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**RESTATED
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR
SUNSET RIDGE VILLAS CONDOMINIUMS**

Sunset Holdings LLC, a Colorado Limited Liability Company ("Declarant"), is the owner of Lot 3, Sunset Ridge Villas, in the City of Glenwood Springs, as described and depicted on the plat of same recorded February 1, 1999, as Reception No. 539662 in the records of the Clerk and Recorder of the County of Garfield and State of Colorado, which plat is incorporated herein by this reference. Declarant has revised the plat of Lot 3, Sunset Ridge Villas with the intention that the prior plat of Lot 3 be superseded by such revised plat in its entirety.

A Declaration of Covenants, Conditions, Restrictions and Easements for Sunset Ridge Villas Condominiums was recorded February 1, 1999, in Book 1112 at Page 477 as Reception No. 539664 in the records of the Clerk and Recorder of the County of Garfield and State of Colorado (the "prior declaration"). Declarant, by this instrument, does hereby supersede the prior declaration in its entirety, which prior declaration from the date of recordation of this instrument shall be null and void and of no further force or effect.

Declarant hereby restates and re-declares the Covenants, Conditions, Restrictions and Easements to be imposed on and for the benefit of Sunset Ridge Villas Condominiums. Declarant desires to create a Condominium Common Interest Community, to be known as Sunset Ridge Villas Condominiums, in which portions of the real estate described and depicted on said plat will be designated for separate ownership and the remainder owned and managed by Sunset Ridge Homeowners Association, a Colorado nonprofit corporation, its successors and assigns (the "Association"). In furtherance of the purposes stated below, Declarant makes the following declarations:

**ARTICLE I
STATEMENT OF PURPOSE AND IMPOSITION OF COVENANTS**

1.1 Imposition of Covenants. Declarant hereby makes, declares and establishes the following covenants, conditions, restrictions and easements (the "Covenants"), which shall affect all of Lot 3 as described and depicted on the revised plat of Sunset Ridge Villas Condominiums recorded as Reception No. 557466 in the records of the Clerk and Recorder of Garfield County, Colorado, (hereinafter "Sunset Ridge Villas" or the "Property"), including all improvements, appurtenances and facilities relating to or located on the Property now and in the future. From this day forward, Sunset Ridge Villas shall be held, sold, conveyed, encumbered, leased, rented, occupied and improved, subject to these Covenants. These Covenants shall (i) run with the land or as equitable servitudes, as the case may be, (ii) be binding upon and inure to the benefit of all persons

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or entities having any right, title, or interest in all or any part of the Property, including Declarant, all Unit Owners and their respective heirs, executors, administrators, personal representatives, successors, assigns, families, tenants, guests, employees, contractors, agents, licensees and invitees, and (iii) create specific rights and privileges which shall be shared and enjoyed by all owners of any part of the Property. Declarant hereby submits Sunset Ridge Villas to the provisions of the Colorado Common Interest Ownership Act, Sections 38-33.3-101, et seq., Colorado Revised Statutes, as it may be amended from time to time (the "Act"). In the event the Act is repealed, the Act, on the effective date of this Declaration, shall remain applicable.

1.2 Declarant's Intent. Declarant intends to preserve and protect the attractiveness of the Property, to restrain and minimize future impairment or deterioration of the Property and to preserve, protect and enhance the value and desirability of the Property and to promote and safeguard the health, comfort, safety, convenience and welfare of the Unit Owners in the Property. Declarant intends to encourage the construction and maintenance of attractive permanent improvements, appropriately located to preserve the harmonious development of the Property and to promote and safeguard the health, comfort, safety, convenience and welfare of the Unit Owners.

ARTICLE II DESCRIPTION OF COMMON INTEREST COMMUNITY

2.1 Units. The maximum Units to be constructed in Sunset Ridge Villas are sixty-four (64). Identification numbers and boundaries of each Unit shall be shown on supplemental plats to be recorded, which shall specifically depict each Unit as constructed. The boundary lines depicted on the supplemental plats are designated as boundaries of a Unit, which lines shall conform to the walls, floors and ceilings of each Unit. Each Unit shall include any utility line or heating, cooling, hot water or other apparatus exclusively serving such Unit whether or not located within the boundaries of the Unit. The wall, floor, ceiling and any structural extension that forms the division between any two (2) Units is declared to be a party wall. A Unit shall also include a deck extending from the principal dwelling area as well as a garage generally located beneath the principal dwelling area of a Unit. Each Unit shall be subject to utility service easements located in a ceiling soffit located in the interior of each Unit, as well as within walls of each Unit.

Subsequent to the recording of this Declaration, contracts to convey, instruments of conveyance, and all other instruments affecting title to a Unit shall be in substantially the following form, subject to such changes or other provisions as may be required by any law, practice or usage:

Condominium Unit _____, according to the Revised Condominium Plat of Sunset Ridge Villas, Lot 3, Building ____, recorded _____, as Reception No. _____ and the Restated Declaration for Sunset Ridge Villas, recorded December __, 1999, in Book _____ at Page _____ in the office of the Clerk and Recorder of Garfield County, Colorado.

2.2 Common Elements. The Common Elements shall be all portions of Sunset Ridge Villas other than Units and are designated by this Declaration for the common use and enjoyment of Unit Owners and their families, tenants, guests and invitees and not for the public. The Association, subject to the rights and obligations of the Unit Owners set forth in this Declaration, shall be responsible for the management and control of the Common Elements. Every Unit Owner shall have a perpetual right and easement of access over, across and upon the Common Elements for the purpose of access to and from a Unit from public ways for both pedestrian and vehicular travel, which right and easement shall be appurtenant to and pass with the transfer of title to such Unit; provided, however, that such right and easement shall be subject to:

(a) the covenants, conditions, restrictions and easements contained in this Declaration and the Plat of Sunset Ridge Villas, including restrictions regarding use of Limited Common Elements; and

(b) the right of the Association to adopt, from time to time, rules and regulations for vehicular traffic and other passage across the Common Elements to facilitate the optimum and most convenient use of the Units and Common Elements by Unit Owners.

2.3 Limited Common Elements. A "Limited Common Element" means a portion of the Common Elements, designated in this Declaration, or on a plat, or by the Act, for the exclusive use of one or more but fewer than all of the Units. The following portions of the Property, in addition to the portions described in Sections 38-33.3-202(1)(b) and (d) of the Act, are designated as Limited Common Elements, to-wit: doors and entrance structures and their related frames, sills and hardware.

2.4 Allocation of Use of Common Elements. Declarant reserves the right to allocate and designate additional areas of the Common Elements as Limited Common Elements for the exclusive use of individual Unit Owners. However, no such use of the Common Elements shall be made which reduces the size or number of parking spaces or other facilities required by the City of Glenwood Springs pursuant to its development approval for the Property. In the event any parking space or other required facility is located on an easement and the surface occupied by such space or facility is hereafter required for permanent use by the public authority holding the easement and such use precludes further use as a parking space or other facility, then any such parking space or other facility shall be located elsewhere on the Common Area without diminution of number or size. The Declarant may assign such Common Elements as Limited Common Element areas pursuant to the provisions of C.R.S. 38-33.3-208 of the Act (a) by making such an allocation in a recorded instrument or (b) in the deed to the Unit to which such Limited Common Element shall be appurtenant or (c) by recording an appropriate amendment or supplement to this Declaration. Such allocations by the Declarant may be to Units owned by the Declarant. After the period of Declarant control, the right of allocation pursuant to this Section shall pass from the Declarant to the Executive Board of the Association and the Declarant may not thereafter exercise any such right.

2.5 Allocation of Specified Common Elements. The Executive Board may designate parts of the Common Elements from time to time for use by less than all of the Unit Owners or by nonowners for specified periods of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Executive Board. Any such designation by the Executive Board shall not be a sale or disposition of such portions of the Common Elements.

2.6 Allocated Interests. The undivided interests in the Common Elements and the Common Expense Liability of each Unit shall be determined by dividing the total number of Units into one (1); e.g. $1/64 = .015625$. If for any reason all of the planned Units are not built, then the ratio shall be adjusted accordingly. For the purpose of determining votes in the Association, each Unit shall be allocated one vote.

2.7 Improvements. For the purpose of this Declaration, the word "Improvements" shall mean all buildings, parking areas, loading areas, fences, walls, hedges, plants, poles, antennae, driveways, signs, changes in any exterior color or shape, excavation and all other site work, including, without limitation, grading, roads, utility improvements, removal of trees or plants. "Improvements" include both original improvements and all later changes and improvements.

2.8 Easements for Encroachments. The Property, and all portions thereof, is subject to an easement of up to three (3) feet from any Unit boundary line or Common Area boundaries for the actual extent of encroachments created by construction as designed or constructed by the Declarant and for settling, shifting and movement of any portion of the Property. Such encroachments shall not be considered to be encumbrances upon any part of the Property. Encroachments referred to include, but are not limited to, encroachments caused by error in the original construction by Declarant of Improvements on any Unit, or by settling, rising or shifting of the earth.

2.9 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.

2.10 Maintenance Easement. An easement is hereby reserved to Declarant and granted to the Association and their respective officers, agents, employees and assigns, upon, across, over, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to these Covenants or the Act, including the right to enter upon any Unit for the purpose of performing maintenance, repairing any utility service or the exterior of Improvements as may be required by these Covenants or the Act.

2.11 Utility Easements. Declarant reserves to Declarant and hereby grants to the Association a general non-exclusive easement upon, across, over, in and under the easements as shown and depicted on the Plat. Such easements may be used for ingress and egress and for installation, replacement, repair and maintenance of all utilities, including but not limited to water,



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sewer, gas, telephone, television and electrical systems. By virtue of this Easement, it shall be expressly permissible and proper for the companies providing electrical, telephone and other communication services to install and maintain necessary electrical, communications and telephone wires, circuits, and conduits in the easement. All utilities shall be installed or relocated below the surface of the Property, except for necessary surface facilities. Such utilities may be installed temporarily above ground during construction. Any utility company using this general easement shall use its best efforts to install and maintain the utilities provided for without disturbing the uses of the Unit Owners, the Association and Declarant; shall pursue its installation and maintenance activities as promptly and expeditiously as possible; and shall restore the surface to its original condition when 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, either Declarant or the Association shall have, and are hereby given, the right and authority to grant such easement upon, across, over or under any part of the Property without conflicting with the terms of this Declaration. This general easement shall in no way affect, avoid, extinguish or modify any other recorded Easement on the Property.

2.12 Easements Deemed Created. All conveyances of any part of the Property made after the date of this Declaration, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article II though no specific reference to such easements or to this Declaration appears in the instrument for such conveyance.

ARTICLE III THE ASSOCIATION

3.1 Membership. Every person, by virtue of being a Unit Owner and while such person is a Unit Owner, shall be a member of the Sunset Ridge Homeowners Association and shall remain a member for the period of the Unit Owner's ownership of a Unit. Membership shall be appurtenant to and may not be separated from ownership of any Unit. No Unit Owner, whether one or more persons or entities, shall have more than one membership per Unit owned, but all of the persons or entities owning a Unit shall be entitled to rights of membership and use and enjoyment appurtenant to such ownership.

3.2 Authority. The business affairs of Sunset Ridge Villas shall be managed by the Executive Board of the Association (herein the "Executive Board"), which shall be governed by the Association's Articles of Incorporation, Bylaws and this Declaration, as the same may be amended from time to time.

3.3 Powers. The Association shall have all of the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of Sunset Ridge Villas.

3.4 Declarant Control. The Declarant shall have all the powers reserved in Section 38-33.3-303(5) of the Act to appoint and remove officers and members of the Executive Board to the full extent and for the maximum period of time stated in the Act.

ARTICLE IV COVENANTS FOR COMMON EXPENSE ASSESSMENTS

4.1 Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments. Declarant, for each Unit, hereby covenants, and each Unit Owner of any Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed, are deemed to covenant and agree to pay to the Association annual Common Expense Assessments. Such assessments, as well as any fees, charges, late charges, attorney fees, fines and interest charged by the Association shall be the personal obligation of the Unit Owner as of the time when the assessment or other charges became or fell due. Two or more Unit Owners of a Unit shall be jointly and severally liable for such obligations. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by the successor. The Common Expense Assessments of the Association shall be a continuing lien upon the Unit against which each such assessment is made. A lien under this Section is prior to all other liens and encumbrances on a Unit except: (a) liens and encumbrances recorded before the recordation of the Declaration; (b) a first lien Security Interest on the Unit recorded before the date on which the Common Expense Assessment sought to be enforced became delinquent; and (c) liens for real estate taxes and other governmental assessments or charges against the Unit. This Section shall not prohibit any civil action to recover sums for which this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. Sale or transfer of a Unit shall not affect the Association's lien thereon, except that sale or transfer of a Unit pursuant to foreclosure of any first lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the Association's lien as provided in the Act. No such sale, transfer, foreclosure, nor cancellation or forfeiture shall relieve a Unit from continuing liability for any Common Expense Assessments thereafter becoming due, nor from the lien thereof.

4.2 Apportionment of Common Expenses. Common Expenses shall be allocated and assessed against Units based on dividing the total number of Units into one (1); e.g. $1/64 = .015625$.

4.3 Purpose of Assessments. Assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents of Sunset Ridge Villas and for the improvement and maintenance of the Common Elements, including, but not limited to: taxes and insurance on the Common Elements, insurance on Units as described in Section 7.2 below, repair, replacement and additions to any Improvements on the Common Elements, reserve accounts, the cost of labor, equipment, materials, management and supervision, the salary or fee of any manager, utilities, transportation, professional fees and other customary charges.

4.4 Annual Assessment/Commencement of Common Expense Assessments. Common Expense Assessments shall be made on an annual basis against all Units and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. Common Expense Assessments shall be payable in monthly installments equal to 1/12 of the then current assessment and shall begin on the first day of the month in which conveyance of a Unit to a Unit Owner other than the Declarant occurs. No Assessments shall be chargeable on a Unit prior to the issuance of a certificate of occupancy for such Unit.

4.5 Effect of Non-Payment of Assessments. Any assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof, shall bear interest at the rate as determined by the Executive Board. A late charge of up to five percent (5%) of each past due installment may also be assessed thereon. Further, the Association may bring an action at law or in equity, or both, against any Unit Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Unit Owner's Unit. An action at law or in equity by the Association against a Unit Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien.

4.6 Working Fund. The Association or Declarant shall require the first Unit Owner of each Unit (other than Declarant) to make a nonrefundable payment to the Association in an amount equal to **one-sixth (1/6)** of the annual Common Expense Assessment against that Unit in effect at the closing thereof, which sum shall be held, without interest, by the Association as a "working fund." The working fund shall be collected and transferred to the Association at the time of closing of each sale by Declarant of each Unit and shall be maintained for the use and benefit of the Association. Such payment shall not relieve a Unit Owner from making regular payments of the assessments when due. Upon the transfer of his Unit, a Unit Owner shall be entitled to a credit from his transferee for any unused portion of the working fund.

ARTICLE V PROPERTY USE RESTRICTIONS

5.1 General Restriction. Sunset Ridge Villas shall be used only for the residential dwelling purposes subject to the applicable rules and regulations of all governmental authorities having jurisdiction. Permanent occupancy of any Unit shall be limited to two (2) adults or two (2) children per bedroom.

5.2 Limited Business Activities. Subject to all applicable governmental regulations, and in addition to residential purposes, in-home business activities or occupations not involving the provision of on site services for customers or use of employees on site (other than Unit Owners) shall be allowed, provided such activities: (i) are conducted solely within the Unit, (ii) do not materially

increase motor vehicle traffic on the Property, (iii) do not create any external indication of an in home business, and (iv) do not generate any noise, smoke, dust, odors, heat or other offensive or noxious emanations on the Property. Notwithstanding the foregoing, business activities associated with the sale of Units shall be allowed.

5.3 Construction and Alteration of Improvements. No Unit Owner shall construct, erect, place any structure or replace, repair, reconstruct, refinish or alter any part of the exterior of any Unit or other Improvement upon, under or above any part of the Property without the written consent of the Executive Board and compliance with the provisions of this Declaration. However, improvements and alterations which are completely within the interior of a Unit's structure may be undertaken without such approval. No window coverings or other decorations visible from outside a Unit shall be added by a Unit Owner without the prior written approval of the Executive Board. No laundry shall be dried or hung outside any building. No towers, exterior radio, television or communication antennae or dish receivers, sheds, fences, outbuildings or other structures shall be permitted without the prior written approval of the Executive Board. In the event of any requested addition or alteration, the Executive Board may require that the applicant (i) submit plans and specifications showing the nature, kind, shape, heights, color, materials and location of the proposed addition or alteration in sufficient detail for the Executive Board to properly review same and (ii) pay for processing and review costs, which may include any professional fees the Association may incur in retaining architects or engineers to review the plans and specifications. The review by the Executive Board shall specifically consider the impact of the addition or alteration on the harmony of external design and location with surrounding structures and topography. Any approval may impose such terms and conditions as the Executive Board deems appropriate.

5.4 Subdivision or Change in Boundaries of Units. No Unit may be subdivided nor shall the boundaries of any Unit be altered or relocated except as provided by the Act. A relocation of a boundary of a Unit may be approved by the Association in its sole discretion, subject the provisions of Section 5.3.

5.5 No Partition of Common Elements. The Common Elements shall be owned by the Association, and no Unit Owner shall bring any action for partition or division of the Common Elements. By acceptance of a deed or other instrument of conveyance or assignment, each Unit Owner shall be deemed to have specifically waived such Unit Owner's rights to commence or maintain a partition action or any other action designed to cause a division of the Common Elements. This Section may be pleaded as a bar to any such action. Any Unit Owner who commences or maintains any such action shall be liable for and agrees to reimburse the Association for its costs, expenses and reasonable attorneys' fees in defending any such action.

5.6 Compliance With Laws. Subject to the rights of reasonable contest, each Unit Owner shall promptly comply with the provisions of all applicable laws, regulations and ordinances with respect to the Property including, without limitation, all applicable environmental laws and regulations.



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5.7 Nuisance. No obnoxious or offensive activity shall be carried on with in the Property, nor shall anything be done or permitted which shall constitute a public nuisance.

5.8 Prohibition of Increases in Insurable Risks. Nothing shall be done or kept on the Property or in any Unit which would result in the cancellation or reduction of insurance on all or any part of the Property or in an increase in the cost of such insurance, but for such activity, without the prior written approval of the Association.

5.9 Prohibition against Damage or Waste. No damage to or waste of the Property including any portion of the Common Elements shall be committed by any Unit Owner. Each Unit Owner hereby agrees to indemnify and hold the Association and the other Unit Owners harmless against any damage or waste caused by such Unit Owner and agrees to pay for or reimburse the Association for any and all costs and expenses resulting from any damage or waste caused by a Unit Owner or the Unit Owner's family, tenants, guests, pets, employees, contractors, agents, licensees and invitees.

5.10 Obstructions. No person shall obstruct or interfere with the free use of walkways, driveways, drainage structures or other Common Elements, except as may be reasonably required for repairs. The Association shall take such action as may be necessary to abate or enjoin any interference with or obstruction of walkways, paths and drainage courses.

5.11 Leasing and Restrictions on Alienation. A Unit may not be owned or occupied pursuant to a time-sharing arrangement described in Sections 38-33-110 to 113, Colorado Revised Statutes. A Unit Owner shall have the right to lease a Unit, provided that such lease shall be in writing and subject to the reasonable requirements of the Executive Board. Any lease shall be made expressly subject to this Declaration and all Association Rules. Any failure of a tenant to comply with this Declaration shall be a default under the lease and the Unit Owner shall be liable for any violation of this Declaration committed by the Unit Owner's tenant, without prejudice to the Unit Owner's rights against the Unit Owner's tenant.

5.12 Vehicles. Not more than two (2) motor vehicles may be kept on the Property for each Unit. Each vehicle shall be registered with the Association by type, year, color, license number and such other identification as is appropriate. Any vehicle changes shall be reported to the Association within thirty (30) days of a change. All permitted vehicles shall be parked only in the garage portion of a Unit. Except for a temporary period, no vehicle owned by a Unit Owner shall be parked outside of a Unit garage or on a parking space designated for visitors. No guest of a Unit Owner shall use a parking space designated for visitors for more than three (3) days without the consent of the Executive Board, which may impose a fee for such use. No trucks, recreational vehicles, motor homes, motor coaches, snowmobiles, campers, trailers, boats or boat trailers or similar vehicles (other than passenger automobiles or pickup or utility trucks with a capacity of one ton or less) or any other vehicles shall be parked, stored or kept on any portion of the Property. This restriction shall not prohibit occasional parking of commercial, service and construction vehicles, in the



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ordinary course of business, from making deliveries or otherwise providing service to the Property or for original construction of Units. No work on vehicles, including repairs, shall be performed on any portion of the Property, except in emergencies. Abandoned or inoperable vehicles shall not be stored or parked on any portion of the Property. An abandoned or inoperable vehicle is any vehicle which has not been driven under its own propulsion for three (3) weeks or longer and which appears incapable of operation. A written notice describing the abandoned or inoperable vehicle and requesting its removal shall be personally served upon the Unit Owner or posted on the vehicle. If such vehicle has not been removed within 72 hours after notice is given, the Association may remove the vehicle without liability and the expense of removal shall be charged against the Unit Owner. Without limiting the preceding provision, parking spaces in the unit garage shall be used only for parking of vehicles and not for general storage purposes of other personal property or any other activities.

5.13 Animals and Pets. Subject to the prior written approval of the Association, up to two (2) pets may be kept in a Unit. Each pet which is permitted by the Association shall be registered with the Association as to type, breed and such other identification as is appropriate. Any changes in pets shall be reported to the Association within thirty (30) days of any change. Only dogs, cats and other nonexotic household pets shall be permitted. Dogs and cats shall be neutered. The type and behavior of permitted pets shall be regulated by the Association Rules. Permitted pets must be kept in the interior of a Unit, shall not be kept in any manner on a deck or in the garage area. Pets shall not be permitted to run at large and shall not cause any nuisance by noise or otherwise. Persons on the Property outside of a Unit who are accompanied by permitted dogs must keep such dogs under the person's direct control by use of a leash not to exceed ten (10) feet in length. Any animal waste deposited on the Common Elements shall be immediately removed by the Unit Owner and placed in a trash receptacle. No other animals, livestock or poultry of any kind shall be kept, raised or bred on any portion of the Property.

5.14 Signs. No signs of any kind shall be displayed to the public view on or from any portion of the Property except those signs approved by the Executive Board, ordinary real estate signs, business signs of Declarant or its affiliates, or signs required by law.

5.15 Unit Numbers. Each Unit shall have an exterior identifying number with a design and location established by the Executive Board.

5.16 Solid Waste. No trash, ashes, garbage, rubbish, debris or other refuse shall be thrown, dumped or otherwise accumulated on the Property. There shall be no burning of refuse. Each Unit Owner shall use the central receptacles for the temporary storage and collection of solid waste, which shall be screened from public view and protected from wind, animals and other disturbances. Each Unit shall be kept in a sanitary condition, free of offensive odors, rodent and insect infestations at the Unit Owner's sole cost.



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5.17 Outside Burning. There shall be no exterior fires, except for bottled gas barbecues. No Unit Owner shall allow any condition upon such Unit Owner's Unit which creates a fire hazard or violates fire prevention regulations.

5.18 Noise. No exterior horns, whistles, bells or other sound devices, except security devices approved in writing by the Executive Board, shall be placed or used on any portion of the Property. Unit Owners shall not allow any noise or disturbance on their respective Units which is offensive, disturbing or otherwise detrimental to any other person.

5.19 Lighting. No flood lighting, security lighting or other type of high intensity lighting shall be permitted without the approval of the Executive Board.

ARTICLE VI MAINTENANCE

6.1 Association's Maintenance Responsibility. The Association shall maintain and keep the Common Elements and the roofs and exterior surfaces of the Improvements in good, clean, attractive and sanitary condition and repair consistent with the requirements of a first class residential development. Without limiting the foregoing, the Association shall keep all driveways, parking areas, sidewalks and access ways free of snow, ice, dirt, debris and other obstructions. During the period of Declarant control, the Declarant shall be responsible for snow removal services to an offsite location when available snow storage areas on site are filled to capacity.

6.2 Unit Owner's Maintenance Responsibility. Except as provided otherwise in the Declaration or by written agreement with the Association, all maintenance of individual Units including, without limitation, all interior surfaces, structural and nonstructural members, utility systems, utility lines from the point of departure from a shared usage, glazing, doors, patios, decks and other fixtures designed to serve a single Unit, shall be the sole responsibility of the respective Unit Owners. Each Unit shall be maintained in a good, clean, attractive and sanitary condition and repair consistent with the requirements of a first class residential development.

6.3 Unit Owner's Maintenance Responsibility for Limited Common Elements. The Owner of a Unit to which any Common Element is allocated shall be responsible for removal of snow, leaves and debris from same. Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed equally against the Units to which the Limited Common Element is assigned.

ARTICLE VII INSURANCE

7.1 Association's Insurance Responsibility. The Association shall maintain all insurance coverage required by the provisions of C.R.S. 38-33.3-101, et. seq., as the same may be amended

from time to time, together with such other insurance as the Executive Board of the Association shall deem advisable.

7.2 Association's Responsibility for Hazards Insurance on Units. In supplementation of and addition to insurance required by applicable statute, the Association shall obtain property insurance against damage or loss for broad form covered causes of loss for all Units to the interior surface of walls, ceilings and floors as initially constructed, in an amount equal to the full replacement value (i.e., 100 percent of the current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage) and less applicable deductibles. The determination of value shall be made solely by the Association based on a good faith estimate of value which need not include a written appraisal. Such policy shall include, if available, a standard form of mortgagee clause, a "Demolition Cost Endorsement" or the equivalent, an "Increase Cost of Construction Endorsement" or the equivalent, and all casualty insurance policies shall have an inflation guard endorsement, if reasonably available.

7.3 Unit Owner's Insurance Responsibility. Each Unit Owner shall be responsible for all insurance coverage for all interior finishes on the walls, ceilings and floors of such Owner's Unit, together with all appliances, cabinets, plumbing and electrical fixtures and all other improvements and betterments to the Unit not insured by the Association. In addition, each Unit Owner shall be responsible for insuring all personal property within the Unit, as well as general liability insurance and any other insurance coverage deemed appropriate by such Unit Owner.

ARTICLE VIII DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

8.1 Development Rights and Special Declarant Rights. The Declarant reserves the following Development Rights and other Special Declarant Rights for the maximum time limit allowed by law:

- (a) The right to complete or make improvements for the construction of sixty-four (64) Condominium Units as indicated on the plat;
- (b) The right to maintain a temporary sales and management office and model in a single Unit while the project is under the construction;
- (c) The right to maintain signs on the Common Elements and Units to advertise Sunset Ridge Villas;
- (d) The right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations under the Act and this Declaration; and
- (e) The right to appoint or remove any officer of the Association or any Director during the Declarant control period consistent with the Act.

8.2 Limitations on Development Rights and Special Declarant Rights. Unless sooner terminated by a recorded instrument signed by Declarant, any Development Right or Special Declarant Right may be exercised by the Declarant for the period of time specified in the Act.

8.3 Use of Property During Construction. It shall be expressly permissible and proper for Declarant and any person acting with the prior written consent of Declarant, and their respective employees, agents, independent contractors, successors, and assigns involved in the construction of Improvements or the providing of utility service to the Property, to perform such activities and to maintain upon portions of the Property as they deem necessary, such facilities as may be reasonably required, convenient, necessary or incidental to such construction and development of the Property. This permission specifically includes, without limiting the generality of the foregoing, maintaining business offices, storage areas, construction yards and equipment, signs and sales offices. However, no activity shall be performed and no facility shall be maintained on any portion of the Property in such a way as to unreasonable interfere with the use of any Unit.

ARTICLE IX ENFORCEMENT OF COVENANTS

9.1 Violation Deemed a Nuisance. Every violation of this Declaration is declared and deemed to be a nuisance. All public and private remedies allowed at law or equity against anyone in violation of these Covenants shall be available.

9.2 Compliance. Each Unit Owner and every member of a Unit Owner's family and every guest, invitee, tenant, employee, contractor, agent, licensee and invitee of an Unit Owner shall comply with the provisions of these Covenants as the same may be amended from time to time. Failure to comply with these Covenants shall be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Each Unit Owner shall be responsible for the conduct of the Unit Owner's family, tenants, employees, guests, contractors, agents, licensees and invitees whether or not the Unit Owner is present. Each Unit Owner shall inform all such persons of these Covenants. Any violation of these Covenants by any such person shall be deemed a violation by the Unit Owner.

9.3 Who May Enforce. Any action to enforce these Covenants may be brought by the Declarant or the Executive Board in the name of the Association on behalf of the Unit Owners. If, after a written request from an aggrieved Unit Owner, neither of the foregoing entities commence an action to enforce these Covenants, then the aggrieved Unit Owner may bring such an action.

9.4 Nonexclusive Remedies. All the remedies set forth herein are cumulative and not exclusive.

9.5 Nonliability. No member of the Executive Board, the Declarant or any Unit Owner shall be liable to any other Unit Owner for the failure to enforce these Covenants at any time.



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9.6 Recovery of Costs. If legal assistance is obtained to enforce any provision of these Covenants, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of these Covenants or the restraint of violations of these Covenants, the prevailing party shall be entitled to recover all costs incurred, including reasonable attorney's fees.

ARTICLE X MISCELLANEOUS PROVISIONS

10.1 Severability. This Declaration, to the extent possible, shall be construed or reformed to give validity to all of its provisions. Any provision of this Declaration found to be prohibited by law or unenforceable shall be construed to be independent and shall not invalidate any other provision.

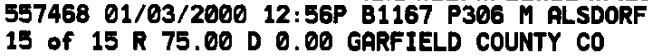
10.2 Construction. In interpreting words in the Declaration, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

10.3 Headings. The headings are included only for reference and shall not affect the meaning or interpretation of this Declaration.

10.4 Notice. All notices or requests required shall be in writing. Notice to any Unit Owner shall be considered delivered and effective upon personal delivery, or three (3) days after posting when sent by certified mail, return receipt requested, to the address of the Unit Owner on file in the records of the Association at the time of the mailing or if no such address is available, then to the address shown by the County Assessor. Notice to the Executive Board or the Association shall be considered delivered and effective upon personal delivery, or three (3) days after posting when sent by certified mail, return receipt requested, to the Association, at the address as shall be established by the Association from time to time by notice to the Unit Owners. General notices to all Unit Owners need not be certified, but may be sent by regular first class mail.

10.5 Waiver or Delay in Enforcement. No failure by the Association or the Executive Board to give notice of default or any delay in enforcement of any provision or in the exercise of any right or remedy shall operate as a waiver. No waiver shall be effective unless it is in writing signed by the President or Vice President of the Executive Board on behalf of the Association or by the Chairman of the Executive Board on behalf of the Executive Board.

10.6. Amendment and Mortgagee Requirements. Except as otherwise provided by the Act, unless at least fifty-one percent (51%) of the First Mortgagees (based on one vote for each First Mortgage owned) and at least sixty-seven percent (67%) of the Unit Owners have given their prior written approval, the Association shall not be entitled to amend provisions affecting the following: voting rights, assessments and assessment liens, reserves, maintenance and repair responsibilities, reallocation of interests in Common Elements, redefinition of Unit boundaries, convertibility of



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