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**AMENDED AND RESTATED
DECLARATION

FOR

MORE'S CORNER**

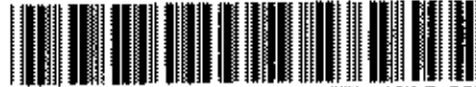


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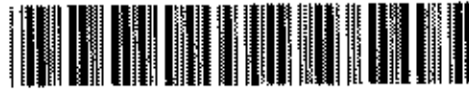
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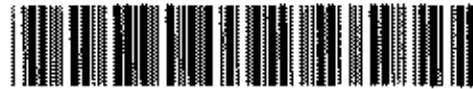
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**AMENDED AND RESTATED
DECLARATION**

FOR

MORE'S CORNER

THIS AMENDED AND RESTATED DECLARATION FOR MORE'S CORNER (this "Declaration") dated as of June 25, 2003, shall be effective upon recordation and is made by Mountain Meadow Preserve LLC, a Colorado limited liability company ("Declarant"). Declarant is the owner of certain real property in Routt County, Colorado, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"). This Declaration supersedes and replaces that certain Declaration for The Preserve at Mountain Meadow recorded in the Records on September 23, 2002, at Reception No. 570048. Declarant hereby makes the following grants, submissions and declarations:

**ARTICLE 1
IMPOSITION OF COVENANTS**

Section 1.1. Purpose. The purpose of this Declaration is to create a residential planned community (the "Project") pursuant to the Colorado Common Interest Ownership Act, Article 33.3, Title 38, Colorado Revised Statutes, as amended and supplemented from time to time (the "Act").

Section 1.2. Intention of Declarant. Declarant desires to (a) protect the value and desirability of the Project, (b) further a plan for the improvement, sales and planned community ownership of the Project, (c) create a harmonious and attractive residential development within the Project, and (d) promote and safeguard the health, comfort, safety, convenience and welfare of the Owners of Townhomes in the Project.

Section 1.3. Declaration. To accomplish the purposes and intentions recited above, Declarant hereby submits the Property, together with all improvements, appurtenances and facilities relating to or located on the Property now and in the future, to the provisions of the Act and hereby imposes upon all of the Property the covenants, conditions, restrictions, easements, reservations, rights-of-way and other provisions of this Declaration below and Declarant hereby declares that all of the Property shall be held, sold, conveyed, encumbered, leased, rented, occupied and improved subject to the provisions of this Declaration.

Section 1.4. Covenants Running With the Land. All provisions of this Declaration shall be deemed to be covenants running with the land or equitable servitudes, as the case may be. The benefits, burdens and other provisions contained in this Declaration shall be binding upon and shall inure to the benefit of Declarant, all Owners and their respective heirs, executors, administrators, personal representatives, successors and assigns.



ARTICLE 2
 DEFINITIONS

The following words when used in this Declaration shall have the meanings designated below unless the context expressly requires otherwise:

Section 2.1. "Act" means the Colorado Common Interest Ownership Act as defined in Section 1.1 hereof. In the event the Act is repealed, the Act, on the effective date of this Declaration, shall remain applicable to this Declaration.

Section 2.2. "Additional Improvements" is defined in Section 15.2.

Section 2.3. "Additional Reserved Rights" is defined in Section 14.2.

Section 2.4. "Articles of Incorporation" means the Articles of Incorporation for the Association, filed with the Colorado Secretary of State.

Section 2.5. "Assessments" means the annual, special and default assessments levied pursuant to this Declaration. Annual Assessments consist of the Lot Assessment, the Townhome Assessment, and the Club Assessments, as applicable.

Section 2.6. "Association" means More's Corner Homeowners Association, Inc., a nonprofit corporation, and its successors and assigns.

Section 2.7. "Association Funds" is defined in Section 9.1.3.

Section 2.8. "Association Insured Property" is defined in Section 12.1.1.

Section 2.9. "Board of Directors" means the governing body of the Association as provided in this Declaration, the Articles of Incorporation, the Bylaws and the Act.

Section 2.10. "Broker" is defined in Section 19.2.

Section 2.11. "Bylaws" means any instruments, however denominated which are adopted by the Association for the regulation and management of the Association, including the amendments thereto.

Section 2.12. "Club Assessment" is defined in Section 18.8.

Section 2.13. "Common Elements" means all the Project other than the Townhomes, including, without limiting the generality of the foregoing, the following components:

(a) any Improvements in which the Association owns an interest for the common use and enjoyment of all of the Owners on a non-exclusive basis; and

(b) any amenities of the Project, including, without limitation, any club house, fitness center, men's or women's bathrooms, indoor or outdoor hot tubs on the Common Elements, pool, spa, owner lounge, bar, sauna, billiard room, sundries shop, or video arcade or related amenities constructed at the Project; and



(c) the yards, sidewalks, walkways, paths, grass, shrubbery, trees, driveways, roadways, landscaping, gardens, parking areas and related facilities upon the Property; and

(d) the pumps, tanks, motors, fans, storm drainage structures, compressors, ducts and, in general, all apparatus, installations and equipment of the Improvements existing for use of one or more of the Owners;

(e) the Exterior Maintenance Areas; and

(f) in general, all other parts of the Project designated by Declarant as Common Elements and existing for the use of one or more of the Owners.

The Common Elements shall be conveyed to and owned by the Association for the benefit of the Owners.

Section 2.14. "Common Expenses" means expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves, including, without limiting the generality of the foregoing, the following items:

(a) expenses of administration, insurance, operation and management, repair or replacement of the Common Elements except to the extent such repairs and replacements are responsibilities of an Owner as provided in this Declaration;

(b) expenses of maintaining and repairing (except as provided in Section 12.1 regarding casualty) the Townhome Exteriors and of architectural, design, and aesthetic control in connection with the Townhome Exteriors;

(c) expenses declared Common Expenses by the provisions of this Declaration or the Bylaws;

(d) all sums lawfully assessed against the Townhomes by the Board of Directors;

(e) expenses agreed upon as Common Expenses by the Members of the Association; and

(f) expenses provided to be paid pursuant to any Management Agreement.

Section 2.15. "Costs of Enforcement" means all monetary fees, fines, late charges, interest, expenses, costs, including receiver's and appraiser's fees, and reasonable attorneys' fees and disbursements, including legal assistants' fees, incurred by the Association in connection with the collection of Assessments or in connection with the enforcement of the terms, conditions and obligations of the Project Documents.

Section 2.16. "Declarant" means Mountain Meadow Preserve LLC, a Colorado limited liability company, its successors and assigns.



Section 2.17. "Declaration" means this Declaration, together with any supplement or amendment to this Declaration. The term Declaration includes the Map, all supplements to the Map and all supplements and amendments to the Declaration without specific reference thereto.

Section 2.18. "Development Rights" means the expansion rights and the development rights of Declarant set forth in Articles 14 and 15.

Section 2.19. "Director" means a member of the Board of Directors.

Section 2.20. "Dispute" is defined in Section 21.3, which also contains other definitions relating to the mediation and arbitration of Disputes.

Section 2.21. "Expansion Property" means the real property located in Routt County, Colorado, more particularly described on Exhibit B attached hereto and incorporated herein, which Declarant may subject to this Declaration by an amendment to this Declaration.

Section 2.22. "Exterior Maintenance Area" means the portion of any Lot outside of the legal description of the Townhome, as depicted on the Map.

Section 2.23. "First Mortgage" means an unpaid and outstanding Mortgage which secures financing for the construction and development of the Project or which encumbers a Townhome, and which, in any case, has priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

Section 2.24. "First Mortgagee" means any Person named as a mortgagee or beneficiary in any First Mortgage, or any successor to the interest of any such Person under such First Mortgage.

Section 2.25. "Improvement(s)" means the building(s) (including all fixtures and improvements contained within it) located on the Property in which Townhomes or Common Elements are located and includes all improvements within utility easements as described in Section 9.4 of this Declaration.

Section 2.26. "Insurance Trustee" is defined in Section 10.5.

Section 2.27. "Lot" means a platted lot within the Project, the boundaries of which are depicted on the Map.

Section 2.28. "Listing Period" is defined in Section 19.2.

Section 2.29. "Lot Assessment" means the annual Assessment payable by the Owner of a Lot that has not been subdivided into Townhomes and includes the annual Assessment imposed by the Board of Directors to meet the Common Expenses of maintenance, operation and management of the Common Elements other than the Townhome Exteriors and the Exterior Maintenance Areas and to perform the functions of the Association.



Section 2.30. "Majority of Owners" means a majority (or any greater percentage that may be specifically required for a particular action or authorization by the terms of this Declaration or the Bylaws) of the total voting power of the members of the Association.

Section 2.31. "Management Agreement" means any contract or arrangement entered into for purposes of discharging the responsibilities of the Board of Directors relative to the operation, maintenance and management of the Project.

Section 2.32. "Managing Agent" means a person, firm, corporation or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Project.

Section 2.33. "Map" means the Plat and any engineering survey(s) of a Lot (whether titled as a map, plat or otherwise, whether in two or three dimensions) locating any Townhomes or Improvements, together with other drawings or diagrammatic plans and information regarding any Lot as recorded in the Records. The term Map shall include each plat recorded against a Lot to subdivide such Lot into Townhomes as required by the City of Steamboat Springs.

Section 2.34. "Maximum Rate" shall mean eighteen percent (18%), or if less, the maximum rate allowed by law.

Section 2.35. "Member" shall mean every Person or entity who holds membership in the Association.

Section 2.36. "Mortgages" means a holder, insurer or guarantor of a security interest in a Townhome which has priority over all other security interests in the Townhome.

Section 2.37. "Occupant" means any member of a Owner's family, or a Owner's guests, invitees, servants, tenants, employees, or licensees who occupy a Townhome or are on the Common Elements for any period of time.

Section 2.38. "Owner" means any record owner (including Declarant, and including a contract seller, but excluding a contract purchaser), whether a natural person or persons, or an entity, of a fee simple title interest in and to any Townhome or Lot, as applicable; excluding, however, any record owner with an interest therein merely as a Mortgagee (unless such Mortgagee has acquired fee simple title interest in the Townhome or Lot pursuant to foreclosure or any proceedings in lieu of foreclosure).

Section 2.39. "Party Wall" means any common wall adjoining two or more Townhomes and shall be deemed to include the footings underlying, the roofing underlying the portion of the roof over, and the utility lines within, a common wall.

Section 2.40. "Percentage of Common Expenses Liability" means the percentage of liability for Common Expenses that is allocated to each Townhome or Lot, as applicable. The percentage for each Lot is determined on the basis that all Lots submitted to the Project are responsible for an equal share. The percentage for each Townhome is based on the relative floor area of each of the Townhomes as compared to the floor area of all Townhomes in the Project.



Section 2.41. "Period of Declarant Control" means the maximum period of time defined and limited by the Act and Section 4.4 hereof during which the Declarant may, at its option, control the Association.

Section 2.42. "Person" means an individual, association, partnership, limited liability company, corporation, trust, governmental agency, political subdivision, or any combination thereof.

Section 2.43. "Plat" means the Final Plat for the Project, recorded in the Records on September 23, 2002 at Reception No. 570046, and all supplements and amendments thereto.

Section 2.44. "Priority Order" is defined in Section 19.2.

Section 2.45. "Private Residence Club" means the system of mutual use rights and mutual obligations created and established by this Declaration as set forth in Article 18 hereof. additional definitions relating to the Private Residence Club are set forth in Article 18.

Section 2.46. "Project" means the planned community created by this Declaration, as defined in Section 1.1 hereof.

Section 2.47. "Project Documents" means the basic documents creating and governing the Project, including, but not limited to, this Declaration, the Articles of Incorporation, the Bylaws, the Map, and any procedures, Rules and Regulations, or policies relating to the Project adopted under such documents by the Association or the Board of Directors.

Section 2.48. "Property" is defined in the introductory Paragraph.

Section 2.49. "Records" means the Office of the Clerk and Recorder in every county in which any portion of the Townhome Project is located.

Section 2.50. "Repurchase Option" is defined in Section 19.1.

Section 2.51. "Repurchase Option Price" is defined in Section 19.1.

Section 2.52. "Resale Club Interest" is defined in Section 19.2.

Section 2.53. "Resale Townhome" is defined in Section 19.2.

Section 2.54. "Restriction Period" is defined in Section 19.1.

Section 2.55. "Rules and Regulations" means the rules and regulations promulgated by the Board of Directors for the management, preservation, safety, control, and orderly operation of the Townhome Project in order to effectuate the intent and to enforce the obligations set forth in the Project Documents, as amended and supplemented from time to time.

Section 2.56. "Special Declarant Rights" is defined in Section 14.1.

Section 2.57. "Townhome" means each of the dwelling units constructed on a Lot (such that two dwelling units sharing a Party Wall occupy one Lot), the boundaries of which shall be



the building footprint plus any roof overhangs for each such Townhome as shown on the Map, and the real property underlying such Townhome, together with all easements and rights of way appurtenant thereto and all Improvements thereon, as further defined and depicted on the Map. Each Townhome includes the spaces and improvements lying within the boundaries described above. Each Townhome also includes the spaces and improvements containing utilities, utility meters, water and heating facilities, all electrical switches, wiring, pipes, ducts, conduits, smoke detector or security systems and communications, television, telephone and electrical receptacles and boxes serving that Townhome exclusively, the surface of these items being the boundaries of that Townhome, whether or not the spaces are contiguous. The Common Elements are excluded from each Townhome and any utilities or other facilities running through or within any Townhome for the purpose of furnishing utility and other service to more than one Townhome and/or the Common Elements are also excluded. Discrepancies between the location of Townhome boundaries as shown on the Map and those of a Townhome as constructed of up to five (5) feet shall be considered insubstantial, shall have no adverse effect on the title of such Townhome, and no amendment of the Map shall be required

Section 2.58. "Townhome Assessment" means the annual Assessment payable by the Owner of a Townhome and includes one half of the Lot Assessment for the Lot on which the Townhome is located plus the annual Assessment imposed by the Board of Directors to meet the Common Expenses of maintenance, operation, and management of the Townhome Exteriors and the Exterior Maintenance Areas. The Townhome Assessment for each Lot shall commence upon subdivision of such Lot into Townhomes under the Map.

Section 2.59. "Townhome Exterior" means all exterior surfaces and exterior structural components of the Townhomes, including the roof, roof shingles and paper lining, and structural components supporting the roof of the Townhomes, exterior building walls, Townhome boundary walls, downspouts, drain spouts, gutters, exterior siding, exterior portion of entry doors, windows, trim around the perimeter of doors and windows, exterior portion of garage doors, and external vents, flues and lighting.

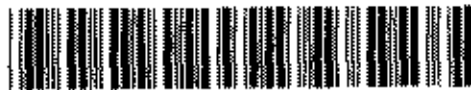
Section 2.60. "Transfer" is defined in Section 19.1.

Each capitalized term not otherwise defined in this Declaration shall have the same meanings specified or used in the Act.

ARTICLE 3
DIVISION INTO TOWNHOMES

Section 3.1. "Number of Townhomes". The number of Lots initially submitted to this Declaration is thirty-four (34). As each Lot may include two Townhomes, there may be a maximum of sixty-eight (68) Townhomes. Declarant reserves the right to expand the Property to include up to a maximum of one hundred (100) Lots (and the corresponding number of Townhomes) and to expand the Common Elements.

Section 3.2. "Identification of Townhomes". The identification number of each Townhome shall be the Lot number as shown on the Plat, together with a designation of each of the two Townhomes on such Lot as "A" or "B", all as shown on the Map.



Section 3.3. Description of Townhomes.

3.3.1. Except as provided in Article 18 entitled "Private Residence Club," in Section 3.5 below, and in Article 15 entitled "Reservation of Expansion and Development Rights," each Townhome shall always be inseparable and may be leased, conveyed, transferred, devised, bequeathed, encumbered, and otherwise affected only as a complete Townhome.

3.3.2. Title to a Townhome may be held individually or in any form of concurrent ownership recognized in Colorado. In case of any such concurrent ownership, each co-owner shall be jointly and severally liable for performance and observance of all the duties and responsibilities of an Owner with respect to the Townhome in which he owns an interest. For all purposes herein, there shall be deemed to be only one Owner for each Townhome. The parties, if more than one, having the ownership of a Townhome shall agree among themselves how to share the rights and obligations of such ownership, but all such parties shall be jointly and severally liable for performance and observance of all of the duties and obligations of an Owner hereunder with respect to the Townhome in which they own an interest.

3.3.3. Any contract of sale, deed, lease, mortgage, will or other instrument affecting a Townhome may describe it by its Townhome number (comprised of the Lot number and a designation of "A" or "B" as appropriate), the Porches at More's Corner, County of Routt, State of Colorado, according to a resubdivision of Lot _____, according to the Plat for More's Corner recorded in the Office of the Clerk and Recorder of Routt County, Colorado on September 23, 2002, at Reception No. 570046 and any recorded amendment and supplement thereto, and this Amended and Restated Declaration for More's Corner, which will be recorded in the Office of the Clerk and Recorder of Routt County, Colorado, and any recorded amendment and supplement hereto.

3.3.4. Each Townhome shall be considered a separate parcel of real property and shall be separately assessed and taxed.

Section 3.4. Alteration of Townhomes. Owner(s) shall have the right to alter their Townhomes, subject to the provisions and requirements of this Declaration and of the Act.

ARTICLE 4

MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS

Section 4.1. The Association and Membership. Every Owner of a Townhome shall be a Member of the Association. No Owner, whether one or more Persons, shall have more than one membership per Townhome owned, but all of the Persons owning a Townhome shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Townhome. Membership shall be appurtenant to and may not be separated from ownership of any Townhome. If title to a Townhome is held by more than one Person, such Persons shall appoint and authorize one Person or alternate Persons to represent the Owners of the Townhome. Such representative shall be a natural person who is a Owner, or a designated board member or officer of a corporate Owner, or a general partner of a partnership Owner, or a comparable representative of any other entity, and such representative shall have the power to cast votes on behalf of the Owners as a member of the Association, and serve on the Board of Directors if



ected, subject to the provisions of and in accordance with the procedures more fully described in the Bylaws of the Association. Notwithstanding the foregoing, if only one of the multiple Owners of a Townhome is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Townhome. If more than one of the multiple Owners are present and there is no written designation of an authorized representative, the vote allocated to that Townhome may be cast only in accordance with the agreement of a majority in interest of the Owners, which majority agreement may be assumed for all purposes if any one of the multiple Owners casts the vote allocated to that Townhome without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Townhome.

Section 4.2. Transfer of Membership. An Owner shall not transfer, pledge or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Townhome and then only to the purchaser or Mortgagee of his Townhome. All Persons who acquire Townhome(s) other than from Declarant shall provide to the Association written notice of the Person's name, address, Townhome owned, date of transfer, and name of the former Owner within ten (10) days of the date of transfer. The Person shall also provide a true and correct copy of the recorded instrument conveying or transferring the Townhome or such other evidence of the conveyance or transfer as is reasonably acceptable to the Association. In addition, the Association may request such other information as the Association determines is necessary or desirable in connection with obtaining and maintaining information regarding conveyances and transfers of Townhomes. The Association or Managing Agent shall have the right to charge the Person a reasonable administrative fee for processing the transfer in the records of the Association.

Section 4.3. Voting Rights and Meetings. Except as provided in Article 18 hereof, the Association shall have one (1) category of membership consisting of all Owners, including the Declarant so long as Declarant continues to own an interest in a Townhome. Except as otherwise provided for in this Declaration, each Member shall be entitled to vote in Association matters pursuant to this Declaration on the basis of one vote for each Townhome owned. The Association shall not have a vote with respect to any Townhome which may be owned by it. Declarant shall be entitled to vote with respect to Townhomes owned by it. Members of the Association may exercise such voting rights subject to and in accordance with the provisions of the Bylaws. All members of the Association shall be entitled to vote on all matters affecting the Project. A meeting of the Association shall be held at least once each year. Special meetings of the Association may be called by the President, by a majority of the Board of Directors, or by Owners having twenty percent (20%), or any lower percentage specified in the Bylaws, of the votes in the Association. Not less than fourteen (14) and no more than fifty (50) days in advance of any meeting, the Secretary or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States Mail to the mailing address of each Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda including the general nature of any proposed amendment to this Declaration or the Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors. Unless the Bylaws provide for a lower percentage, a quorum is deemed present throughout any meeting of the Association if Persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Board of Directors are present, in person or by proxy, at the beginning of the meeting.



Section 4.4. Declarant Control of the Association. There shall be a Period of Declarant Control of the Association, during which Declarant, or persons designated by the Declarant, may appoint and remove the officers of the Association and members of the Board of Directors. The Period of Declarant Control shall commence upon filing of the Articles of Incorporation and shall terminate no later than the earlier of:

- (a) sixty (60) days after conveyance of seventy-five percent (75%) of the Townhomes that may be created to Owners other than Declarant;
- (b) two (2) years after Declarant's last conveyance of a Townhome in the ordinary course of business; or
- (c) two (2) years after any right to add new Townhomes was last exercised.

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

Section 4.5. Required Election of Owners. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Townhomes that may be created to Owners other than Declarant, Owners other than the Declarant shall elect the greater of one (1) member or twenty-five percent (25%) of the members of the Board of Directors. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Townhomes that may be created to Owners other than Declarant, Owners other than the Declarant shall elect thirty-three and one-third percent (33-1/3%) or the nearest whole number in excess of such percentage of the members of the Board of Directors. Not later than the termination of any Period of Declarant Control, the Owners shall elect a Board of Directors of at least three (3) members, at least a majority of whom shall be Owners other than the Declarant or designated representatives of Owners other than Declarant. In order to assure representation of Club Members in the affairs of the Association and to protect the valid interests of the Club Members in the operation of the Project, from and after the date on which ten (10) or more Club Units have been submitted to the Private Residence Club, the Club Members, voting as a class, shall be entitled to elect the greater of one (1) member or thirty-three and one-third percent (33-1/3%) of the members of the Board of Directors. The Board of Directors shall elect the officers. The members of the Board of Directors and officers shall take office upon election.

Section 4.6. Removal of Members of the Board of Directors. Notwithstanding any provision of this Declaration or the Bylaws to the contrary, following notice and an opportunity to be heard as required by this Declaration and the Act, the Owners, by sixty-seven percent (67%) vote of all persons present and entitled to vote at a meeting of the Owners at which a quorum is present, may remove a member of the Board of Directors with or without cause, other than a member appointed by the Declarant; provided, however, only Club Members may remove a member of the Board of Directors elected by the Club Members voting as a class pursuant to Section 4.5 of this Declaration.

Section 4.7. Requirements for Turnover of Declarant Control. Within sixty (60) days after the Owners other than the Declarant elect a majority of the members of the Board of Directors, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant, including without limitation the following items:

(a) the original or a certified copy of the recorded Declaration as amended, the Articles of Incorporation, Bylaws, minute books, other books and records, and any Rules and Regulations which may have been promulgated;

(b) an accounting for Association funds and financial statements, from the date the Association received funds and ending on the date the Period of Declarant Control ends. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the accountant's letter, expressing either the opinion that the financial statements present fairly the financial position of the Association in conformity with generally accepted accounting principles or a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles and the reasons therefor. The expense of the audit shall not be paid for or charged to the Association;

(c) the Association funds or control thereof;

(d) all of the Declarant's tangible personal property that has been represented by the Declarant to be the property of the Association or all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Elements, together with an inventory of such property and the Declarant shall convey all personal property itemized in the inventory to the Association by bill of sale;

(e) a copy, for the non-exclusive use of the Association, of any plans and specifications used in the construction or renovation of the Improvements;

(f) all insurance policies then in force, in which the Owners, the Association or its members of the Board of Directors and officers are named as insured Persons;

(g) copies of any certificates of occupancy that may have been issued with respect to the Improvements;

(h) any other permits issued by governmental bodies applicable to the Project and which are currently in force or which were issued within one year prior to the date on which Owners other than the Declarant took control of the Association;

(i) written warranties of the contractor, subcontractors, suppliers, and manufacturers that are still effective;

(j) a roster of Owners and First Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records;



(k) employment contracts in which the Association is a contracting party; and

(l) any service contract in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the Persons performing the services.

Section 4.8. Owner's and Association's Address for Notices. All Owners of each Townhome shall have one and the same mailing address to be registered with the Association and used by the Association or other Owners for notices, demands and all other communications regarding Association matters. If no address is registered or if all of the Owners cannot agree, then the address set forth in the deed to the Townhome shall be deemed their registered address until another registered address is furnished as required under this Section. Any notice delivered to a First Mortgagee in accordance with the terms of this Declaration shall be sent to the address for such party specified in the First Mortgage unless the First Mortgagee notifies the Association in writing of a different address. All notices and demands intended to be served upon the Board of Directors shall be sent to the following address or such other address as the Board of Directors may designate from time to time by notice to all of the Owners:

Board of Directors
More's Corner Homeowners Association, Inc.
4185 County Road 154
Glenwood Springs, Colorado 81601

All notices given under this Section 4.8 shall be sent by personal delivery, which shall be effective upon receipt; by overnight courier service, which shall be effective one business day following timely deposit with the courier service; or regular, registered or certified mail, postage prepaid, which shall be effective three (3) days after deposit in the U.S. mail.

ARTICLE 5 ASSOCIATION POWERS AND DUTIES

Section 5.1. Association Management Duties. Subject to the rights and obligations of Declarant and the Owners as set forth in this Declaration, the Association shall be responsible for the administration and operation of the Project and for the exclusive management, control, maintenance, repair, replacement and improvement of the Common Elements, including the Exterior Maintenance Areas (including facilities, furnishings and equipment related thereto), and, except with respect to any property damage required to be insured by a Townhome Owner as set forth in Section 10.12 and except as otherwise expressly provided herein, the Townhome Exteriors, and shall keep the same in good, clean, attractive and sanitary condition, order and repair. The expenses, costs and fees of such management, operation, maintenance and repair by the Association shall be part of the Assessments and, subject to the budget approval procedures of Section 8.4 below, prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs and fees.

Section 5.2. Reserve Account. The Association shall establish and maintain, as part of its budget and out of the installments of the annual Assessments, adequate reserve accounts for



maintenance, repair or replacement of any portion of the Common Elements or the Townhome Exteriors that must be maintained, repaired and/or replaced on a periodic basis.

Section 5.3. Owner's Negligence. In the event that the need for maintenance, repair or replacement of all or any portion of the Common Elements or the Townhome Exteriors is caused through or by the negligent or willful act or omission of an Owner, or by any member of an Owner's family, or by an Owner's Occupants, then the expenses incurred by the Association for such maintenance, repair or replacement shall be a personal obligation of such Owner. If the Owner fails to repay the expenses incurred by the Association within seven (7) days after notice to the Owner of an amount owed, then the failure to so repay shall be a default by the Owner under the provisions of this Section and such expenses shall automatically become a default Assessment determined and levied against such Townhome, enforceable by the Association in accordance with Sections 8.10, 8.11 and 8.12 below.

Section 5.4. Association Powers. The Association shall have, subject to the limitations contained in this Declaration and the Act, the powers necessary for the administration of the affairs of the Association and the upkeep of the Project which shall include, but not be limited to, the power to:

- (a) adopt and amend Bylaws and Rules and Regulations, provided, however, that no such Rules and Regulations may operate to discriminate against The Private Residence Club or otherwise interfere with the operation of The Private Residence Club;
- (b) adopt and amend budgets for revenues, expenditures and reserves;
- (c) collect Assessments for Common Expenses from Owners;
- (d) hire and discharge Managing Agents and delegate to such Managing Agents the power and duty to enforce the Rules and Regulations, subject to the requirements of the Act;
- (e) hire and discharge employees and agents, other than Managing Agents, and independent contractors;
- (f) institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Declaration, Bylaws or Rules and Regulations in the Association's name on behalf of the Association or two or more Owners on matters affecting the Project;
- (g) receive notices, join in any litigation or administrative proceeding, and execute any and all documents in the Association's name, on behalf of the Association, or on behalf of the two or more Owners, in connection with any change in zoning, annexation, subdivision approval, building permit, or other type of governmental approval required to accomplish or maintain the purposes of this Declaration;
- (h) make contracts and incur liabilities;



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(i) regulate the use, maintenance, repair, replacement and modification of the Common Elements and Townhome Exteriors;

(j) regulate the use and appearance of Townhome Exteriors;

(k) cause additional improvements to be made as part of the Common Elements;

(l) acquire, hold, encumber and convey in the Association's name any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to the requirements of the Act;

(m) grant easements, including permanent easements, leases, licenses and concessions, through or over the Common Elements;

(n) impose and receive a payment, fee or charge for the use, rental or operation of the Common Elements, and for services provided to Owners;

(o) impose a reasonable charge for late payment of Assessments, recover Costs of Enforcement for collection of Assessment and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated and, after notice and hearing, levy reasonable fines for violations of this Declaration, Bylaws and Rules and Regulations of the Association;

(p) impose a reasonable charge for the preparation and recordation of amendments to this Declaration or for preparation of statements of unpaid Assessments;

(q) provide for the indemnification of the Association's officers and Board of Directors and maintain Board of Directors' and officers' liability insurance;

(r) assign the Association's right to future income, including the right to receive Assessments;

(s) by resolution, establish committees of the Board of Directors and/or Owners, permanent and standing, to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee;

(t) exercise any other powers conferred by this Declaration or the Bylaws;

(u) exercise any other power that may be exercised in Colorado by legal entities of the same type as the Association; and

(v) exercise any other power necessary and proper for the governance and operation of the Association.



Section 5.5. Acquiring and Disposing of Personal Property. The Association may acquire, own and hold for the use and benefit of all Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise. Each Owner may use such personal property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of other Owners.

Section 5.6. Issuance of Rules and Regulations. The Board of Directors may make and amend reasonable Rules and Regulations governing the use and rental of the Townhomes and the use of the Common Elements, which Rules and Regulations shall be consistent with the rights and duties established in this Declaration. The Board of Directors shall provide thirty (30) days' written notice prior to the adoption or amendment of any Rules and Regulations and provide for a reasonable opportunity for Owners to comment at a meeting of the Board of Directors on the proposed adoption or amendment of any Rules and Regulations.

Section 5.7. Enforcement of Project Documents. The Association or any aggrieved Owner may take judicial action against any Owner to enforce compliance with such Rules and Regulations and with the other provisions of the Project Documents to obtain damages for non-compliance or for injunctive relief, or both, all to the extent permitted by law.

Section 5.8. Identity of Board of Directors and Managing Agent. From time to time, but no less than annually, there shall be mailed by the Association to each Owner, a notice containing the names and addresses of the members of the Board of Directors and the Managing Agent, if any.

Section 5.9. Payments to Working Capital Account. In order to provide the Association with adequate working capital funds, the Association shall collect at the time of the sale of each Townhome an amount equal to three months' installments of annual Assessments at the rate in effect at the time of the sale. The Association shall maintain the working capital funds to meet unforeseen expenditures or to acquire additional equipment or services in connection with the Common Elements and the Townhome Exteriors for the benefit of the Members of the Association, subject to the budget approval procedures of Section 8.4 below. Such payments to this fund shall not be considered advance payments of annual Assessments.

Section 5.10. Implied Rights. The Association may exercise any and all other rights or privileges given to it by this Declaration, or by the other Project Documents, or as may otherwise be given to it by law and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Association in the Project Documents or reasonably necessary to effectuate any such right or privilege.

Section 5.11. Books and Records of the Association. The Board of Directors or the Managing Agent, as the case may be, shall keep detailed, accurate records of the receipts and expenditures affecting the Common Elements and the Townhome Exteriors and shall maintain such other books and records as may be required under the Act. Owners and Mortgagees may inspect the records of receipts and expenditures of the Managing Agent or the Board of Directors at convenient weekday business hours. In addition, the other books, records and papers of the Association, including this Declaration, the Articles of Incorporation and Bylaws, as well as any



Management Agreement and any Rules and Regulations of the Association, shall be available for inspection by any Owner or Mortgagee at all times during convenient weekday business hours.

Section 5.12. Fire Monitoring. The Association shall be responsible for monitoring fire and smoke detection and prevention systems installed by Declarant within the Townhome to the extent required by law or deemed appropriate by the Board of Directors, provided, however, that the Association may delegate this responsibility to a Managing Agent or professional life safety monitoring company at the discretion of the Board of Directors. The expenses of monitoring any such fire and smoke detection and prevention systems shall be a Common Expense.

Section 5.13. Actions by Board of Directors. Except as specifically otherwise provided in this Declaration, the Bylaws or the Act, the Board of Directors may act in all instances on behalf of the Association.

Section 5.14. Board of Directors Meetings. All meetings of the Board of Directors, at which action is to be taken by vote, will be open to the Owners, except that meetings of the Board of Directors may be held in executive session(s), without giving notice and without the requirement that they be open to Owners, in the following situations:

(a) matters pertaining to employees of the Association or involving the employment, promotion, discipline or dismissal of an officer, agent, or employee of the Association;

(b) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;

(c) investigative proceedings concerning possible or actual criminal misconduct;

(d) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;

(e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy

(f) review of or discussion relating to any written or oral communications from legal counsel.

Section 5.15. Right to Notice and Hearing. Whenever the Project Documents require that an action be taken after "notice and hearing", the following procedure shall be observed: The party proposing to take the action (e.g., the Board of Directors, a committee, an officer, the Managing Agent, etc.) shall give notice of the proposed action to all Owners whose interests the proposing party reasonably determines would be significantly affected by the proposed action. The notice shall be delivered personally or mailed not less than three (3) days before the proposed action is to be taken. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected Person shall have



the right, personally or by a representative, to give testimony orally, in writing or both, subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected Person shall be notified of the decision in the same manner in which notice of the hearing was given. Any Owner having a right to notice and hearing shall have the right to appeal to the Board of Directors from a decision of a proposing party other than the Board of Directors by filing a written notice of appeal with the Board of Directors within ten (10) days after being notified of the decision. The Board of Directors shall conduct a hearing within forty-five (45) days, giving the same notice and observing the same procedures as were required for the original hearing.

Section 5.16. LIMITATION OF LIABILITY OF ASSOCIATION. NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR THE COMMON ELEMENTS AND THE TOWNHOME EXTERIORS AND EXCEPT TO THE EXTENT COVERED BY ASSOCIATION INSURANCE AS DESCRIBED IN ARTICLE 10, THE ASSOCIATION SHALL NOT BE LIABLE TO OWNERS FOR INJURY OR DAMAGE, OTHER THAN FOR THE COST OF MAINTENANCE AND REPAIR, CAUSED BY ANY LATENT CONDITION OF THE COMMON ELEMENTS AND THE TOWNHOME EXTERIORS TO BE MAINTAINED AND REPAIRED BY THE ASSOCIATION OR CAUSED BY THE ELEMENTS OR OTHER OWNERS OR PERSONS.

ARTICLE 6
 MAINTENANCE, PARTY WALLS AND TOWNHOME EXTERIORS

Section 6.1. Maintenance. The Association shall provide for the care, operation, management, maintenance, improvement, repair and replacement of all Common Elements.

6.1.1. Common Elements. The Association shall maintain the Common Elements, which shall include but not be limited to, removing snow from and applying sand and salt to driveways, parking areas, roads, walks, drives, stairs and other similar Common Elements as necessary for their customary use and enjoyment; maintaining open space or unimproved areas; maintaining all landscaping, including plants, trees and shrubs, within the Common Elements; maintaining all drainage facilities and detention areas in the Common Elements; maintaining lighting provided for parking areas, private roads, walks, drives, stairs and other similar Common Elements; and operating, managing, maintaining, repairing and replacing any club house, fitness center, men's or women's bathrooms, indoor or outdoor hot tubs on the Common Elements, pool, spa, owner lounge, bar, sauna, billiard room, sundries shop, video arcade or related amenities constructed at the Project. The Board of Directors shall be the sole judge as to the appropriate maintenance, operation and management of the Common Elements and other areas of the Property consistent with the intent of this Declaration.

6.1.2. Townhome Exteriors. Subject to the insurance responsibilities set forth in Article 10 below and except with respect to any property damage required to be insured by a Townhome Owner, the Association shall maintain the Townhome Exteriors, which shall include but shall not be limited to, maintaining, painting, repairing and/or staining of the exterior (including decks and porches), roof repair and replacement and exterior window washing. In addition, certain areas of the roof of the Townhomes may need to be cleared of snow at times



and the Association shall be responsible for such snow removal. The Association shall have the sole discretion to determine the time and manner in which such maintenance shall be performed (Owners acknowledging that Association exterior window washing is anticipated on an annual or semi-annual basis only), as well as the color or type of materials used to maintain the Townhomes.

6.1.3. Landscaping, Sidewalks and Driveways. The Association shall maintain landscaping of the Common Elements, including, but not limited to, plants, trees and shrubs, and all walls, gates, sidewalks and driveways (and the maintenance provided under this Section shall include snow removal services). The Association shall provide all irrigation to landscaping within the Exterior Maintenance Areas (to the extent reasonable in drought conditions) and shall provide all other utilities necessary for the maintenance and upkeep of such landscaping. The maintenance provided under this Section shall be performed at such time and in such a manner as the Association shall determine.

Section 6.2. Special Easement. The Association and the Board of Directors and their respective representatives are hereby granted a non-exclusive easement to enter upon the Townhomes as may be necessary or appropriate to perform their duties and functions relating to the Townhome Exteriors.

Section 6.3. Maintenance Contract. The Association or Board of Directors may employ or contract for the services of an individual or maintenance company to perform certain delegated powers, functions or duties of the Association to maintain the Common Elements and Townhome Exteriors. The employed individual or maintenance company shall have the authority to make expenditures upon prior approval and direction of the Board of Directors. The Board of Directors shall not be liable for any omission or improper exercise by the employed individual or management company of any duty, power or function so delegated by written instrument executed by or on behalf of the Board of Directors.

Section 6.4. Owner's Responsibility. The Owner shall be responsible for maintaining all portions of the Owner's Townhome other than the Townhome Exteriors (except with respect to any property damage required to be insured by a Townhome Owner and as otherwise expressly provided herein). The Association shall have the right and power to prohibit storage or other activities deemed unsafe, unsightly, unreasonably noisy or otherwise offensive to the senses and perceptible from another Townhome or the Common Elements. No Owner shall make any addition or other alteration to any portion of the Townhome Exteriors without the express consent of the Board of Directors, as more fully discussed in Section 16.4 hereof. Each Owner of a Townhome shall be responsible for the maintenance, repair and replacement of all Improvements and all real and personal property located within the Townhome boundaries which is not specifically the obligations of the Association to maintain, replace, and keep in good repair as set forth in this Declaration. Without limiting the generality of the foregoing, the Owners shall have the exclusive right and duty to paint, tile, wax, paper, or otherwise decorate or redecorate and to maintain and repair all Townhome interiors, including but not limited to the interior surfaces of the walls, floors, ceilings, windows and doors forming the boundaries of such Owner's Townhome and all walls, floors, ceilings, and doors within such boundaries. The Owner of any Townhome shall, at the Owner's expense, maintain and repair all fixtures, equipment, and utilities installed and included in a Townhome commencing at a point where the

fixtures, equipment, and utilities enter the Townhome. A Owner shall not allow any action or work that will impair the structural soundness of the Improvements, impair the proper functioning of the utilities, heating, ventilation, or plumbing systems or integrity of the Improvement(s), or impair any easement, Party Wall, or hereditament. Each Owner shall be responsible for routine maintenance and care of the all glass surfaces, screens, interior vents and flues in its Townhome and for keeping the same in a good, clean, safe, sanitary, and attractive condition.

Section 6.5. Owner's Failure to Maintain or Repair. In the event that (i) a Townhome is not properly maintained and repaired and if the maintenance responsibility for the unmaintained portion of the Townhome lies with the Owner of the Townhome, or (ii) a portion of the Townhome that is insured by the Owner is damaged or destroyed by an event of casualty and the damaged or destroyed property is the responsibility of the Owner, rather than the Association, then if the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the unmaintained, damaged or destroyed portions of the Townhome to substantially the same condition in which they existed prior to the improper maintenance, damage or destruction, then the Association, after notice to the Owner and with the approval of the Board of Directors, shall have the right to enter upon the Townhome to perform such work as is reasonably required to restore the Townhome to a condition of good order and repair. All costs incurred by the Association in connection with such restoration shall be reimbursed to the Association by the Owner of the Townhome, upon demand. All unreimbursed costs shall be a lien upon the Townhome until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid Assessment levied in accordance with Article 8 hereof.

Section 6.6. Party Walls.

6.6.1. The cost of maintenance, repair, alteration, improvement and replacement of each Party Wall shall be shared equally by the Owners of the Townhomes adjoining such Party Wall. The right of a Owner to contribution from another Owner pursuant to this Declaration or the Act, shall be appurtenant to the land and such rights and obligations shall pass to the Townhome Owners' successors in title. No Owner shall alter or change the Party Wall in any manner, interior decoration excepted, and the Party Wall shall always remain in the same location as when erected. In the event of damage or destruction of a Party Wall from any cause other than the negligence or willful misconduct of an Owner, then the Owners of the Townhomes sharing such Party Wall shall bear equally the expense to repair or rebuild said wall to its previous condition, which specifically includes the previous sound transmission coefficient. If an Owner's negligence or willful misconduct shall cause damage to or destruction of the Party Wall, such negligent party shall be responsible for repairing or reconstructing the Party Wall and shall bear the cost of the repair and reconstruction to the extent such Owner's negligence caused such damage.

6.6.2. The Association and each of the Owners sharing a Party Wall shall have the right to break through the Party Wall for the purpose of repairing or restoring sewage, water, utilities and structural components, subject to the obligation to restore said wall to its previous structural condition, which specifically includes the previous sound transmission coefficient and the payment to the adjoining Owner of any damage caused thereby. Adjoining



Owners shall have the right to make use of the Party Wall provided such use shall not impair the structural support or the sound transmission coefficient of the Party Wall.

ARTICLE 7
MECHANIC'S LIENS

Section 7.1. No Liability. If any Owner shall cause any material to be furnished to his Townhome or any labor to be performed therein or thereon, no Owner of any other Townhome shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done and such Owner shall be solely responsible to contractors, laborers, materialmen and other Persons furnishing labor or materials to his Townhome. Nothing herein contained shall authorize any Owner or any Person dealing through, with or under any Owner to charge the Common Elements or any Townhome other than such Owner's Townhome with any mechanic's lien or other lien or encumbrance whatsoever. On the contrary (and notice is hereby given), the right and power to charge any lien or encumbrance of any kind against the Common Elements or against any Owner or any Owner's Townhome for work done or materials furnished to any other Owner's Townhome is hereby expressly denied.

Section 7.2. Indemnification. If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the Common Elements or against any other Owner's Townhome or an Owner or the Association (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall, at his own cost and expense, cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within twenty (20) days after the date of filing thereof and further shall indemnify and save all other Owners and the Association harmless from an against any and all costs, expenses, claims, losses or damages including, without limitation, reasonable attorneys' fees resulting therefrom.

Section 7.3. Association Action. Labor performed or materials furnished for the Common Elements, if duly authorized by the Association in accordance with this Declaration or the Bylaws, shall be deemed to be performed or furnished with the express consent of each Owner and shall be the basis for the filing of a lien pursuant to law against the Common Elements. Any such lien shall be limited to the Common Elements and no lien may be effected against an individual Townhome.

ARTICLE 8
ASSESSMENTS

Section 8.1. Obligation. Each Owner of a Lot, including Declarant, that has not been subdivided into Townhomes is deemed to covenant to pay to the Association the annual Lot Assessments imposed by the Board of Directors. Each Townhome Owner, including Declarant, is deemed to covenant to pay to the Association the annual Townhome Assessments imposed by the Board of Directors. All Owners shall be deemed to covenant to pay to the Association: (a) special Assessments for capital improvements and other purposes as stated in this Declaration; and (b) default Assessments which may be assessed against a Townhome or Lot for the Owner's



failure to perform an obligation under the Project Documents or because the Association has incurred an expense on behalf of the Owner under the Project Documents. No Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for in this Declaration by not using the Common Elements or the facilities contained in the Common Elements (other than as expressly set forth in Section 8.8) or by abandoning or leasing his Lot.

Section 8.2. Purpose of Assessments. The Assessments shall be used exclusively to promote the health, safety and welfare of the Owners and Occupants of the Project and for the improvement and maintenance of the Common Elements, the Townhome Exteriors and other areas of Association responsibility referred to herein, as more fully set forth herein.

Section 8.3. Commencement of Assessments. All of the Townhomes shall be allocated full Assessments, subject to the provisions of Section 8.4 below, no later than one hundred eighty (180) days after Declarant conveys the first Townhome in the Project to a purchaser.

Section 8.4. Budget. Within thirty (30) days after the adoption of any proposed budget for the Association, the Board of Directors 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 fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting sixty percent (60%) or more of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors. The Board of Directors shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Board of Directors shall levy and assess the annual Assessments in accordance with the annual budget.

Section 8.5. Annual Assessments. Annual Assessments for Common Expenses shall be based upon the estimated cash requirements as the Board of Directors shall from time to time determine to be paid by all of the Owners, subject to Section 8.4 above. Estimated Common Expenses shall include, but shall not be limited to, the cost of routine maintenance, repair, and operation of the Common Elements and Townhome Exteriors; expenses of management; insurance premiums for insurance coverage as deemed desirable or necessary by the Association; landscaping of the Common Elements; care of grounds within the Common Elements and repair and maintenance of the Townhome Exteriors; routine repairs and renovations within the Common Elements and the Townhome Exteriors; wages; common water and utility charges for the Common Elements; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any default remaining from a previous assessment period; and the creation of a reasonable contingency or other reserve or surplus fund for general, routine maintenance, repairs and replacement of improvements within the Common Elements and upon the Townhome Exteriors on a periodic basis, as needed, except that Common Expenses for the Exterior Maintenance Areas and Townhome Exteriors shall only be included in the Townhome Assessments.

Section 8.6. Due Dates for Assessment Payments. Unless otherwise determined by the Board of Directors, the annual Assessments and any special Assessments which are to be paid in installments shall be paid quarterly in advance and shall be due and payable to the Association at



its office or as the Board of Directors may otherwise direct in any Management Agreement, without notice (except for the notices required by this Article 8), on the first day of each quarter. If any such installment shall not be paid within fifteen (15) days after it shall have become due and payable, then The Board of Directors may assess a "late charge" on the installment in an amount of fifteen percent (15%) of the amount outstanding or such other charge as the Board of Directors may fix by rule from time to time as provided in the Bylaws of the Association to cover the extra expenses involved in handling such delinquent Assessment installment. An Owner's Assessment shall be prorated if the ownership of a Townhome commences or terminates on a day other than the first day or last day, respectively, of a quarter or other applicable payment period.

Section 8.7. Apportionment of Annual Assessments. The total annual Assessment for any fiscal year of the Association shall be assessed to the Townhomes or the Lots, as appropriate, in proportion to their Percentage of Common Expenses Liability, subject to: (a) Common Expenses which are separately metered or assessed to the Townhomes or Lots by third parties; (b) Common Expenses or portions thereof benefiting fewer than all of the Townhomes or Lots which may be assessed exclusively against the Townhomes or Lots benefited; (c) any increased cost of insurance based upon risk which shall be assessed to Townhomes or Lots in proportion to the risk; (d) any Common Expense caused by the misconduct of any Owner(s), which may be assessed exclusively or on such other equitable basis as the Board of Directors shall determine against such Owner(s); and (e) any expenses which are charged equally to the Townhomes or Lots. All such allocations of Common Expenses Liability to Townhomes or Lots on a basis other than the Percentage of Common Expenses Liability shall be made in the sole discretion of the Board of Directors. Any cost that is specified to be the responsibility of one or more particular Townhomes or Lots pursuant to any easement agreement or declaration of restrictions recorded in the Records against the Project or any portion thereof by the Declarant or the Association shall be assessed exclusively against such Townhomes or Lots, as appropriate, pursuant to subsection (b) of this Section.

Section 8.8. Special Assessments. In addition to the annual Assessments authorized by this Article, the Association may levy in any fiscal year one or more special Assessments, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Elements or Townhome Exteriors or for any other expense incurred or to be incurred as provided in this Declaration. Any amounts assessed pursuant to this Section shall be assessed to Owners in the same proportion as provided for annual Assessments in Section 8.7, subject to the requirements that any extraordinary maintenance, repair or restoration work on fewer than all of the Townhomes shall be borne by the Owners of those affected Townhomes only; and any extraordinary insurance costs incurred as a result of the value of a particular Owner's Townhome or the actions of a particular Owner (or his agents, servants, or Occupants) shall be borne by that Owner. To the extent that Declarant or the Association elects to offer certain services that are available through the Private Residence Club to Townhome Owners, then the cost of any such services elected by a Townhome Owner shall be included in that Owner's special Assessment. Special Assessments shall be based on a budget adopted in accordance with Section 8.4 above provided that, if necessary, the Association may adopt a new budget pursuant in Section 8.4 prior to levying a special Assessment. Notice in writing of the amount of such special Assessments and the time for payment of the special



Assessments shall be given promptly to the Owners and no payment shall be due less than thirty (30) days after such notice shall have been given.

Section 8.9. Default Assessments. All monetary fines assessed against an Owner pursuant to the Project Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Project Documents, and all Costs of Enforcement shall be a default Assessment and shall become a lien against such Owners Townhome which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such default Assessment shall be sent to the Owner subject to such Assessment at least thirty (30) days prior to the due date.

Section 8.10. Lien for Assessments; Assignment of Rents. The annual, special and default Assessments (including installments of the Assessments) arising under the provisions of this Declaration (together with any and all interest, costs, late charges, expenses and reasonable attorneys' fees, including legal assistants' fees, which may arise under the provisions of Section 8.11 below) shall be burdens running with and a perpetual lien in favor of the Association upon, the specific Townhome to which such Assessments apply. To further evidence such lien upon a specific Townhome, the Association may, but shall not be obligated to, prepare a written lien notice setting forth the description of the Townhome, the amount of Assessments on the Townhome unpaid as of the date of such lien notice, the rate of default interest as set by the Bylaws and Section 8.11 below, the name of the Owner or Owners of the Townhome and any and all other information that the Association may deem proper. Any such lien notice shall be signed by a member of the Board of Directors, an officer of the Association, or a Managing Agent and shall be recorded in the Office of the Clerk and Recorder of Routt County, Colorado. Any such lien notice shall not constitute a condition precedent or delay the attachment of the lien, but such lien is a perpetual lien upon the Townhome and attaches without notice at the beginning of the first day of any period for which any Assessment is levied. Upon any default in the payment of annual, special, or default Assessments, the Association shall also have the right to appoint a receiver to collect all rents, profits, or other income from the Townhome payable to the Owner and to apply all such rents, profits, and income to the payment of delinquent Assessments. Each Owner, by ownership of a Townhome, agrees to the assignment of such rents, profits and income to the Association effective immediately upon any default in the payment of annual, special, or default Assessments.

Section 8.11. Effect of Nonpayment of Assessments. If any annual, special, or default Assessment (or any installment of the Assessment) is not fully paid within thirty (30) days after the same becomes due and payable, then as often as the same may happen, (i) interest shall accrue at the Maximum Rate on any amount of the Assessment which was not paid within such 30-day period or on the amount of Assessment in default, whichever shall be applicable, accruing from the due date until date of payment, (ii) the Association may declare due and payable all unpaid quarterly or other installments of the annual Assessment or any special Assessment otherwise due during the fiscal year during which such default occurred, (iii) the Association may thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same, (iv) the Association may proceed to foreclose its lien against the particular Townhome in the manner and form provided by Colorado law for foreclosure of real estate mortgages, and (v) the Association may suspend the Owner's right to vote in Association matters until the Assessment is paid.



An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments (or any installment thereof) may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments. If any such Assessment (or installment thereof) is not fully paid when due and if the Association commences such an action (or counterclaims or cross-claims for such relief in any action) against any Owner personally obligated to pay the same, or proceeds to foreclose its lien against the particular Townhome, then all unpaid installments of annual and special Assessments and all default Assessments (including any such installments or Assessments arising during the proceedings of such action or foreclosure proceedings), any late charges under Section 8.6 above, any accrued interest under this Section 8.11 above, and the Association's costs, expenses and reasonable attorneys fees (including legal assistants' fees) incurred for any such action and/or foreclosure proceedings shall be taxed by the court as part of the costs of any such action or foreclosure proceedings and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds from the foreclosure sale of the particular Townhome in satisfaction of the Association's lien.

Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from again foreclosing or attempting to foreclose its lien for any subsequent Assessments (or installments thereof) which are not fully paid when due or for any subsequent default Assessments. The Association shall have the power and right to bid in or purchase any Townhome at foreclosure or other legal sale and to acquire and hold, lease, or mortgage the Townhome and to convey or otherwise deal with the Townhome acquired in such proceedings.

First Mortgagees shall be entitled to cure any delinquency of the Owner of a Townhome encumbered by the First Mortgage in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 8.12. Successor's Liability for Assessment. Notwithstanding the personal obligation of each Owner of a Townhome to pay all Assessments on the Townhome and notwithstanding the Association's perpetual lien upon a Townhome for such Assessments, all successors in interest to the fee simple title of a Townhome, except as provided in Section 8.13 and Section 8.14 below, shall be jointly and severally liable with the prior Owner or Owners of the Townhome for any and all unpaid Assessments, interest, late charges, costs, expenses and attorneys' fees against such Townhome, without prejudice to any such successor's right to recover from any prior Owner any amounts paid thereon by such successor. However, such successor in interest shall be entitled to rely upon the existence and status of unpaid Assessments, interest, late charges, costs, expenses and attorneys' fees as shown upon any certificate issued by or on behalf of the Association to such named successor in interest pursuant to the provisions of Section 8.14 below.

Section 8.13. Waiver of Homestead Exemption; Subordination of Association's Lien for Assessments. By acceptance of the deed or other instrument of transfer of a Townhome, each Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended, with respect to the lien for Assessments. The Association's perpetual lien on a Townhome for Assessments shall be superior to all other liens



and encumbrances except as required by applicable law. Any First Mortgagee who acquires title to a Townhome by virtue of foreclosing a First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Townhome free of any claims for unpaid Assessments and Costs of Enforcement against the Townhome which accrue prior to the time such First Mortgagee acquires title to the Townhome except to the extent the amount of the extinguished lien may be reallocated and assessed to all Townhomes as a Common Expense and except to the extent the Act grants lien priority for Assessments to the Association. All other Persons not holding liens described in this Section and obtaining a lien or encumbrance on any Townhome after the recording of this Declaration shall be deemed to consent that any such lien or encumbrance shall be subordinate and inferior to the Association's lien for Assessments and Costs of Enforcement as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

Sale or other transfer of any Townhome, (a) except in the case of foreclosure of any lien enumerated in this Section, and (b) except as provided in the next Section, shall not affect the Association's lien on such Townhome for Assessments due and owing prior to the time such purchaser acquired title and shall not affect the personal liability of each Owner who shall have been responsible for the payment thereof. Further, no such sale or transfer shall relieve the purchaser of a Townhome from liability for, or the Townhome from the lien of, any Assessments made after the sale or transfer.

Section 8.14. Statement of Status of Assessments. Upon fourteen (14) calendar days written request (furnished in the manner described below for the response to such request) to a Managing Agent, the Board of Directors, or the Association's registered agent and payment of a reasonable fee set from time to time by the Board of Directors, any Owner, prospective purchaser of a Townhome, or Mortgagee shall be furnished, by personal delivery or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party (in which event the date of posting shall be deemed the date of delivery) a statement of the Owner's account setting forth:

8.14.1. The amount of any unpaid Assessments, interest, late charges, costs, expenses and attorneys' fees then existing against a particular Townhome;

8.14.2. The amount of the current installments of the annual Assessment and the date that the next installment is due and payable;

8.14.3. The date of the payment of any installments of any special Assessments then existing against the Townhome; and

8.14.4. Any other information deemed proper by the Association.

Upon the issuance of such a certificate signed by a member of the Board of Directors, by an officer of the Association, or by a Managing Agent, the information contained therein shall be conclusive upon the Association as to the Person or Persons to whom such certificate is addressed and who rely on the certificate in good faith. Unless such a statement of status of Assessments is delivered as described above within said fourteen (14) calendar day period, the



Association shall have no right to assert a priority lien upon the Townhome over the inquiring party's interest for unpaid Assessments which were due as of the date of the request.

Section 8.15. Liens. Except for Assessment liens as provided in this Declaration, mechanics' liens (except as prohibited by this Declaration), tax liens, judgment liens and other liens validly arising by operation of law, there shall be no other liens obtainable against the Common Elements or against the interest of any Owner in the Common Elements except a security interest in the Common Elements granted by the Association pursuant to the requirements of the Act.

ARTICLE 9
 EASEMENTS/PROPERTY RIGHTS OF OWNERS

Section 9.1. Owners' Easements. Except as provided in Section 16.2 with respect to the portions of the Lots lying outside of the boundaries of the Townhomes located thereon, every Owner has a right and easement of enjoyment in and to the Common Elements, which shall be appurtenant to and shall pass with the title to every Townhome subject to the provisions contained herein. Every Owner shall have a right of access to and from his Townhome over and across those portions of other Townhomes and/or the Common Elements on which driveways are located and as specifically designated on the Map. No Owner shall hinder nor permit his Occupant to hinder reasonable access by any other Owner and his Occupant to the Townhomes.

Section 9.2. Recorded Easements. The Property shall be subject to all easements as shown on the Map and any recorded plat affecting the Property and to any other easements and licenses of record or of use as of the date of recordation of this Declaration, which easements and licenses of record are set forth on the attached Exhibit C. In addition, the Property is subject to those easements set forth in this Article 9. As of the date of the recording of this Declaration, Declarant hereby assigns and the Association hereby assumes all obligations of Declarant under any easement agreement or declaration of restrictions existing as of the date hereof that was recorded by Declarant in the Records against the Property or any portion thereof. The Association shall indemnify and hold Declarant and its agents, employees, and successors and assigns harmless for any and all losses, claims, and liabilities arising under such agreements or declarations after the effective date hereof.

Section 9.3. Utility Easements. There is hereby created a general easement upon, across, over, in, and under all of the Property, other than the Townhomes for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity, and a cable communication system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing such utilities to erect and maintain the necessary equipment on the Property and to affix and maintain electrical, communications, and telephone wires, circuits, and conduits under the Property. Any utility company using this general easement shall use its best efforts to install and maintain the utilities provided without disturbing the uses of other utilities, the Owners, the Association, and Declarant; shall complete its installation and maintenance activities as promptly as reasonably possible; and shall restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by this general easement request a specific easement by separate recordable document, Declarant during the



Period of Declarant Control and thereafter the Association, shall have the right and authority to grant such easement upon, across, over, or under any part or all of the Property without conflicting with the terms hereof. The easements provided for in this Section shall in no way affect, avoid, extinguish, or modify any other recorded easement on the Property.

Section 9.4. Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or Persons to enter upon all streets and upon the Property in the proper performance of their duties.

Section 9.5. Maintenance Easement. An easement is hereby granted to the Association and any Managing Agent and their respective officers, agents, employees and assigns upon, across, over, in, and under the Common Elements and the property upon which a Party Wall is located and a right to make such use of the Common Elements and the property upon which a Party Wall is located as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

Section 9.6. Easements Deemed Created. All conveyances of Townhomes hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article 9, even though no specific reference to such easements or to this Article 9 appears in the instrument for such conveyance.

Section 9.7. Drainage Easement. An easement is hereby reserved to Declarant and its successors and assigns and granted to the Association and its officers, agents, employees, successors and assigns to enter upon, across, over, in and under any portion of the Project for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water on the Property.

Section 9.8. Access. The Townhomes may have common access roads and/or driveways upon certain Townhomes serving more than one Townhome and there is granted hereby a non-exclusive easement to the Owners of the Townhomes served by any such road or driveway for ingress and egress purposes over and across those portions of the Common Elements and such Townhomes which are used as a common road or driveway and as are shown on the Map. No Owner shall hinder nor permit his Occupant to hinder reasonable access by any other Owner and his Occupant to the Townhomes and parking areas.

Section 9.9. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Elements to an Occupant of his Townhome, but only in accordance with and subject to the limitations of the Project Documents.

Section 9.10. Reservation of Easements, Exceptions and Exclusions. The Association is hereby granted the right to establish from time to time, by declaration or otherwise, utility and other easements, permits or licenses over the Common Elements, for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues and conduit installation areas, to create other reservations, exceptions and exclusions with respect to the Common Elements for the best interest of all the Owners and the Association and to assign its rights to future income, including the right to receive Assessments.



Section 9.11. Governmental Requirements. Declarant hereby reserves the right to grant such easements, from time to time, as may be required by any government agency. Such easements shall specifically include, but not be limited to, any public rights-of-way and any environmental easements required by federal, state or local environmental agencies, for so long as the Declarant holds an interest in any Townhome subject to this Declaration.

Section 9.12. Declarant's Rights Incident to Construction and Marketing. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Property and the right to store materials on the Property and to make such other use of the Property as may be reasonably necessary or incident to the complete construction and sale of the Project, including, but not limited to, construction trailers, temporary construction offices, sales offices and directional and marketing signs; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access by any Owner, or Occupants of any Owner. Declarant, for itself and its successors and specific assigns, hereby retains a right to maintain any Townhome as sales offices, management offices or model Townhomes so long as Declarant, or any Successor Declarant, continues to own, lease or control a Townhome. The use by Declarant of any Townhome as a model Townhome, office or other use shall not affect the Townhome's designation on the Map as a separate Townhome.

Section 9.13. General Reservation. Subject to any applicable restrictions under the Act, Declarant reserves the right to dedicate any access roads and streets serving the Property for and to public use and to allow such street or road to be used by owners of adjacent land.

ARTICLE 10
 INSURANCE AND FIDELITY BONDS

Section 10.1. General Insurance Provisions. The Association shall maintain, to the extent reasonably available:

10.1.1. Property insurance on the Common Elements for broad form covered causes of loss; except that the total amount of insurance must be not less than the full insurable replacement cost of the insured property less applicable deductibles at the time insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, paving areas, landscaping and other items normally excluded from property insurance policies.

10.1.2. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements and the Association, and repair and maintenance of the Townhome Exteriors, in an amount deemed sufficient in the judgment of the Board of Directors, insuring the Board of Directors, the Association, the Managing Agent and their respective employees, agents and all Persons acting as agents. Declarant shall be included as an additional insured in Declarant's capacity as an Owner and Board of Directors member. 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 and the maintenance and repair of the Townhome Exteriors. The insurance shall cover claims of one or more insured parties against other insured parties.



10.1.3. Fidelity insurance on all persons who control or disburse funds of the Association. Coverage shall not be less in the aggregate than the estimated maximum of funds, including reserve funds, in the custody of the Association at any given time during the term of the policy or bond (the "Association Funds"), but in no event less in the aggregate than three months' current Assessments plus reserves, as calculated from the current budget of the Association. Any Person with control over the Association Funds employed as an independent contractor by the Association, including the Managing Agent must obtain and maintain fidelity insurance in like amount at its own expense for the benefit of the Association unless the Association names such Person as an insured employee in the policy of fidelity insurance specified above. Issuers of such fidelity insurance must waive all defenses based upon the exclusion of persons serving without compensation from the definition of "employee" or similar expressions or terms.

10.1.4. The Association may carry such other and further insurance that the Board of Directors considers appropriate, including insurance on Townhomes that the Association is not obligated to insure, to protect the Association or the Owners.

Section 10.2. Required Provisions. All insurance policies carried pursuant to Section 10.1 must name the insured as "More's Corner Homeowner's Association, Inc., for the use and benefit of the individual owners of More's Corner" (but may include other named insureds) and must provide that:

(a) each Owner is an insured Person under the policy with respect to liability arising out of such Owner's interest in the Common Elements or membership in the Association;

(b) the insurer waives its rights to subrogation under the policy against any Owner or member of his household;

(c) no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;

(d) if, at the time of a loss under the policy, there is other insurance in the name of a Owner covering the risks covered by the policy, the Association's policy provides primary insurance;

(e) any loss covered by the policies must be adjusted with the Association;

(f) the insurance proceeds for any loss shall be payable to an Insurance Trustee designated for that purpose, or otherwise to the Association, and the proceeds shall be held in trust for the Owners and First Mortgagees, as their interests may appear;

(g) the insurer shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or First Mortgagee; and



(h) the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association and any Owner(s) and First Mortgagee(s) to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

Such insurance policies must include the standard mortgage clause or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in Colorado.

Section 10.3. Copies of Policies. A copy of each insurance policy obtained by the Association shall be made available for inspection by any Owner at reasonable times.

Section 10.4. Adjustment of Claims. 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. To the extent the Association settles a property insurance claim, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all deductibles paid by the Association. In the event more than one Townhome 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.

Section 10.5. Insurance Trustees. Notwithstanding anything to the contrary in this Declaration, a representative authorized by the Association may be named as an insured on behalf of the Association. The Association has the power and authority to enter into any insurance trust agreement, and the trustee thereunder (or its successor) (the "Insurance Trustee") shall have exclusive authority to negotiate losses under any policy providing property or liability insurance as set forth herein. The Insurance Trustee shall have the authority to perform any other functions that are necessary in connection with the above.

Section 10.6. Insurance Proceeds. Any loss covered by the property insurance policy described in Section 10.1 above 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 holder of a security interest. The Insurance Trustee or the Association shall hold any insurance proceeds in trust for the Owners and Mortgagees as their interests may appear. Subject to the provisions of Article 12 below, the proceeds must be disbursed first for the repair or restoration of the damaged property and the Association, Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.

Section 10.7. Certificates by the Board of Directors. The Insurance Trustee, if any, may rely on the following certifications in writing made by the Board of Directors:

(a) whether or not damaged or destroyed Property is to be repaired or restored; and

(b) the amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.



Section 10.8. Certificates by Attorneys or Title Insurance Companies. If payments are to be made to Owners or holders of security interests, the Board of Directors, and the Insurance Trustee, if any, shall obtain and may rely on a title insurance company or attorney's certificate of title or a title insurance policy based on a search of the Records from the date of recording of this Declaration stating the names of the Owners and the holders of security interest.

Section 10.9. Common Expenses. Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses.

Section 10.10. Worker's Compensation Insurance. The Board of Directors shall obtain worker's compensation or similar insurance with respect to its employees, if applicable, in such amounts and forms as may now or hereafter be required by law.

Section 10.11. Other Insurance. The Association shall also maintain insurance to the extent reasonably available and in such amounts as the Board of Directors may deem appropriate on behalf of Directors against any liability asserted against a Director or incurred by him in his capacity of or arising out of his status as a Director. The Board of Directors may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties.

Section 10.12. Insurance Obtained by Owners. Each Owner shall obtain and at all times maintain property insurance for broad form covered causes of loss for such Owner's benefit, at such Owner's expense, covering the full replacement value of the Townhome, including Party Walls, and the Owner's personal property. The beneficiaries under such policy shall be that Owner, the Association and any and all other Owners of a Townhome on that Lot. In addition, an Owner may obtain such other and additional insurance coverage on the Townhome as such Owner in the Owner's sole discretion shall conclude to be desirable; provided, however, that none of such insurance coverage obtained by the Owner shall operate to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any policy maintained by the Board of Directors or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage. Any insurance obtained by an Owner shall contain waivers of subrogation and provide further that the liability of the carriers issuing insurance to the Association hereunder shall not be effected or diminished by reason of any such insurance carried by any Owner. Each Owner waives and releases all claims against the Association to the extent such claim is covered by applicable insurance policies, regardless of whether damage loss or injury arose from the negligence or breach of any agreement by the Association. Each Owner acknowledges that any insurance obtained by the Association does not obviate the need for a Owner to obtain separate insurance for his or her benefit. The Board of Directors may require an Owner who purchases additional insurance coverage for the Owner's Townhome (other than coverage for the Owner's personal property) to file copies of such policies with the Association within thirty (30) days after purchase of the coverage to eliminate potential conflicts with any master policy carried by the Association. If requested by the Association, an Owner shall provide copies of certificate(s) of insurance with respect to any policy or policies required by this Section 10.12 within fifteen (15) days of such Owner's receipt of a written request therefor.



ARTICLE 11
 ASSOCIATION AS ATTORNEY-IN-FACT

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of dealing with any improvements covered by insurance written in the name of the Association pursuant to Article 10 upon their damage or destruction as provided in Article 12, or a complete or partial taking as provided in Article 13 below. Acceptance by a grantee of a deed or other instrument of conveyance or any other instrument conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact and the Association shall have full authorization, right and power to make, execute and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE 12
 DAMAGE OR DESTRUCTION

Section 12.1. Repair and Replacement.

12.1.1. Any portion of the Project for which insurance is required under Section 10.1 (the "Association Insured Property") which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) The regime created by this Declaration is terminated;
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (c) Sixty-seven percent (67%) of the Owners and all directly adversely affected Owners agree in writing not to rebuild; or
- (d) Prior to the conveyance of any Townhome to a Person other than Declarant, the Mortgagee holding a deed of trust or mortgage on the damaged portion of the Common Elements rightfully demands all or a substantial part of the insurance proceeds.

The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire damaged portion of the Common Elements 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 Project and, except to the extent that other Persons will be distributees, any remaining insurance proceeds will be distributed to each Owner or holder of a security interest, as their interests may appear, in proportion to the Percentage of Common Expenses Liability.

12.1.2. The Association Insured Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Board of Directors and a Majority of Owners, unless other action is approved by the Association in accordance with the requirements of this Declaration and the other Project Documents.



12.1.3. Each Owner shall restore its Townhome to the substantially same condition and appearance as such Townhome prior to the casualty event. All restoration, reconstruction, or repair resulting from a casualty must be pre-approved by the Association and must be performed and completed in accordance with the requirements of Section 16.4.

Section 12.2. Estimate of Damages or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Board of Directors shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction. Such costs may also include professional fees and premiums for such bonds as the Board of Directors or the Insurance Trustee, if any, determines to be necessary.

Section 12.3. Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, to the extent repair is required under Section 12.1.1, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 12.4. Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair, replacement and reconstruction of the Property insured by the Association. If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement, or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to Section 8.8, in addition to collecting any proceeds available from the directly affected Owners pursuant to Section 10.12, levy, assess and collect in advance from the Owners, without the necessity of a special vote of the Owners, a special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement, or reconstruction.

Section 12.5. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the special Assessments provided for above constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds and the balance from the special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as special Assessments, then in equal shares per Townhome, first to the Mortgagees and then to the Owners, as their interests appear.



Section 12.6. Notice of Damage or Destruction. In the event that any portion of the Project encompassing more than one Townhome is substantially damaged or destroyed by fire or other casualty, then written notice of the damage or destruction shall be given by the Association to each Owner and First Mortgagee of the affected Townhomes within a reasonable time following the event of casualty damage.

ARTICLE 13
CONDEMNATION

Section 13.1. Rights of Owners. Whenever all or any part of the Common Elements shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the Common Elements is conveyed in lieu of a taking under threat of condemnation by the Board of Directors acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 13.2. Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for those Owners for whom use of the Common Elements was conveyed and, unless otherwise required under the Act, the award shall be disbursed as provided below. If the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Owners who represent at least sixty-seven percent (67%) of the votes of all of the Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Board of Directors. If such improvements are to be repaired or restored, the provisions in Article 12 above regarding the disbursements of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Townhome among the Owners, first to the Mortgagees and then to the Owners, as their interests appear.

Section 13.3. Complete Condemnation. If all of the Property is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate and the portion of the condemnation award attributable to the Common Elements shall be distributed as provided in Section 12.5 above.

Section 13.4. Notice of Condemnation. In the event that any portion of the Project shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner and First Mortgagee.



ARTICLE 14 SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

Section 14.1. Special Declarant Rights. Declarant hereby reserves the right, from time to time, to perform the acts and exercise the rights hereinafter specified (the "Special Declarant Rights"). Declarant's Special Declarant Rights include the following:

(a) Completion of Improvements. The right to complete improvements indicated on the Map and any plats filed with this Declaration.

(b) Exercise of Development Rights. The right to exercise any Development Right reserved in Article 15 of this Declaration.

(c) Sales Management and Marketing. The right to locate, relocate and maintain sales offices, management offices, signs advertising the Project and models within any Townhome and in the Common Elements. Declarant shall have the right to show Townhomes and the Common Elements to prospective purchasers and to arrange for the use of any recreational facilities within the Common Elements by prospective purchasers.

(d) Construction Easements. The right to use easements through the Common Elements for the purpose of making improvements within the Project or within real estate which may be added to the Project.

(e) Master Association. The right to make the Project subject to a Master Association.

(f) Merger. The right to merge or consolidate a project with another project of the same form of ownership.

(g) Control of Association and Board of Directors. The right to appoint or remove any officer of the Association or any member of the Board of Directors.

(h) Amendment of Declaration. The right to amend this Declaration in connection with the exercise of any Development Rights.

(i) Amendment of Map. The right to amend the Map in connection with the exercise of any Development Rights.

(j) Signs. The right to maintain signs on the Common Elements advertising the Project.

(k) Post-Sales. The right to use the Common Elements to maintain customer relations and provide post-sale services to Owners.

(l) Parking/Storage. The right to use and to allow others to use all parking and storage areas (other than those within the Townhomes owned by Owners other than the Declarant) in connection with its marketing efforts.



(m) Leasing. The right to lease Townhomes or Club Units (as defined in Article 18) owned by Declarant.

(n) Name Change. The right to change the name of the Project or the Private Residence Club.

Section 14.2. Additional Reserved Rights. In addition to the Special Declarant Rights set forth in Section 14.1 above, Declarant also reserves the following additional rights (the "Additional Reserved Rights"):

(a) Dedications. The right to establish, from time to time, by dedication or otherwise, utility and other easements for purposes including but not limited to streets, paths, walkways, trails, drainage, recreation areas, parking areas, driveways, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions for the benefit of and to serve the Owners within the Project.

(b) Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulation of parking and/or recreational facilities, which may or may not be a part of the Project for the benefit of the Owners and/or the Association.

(c) Easement Rights. The rights to an easement through the Common Elements and the Townhomes as may be reasonably necessary for the purpose of discharging Declarant's obligations arising under this Declaration or the Act.

(d) Other Rights. The right to exercise any Additional Reserved Right created by any other provision of this Declaration.

Section 14.3. Limitations on Special Declarant Rights and Additional Reserved Rights. Unless sooner terminated by an amendment to this Declaration executed by the Declarant, any Special Declarant Right or Additional Reserved Rights may be exercised by the Declarant so long as the Declarant (a) is obligated under any warranty or obligation; (b) holds a Development Right; (c) owns any Townhome; or (d) holds a security interest in any Townhome(s); provided, however, all Special Declarant Rights and Additional Reserved Rights shall terminate thirty (30) years after the date of recording this Declaration. Earlier termination of certain rights may occur pursuant to requirements of the Act.

Section 14.4. Interference with Special Declarant Rights. Neither the Association nor any Owners may take any action or adopt any rule and/or regulation that will interfere with or diminish any Special Declarant Rights or Additional Reserved Rights without the prior written consent of the Declarant.

Section 14.5. Rights Transferable. Any Special Declarant Rights or Additional Reserved Right created or reserved under this Article 14 for the benefit of Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in the Records. Such instrument shall be executed by the transferor Declarant and the transferee.



ARTICLE 15 EXPANSION AND WITHDRAWAL

Section 15.1. Expansion Rights. Declarant expressly reserves the right to submit all or any part of the real estate described in Exhibit B attached hereto and hereby incorporated by reference (the "Expansion Property") to the provisions of this Declaration. The consent of the existing Owners, First Mortgagees or other holders of security interests shall not be required for any such expansion, and Declarant may proceed with such expansion without limitation at its sole option. Additional development rights not previously reserved may be reserved within all or any portion of the Expansion Property as allowed by the Act.

Section 15.2. Development and Withdrawal Rights. Declarant expressly reserves the right to create Townhomes and Common Elements (the "Additional Improvements") to combine Townhomes, to subdivide Townhomes, and to convert Townhomes into Common Elements, to convert Common Elements into Townhomes on all or any portion of the real estate reserved for future development in this Declaration. Declarant may exercise any or all of the Development Rights so reserved at any time with respect to all or any of the real estate marked subject to Development Rights in the Declaration. No assurances are made with respect to the boundaries of any parcels that may be developed or the order in which the parcels may be developed. Exercise of a Development Right with respect to any one parcel does not require exercise of a Development Right on any other parcel of real estate subject to Development Rights. No assurances are made, however, that any further development will occur. If all or any part of the Expansion Property is submitted to this Declaration, this right to reserve property for future development shall apply to such property as well. Declarant expressly reserves the right to withdraw all or any portion of the Property that is designated as subject to withdrawal in this Declaration from the Project by recording a document evidencing such withdrawal in the Records; provided, however, that no portion of the Property may be withdrawn after a Townhome in that portion of the Property has been conveyed to a purchaser. The real estate withdrawn from the Project shall be subject to whatever easements, if any, are reasonably necessary for access to or operation of the Project. Declarant shall prepare and record in the Records whatever documents are necessary to evidence such easements and shall amend Exhibit C to this Declaration to include reference to the recorded easement. The Declarant alone is liable for all expenses in connection with real estate subject to Development Rights.

Section 15.3. Amendment of Declaration. If Declarant elects to submit the Expansion Property, or any part thereof, or Additional Improvements, to this Declaration, or to subdivide or to convert Townhomes or Common Elements at such time as construction of the Improvements on the Expansion Property or the Additional Improvements are substantially complete, Declarant shall record an amendment to this Declaration reallocating the Owner's interests in the Common Elements so that the Allocated Interests appurtenant to each Townhome will be apportioned according to the total number of Townhomes submitted to this Declaration. The Percentage of Common Expenses Liability appurtenant to each Townhome in the Project shall be based on formulae set forth in Article 2. The Amendment to this Declaration shall contain at a minimum the legal description of the Expansion Property, or a part thereof, or a description of the real estate on which the Additional Improvements being submitted to this Declaration are located.



Section 15.4. Interpretation. Recording of amendments to this Declaration in the Records shall automatically:

- (a) vest in each existing Owner the reallocated interest appurtenant to his Townhome; and
- (b) vest in each existing holder of a security interest a perfected security interest in the reallocated interests appurtenant to the encumbered Townhome.

Upon the recording of an amendment to this Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Property, as expanded. The Expansion Property, or any part thereof, or the Additional Improvements, shall be added to and become a part of the Project for all purposes. All conveyances of Townhomes after such expansion shall be effective to transfer rights in all Common Elements as expanded, whether or not reference is made to any amendment to this Declaration or supplement to the Plat or Map. Reference to this Declaration and Map in any instrument shall be deemed to include all amendments to this Declaration and supplements to the Map without specific reference thereto.

Section 15.5. Maximum Number of Townhomes. The maximum number of Townhomes in the Project shall not exceed the maximum number of Townhomes allowed by any governmental entity having jurisdiction over the Property, pursuant to any development plan for the Property and the Expansion Property. Declarant shall not be obligated to expand the Project beyond the number of Townhomes initially submitted to this Declaration.

Section 15.6. Construction Easement. Declarant expressly reserves the right to perform warranty work, and repairs and construction work and to store materials in secure areas, in Townhomes and in Common Elements, and the future right to control such work and repairs, and the right of access thereto, until its completion. All work may be performed by Declarant without the consent or approval of any Owner or holder of a security interest. Declarant has such an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Property not designated as reserved for future development in this Declaration or on the Map for the purpose of furnishing utility and other services to buildings and improvements to be constructed on any of the Property reserved for future development. Declarant's reserved construction easement includes the right to grant easements to public utility companies and to convey improvements within those easements anywhere in the Common Elements not occupied by an Improvement containing Townhomes. If Declarant grants any such easements, Exhibit C to this Declaration will be amended to include reference to the recorded easement.



Section 15.7. Reciprocal Easements. If all or part of the Expansion Property is not submitted to this Declaration, or if property is withdrawn from the Project ("Withdrawn Property"):

(a) the owner(s) of the Expansion Property and/or Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Project; and

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

Declarant shall prepare and record in the Records whatever documents are necessary to evidence such easements and shall amend Exhibit C to this Declaration to include reference to the recorded easement(s). Such recorded easement(s) shall specify that the owner(s) of the Expansion Property and the Withdrawn Property and the Owners in the Project shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by either one of them on the other's property upon such reasonable basis as the Declarant shall establish in the easement(s). Preparation and recordation by Declarant of an easement pursuant to this Section 15.7 shall conclusively determine the existence, location and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section 15.7.

Section 15.8. Termination of Expansion and Development Rights. The Expansion Rights and Development Rights reserved to Declarant, for itself, its successors and assigns, shall expire seven (7) years after the date of recording this Declaration in the Records, unless the Expansion Rights and the Development Rights are reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Board of Directors may impose on the subsequent exercise of the Expansion Rights and Development Rights by Declarant. Upon the expiration or other termination of the Expansion Rights and the Development Rights, any Townhome then subject to Development Rights shall become Common Elements.

Section 15.9. Interference With Expansion or Development Rights. Neither the Association nor any Owner may take any action or adopt any rule or regulation that will interfere with or diminish any Expansion Rights or Development Rights reserved by this Article 15 without the prior written consent of the Declarant.

Section 15.10. Transfer of Expansion and Development Rights. Any Expansion Rights or Development Rights created or reserved under this Article 15 for the benefit of Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in the Records. Such instrument shall be executed by the transferor Declarant and the transferee. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such instrument.

ARTICLE 16
USE RESTRICTIONS

Section 16.1. Use of Townhomes. Except for uses reserved to Declarant in Article 15 entitled "Special Declarant Rights and Additional Reserved Rights," all Townhomes shall be



used for residential dwelling purposes only. Subject to the restrictions on leasing set forth herein, Owners of the Townhomes may rent or lease such Townhomes to others for these purposes and may use these Townhomes for home occupations which do not cause unreasonable disturbance to other Owners and which are permitted by applicable zoning codes. No business shall be operated from any Townhome that would make such Townhome or the Project qualify as a "place of public accommodation" as defined in the Americans With Disabilities Act (42. U.S.C. §§ 1201 et seq., as amended).

Section 16.2. Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements by any Owner without the prior written approval of the Association. Nothing shall be altered on, constructed in, or removed from the Common Elements by any Owner without the prior written approval of the Association. Notwithstanding anything to the contrary set forth herein, except with respect to the rights and obligations of the Association expressly set forth herein, use of those Common Elements consisting of the portion of a Lot lying outside of the boundaries of the Townhomes located thereon shall be restricted to those Owners (and their Occupants) whose Townhome(s) adjoin and abut such portions of the Lots. To the extent any easement agreement or declaration of restrictions recorded by the Declarant or the Association in the Records against the Project or any portion thereof restricts the use of certain Common Elements to one or more particular Owners, use of such Common Elements will be restricted to those Owners (and their Occupants), except to the extent use by other Persons is permitted pursuant to the easements set forth in Section 9.3 through 9.7 and 9.12.

Section 16.3. Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept in any Townhome or in or on the Common Elements, or any part thereof, which would result in the cancellation of the insurance on all or any part of the Project or in an increase in the rate of the insurance on all or any part of the Project over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Townhome or in or on the Common Elements which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body having jurisdiction over the Property. No damage to or waste of the Common Elements shall be committed by any Owner, or by any member of the Owner's family, or by any Occupant, or contract purchaser of any Owner and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him, the members of his family, or his Occupants, lessees, or contract purchasers. Failure to so indemnify shall be a default by such Owner under this Section and such amount to be indemnified shall automatically become a default Assessment determined and levied against such Townhome. At its own initiate or upon the written request of any Owner (and if the Association determines that further action by the Association is proper), the Association shall enforce the foregoing indemnity as a default Assessment.

Section 16.4. Structural Alterations and Exterior Appearance. No structural alterations to any Townhome, including the construction of any additional skylight, window or door, and no alteration, remodeling or redecoration visible from the exterior of the Townhome, and no alterations to any Townhome Exterior or to any Common Element shall be made or caused to be made by any Owner without the prior written approval of the Declarant during the Period of Declarant Control and thereafter the Association. No improvements or alterations visible from



outside a Townhome shall be added by a Owner without the prior written approval of the Declarant during the Period of Declarant Control and thereafter the Association. The Association shall promulgate Rules and Regulations establishing procedures for the approvals required by this Section 16.4 and procedures by which the Association may direct changes, repairs, or replacements in connection with the Townhome Exteriors. Such Rules and Regulations shall include, but shall not be limited to, requirements that the applicant submit plans and specifications showing the nature, kind, shape, height, color, materials and location of the proposed alterations in sufficient detail for the Association and Declarant to review them, processing and/or review fees, which may include any professional fees the Association or Declarant might incur in retaining architects or engineers to review the plans and specifications. The Rules and Regulations shall specifically consider the impact of the alteration on the harmony of external design and location in relation to surrounding structures and topography.

Section 16.5. Use Restrictions. No animal pens, sheds, fences or other outbuildings or structures of any kind shall be erected by any Owner. No activity shall be allowed which interferes unduly with the peaceful possession and proper use of the Project by the Owners, nor shall any fire hazard or unsightly accumulation of refuse be allowed. No lights shall be emitted which are unreasonably bright or cause unreasonable glare; no sound shall be emitted which is unreasonably loud or annoying; and no odor shall be emitted which is nauseous or offensive to others. No animals, birds, insects, or livestock of any kind shall be bred on or in the Project.

Section 16.6. Limit on Timesharing. No Owner, excluding Declarant, shall offer or sell any interest in a Townhome under a timesharing, fraction-sharing, or similar program without the specific prior written approval of the Declarant during the Period of Declarant Control, and thereafter the Association.

Section 16.7. Restriction on Signs. No signs, billboards, posterboards, or advertising structure of any kind, specifically including "for sale" signs for individual Townhomes or Club Interests, shall be displayed to the public view on or from any Townhome or the Common Elements for any purpose whatsoever except in accordance with applicable zoning codes and except if such signs have been approved in writing by the Declarant during the Period of Declarant Control, and thereafter the Association. Any signs which are permitted under the foregoing restrictions shall be erected or maintained on the Project only with the prior written approval of the Declarant during the Period of Declarant Control, and thereafter the Association, which approval shall be given only if such signs are of attractive design and as small a size as reasonably possible and shall be placed or located as directed or approved by the Association.

Section 16.8. Restrictions on Use of Parking and Storage Areas. No parking shall be permitted at any location on the Property unless within an Owner's garage or in areas specifically designated for parking by the Association. No storage is permitted outside of Townhomes except in specifically designated storage areas, if any. No Owner may use any parking or storage space appurtenant to or assigned to another. No Owner may use any parking space for storage or use any parking or storage space in any manner that obstructs or interferes with any other Owner's parking or storage rights or that constitutes a safety hazard. Without limiting the generality of the powers of the Association with respect to parking or storage, the Association is specifically authorized, but not obligated, to remove any vehicle parked in any area not designated for parking, or any vehicle parked in any space that is assigned to another Person or



reserved for a specific use, or any vehicle parked in an obstructing or hazardous manner, or any abandoned and inoperable vehicle, or to remove any improperly stored or hazardous materials, in either case at the expense of the Owner or Occupant that owns such vehicle or materials or, if the owner of the vehicle cannot be identified, at the expense of the Owner or Occupant from whose space the vehicle or materials are removed. No activity related to the servicing of vehicles, including without limitation, repair, rebuilding, dismantling, or repainting, shall be performed on the Property. Expenses incurred by the Association in connection with such removal (and storage, if necessary) shall be a personal obligation of such Owner and, if the Owner fails to pay such amount within seven (7) days after notice to the Owner of the amount owed, then the failure to pay shall be a default by the Owner and such expenses shall automatically become a default Assessment determined and levied against such Townhome enforceable by the Association as provided in this Declaration.

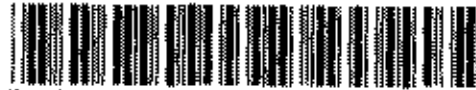
ARTICLE 17
 ARCHITECTURAL CONTROL AND OTHER MATTERS

Section 17.1. Approval By Board of Directors. No exterior or structural addition to or change or alteration to any Townhome, Townhome Exterior, or the Common Elements (including the construction of any additional skylight, window, awning, or door) shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same shall have been submitted to and approved in writing by the Board of Directors in accordance with Section 16.4.

Section 17.2. Compliance With Laws. Any alterations and changes permitted pursuant to this Article 17 shall also be in compliance with and have received all approvals required by any applicable zoning and other laws, rules and regulations, including the Rules and Regulations promulgated by the Association. After receiving the approval of the Board of Directors, the Owner required to obtain such approval shall thereafter obtain all other approvals as may be required by any governmental or quasi-governmental body having jurisdiction over the Property.

ARTICLE 18
 PRIVATE RESIDENCE CLUB

Section 18.1. Submission of Townhomes to the Private Residence Club. Declarant reserves the right to submit some or all of the Townhomes as Club Units to a Private Residence Club (the "Club") as set forth in this Article. The provisions of this Article relate only to those Townhomes submitted as Club Units to the Club and shall govern the ownership of Club Interests in said Club Units and the rights, duties and obligations of Club Members. So long as Declarant (a) holds any Expansion and Development Right; (b) owns any Townhome or Club Interest; (c) holds a Mortgage in any Townhome or Club Interest; or (d) for thirty (30) years after the date of recording this Declaration, the right to submit a Townhome as Club Units to the Club shall extend only to the Declarant and shall specifically not be available to purchasers of Townhomes in the Project, their successors or assigns except with the prior written consent of Declarant. Thereafter, any Owner may submit a Townhome as a Club Unit to the Club, with the prior written consent of the Association. Submission of a Townhome as a Club Unit to the Club shall be subject to the prior written consent of any First Mortgagee of the Townhome. The provisions of the Declaration shall apply to all Club Units and Club Interests created hereunder;



provided, however, in the event of an inconsistency between this Article 18 and the remaining provisions of the Declaration with respect to the ownership of a Club Unit or Club Interest and the rights, duties, and obligations of Club Members, then the provisions of this Article 18 shall control.

Section 18.2. Definitions. Unless the context expressly requires otherwise, words shall have the meanings designated below with respect to those Townhomes which are submitted to the Club.

(a) "Club Assessment" means the assessment paid by the Club Members pursuant to Section 18.8.

(b) "Club Calendar" means the calendar prepared each year by the Association, which shall at all times establish the dates of each Club Week at least five (5) years into the future.

(c) "Club Interest" means a time-span estate as defined in Colorado Revised Statutes Section 38-33-110 consisting of a specified undivided interest between 1/6 and 1/10 as tenant-in-common in the present estate in fee simple in a Club Unit together with an exclusive right to possession and occupancy of a comparable Club Unit during a specified number of weeks reserved by the Club Member pursuant to the Reservation Procedures.

(d) "Club Member" means the Owner vested with legal title to a Club Interest.

(e) "Club Ownership" means the plan of club ownership as set forth in this Article 18.

(f) "Club Unit" means a Townhome which is submitted to and sold under Club Ownership.

(g) "Club Unit Furnishings" means all furniture, appliances, moveable equipment, utensils, carpeting, accessories, and other personal property located within a Club Unit.

(h) "Club Week" means a period of exclusive possession and occupancy of a Club Unit reserved pursuant to the Reservation Procedures. Club Weeks for each Club Unit are established each year for the dates set forth in the Club Calendar. Club Weeks will usually consist of seven (7) consecutive days beginning on a Friday, Saturday or Sunday. All Club Weeks in a Club Unit shall be computed on the same basis and shall commence and end at the same time, on the same day of the week, according to this paragraph.

(i) "Club Year" means the period from November 1st each year to October 31st of the succeeding year.

(j) "Reservation Procedures" means the Reservation Procedures established by the Association pursuant to Section 18.10(b) below.

Section 18.3. Submission of Townhome to Club Ownership. Declarant may submit a Townhome as a Club Unit to Club Ownership either by recording a properly acknowledged notice executed by Declarant describing the Townhome(s) to be submitted to Club Ownership and reciting Declarant's intention to do so or by Declarant's execution, delivery and recordation of a deed conveying a Club Interest to a Club Member. By acceptance of a deed to a Club Interest, each Club Member waives his right to bring a suit for partition except in accordance with the provisions of this Declaration. For purposes of Section 4.4 of the Declaration, a Townhome submitted to Club ownership shall be deemed conveyed to a Townhome Owner other than a Declarant after conveyance of one hundred percent (100%) of the Club Interests in the Club Unit.

Section 18.4. Conveyance by Purchaser. Each Club Interest shall constitute an estate in real property separate and distinct from all other Club Interests in the Club Unit and other Townhomes, which estate may be separately conveyed and encumbered. A purchaser may acquire more than one Club Interest and thereafter convey or encumber each Club Interest so acquired separately. In no event, however, shall a Club Member convey, transfer, gift, devise, bequest, dispose or encumber less than a Club Interest as defined herein, or attempt to subdivide a Club Interest into lesser interests. In the event all Club Interests in a Club Unit are acquired by one Club Member, such Club Unit may, at such Club Member's election and with the written consent of the Association by notice duly recorded, be withdrawn from the Club.

Section 18.5. Legal Description of a Club Interest. After submission of a Townhome as a Club Unit to Club Ownership, every contract for sale, deed, lease, mortgage, trust deed, or other instrument relating to a Club Interest will legally describe the Club Interest as follows:

The Private Residence Club at More's Corner, Club Interest (insert Club Unit No. and Club Interest number designation) consisting of an undivided (specify %) interest as tenant-in-common in Townhome _____ (insert Lot # and A or B designation), according to a re-subdivision of Lot ___ according to the Amended and Restated Declaration for More's Corner recorded _____, 200__, at Reception No. _____, together with the exclusive right to possession and occupancy of said Club Unit during the Club Weeks reserved by the Club Member pursuant to the Reservation Procedures, Routt County, Colorado.

Any legal description substantially in the form provided above or which is otherwise sufficient to identify the Club Interest shall be good and sufficient for all purposes to sell, convey, transfer and encumber or otherwise affect a Club Interest and all Common Elements and easements appurtenant thereto.

Section 18.6. Administration and Management. The administration and management of the Club shall be performed by the Association. The Association shall have all powers necessary or desirable to effectuate any of the purposes provided for herein. A Club Member, upon becoming the owner of a Club Interest, shall be a member of the Association and shall remain a



member for the period of his ownership. A Club Member shall be entitled to a vote, the size of which vote shall be based upon each Club Member's undivided interest as tenant-in-common in the Club Interest. Voting by proxy shall be permitted. The Club Members shall constitute a separate Class of Club Members in the Association for purposes of voting on all issues affecting the administration and management of the Club. Without limiting the generality of the foregoing, and notwithstanding any provision in this Declaration or the Bylaws to the contrary, any issue primarily relating to the Club Units shall be decided by the Club Members voting as a class on the issue. All issues related to Article 18 of the Declaration shall be deemed to be issues primarily related to Club Units and shall be decided by the Club Members voting as a class. In addition, no issue, action or decision which would operate to discriminate against The Private Residence Club or otherwise interfere with the operation of The Private Residence Club, shall be effective without a vote or agreement of at least sixty-seven percent (67%) of the Club Members. Issues affecting the administration and management of The Private Residence Club shall specifically include, but not be limited to, the Reservation Procedures and any other rules and regulations affecting only The Private Residence Club. In addition, any issue primarily relating to the Club Units that requires the approval or consent of the Board of Directors shall be deemed to require the approval or consent of only the members of the Board of Directors elected by the Club Members voting as a class, and the remaining members of the Board of Directors shall have no rights with respect to the approval or consent thereof.

Section 18.7. Powers and Duties of the Association with Respect to Club Interests. By way of enumeration and without limitation and in addition to the powers and duties of the Association provided for in the Declaration, the Association shall also have the following specific powers and duties with respect to Club Interests:

(a) coordinate the plans of Club Members for moving their personal effects into and out of the Club Units with a view toward scheduling such moves so that there will be a minimum of inconvenience to other Club Members;

(b) cause each Club Unit to be maintained in a first class manner and condition. The Association shall determine the color scheme, decor and furnishing of each Club Unit as well as the proper time for refurbishment, redecorating and replacement thereof;

(c) acquire and hold title to all Club Unit Furnishings. The Association shall, on behalf of all Club Members, hold title in its name to all Club Unit Furnishings and no Club Member shall have any right, title or claim thereto, and the Association shall have the right to deal with Club Unit Furnishings for all purposes;

(d) bill each Club Member for the expense of occupancy of a Club Unit during which the Association determines are the individual expenses of the particular Club Member, including, but not limited to, long-distance and other extraordinary telephone charges, extraordinary repairs or charges for damage to the Club Unit, the Club Unit Furnishings, equipment, fixtures, appliances and carpeting caused by a Club Member or his Occupant, firewood, other charges rendered by the Managing Agent on behalf of the particular Club Member, and maid service in addition to the standard maid service provided for each Club Week and included within the Club Assessment provided for in this Article;



- (e) collect the Club Assessment provided for in this Article;
- (f) establish, subject to modification at any time, publish and administer the Reservation Procedures as provided for in this Article and such other rules and regulations as the Association deems necessary or desirable, specifically including but not limited to fines and restrictions on use and occupancy if a Club Member is not current on assessments or is otherwise in violation of the provisions of this Article;
- (g) establish, subject to modification at any time, publish a list of and administer any services to be offered by the Association to the Club Members, which services may include (by way of example and not of limitation), but shall not be limited to concierge services, transportation, locker storage, pre-shopping services, and ski and golf club storage (the "Services"), the cost of which shall be included in the Club Assessment. The Association may elect to offer such Services to Townhome Owners as set forth in Section 8.8, in which case any Townhome Owner who elects to use any of the Services shall pay its portion of the cost thereof through special Assessments.
- (h) prepare the Club Calendar;
- (i) enforce the remedies for non-payment of the Club Assessments set forth in this Article; and
- (j) enter into such license agreements or other like agreements with respect to the operation, management, maintenance and/or benefits related to the Private Residence Club.

Section 18.8. Club Assessment. In addition to the Assessment for Common Expenses established by the Association to meet the Common Expenses of the Project, the Association shall also establish a separate Club Assessment which will be assessed against Club Interests to cover the assessment for Common Expenses for the Club Units and the additional costs of operating the Club Interests as part of the Club. The Club Assessment for each Club Interest may include but is not limited to, the following:

- (a) the allocated share of the liability for Common Expenses attributable to each Club Interest;
- (b) maintenance, and regularly scheduled cleaning and maid service and upkeep of the Club Interest;
- (c) repair and replacement of the Club Unit Furnishings;
- (d) any additional premium for property or liability insurance occasioned by the operation of the Club;
- (e) real and personal property taxes assessed against the Club Interests;



(f) management fees assessed by the Managing Agent to cover the costs of operating the Club that are in addition to the management fees set by the Managing Agent for management of the Project;

(g) a reserve for refurbishment and/or replacement of Club Unit Furnishings and, if the Association deems reasonably necessary to maintain the quality of the Club, a reserve for marketing and sales of Club Interests; and

(h) any other expenses incurred in the normal operation of the Project attributable to operation of the Club Units as part of the Club and not otherwise within the definition of Common Expenses provided for in the Declaration.

The Club Assessment shall be assessed and prorated among the Club Members on the basis of the Club Member's Club Interest. The Club Assessment shall be paid by the Club Member pursuant to a schedule established by the Association. These Assessments shall be the personal and individual debt of the Club Member and all sums assessed but unpaid, shall constitute a lien on the Club Interest. The Association shall have all of the rights in connection with the collection thereof as it has in connection with the collection of unpaid assessments for Common Expenses.

Section 18.9. Acceptance; Enforcement; Indemnification. By acceptance of a deed to a Club Interest, a Club Member agrees to be bound by the terms and conditions of the Declaration, specifically including, but not limited to, the provisions of the Club. In addition to all remedies provided to the Association in the Declaration, the Association shall also have the following special remedies with respect to any Club Member who fails to pay the Club Assessment or is otherwise in default of any provision of the Club:

(a) In the event any Club Member fails to vacate a Club Unit after termination of a reserved Club Week or otherwise uses or occupies or prevents another Club Member from using or occupying a Club Week, that Club Member shall be in default hereunder and shall be subject to immediate removal, eviction or ejection from the Club Unit wrongfully occupied; shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection; and shall pay to the Club Member entitled to use the Club Unit during such wrongful occupancy, as liquidated damages for the wrongful use of the Club Unit, a sum equal to two hundred percent (200%) of the fair rental value per day for the Club Unit wrongfully occupied as determined by the Association in its sole discretion for each day, or portion thereof, including the day of surrender, during which the Club Member wrongfully occupies a Club Unit, plus all costs and expenses, including reasonable attorneys' fees and disbursements incurred by the Association in connection with the enforcement of this Section 18.9(a), which amounts may be collected by the Association in the manner provided herein for the collection of Assessments for Common Expenses.

(b) Any Club Member who suffers or allows a mechanics' lien or other lien to be placed against his Club Interest or the entire Club Unit shall indemnify, defend and hold each of the other Club Members harmless from and against all liability or loss arising from the claim or such lien. The Association may enforce such indemnity by collecting from the Club Member who suffers or allows such a lien the amount necessary to discharge the lien and



all Costs of Enforcement incidental thereto. If such amount is not promptly paid, the Association may collect the same in the manner provided herein for the collection of Assessments for Common Expenses.

(c) Withhold use or possession of the Club Member's Club Interest during the Club Week, prohibit the Club Member from making any reservation pursuant to the Reservation Procedures and, upon notice, cancel any reservation previously made by the Club Member.

(d) Upon written notice to any delinquent Club Member of its intent to do so, suspend all of such Club Member's rights and privileges as a member of the Association, including but not limited to the right to participate in any vote or other determination provided for in the Project Documents.

(e) Except as to a transfer to a First Mortgagee by foreclosure or deed in lieu of foreclosure, no transfer of a Club Interest shall be permitted unless and until the proposed transferor is current as to all Assessments due to the Association and is otherwise not in default under any other provision of the Declaration. Any purported transfer of a Club Interest while a Club Member is delinquent or is in default on any other obligation shall be null and void.

All of the remedies granted by the Project Documents, specifically including the specific remedies provided for in this Article are cumulative, and the exercise of one right or remedy by the Association shall not impair the Association's right to exercise any other remedy. The Association shall not be limited to the remedies set forth herein and may invoke any other or additional remedies provided for or allowed by the Act, in law or in equity. The Association may pursue any of the remedies provided for in whatever order is determined by the Association. The failure by the Association to insist in any one or more instances upon the strict compliance with any provision of the Project Documents, to exercise any right or option contained therein, to serve any notice or to institute any action or proceeding, shall not be construed as a waiver or relinquishment of any such provision, option or right.

Section 18.10. Cross Use Easements Pertaining to Club Interests. All Club Interests are subject to the following cross use easement rights and reservation procedures:

(a) Cross Use Easement Rights. In order to maximize the availability of space to fulfill Club Members' desired use, subject to the provisions of (b) below relating to reservations, all Club Interests shall be available for reservation, occupancy and use (the "Use Right Easement") by Club Members of comparable Club Interests in the Project. Comparable Club Interests shall be deemed all Club Interests in the same type of Club Unit in the Project. Each deed conveying a Club Interest shall be deemed to include a reservation of this Use Right Easement benefiting all Club Members.

(b) Reservation Procedures. All Club Members shall be entitled to make reservations with the Association for the Club Week(s), or portions thereof, the Club Member desires to use pursuant to the reservation procedure from time to time established by the Association by rule and regulation (the "Reservation Procedure"). The Reservation



Procedure shall specify the manner in which reservations are to be requested and confirmed. The right to reserve a Club Week, if unused in any year, is lost and does not accrue. The Reservation Procedure shall contain such schedules, conditions, restrictions and limitations as are deemed necessary or desirable by the Association. The Association may from time to time, without the consent of the Club Members or First Mortgagees, amend the Reservation Procedure to include, by way of enumeration and without limitation, one or more of the following features:

(i) A preferential reservation system for holidays, such as New Year's Day, Martin Luther King Jr. Day, Presidents Weekend, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving, Christmas or other holiday period which allocates the opportunity to reserve the more popular holidays among the Owners of Club Interests;

(ii) A procedure for determining priority of reservation by lot, drawing, rotation or otherwise on an annual or rotating basis;

(iii) Restrictions on use and occupancy of a Club Week if a Club Member is not current on assessments or is otherwise in violation of the provisions of the Club;

(iv) Penalties, including forfeitures of reservation rights for the calendar year, for untimely cancellations or reservations;

(v) Short term reservation procedures for otherwise unreserved Club Weeks, or portions thereof;

(vi) A schedule of fees to be separately charged to Club Members who use a portion of a Club Week or who use a Club Week on a space available basis to cover the additional expenses of such use, including but not limited to, additional administrative, janitorial and maid service costs.

(vii) Such other conditions, restrictions and limitations as the Association shall deem necessary under the circumstances to assure a manageable and fair system.

(c) Space Available Club Weeks shall mean any period of time not otherwise reserved which is used by a Club Member pursuant to the short term reservation procedures of the Reservation Procedure and is in excess of the Club Week(s) the Club Member is entitled to reserve. The purpose of this period is to allow Club Members to use and occupy Club Weeks, or portions thereof, on a space available basis which might otherwise remain unoccupied.

(d) Rental. The Reservation Procedures may prohibit or limit the right of Club Members to rent or to allow use by an unaccompanied guest of any Club Week otherwise properly reserved by a Club Member.

ARTICLE 19
TRANSFER OF UNITS AND CLUB INTERESTS

Section 19.1. Right of Repurchase. The Townhomes and the Club Interests, and any and all rights and interests now or hereafter appurtenant to each of them, shall be subject to a right to repurchase ("Repurchase Option") by Declarant if, during the "Restriction Period," which shall be the period terminating on the expiration of Declarant's Reserved Rights, an Owner wants to or is required to sell, assign, or otherwise transfer its Townhome or its Club Interest, as applicable (not including a deed in lieu of foreclosure, transfer by public trustee or sheriff's deed, or any transfer in connection with the merger, consolidation, liquidation or reorganization of Owner) (a "Transfer"). A Transfer shall not include the sale, assignment or other transfer of a First Mortgagee of its right or interest in a Townhome or a Club Interest. Declarant shall have the right to exercise the Repurchase Option by giving written notice at any time within sixty (60) calendar days after the date upon which Owner shall have given written notice to Declarant of the a potential Transfer, together with a copy of the proposed contract of sale or other document affecting the Transfer, which includes all material terms to the Transfer. If any such notice shall not be so given by Declarant to Owner on or before the expiration of the respective 60 day period and if Owner completes the Transfer to a third party, Declarant's right to exercise the Repurchase Option with regard to the Townhome or Club Interest shall thereupon cease and terminate. If Owner does not complete the Transfer within ninety (90) days of giving written notice to Declarant, the Repurchase Option with regard to the Townhome or Club Interest shall not terminate and Owner shall be required to provide a successive written notice(s) of a proposed Transfer.

(a) The "Repurchase Option Price" shall mean the bona fide purchase price offered to an Owner with respect to a Townhome or Club Interest.

(b) Within 60 days after Declarant gives notice of the exercise of the Repurchase Option, Owner shall tender to Declarant Owner's Special Warranty Deed for the Townhome or Club Interest to be exchanged for "good funds," as defined under Colorado law, from Declarant in the amount of the Repurchase Option Price. Owner shall deliver title to the Townhome or Club Interest to Declarant at the closing of the Repurchase Option in the same condition as when delivered by Declarant to Owner, except as to nondelinquent property taxes and assessments for the year of said closing, which taxes and assessments shall be prorated between Declarant and Owner to the date of such closing, so that Owner bears such taxes and assessments for the period of its ownership of the Townhome or Club Interest. Owner agrees to pay all costs and expenses for such closing, including the premium for an extended owners title insurance policy in the amount of the Repurchase Option Price, insuring that title to the Townhome or Club Interest is vested in Declarant.

(c) In the event Declarant fails to exercise the Repurchase Option within the time and in the manner set forth above, Declarant shall not have any further right to exercise the Repurchase Option with regard to such Townhome or Club Interest.

(d) This Repurchase Option shall be subordinate and junior to the legal operation and effect of the security interests of First Mortgagees.



Section 19.2. Waiver of Repurchase Option. Notwithstanding the foregoing, if Declarant and an Owner so agree in writing with respect to any Club Interest or Townhome owned by such Owner, during the Restriction Period, such Owner may Transfer his or her Townhome or Club Interest and such Transfer will not be subject to Declarant's Repurchase Option if such Owner and Declarant enter into an exclusive listing agreement substantially upon the following terms and conditions:

(a) Owner irrevocably appoints Declarant, or its designated agents, employees, representatives, or brokers ("Broker") as Owners' exclusive agent to market and sell the Owner's Townhome or Club Interest, as applicable.

(b) Broker's authority shall begin on the date of the Exclusive Listing Agreement and shall continue until the expiration of the Restriction Period (the "Listing Period").

(c) Broker agrees to use good faith efforts to find a purchaser for the Club Interest, subject to the following: during the Restriction Period, Broker shall be entitled to sell four (4) Club Interests or one (1) Townhome, as applicable, of the same Townhome or Club Unit type owned by Declarant prior to offering to prospective purchasers one (1) Club Interest or Townhome which is not owned by Declarant ("Resale Club Interest" or "Resale Townhome," as appropriate). Resale Club Interests and Resale Townhomes shall be offered in an order of priority ("Priority Order") determined by the date of the Exclusive Listing Agreement for the applicable type of Resale Club Interest or Resale Townhome, with the earlier date having the earlier priority.

(d) The listing price and terms of the sale shall be agreed upon by Owner and Broker based upon market conditions and the most recent sales prices of Club Interests of the same Club Unit type in The Club or of Townhomes of the same type in the Project at or around the time of the Exclusive Listing Agreement.

(e) The Exclusive Listing Agreement shall include such other terms and provisions as are contained in the standard exclusive listing agreement then used by Declarant, as amended from time to time.

ARTICLE 20
DURATION OF COVENANTS; AMENDMENT AND TERMINATION

Section 20.1. Term. This Declaration and any amendments or supplements to it shall remain in effect from the date of recordation for a period of fifty (50) years. Thereafter, this Declaration shall be automatically extended for five (5) successive periods of ten (10) years each, unless otherwise terminated or modified as provided in this Article.

Section 20.2. Amendment of Declaration. The provisions of this Declaration may be amended or terminated, in whole or in part, from time to time, upon the written consent of Owners representing fifty-one percent (51%) or more of the total voting interest in the Association; provided, however, that any provision of this Declaration requiring a vote of more than fifty-one percent (51%) of the total voting interest in the Association to be effective may only be amended by a vote of the applicable aggregate voting interest stated in such provision.



In addition, (a) a majority of the voting Directors of the Board of Directors may make, without the approval of the Owners, changes to any Project Documents to the extent necessary to correct a factual error and (b) any proposed amendment to this Declaration which affects any right of Declarant shall require the prior written approval of Declarant, in addition to the approval requirements otherwise set forth herein.

Section 20.3. Amendment by Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant, acting alone, reserves to itself the right and power to modify and amend this Declaration to the fullest extent permitted under the Act including, without limitation, to correct clerical, typographical or technical errors, or to comply with the requirements, standards, or guidelines or recognized secondary mortgage markets, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or the Federal National Mortgage Association.

Section 20.4. Execution of Amendments: Expenses. Any amendment shall be prepared, executed and recorded either by the Declarant or by an officer of the Association designated for that purpose or, in the absence of a designation, by the President of the Association. All expenses associated with preparing and recording an amendment to this Declaration shall be the sole responsibility of (a) any Owners desiring an amendment as provided for in this Declaration or the Act; (b) the Declarant, to the extent the right to amend this Declaration is reserved to the Declarant and exercised by the Declarant; and (c) in all other cases by the Association as a Common Expense.

Section 20.5. Recording of Amendments. Any amendment to this Declaration made in accordance with this Article 20 shall be immediately effective upon the recording of the executed amendment in the Records together with a duly authenticated certificate of the Declarant or the Secretary of the Association stating that the required vote of Owners, if any, and required consents of First Mortgagees and/or First Mortgagees, as applicable were obtained and are on file in the office of the Association. The amendment must be indexed in the grantee's index in the name of the Project and the Association and in the grantor's index in the name of each Person executing the Amendment.

Section 20.6. Termination of the Project. The Project may only be terminated as provided in the Act.

ARTICLE 21
 MISCELLANEOUS

Section 21.1. Restriction on Declarant Powers. Notwithstanding anything to the contrary herein, no rights or powers reserved to Declarant hereunder shall exceed the time limitations or permissible extent of such rights or powers as restricted under the Act. Any provision in this Declaration in conflict with the requirements of the Act shall not be deemed to invalidate such provision as a whole but shall be adjusted as is necessary to comply with the Act.

Section 21.2. Term. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity, subject to the termination provisions of the Act.



Section 21.3. Enforcement/Arbitration.

(a) Subject to the provisions of Sections 21.3(b) and (c) regarding the mediation, arbitration and resolution of certain disputes, enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in this Declaration, the Articles of Incorporation, Bylaws or Rules and Regulations, as supplemented and amended, may be by any proceeding at law or in equity against any Person(s) (including, without limitation, the Association) violating or attempting to violate any such provision. Subject to the provisions of Sections 21.3(b) and (c), the Association and any aggrieved Owner shall have the right to institute, maintain and prosecute any such proceedings, and the Association shall further have the right to levy and collect fines for the violation of any provision of any of the aforesaid documents. In any action instituted or maintained under this Section, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. Failure by the Association or any Owner to enforce any covenant, restriction or other provision herein contained, or any other provision of any of the aforesaid documents, shall in no event be deemed a waiver of the right to do so thereafter.

(b) For the purposes of this 21.3(b), "Dispute" shall mean any dispute, action, claim or controversy, whether sounding in law, equity, contract or tort (excluding, however, tort claims arising from physical bodily injury) between the Declarant, the Association and/or any one or more Owners that: (i) concerns or requires the application of any provision of this Declaration, the Bylaws, or any related agreements or documents (collectively the "Arbitration Documents"); (ii) concerns or requires the application of any provision of the Act; (iii) arises from any act, omission, transaction or occurrence in any Townhome or in or on any Common Element; or (iv) concerns any Townhome or Common Element or any improvement or item of tangible personal property in or on a Townhome or Common Element, but shall expressly exclude: (v) any action by any party to seek or obtain a temporary restraining order, preliminary injunction or similar equitable order or decree; (w) any action by any party to compel arbitration or enforce a temporary restraining order, preliminary injunction, permanent injunction or similar equitable order or decree, or any award or decision of any arbitration conducted pursuant to this Section 21.3(b); (x) any action by the Association to assess or collect any Assessments or to enforce or foreclose any lien for such Assessments; (y) any action by the Association to enforce the provisions of this Declaration concerning use restrictions; or (z) any action pursuant to the provisions of this Declaration concerning mechanics liens. Upon the written demand of any Owner, Declarant or the Association (for purposes of this Section 21.3(b), each of which is called a "party" and any two or more of which are called "parties"), any Dispute shall be resolved by mediation, or if mediation is not successful, by binding arbitration in accordance with the terms of this Section 21.3(b), but in the case of a Construction Dispute (as defined below), only after compliance with the requirements of subsection (j) of this Section 21.3.

(c) A written demand for mediation shall be made within a reasonable time after the Dispute has arisen, or in the case of a Construction Dispute, within sixty (60) days after the party becomes entitled to submit the Construction Dispute to mediation. The Dispute shall be mediated by a mutually acceptable mediator to be chosen by the parties within thirty (30) days after the demand for mediation. No party may unreasonably withhold



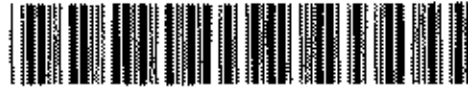
consent to the selection of a mediator, and each party shall share the cost of mediation equally. If the parties are unable to resolve the Dispute by mediation within one hundred twenty (120) days after the demand for mediation, then any party may make a demand for the resolution of the Dispute by arbitration in accordance with the terms of this Section.

(d) No proceedings for arbitration of a Dispute, or a Construction Dispute as hereinafter defined (or litigation of the same in the event that any judicial proceeding is allowed or had) shall be commenced by the Association unless prior to the initiation of the arbitration, such action is approved by the vote of Owners holding at least two-thirds (2/3rds) of the voting power of the Owners entitled to vote.

(e) A demand for the resolution of a Dispute by arbitration must be made in writing within a reasonable time after the party becomes entitled to submit the Dispute to arbitration. The demand for arbitration shall be delivered to the other party(ies) and the American Arbitration Association (the "AAA") before the date when commencement of legal or equitable proceedings based on the Dispute would be barred by the applicable statute of limitations. In no event shall the demand for arbitration of a Dispute be made after the date when institution of legal or equitable proceedings based on such Dispute would be barred by the applicable statute of limitations. Any party who fails to submit to binding arbitration regarding a Dispute following a lawful demand by the opposing party shall bear all costs and expenses, including reasonable attorneys' fees, incurred by the opposing party in compelling arbitration of such Dispute. Except as otherwise provided in this Section 21.3 or by the express written agreement of the parties, the AAA shall administer all aspects of arbitrations conducted pursuant to this Section 21.3, including selection of arbitrators, pursuant to the AAA's Commercial Arbitration Rules. Except as provided below with respect to enforcing the decision of the arbitrator(s), once a Dispute is submitted to arbitration, the claims involved cannot later be brought, filed or pursued in any court.

(f) All arbitration of Disputes shall be conducted in the greater Denver, Colorado metropolitan area. Except with respect to any Dispute involving, in the aggregate, claims and counterclaims of less than Ten Thousand Dollars (\$10,000), arbitration hereunder shall be before a three (3) person panel of neutral arbitrators consisting of persons from either of the following categories, but at least one (1) from each category: (i) an attorney who has practiced in the area of real estate transactional law for at least ten (10) years or a retired judge at the district court or an appellate court level; or (ii) a person with at least ten (10) years experience in the residential construction industry. Any Dispute involving, in the aggregate, claims of less than Ten Thousand Dollars (\$10,000) shall be resolved before a single arbitrator meeting the qualifications set forth in clause (i) of the preceding sentence. The AAA shall submit a list of persons meeting the criteria outlined above for each category of arbitrator, and the parties shall select one(1) person from each category in the manner established by the AAA. Arbitrations conducted pursuant to the terms of this Section 21.3 will be governed by Colorado law.

(g) Multiple Disputes or party claims not consolidated or administered as a class action pursuant to the following sentence will be subject to, and will be arbitrated individually pursuant to the terms of, this Section 21.3, provided that the arbitrator(s) shall (i) consolidate in a single arbitration proceeding any multiple Disputes or party claims that



are substantially identical; and (ii) arbitrate multiple Disputes as a class action in accordance with Rule 23 of the Colorado Rules of Civil Procedure. A party will state as a counterclaim any claim that relates in any way to a Dispute and does not require the presence of a third party who could not be joined as a party in the proceeding. The orders of the arbitrator(s) shall be in writing and shall specify the factual and legal basis for the decision. Except as provided below with regard to awards of attorneys' fees and expenses, no party shall be entitled to receive any award of damages in connection with the arbitration of a Dispute, other than such party's actual damages, and Declarant, the Association and any Owner shall be deemed to have waived their right to receive any damages in a Dispute, other than actual damages, including without limitation special damages, consequential damages and punitive or exemplary damages.

(h) BY TAKING TITLE TO A TOWNHOME, EACH OWNER ACKNOWLEDGES AND AGREES THAT SUCH OWNER HAS WAIVED AND SHALL BE DEEMED TO HAVE WAIVED THE RIGHT TO ANY AWARDS OF DAMAGES IN CONNECTION WITH THE ARBITRATION OF A DISPUTE, OTHER THAN OWNER'S ACTUAL DAMAGES.

(i) The arbitrator(s) shall make an award of attorneys' fees and expenses, including the fees and expenses of the arbitrator(s) to the prevailing party; provided, however, if the decision of the arbitrator(s) is not wholly in favor of one party, the arbitrator(s) shall allocate such fees and expenses between the parties. The results of any arbitration conducted pursuant to this Section 21.3 shall be binding and final, and the decision of the arbitrator(s) may be filed, converted and enforced as a judgment, order or decree in the District Court of the County.

(j) Any Dispute which relates to or arises out of the physical condition of the Common Elements or the Units and involves the Declarant in a position adverse to the Association and/or any Owner(s) shall be deemed a "Construction Dispute," and shall be subject to the provisions of this subsection (j), in addition to the provisions of subsection (b) of this Section 21.3 above. Prior to invoking binding arbitration under subsection (a) above, the Association or the Owner, as applicable (the "Initiating Party") shall deliver written notice (a "Dispute Notice") to the Declarant specifying the particular defects that are the subject of the Construction Dispute, together with copies of all studies, surveys, reports and other documents relating thereto. The Dispute Notice shall contain the current mailing address for the Initiating Party.

(k) Within forth-five (45) days after receiving the Dispute Notice, the Declarant may deliver to the Initiating Party a written notice (the "Response Notice") designating a time and place for a meeting between the Declarant and the Initiating Party to discuss the Construction Dispute; provided, however, that such meeting shall take place within the Project or at the Declarant's principal place of business, and shall occur not less than seven (7) nor more than thirty (30) days after delivery of the Response Notice. The Declarant may make on-site inspections of the Project, including investigative testing of those areas and components identified in the Notice. Upon delivery of the Response Notice, all statutes of limitations applicable to the claim against the Declarant shall be tolled. If the Declarant does not deliver the Response Notice within the forty-five (45) day period, as provided in this subsection (c) of this Section 21.3, the Initiating Party may institute mediation and then binding arbitration.



if necessary, pursuant to subsection (b) above. Within thirty (30) days after receipt of the Response Notice, the Association and the Owners shall make available for inspection and testing all Common Elements and units identified in the Dispute Notice. The Declarant shall pay all costs to restore any portions of the Project damaged by Declarant's inspection and/or testing to its original condition and shall indemnify the Association for any damages arising from the inspection and/or testing. All inspections and testing shall be completed within one hundred fifty (15) days after deliver of the Response Notice, unless otherwise mutually agreed upon by the parties.

(l) Within two hundred ten (210) days after deliver of the Response Notice, the Declarant may submit a written statement to the Association setting forth the Declarant's proposed settlement of the Construction Dispute (an "Offer") and stating whether the Declarant proposes to repair or replace the work at issue, to pay the Initiating Party a cash sum in connection therewith, or a combination thereof, or to repurchase the Unit(s). If the Offer is accepted, the Declarant and its agents, employees and subcontractors shall be provided in full access to the Project, including the Units, to take and complete the corrective action set forth in the Offer. If the Declarant does not deliver an Offer within two hundred ten (210) days after delivery of the Response Notice or if the Offer is rejected, the Initiating Party may proceed to Binding Arbitrator pursuant to subsection (a) of this Section 21.3.

(m) At any time after delivering the Response Notice the Declarant may terminate the tolling of the statute of limitations provided in this subsection (c) by delivery of thirty (30) days prior written notice thereof (the "Termination Notice") to the Initiating Party.

(n) Upon delivery of the Termination Notice, the Initiating Party shall be relieved of all further obligations to satisfy the conditions of this subsection (c) and may initiate Arbitration pursuant to subsection (b) of this Section 21.3. Notwithstanding the provisions of this subsection (c), the tolling of any statute of limitations pursuant to this subsection (c) shall automatically cease two hundred forty (240) days following the delivery of the Response Notice. If the Initiating Party desires to assert another Dispute not set forth in any prior Dispute Notice delivered to the Declarant by the Initiating Party, the Initiating Party shall be required to satisfy all of the conditions and requirements of this subsection (c) with respect thereto.

Section 21.4. Severability. Invalidation of any of the covenants, restrictions or other provisions contained in this Declaration by judgment or court order shall in no way affect or limit any other provisions which shall remain in full force and effect.

Section 21.5. Conflict of Provisions. In case of any conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

Section 21.6. Non-Waiver. Failure by Declarant, the Association or any Owner or First Mortgagee to enforce any covenant, condition, restriction, easement, reservation, right-of-way,



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or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

Section 21.7. Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular and the use of any gender shall include all genders.

Section 21.8. Captions. The captions to the Articles of Incorporation and Sections and the Table of Contents at the beginning of this Declaration are inserted only as a matter of convenience and for reference and are in no way to be construed to define, limit or otherwise describe the scope of this Declaration or the intent of any provision of this Declaration.

Section 21.9. Exhibits. All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

Section 21.10. Vesting of Interests. Any interest in property granted under this Declaration shall vest, if at all, on or before the date of the death of the survivor of the now living children of Prince Charles, Prince of Wales, plus twenty-one years.

Section 21.11. Choice of Law. This Declaration shall be construed and interpreted in accordance with the laws of the State of Colorado.

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Executed as of the 25 day of June, 2003.

MOUNTAIN MEADOW PRESERVE LLC, a Colorado limited liability company

By: Northtrek LLC, a Colorado limited liability company, its manager

By: Bruce Shugart
Name: Bruce Shugart
Title: Managing Member

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this 25th day of June, 2003, by Bruce Shugart, as managing member of Northtrek LLC, as manager of Mountain Meadow Preserve LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My Notary Public Commission expires: 12/27/03



Michelle A. Schirer
Notary Public



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EXHIBIT A

Property Description

All of More's Corner, according to the Plat recorded September 23, 2002 at Reception No. 570046 and filed at File No. 13152, and Surveyor's Correction Affidavit recorded September 23, 2002 at Reception No. 570047, County of Routt, State of Colorado.



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EXHIBIT B

Expansion Property

Any real property in Routt County, Colorado, within a one mile radius of any point in the Property (as defined in this Declaration).



EXHIBIT C

Easements and Licenses of Record

1. Reservations of (1) right of proprietor of any penetrating vein or lode to extract his ore; and (2) right of way for any ditches or canals constructed by authority of United States, in U.S. Patent recorded in Book 64 at Page 43, and in Book 89 at Page 12.
2. Covenants, Conditions and Restrictions, which do not contain a forfeiture or reverter clause, but omitting restrictions, if any, based on race, color, religion, or national origin as contained in instrument recorded North Meadows Subdivision First Filing 6559, and North Meadows Subdivision Second Filing 6618, in Book 333 at Page 812, in Book 350 at Page 624, in Book 351 at Page 521 and in Book 442 at Page 23, at Reception No. 498173 in Book 750 at Page 85, and at Reception No. 517344 in Book 763 at Page 3, and any and all amendments and supplements thereto.
3. Right of way for The Hoyle and Knight Ditch as disclosed by Map File No. 140 recorded December 4, 1889.
4. Covenants, Conditions and Restrictions, which do not contain a forfeiture or reverter clause, (deleting any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as contained in instrument recorded (Fairway Meadows) July 29, 1975 in Book 407 at Page 301, October 21, 1976 in Book 424 at Page 242, and in Deed of Conveyance and Assignment of Rights and Interest recorded February 24, 1987 in Book 624 at Page 233, as amended by the instrument recorded May 5, 1995 in Book 707 at Page 805, and the instrument recorded November 2, 1995 in Book 713 at Page 785, and any and all amendments and supplements thereto.
5. A 32-foot wide ingress and egress easement situated in Block 2, Sky Harbor Subdivision, as conveyed by LTV Recreation Development, Inc., a Delaware corporation, to Anthony W. Lanza and Vincent Grillo, Trustee by instrument recorded September 17, 1979 in Book 483 at Page 950 and as reserved and excepted in the Deed from John E. Noyes to International Planning and Development, Inc., a California corporation recorded April 27, 1989 in Book 642 at Page 1384.
6. Permanent easement for ingress and egress as reserved by Prudent Steamboat Associates, a Colorado joint venture in Special Warranty Deed to NFS Investment Co., a California general partnership recorded May 29, 1981 in Book 535 at Page 533, and as reserved in mesne other documents.
7. All the notes, provisions and easements as shown on the Plat of Sky Harbor Subdivision, as filed at File No. 8419, limited to those matters which were not vacated pursuant to the Plat of More's Corner as filed at File No. 13152.
8. Terms, agreements, provisions, conditions and obligations as contained in the instrument recorded November 7, 2000 at Reception No. 536031.



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9. All notes, easements and provisions as shown on the Plat of More's Corner filed at File No. 13152, and Surveyor's Correction Affidavit recorded September 23, 2002 at Reception No. 570047.

10. Those covenants, conditions, terms, obligations (including common expenses, fees and costs under the Common Interest Ownership Act), easements and restrictions which are a burden to subject property described in Schedule A hereunder, as provided in the Declaration for More's Corner recorded September 23, 2002 at Reception No. 570048, and any and all amendments and supplements thereto.

11. Terms, agreements, provisions, conditions, obligations and easements as contained in the Declaration of Private Driveway Easement (Private Drive A) recorded September 23, 2002 at Reception No. 570049.

12. Terms, agreements, provisions, conditions, obligations and easements as contained in the Declaration of Private Driveway Easement (Private Drive B) recorded September 23, 2002 at Reception No. 570050.

13. Terms, agreements, provisions, conditions, obligations and easements as contained in the Declaration of Private Driveway Easement (Private Drive C) recorded September 23, 2002 at Reception No. 570051.

14. Terms, agreements, provisions, conditions, obligations and easements as contained in the Declaration of Private Driveway Easement (Private Drive D) recorded September 23, 2002 at Reception No. 570052.

15. Terms, agreements, provisions, conditions, obligations and easements as contained in the Declaration of Private Driveway Easement (Private Drive E) recorded September 23, 2002 at Reception No. 570053.

16. Terms, agreements, provisions, conditions, obligations and easements as contained in the Declaration of Private Driveway Easement (Private Drive F) recorded September 23, 2002 at Reception No. 570054.

17. Terms, agreements, provisions, conditions, obligations and easements as contained the Declaration of Easement (Private Sewer Line) recorded September 23, 2003 at Reception No. 570055.

18. Terms, agreements, provisions, conditions, obligations and easements as contained in the Dedication of Easement (Guy Wire) recorded September 23, 2002 at Reception No. 570056.

19. Terms, agreements, provisions, conditions, obligations and easements as contained in the Mountain Meadow Preserve Entity Sign Easement recorded September 23, 2002 at Reception No. 570057.



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20. Terms, agreements, provisions, conditions, obligations and easements as contained in the Declaration of Easement recorded September 23, 2002 at Reception No. 570059.

21. Terms, agreements, provisions, conditions, obligations and easements as contained in the Deed of Access and Landscape Easements recorded September 23, 2002 at Reception No. 570060.

22. Terms, agreements, provisions, conditions and obligations as contained in the Improvements Agreement recorded September 23, 2002 at Reception No. 570061.

23. Terms, agreements, provisions, conditions and obligations as contained in the Development Agreement recorded March 6, 2003 at Reception No. 578334.

24. Assessments for common expenses and other amounts which remain unpaid or which constitute a lien, statutory or otherwise, on subject property.



**FIRST AMENDMENT TO AMENDED AND RESTATED
DECLARATION FOR MORE'S CORNER**

This First Amendment to Amended and Restated Declaration for More's Corner ("**Amendment**") is made this 23rd day of February, 2004, by Mountain Meadow Preserve LLC, a Colorado limited liability company, as an Owner and as Declarant ("**Declarant**") and by Jeffrey S. Brown and Kristi J. Brown, collectively, as an Owner.

RECITALS

A. The Amended and Restated Declaration for More's Corner (the "**Declaration**") was recorded on July 8, 2003 at Reception No. 585996 in the Routt County, Colorado public records (the "**Records**"). Capitalized terms used herein without further definition have the meanings given them in the Declaration.

B. The undersigned, the sole Owners in the Project, desire to clarify the voting rights of Lot Owners and the applicability of the lien provisions of the Declaration to Lot Owners, as more fully set forth therein.

NOW THEREFORE, the Declaration is amended as follows:

1. **Amendment to Section 2.27.** Section 2.27 is hereby amended and restated in its entirety as follows:

"**Lot**" means a platted lot within the Project, the boundaries of which are depicted on the Plat, but expressly excludes any platted lot which is subdivided into two lots for construction of the Townhome dwelling units thereon.

2. **Amendment to Section 4.1.** Section 4.1 of the Declaration is hereby amended and restated in its entirety as follows:

The Association and Membership. Every Owner shall be a Member of the Association. No Owner, whether one or more Persons, shall have more than one membership per Townhome or Lot owned, but all of the Persons owning a Townhome or Lot shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Townhome or Lot. Membership shall be appurtenant to and may not be separated from ownership of any Townhome or Lot. If title to a Townhome or Lot is held by more than one Person, such Persons shall appoint and authorize one Person or alternate Persons to represent the Owners of the Townhome or Lot. Such representative shall be a natural person who is an Owner, or a designated board member or officer of a corporate Owner, or a general partner of a partnership Owner, or a comparable representative of any other entity, and such representative shall have the power to cast votes on behalf of the Owners as a member of the Association, and serve on the Board of Directors if elected, subject to the provisions of and in



accordance with the procedures more fully described in the Bylaws of the Association. Notwithstanding the foregoing, if only one of the multiple Owners of a Townhome or Lot is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Townhome or Lot. If more than one of the multiple Owners are present and there is no written designation of an authorized representative, the vote allocated to that Townhome or Lot may be cast only in accordance with the agreement of a majority in interest of the Owners, which majority agreement may be assumed for all purposes if any one of the multiple Owners casts the vote allocated to that Townhome or Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Townhome or Lot.

3. Amendment to Section 4.2. Section 4.2 of the Declaration is hereby amended and restated in its entirety as follows:

Transfer of Membership. An Owner shall not transfer, pledge or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Townhome or Lot and then only to the purchaser or Mortgagee of his Townhome or Lot. All Persons who acquire Townhome (s) or Lot(s) other than from Declarant shall provide to the Association written notice of the Person's name, address, Townhome or Lot owned, date of transfer, and name of the former Owner within ten (10) days of the date of transfer. The Person shall also provide a true and correct copy of the recorded instrument conveying or transferring the Townhome or Lot or such other evidence of the conveyance or transfer as is reasonably acceptable to the Association. In addition, the Association may request such other information as the Association determines is necessary or desirable in connection with obtaining and maintaining information regarding conveyances and transfers of Townhomes or Lots. The Association or Managing Agent shall have the right to charge the Person a reasonable administrative fee for processing the transfer in the records of the Association.

4. Amendment to Section 4.3. Section 4.3 of the Declaration is hereby amended and restated in its entirety as follows:

Voting Rights and Meetings. Except as provided in Article 18 hereof, the Association shall have one (1) category of membership consisting of all Owners, including the Declarant so long as Declarant continues to own an interest in a Townhome or Lot. Except as otherwise provided for in this Declaration, each Member shall be entitled to vote in Association matters pursuant to this Declaration on the basis of one vote for each Townhome owned or two votes for each Lot owned. The Association shall not have a vote with respect to any Townhome or Lot which may be owned by it. Declarant shall be entitled to vote with respect to Townhomes or Lots owned by it. Members of the Association may exercise such voting rights



subject to and in accordance with the provisions of the Bylaws. All members of the Association shall be entitled to vote on all matters affecting the Project. A meeting of the Association shall be held at least once each year. Special meetings of the Association may be called by the President, by a majority of the Board of Directors, or by Owners having twenty percent (20%), or any lower percentage specified in the Bylaws, of the votes in the Association. Not less than fourteen (14) and no more than fifty (50) days in advance of any meeting, the Secretary or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States Mail to the mailing address of each Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda including the general nature of any proposed amendment to this Declaration or the Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors. Unless the Bylaws provide for a lower percentage, a quorum is deemed present throughout any meeting of the Association if Persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Board of Directors are present, in person or by proxy, at the beginning of the meeting.

5. Amendment to Section 4.8. Section 4.8 of the Declaration is hereby amended and restated in its entirety as follows:

Owner's and Association's Address for Notices. All Owners of each Townhome or each Lot, as applicable, shall have one and the same mailing address to be registered with the Association and used by the Association or other Owners for notices, demands and all other communications regarding Association matters. If no address is registered or if all of the Owners cannot agree, then the address set forth in the deed to the Townhome or Lot shall be deemed their registered address until another registered address is furnished as required under this Section. Any notice delivered to a First Mortgagee in accordance with the terms of this Declaration shall be sent to the address for such party specified in the First Mortgage unless the First Mortgagee notifies the Association in writing of a different address. All notices and demands intended to be served upon the Board of Directors shall be sent to the following address or such other address as the Board of Directors may designate from time to time by notice to all of the Owners:

Board of Directors
 More's Corner Homeowners Association, Inc.
 4185 County Road 154
 Glenwood Springs, Colorado 81601

All notices given under this Section 4.8 shall be sent by personal delivery, which shall be effective upon receipt; by overnight courier service, which shall be effective one business day following timely deposit



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with the courier service; or regular, registered or certified mail, postage prepaid, which shall be effective three (3) days after deposit in the U.S. mail.

6. **Amendment of Section 8.3.** Section 8.3 of the Declaration is hereby amended and restated in its entirety as follows:

Commencement of Assessments. All of the Lots and Townhomes shall be allocated full Assessments, subject to the provisions of Section 8.4 below, no later than one hundred eighty (180) days after Declarant conveys the first Townhome in the Project to a purchaser.

7. **Amendment of Section 8.6.** Section 8.6 of the Declaration is hereby amended and restated in its entirety as follows:

Due Dates for Assessment Payments. Unless otherwise determined by the Board of Directors, the annual Assessments and any special Assessments which are to be paid in installments shall be paid quarterly in advance and shall be due and payable to the Association at its office or as the Board of Directors may otherwise direct in any Management Agreement, without notice (except for the notices required by this Article 8), on the first day of each quarter. If any such installment shall not be paid within fifteen (15) days after it shall have become due and payable, then The Board of Directors may assess a "late charge" on the installment in an amount of fifteen percent (15%) of the amount outstanding or such other charge as the Board of Directors may fix by rule from time to time as provided in the Bylaws of the Association to cover the extra expenses involved in handling such delinquent Assessment installment. An Owner's Assessment shall be prorated if the ownership of a Townhome or a Lot commences or terminates on a day other than the first day or last day, respectively, of a quarter or other applicable payment period.

8. **Amendment of Section 8.9.** Section 8.9 of the Declaration is hereby amended and restated in its entirety as follows:

Default Assessments. All monetary fines assessed against an Owner pursuant to the Project Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Project Documents, and all Costs of Enforcement shall be a default Assessment and shall become a lien against such Owner's Townhome or Lot which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such default Assessment shall be sent to the Owner subject to such Assessment at least thirty (30) days prior to the due date.

9. **Amendment of Section 8.10.** Section 8.10 of the Declaration is hereby



amended and restated in its entirety as follows:

Lien for Assessments; Assignment of Rents. The annual, special and default Assessments (including installments of the Assessments) arising under the provisions of this Declaration (together with any and all interest, costs, late charges, expenses and reasonable attorneys' fees, including legal assistants' fees, which may arise under the provisions of Section 8.11 below) shall be burdens running with and a perpetual lien in favor of the Association upon, the specific Townhome or Lot to which such Assessments apply. To further evidence such lien upon a specific Townhome or Lot, the Association may, but shall not be obligated to, prepare a written lien notice setting forth the description of the Townhome or Lot, the amount of Assessments on the Townhome or Lot unpaid as of the date of such lien notice, the rate of default interest as set by the Bylaws and Section 8.11 below, the name of the Owner or Owners of the Townhome or Lot and any and all other information that the Association may deem proper. Any such lien notice shall be signed by a member of the Board of Directors, an officer of the Association, or a Managing Agent and shall be recorded in the Office of the Clerk and Recorder of Routt County, Colorado. Any such lien notice shall not constitute a condition precedent or delay the attachment of the lien, but such lien is a perpetual lien upon the Townhome or Lot and attaches without notice at the beginning of the first day of any period for which any Assessment is levied. Upon any default in the payment of annual, special, or default Assessments, the Association shall also have the right to appoint a receiver to collect all rents, profits, or other income from the Townhome or Lot payable to the Owner and to apply all such rents, profits, and income to the payment of delinquent Assessments. Each Owner, by ownership of a Townhome or Lot, agrees to the assignment of such rents, profits and income to the Association effective immediately upon any default in the payment of annual, special, or default Assessments.

10. Amendment of Section 8.11. Section 8.11 of the Declaration is hereby amended and restated in its entirety as follows:

Effect of Nonpayment of Assessments. If any annual, special, or default Assessment (or any installment of the Assessment) is not fully paid within thirty (30) days after the same becomes due and payable, then as often as the same may happen, (i) interest shall accrue at the Maximum Rate on any amount of the Assessment which was not paid within such 30-day period or on the amount of Assessment in default, whichever shall be applicable, accruing from the due date until date of payment, (ii) the Association may declare due and payable all unpaid quarterly or other installments of the annual Assessment or any special Assessment otherwise due during the fiscal year during which such default occurred, (iii) the Association may thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same, (iv) the



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Association may proceed to foreclose its lien against the particular Townhome or Lot in the manner and form provided by Colorado law for foreclosure of real estate mortgages, and (v) the Association may suspend the Owner's right to vote in Association matters until the Assessment is paid.

An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments (or any installment thereof) may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments. If any such Assessment (or installment thereof) is not fully paid when due and if the Association commences such an action (or counterclaims or cross-claims for such relief in any action) against any Owner personally obligated to pay the same, or proceeds to foreclose its lien against the particular Townhome or Lot, then all unpaid installments of annual and special Assessments and all default Assessments (including any such installments or Assessments arising during the proceedings of such action or foreclosure proceedings), any late charges under Section 8.6 above, any accrued interest under this Section 8.11 above, and the Association's costs, expenses and reasonable attorneys fees (including legal assistants' fees) incurred for any such action and/or foreclosure proceedings shall be taxed by the court as part of the costs of any such action or foreclosure proceedings and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds from the foreclosure sale of the particular Townhome or Lot in satisfaction of the Association's lien.

Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from again foreclosing or attempting to foreclose its lien for any subsequent Assessments (or installments thereof) which are not fully paid when due or for any subsequent default Assessments. The Association shall have the power and right to bid in or purchase any Townhome or Lot at foreclosure or other legal sale and to acquire and hold, lease, or mortgage the Townhome or Lot and to convey or otherwise deal with the Townhome or Lot acquired in such proceedings.

First Mortgagees shall be entitled to cure any delinquency of the Owner of a Townhome encumbered by the First Mortgage in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

11. Amendment of Section 8.12. Section 8.12 of the Declaration is hereby amended and restated in its entirety as follows:

Successor's Liability for Assessment. Notwithstanding the personal obligation of each Owner of a Townhome or Lot to pay all Assessments on



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the Townhome or Lot and notwithstanding the Association's perpetual lien upon a Townhome or Lot for such Assessments, all successors in interest to the fee simple title of a Townhome or Lot, except as provided in Section 8.13 and Section 8.14 below, shall be jointly and severally liable with the prior Owner or Owners of the Townhome or Lot for any and all unpaid Assessments, interest, late charges, costs, expenses and attorneys' fees against such Townhome or Lot, without prejudice to any such successor's right to recover from any prior Owner any amounts paid thereon by such successor. However, such successor in interest shall be entitled to rely upon the existence and status of unpaid Assessments, interest, late charges, costs, expenses and attorneys' fees as shown upon any certificate issued by or on behalf of the Association to such named successor in interest pursuant to the provisions of Section 8.14 below.

12. **Cross Reference Corrections.** The reference to Section 9.1.3 set forth in the definition of "**Association Funds**" in Section 2.7 is hereby amended to read Section 10.1.3. In Section 3.3.1, the reference to Section 3.5 is hereby deleted. The reference to Article 15 regarding "Special Declarant Rights and Additional Reserved Rights" in Section 16.1 is hereby amended to read Article 14. The phrase "First Mortgagees and/or First Mortgagees" in Section 20.5 is amended to read "First Mortgagees."

13. **General.** In the event of any conflict or inconsistency between the provisions of the Declaration and this Amendment, the provisions of this Amendment shall control. A reference to the Declaration in any document or instrument shall be deemed to include this Amendment without any further or specific reference hereto.



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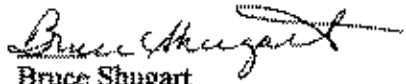
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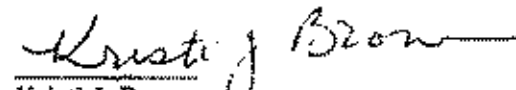
Executed as of the 14 day of February, 200⁶, by all of the Owners of interests in the Project.

MOUNTAIN MEADOW PRESERVE,
LLC, a Colorado limited liability company

By: Northtrek LLC, a Colorado limited
liability company, its manager

By: 
Name: Bruce Shugart
Title: Managing Member


Jeffrey S. Brown


Kristi J. Brown



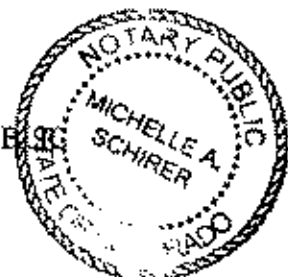
STATE OF COLORADO)
)
) ss.
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this 24th day of February, 2004, by Bruce Shugart, as managing member of Northtrek LLC, as manager of Mountain Meadow Preserve LLC, a Colorado limited liability company.

Witness my hand and official seal.

Michelle A. Schirer

NOTARY PUBLIC



My Commission Expires: 12/27/07

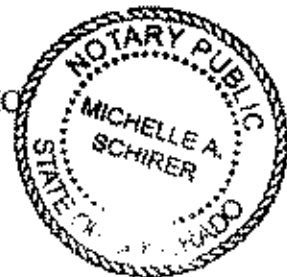
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)
) ss.
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this 14th day of February, 2004, by Jeffrey S. Brown.

Witness my hand and official seal.

Michelle A. Schirer

NOTARY PUBLIC



My Commission Expires: 12/27/07

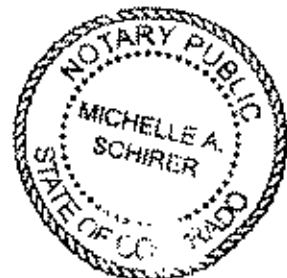
STATE OF COLORADO)
)
) ss.
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this 14th day of February, 2004, by Kristi J. Brown.

Witness my hand and official seal.

Michelle A. Schirer

NOTARY PUBLIC



My Commission Expires: 12/27/07



MORTGAGEE CONSENT

The undersigned mortgagee(s) under that certain Deed of Trust recorded April 19, 2001 at Reception No. 543969 in the records of Routt County, Colorado hereby consent to the foregoing amendment.

PM OPERATING SUBSIDIARY, LTD., a Texas limited partnership

By: *Ann Smalling*
Name: Ann Smalling
Title: Trustee, Peter C. Meinig Revocable Trust

STATE OF Texas)
)
COUNTY OF Travis) ss.

The foregoing instrument was acknowledged before me this 23rd day of February, 2006, by Ann Smalling, as Trustee of the Peter C. Meinig Revocable Trust, manager of PM Operating Subsidiary, Ltd., a Texas limited partnership.

Witness my hand and official seal.

Maria Esquivel
NOTARY PUBLIC

My Commission Expires: July 8, 2009



SUNDOG ENTERPRISES, LLC, a Colorado limited liability company

By: *Bruce Shugart*
Name: Bruce Shugart
Title: Member

STATE OF COLORADO)
)
COUNTY OF GARFIELD) ss.

The foregoing instrument was acknowledged before me this 24th day of February, 2006, by Bruce Shugart, as Member of Sundog Enterprises, LLC, a Colorado limited liability company.

Witness my hand and official seal.

Michelle A. Schirer
NOTARY PUBLIC



My Commission Expires: 12/27/07



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CERTIFICATION

The signature of Declarant set forth above shall constitute Declarant's certification, pursuant to Section 20.5 of the Declaration, that all required consents for this Amendment have been obtained, as evidenced by the parties' signatures.



**SECOND AMENDMENT TO AMENDED AND RESTATED
DECLARATION FOR MORE'S CORNER**

This Second Amendment to Amended and Restated Declaration for More's Corner ("Amendment") is made this 20th day of July, 2004, by Mountain Meadow Preserve LLC, a Colorado limited liability company, as Owner holding the Majority of Votes (each as defined in the Declaration) and as Declarant ("Declarant").

RECITALS

A. The Amended and Restated Declaration for More's Corner (the "Declaration") was recorded on July 8, 2003 at Reception No. 585996 in the Routt County, Colorado public records (the "Records"), and was amended by the First Amendment to Amended and Restated Declaration for More's Corner recorded on 7-9-03 at Reception No. 585994 in the Records (the "Declaration"). Capitalized terms used herein without further definition have the meanings given them in the Declaration.

B. The undersigned desires to amend certain provisions of the Declaration as more fully set forth therein.

NOW THEREFORE, the Declaration is amended as follows:

1. Insurance.

A. Section 10.1 of the Declaration is hereby amended and restated in its entirety as follows:

10.1.1. Property insurance on the Project for broad form covered causes of loss; except that the total amount of insurance must be not less than the full insurable replacement cost of the insured property less applicable deductibles at the time insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, paving areas, landscaping and other items normally excluded from property insurance policies.

10.1.2. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Project, in an amount deemed sufficient in the judgment of the Board of Directors, insuring the Board of Directors, the Association, the Managing Agent and their respective employees, agents and all Persons acting as agents. Declarant shall be included as an additional insured in Declarant's capacity as an Owner and Board of Directors member. 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 maintenance and repair of the Townhome Exteriors and membership in the Association. The insurance shall cover claims of one or more insured parties against other insured parties.

10.1.3. Fidelity insurance on all persons who control or disburse funds of the Association. Coverage shall not be less in the aggregate than the estimated maximum of funds, including reserve funds, in the custody of the Association at any given time during the term of the policy or bond (the "Association Funds"), but in no event less in the aggregate than three months' current Assessments plus reserves, as calculated from the current budget of the Association. Any Person with control over the Association Funds employed as an independent contractor by the Association, including the Managing Agent must obtain and maintain fidelity insurance in like amount at its own expense for the benefit of the Association unless the Association names such Person as an insured employee in the policy of fidelity insurance specified above. Issuers of such fidelity insurance must waive all defenses based upon the exclusion of persons serving without compensation from the definition of "employee" or similar expressions or terms.

10.1.4. The Association may carry such other and further insurance that the Board of Directors considers appropriate in order to protect the Project, the Association and the Owners.

10.1.5. Each Townhome Owner may obtain additional insurance at his own cost for his own benefit so long as all such policies shall contain waivers of subrogation and provide further that the liability of the carriers issuing insurance to the Association hereunder shall not be affected or diminished by reason of any such insurance carried by any Townhome Owner. Each Owner waives and releases all claims against the Association to the extent such claim is covered by applicable insurance policies, regardless of whether damage loss or injury arose from the negligence or breach of any agreement by the Association. Each Owner acknowledges that insurance obtained by the Association does not obviate the need for an Owner to obtain separate insurance for his or her benefit.

B. Section 10.12, regarding Insurance Obtained by Owners, is hereby deleted in its entirety.

2. Repair and Replacement. Section 12.1.3 is hereby deleted in its entirety.

3. General. In the event of any conflict or inconsistency between the provisions of the Declaration and this Amendment, the provisions of this Amendment shall control. A reference to the Declaration in any document or instrument shall be deemed to include this Amendment without any further or specific reference hereto.




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Executed as of the 20th day of July, 2004.

MOUNTAIN MEADOW PRESERVE, LLC, a
Colorado limited liability company

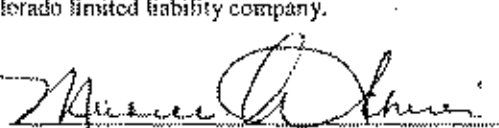
By: Northtrek LLC, a Colorado limited liability
company, its manager

By: 
Name: Bruce Shugar
Title: Managing Member

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this 20th day of July, 2004, by Bruce Shugar, as managing member of Northtrek LLC, as manager of Mountain Meadow Preserve LLC, a Colorado limited liability company.




NOTARY PUBLIC



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MORTGAGEE CONSENT

The undersigned mortgagee(s) under that certain Deed of Trust recorded April 19, 2001 at Reception No. 543969 in the records of Routt County, Colorado hereby consent to the foregoing amendment.

PM OPERATING SUBSIDIARY, LTD., a Texas limited partnership

By: [Signature]
Name: Ann Smaling
Title: Trustee, Peter M. Mandy Revocable Trust

STATE OF Colorado)
)
COUNTY OF GARFIELD)

ss.

The foregoing instrument was acknowledged before me this 29th day of July, 2004, by Ann Smaling, as Trustee of the Peter M. Mandy Revocable Trust, manager of PM Operating Subsidiary, Ltd., a Texas limited partnership.

Witness my hand and official seal.

[Signature]
NOTARY PUBLIC

SUNDOG ENTERPRISES, LLC, a Colorado limited liability company

By: [Signature]
Name: Bruce Shugart
Title: Member

STATE OF COLORADO)
)
COUNTY OF GARFIELD)

ss.

The foregoing instrument was acknowledged before me this 29th day of July, 2004, by Bruce Shugart, as Member of Sundog Enterprises, LLC, a Colorado limited liability company.

Witness my hand and official seal.

[Signature]
NOTARY PUBLIC



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Page: 5 of 5

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Key Wetland Rpt. County: CO AFFID R 28.00 B 0.00

CERTIFICATION

The signature of Declarant set forth above shall constitute Declarant's certification, pursuant to Section 20.5 of the Declaration, that all required consents for this Amendment have been obtained, as evidenced by the parties' signatures.