne by the Association, at the election of the Board of Directors. Notwithstanding the foregoing, after notice and hearing, the Association may determine that a loss, either in the form of a deductible to be paid by the Association or an uninsured loss, resulted from the act or negligence of an Owner, the Owner's tenants, family members, guests or invitees. Upon said determination by the Association, any such loss or portion thereof may be assessed to the Owner in question and the Association may collect the amount from said Owner in the same manner as any assessment.

6.4 Payment of Insurance Proceeds. Any loss covered by an insurance policy described in Section 6.1 must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any Security Interest Holder. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Association, Owners and Security Interest Holders as their interests may appear. Subject to the provisions of Section 7.1, the proceeds must be disbursed first for the repair or restoration of the damaged property; and the Association, Owners and Security Interest Holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Property is terminated.

6.5 Association Insurance as Primary Coverage. If at the time of any loss under any policy which is in the name of the Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, such Association policy shall be primary insurance not contributing with any of such other insurance. An Owner shall be liable to the Association for the amount of any diminution of insurance proceeds to the Association as a result of policies of insurance of an Owner, and the Association may collect the amount from said Owner in the same manner as any assessment. Any such Owner's policy shall also contain waivers of subrogation.

6.6 Acceptable Insurance Companies. Each hazard insurance policy purchased by the Association must be written by a hazard insurance carrier which is authorized by law to do business in the State of Colorado. The Association shall not obtain any policy where (a) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee, or (b) under the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's Board of Directors, policy holders or members, or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or any Owner from collecting insurance proceeds.

6.7 Insurance to be Maintained by Owners. An insurance policy issued to the Association does not obviate the need for Owners to obtain insurance for their own benefit. The Association is not obligated to and shall not provide insurance covering the Condominium Units, Townhome Lots or anything in or on any Condominium Unit or Townhome Lot, as provided in section 6.1, above. Insurance coverage on the furnishings and other items of personal property belonging to an Owner, and insurance coverage on each Condominium Unit and Townhome Lot, shall be the responsibility of the Owner of such Unit.

6.8 Annual Review of Insurance Policies. All insurance policies carried by the Association shall be reviewed at least annually by the Board of Directors to ascertain that the coverage provided by such policies adequately covers those risks intended to be insured by the Association. In making the aforesaid determination, the Board of Directors or the managing agent of the Association may obtain a written appraisal from a duly qualified real estate or insurance appraiser, or seek other advice or assistance. Any Security Interest Holder shall be furnished with a copy of such appraisal upon request.

6.9 Notice of Cancellation. If the insurance that is required to be carried by the Association, as provided in Section 6.1 of this Article, is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefor having been obtained, the Association promptly shall cause notice of that fact to be hand delivered, or sent prepaid by United States mail, to all Owners.

ARTICLE 7. DAMAGE OR DESTRUCTION

7.1 Damage or Destruction.

7.1.1. Any portion of the Property which is covered by a policy of insurance which is required to be carried by the Association under this Amended Declaration and which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) The Property is terminated;
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (c) Owners entitled to seventy percent (70%) of the votes in the Association, including every vote of a Condominium Unit or Townhome Lot that will not be rebuilt, vote not to rebuild; or

(d) The holder of a deed of trust or mortgage on the damaged portion of the Subdivision rightfully demands all or a substantial part of the insurance proceeds.

7.1.2. The cost of repair or replacement that is covered by insurance carried by the Association, but which is in excess of insurance proceeds and reserves, is a Common Expense. If the entire Property is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Property, and except to the extent that other persons will be distributees, the insurance proceeds attributable to Units that are not rebuilt must be distributed to the Owners of those Units or to lienholders, as their interests may appear, and the remainder of the proceeds must be distributed to all the Owners or lienholders, as their interests may appear, in proportion to the Allocated Interests as provided above. If the Owners vote not to rebuild any Condominium Unit or Townhome Lot, the Allocated Interests allocated thereto are automatically reallocated upon the vote as if the Condominium Unit or Townhome Lot had been taken by eminent domain, and the Association promptly shall prepare, execute and record an amendment to the Amended Declaration reflecting such reallocations.

7.2 Use or Distribution of Insurance Proceeds. In the event of damage or destruction to all or a portion of the Common Elements, due to fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Association to such reconstruction and repair. If the insurance proceeds with respect to such damage or destruction are insufficient to repair and reconstruct the damaged or destroyed area, the Association shall levy a special assessment in the aggregate amount of such insufficiency pursuant to Article 5 hereof, and shall proceed to make such repairs or reconstruction. No distributions of insurance proceeds shall be made unless made jointly payable to the Owners and their respective Security Interest Holders, if any. The assessment provided for herein shall be a debt of each Owner and a lien on the Owner's Condominium Unit or Townhome Lot and the Improvements thereon, and may be enforced and collected in the same manner as any assessment provided for in this Amended Declaration.

7.3 Destruction of Units. If due to casualty, or for any other reason, the space within a Condominium Unit or Townhome Lot shall be destroyed or damaged, then the Owner thereof shall, within a reasonable time thereafter, not to exceed one hundred twenty (120) days after the event resulting in such damage or destruction, commence and diligently pursue repair and reconstruction of the space within a Condominium Unit or Townhome Lot, using any available personal insurance proceeds and personal funds of such Owner, unless the Common Elements are not repaired and reconstructed as hereinabove provided.

ARTICLE 8.
CONVEYANCES, OWNERSHIP AND TAXATION OF UNITS

8.1 Taxation. Each Condominium Unit and Townhome Lot shall be assessed separately for all taxes, assessments and other charges of the State of Colorado, any political subdivision thereof, any special improvement district, and any other taxing or assessing authority, in accordance with the Act. For the purpose of such assessments, the valuation of the Common Elements shall be apportioned among the Condominium Units in proportion to the Allocated Interests. The Association shall furnish to the Tax Assessor of the County of Mesa, Colorado, and to all other appropriate persons and authorities, all necessary information with respect to such apportionment. No forfeiture or sale of any Condominium Unit or Townhome Lot for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium Unit or Townhome Lot.

8.2 Inseparability. Each Condominium Unit and Townhome Lot, as well as all other appurtenances, rights and burdens connected therewith, shall be inseparable and may be transferred, conveyed, leased, devised, encumbered or otherwise disposed of only as a Condominium Unit or Townhome Lot. Every conveyance, transfer, devise, lease, encumbrance or other disposition of a Condominium Unit or Townhome Lot shall be deemed to be a conveyance, transfer, devise, lease, encumbrance or other disposition, as the case may be, of the entire Condominium Unit or Townhome Lot, together with all appurtenant rights, interests, duties and obligations created by law or by this Amended Declaration.

ARTICLE 9.
MECHANIC'S LIENS

9.1 Mechanic's Liens. No labor performed and/or materials furnished for use and incorporated in any Condominium Unit or Townhome Lot with the consent or at the request of the Owner thereof, the Owner's agent, contractor or subcontractor, shall be the basis for the filing of a lien against a Condominium Unit or Townhome Lot of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the space within the Condominium Unit of the Owner for whom such labor shall have been performed or such materials furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien against the Condominium Unit or Townhome Lot of any other Owner, the Common Elements, or any part thereof, for labor performed and/or materials furnished in work on the first Owner's Condominium Unit or Townhome Lot.

9.2 Enforcement by the Association. At its own initiative or upon the written request of any Owner or any Security Interest Holder, if the Association determines that further action by it is proper and the mechanic's lien(s) are not disputed claims with a reasonable basis for such dispute, the Association, after notice and hearing, shall enforce the indemnity provided by Section 9.1 of this Article by collecting from the proper Owner, the amount necessary to discharge any such mechanic's lien, including all costs and reasonable attorneys' fees incidental thereto, and obtain a discharge of such lien. In the event that such Owner refuses or fails to so indemnify within seven (7) days after the Association shall have given notice to such Owner of the total amount, or any portions thereof, from time to time, to be indemnified, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 9.2 and such amount to be indemnified shall be and constitute an additional assessment for collection by the Association subject to all of the provisions of Article 5.

9.3 Effect of Part Payment. In the event a lien attributable to labor performed and/or materials furnished on the Property or any portion thereof, is effected against two or more Condominium Units or Townhome Lots, the Owner(s) of any of the affected Condominium Units or Townhome Lots may pay to the lienholder the amount of the lien attributable to such Owner's Condominium Unit or Townhome Lot and the lienholder shall release such Condominium Unit or Townhome Lot from the lien. Partial payment and release of any such lien with respect to any Condominium Unit(s) or Townhome Lot(s) shall not prevent the lienholder from enforcing his or her rights against the Condominium Unit(s) or Townhome Lot(s) for which payment has not been received.

ARTICLE 10.
GENERAL PROVISIONS AND MISCELLANEOUS

10.1 Enforcement. The Association, or any Owner, shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Amended Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter, or a waiver of any other or subsequent breach of any covenant, condition or restriction herein contained.

10.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

10.3 Amendments. The covenants and restrictions of this Amended Declaration shall run with and bind the land for a term often (10) years from the date this Amended Declaration was recorded, after which time they shall be automatically extended for successive periods often (10) years. This Amended Declaration may be amended for any purpose whatsoever by vote or agreement of Owners of Condominium Units and/or Townhome Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated. Any amendment must be recorded in the real property records of the Mesa County Clerk and Recorder.

10.4 Limitation on Association. Any action, resolution or attempted action of the Association in conflict with any term or provision of this Amended Declaration shall be void and of no force and effect whatsoever.

10.5 Notice. Notice of matters affecting the Property may be given to Owners by mailing such notice by first class mail to the last address provided by the Owner to the Association. If no address has been provided by Owner, such notice shall be mailed to the address of Owner's Unit.

IN WITNESS of the vote of the Owners held at a meeting called pursuant to proper notice for, among other things, consideration of approving the above Amended Declaration, where a quorum of the Owners appeared in person or by proxy and Owners representing at least sixty-seven percent (67%) of the votes allocated under the Original Declaration voted in favor of the above Amended Declaration, the Association, through its president, sets its hand and seal the 25 day of Sept, 2013.

La Roche Condominium Association, Inc.
a Colorado non-profit corporation



Kenneth Risky President

STATE OF COLORADO)

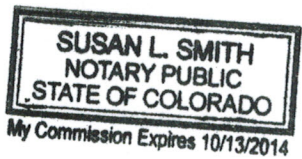
)ss.

COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 25 day of Sept, 2013, by Kenneth Risky, President of the La Roche Condominium Association, Inc., a Colorado non-profit corporation.

My commission expires: 10-13-2014.

Witness my hand and official seal.



Susan L Smith
Notary Public