

**COMPREHENSIVE AMENDED
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS**

FOR

EDGEMONT RANCH UNIT 1

Latest Amendment and Revision
March 6, 2013
By Owners of Edgemont Ranch Unit 1
Reception # 1062880 3/39/2013
La Plata County Clerk
Supersedes All Previous Amendment and Revision

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**SECOND AMENDMENT TO COMPREHENSIVE AMENDED
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
EDGEMONT RANCH UNIT 1**

THIS AMENDMENT to the Comprehensive Amended Declaration of Covenants, Conditions and Restrictions for Edgemont Ranch Unit 1 is made and entered into on the date hereinafter set forth by the Edgemont Ranch Unit 1 Property Owners Association ("EPOA").

RECITALS

The property described on the Final Plat of Edgemont Ranch Unit 1 recorded November 2, 1983 as Filing No. 491170, as amended by the Final Plat of Edgemont Ranch Unit 1 Amended Plat No. 1 recorded May 1, 1985 at Filing No. 515243 ("Edgemont Ranch Unit 1") has been made subject to the following set of covenants, conditions and restrictions ("Prior Declarations") placed of record in the office of the La Plata County Clerk and Recorder's Office:

1. Protective Covenants for the Edgemont Ranch P.U.D. recorded on November 7, 1983 at Reception No. 491438.
2. Correction to the Protective Covenants for the Edgemont Ranch P.U.D. recorded on November 16, 1983 at Reception No. 491820.
3. Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded on September 19, 1984 at Reception No. 505516.
4. Third Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded June 18, 1985 at Reception No. 517146.
5. Fourth Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded February 13, 1986 at Reception No. 527841.
6. Fifth Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded August 9, 1990 at Reception No. 598480.
7. Corrected Fifth Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded June 27, 1991 at Reception No. 612235.
8. Sixth Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded May 20, 1991 at Reception No. 610403.
9. Seventh Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded May 10, 1994 at Reception No. 667992.
10. Comprehensive Amended Declaration of Covenants, Conditions and Restrictions for Edgemont Ranch Unit 1 recorded June 1, 1998 at Reception No. 746801.
11. First Amendment to Comprehensive Amended Declaration of Covenants, Conditions and Restrictions for Edgemont Ranch Unit 1 recorded July 25, 2011 at Reception No. 1033488.

WHEREAS, by a vote of Owners entitled to cast more than sixty-seven percent (67%) of the votes in the EPOA, the EPOA desires to change the nature and extent of some of the covenants, conditions and restrictions imposed on said real property by the Prior Declarations,

NOW, THEREFORE, Edgemont Ranch Unit 1 shall be subject to these covenants, conditions and restrictions and shall be held, conveyed, mortgaged, encumbered, leased, rented, occupied, improved and used subject to the following restrictions, covenants, conditions, easements and equitable servitudes. The restrictions set forth in this declaration shall run with the Edgemont Ranch Unit 1, shall be binding upon all persons having or acquiring any right, title or interest in the Edgemont Ranch Unit 1, or any part thereof, shall inure to the benefit of every portion of the Edgemont Ranch Unit 1 and any interest therein, shall inure to the benefit of and be binding upon any successor in interest and of each Owner and may be enforced by EPOA or by any Owner or their successors in interest.

THIS COMPREHENSIVE AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EDMONT RANCH, UNIT 1 (the "Comprehensive Amended Declaration") is made and entered into as of the 1st day of June, 1998, by the Undersigned, being the owners of more than 75% of the voting rights as defined in the prior Declaration and Amendments and Corrections thereto.

RECITALS

1. The property described on Exhibit A attached has been made subject to the following sets of covenants, conditions and restrictions ("Prior Declarations") placed of record in the office of the La Plata County Clerk and Recorder's Office:

- a. Protective Covenants for the Edgemont Ranch P.U.D. recorded on November 7, 1983 at Reception No. 491438.
- b. Correction to the Protective Covenants for the Edgemont Ranch P.U.D. recorded on November 16, 1983 at Reception No. 491820.
- c. Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded on September 19, 1984 at Reception No. 505516.
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- f. Fifth Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded August 9, 1990 at Reception No. 598480.
- g. Corrected Fifth Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded June 27, 1991 at Reception No. 612235.
- h. Sixth Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded May 20, 1991 at Reception No. 610403.
- i. Seventh Amendment to the Protective Covenants for the Edgemont Ranch P.U.D. recorded on May 10, 1994 at Reception No. 667992.

2. The Prior Declarations provided that they could be amended or terminated by the written consent of the real property owners of 67% of the voting rights of the Edgemont Property Owners Association ("EPOA"). The Undersigned, being real property owners of more than 67% of the voting rights of EPOA desire to amend all Prior Declarations for the property described on Exhibit A to delete all property except the property described on the Final Plat of Edgemont Ranch Unit 1 recorded November 2, 1983 at Filing No. 491170, as amended by the Final Plat of Edgemont Ranch Unit 1 Amended Plat No. 1 recorded May 1, 1985 at Filing No. 515243 ("Edgemont Ranch Unit 1") and to entirely amend the Prior Declarations with respect to Edgemont Ranch Unit 1 as set forth in this Comprehensive Amended Declaration.

3. There is certain adjoining real property described on Exhibit B attached hereto less and except Edgemont Ranch Unit 1 (the "Annexable Property").

4. Edgemont Ranch Unit 1 and the Annexable Property have been approved for development pursuant to a Plan for Edgemont Ranch adopted by the Board of County Commissioners for La Plata County, Colorado.

5. EPOA reserves the right, but shall have no obligation, to annex to Edgemont Ranch Unit 1 from time to time some or all of the Annexable Property, upon application by the then owner(s) of such property. Each such annexation shall be accomplished by the recording of a Supplemental Declaration, together with a Supplemental Plat, which describe and depict any new Lots and Common Areas (or Sub-Association Common Areas) thereby added to Edgemont Ranch Unit 1, and which describe any Common Elements or Limited Common Elements thereby created. The Supplemental Declaration shall incorporate this Comprehensive Amended Declaration by reference and shall set forth such amendments to the Comprehensive Amended Declaration and such additional covenants, conditions, uses, restrictions and reserved development rights as may be applicable to the annexed property.

6. Edgemont Property Owners Association, a Colorado non-profit corporation, has been formed as an association to exercise the functions set forth herein and to own, hold, operate, care for and manage certain property for the common benefit of Owners and Occupants of Lots within, and of any other person acquiring an interest in, the Edgemont Ranch Unit 1.

7. The Undersigned desire and intend that the Owners, Mortgagees, Occupants and all other Persons hereafter acquiring any interest in the Edgemont Ranch Unit 1 shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements contained in this Comprehensive Amended Declaration, as it may be amended from time to time by Supplemental Declarations or otherwise.

8. This Comprehensive Amended Declaration is to be construed as an amendment to the Prior Declarations in accordance with their own terms and shall be construed as further clarification and definitions thereof and not as additional

restrictions or burdens on the Property subject hereto. In the event that any provision is determined to be invalid in that such provision establishes an additional burden not properly constituting an amendment in accordance with the terms of the Prior Declarations, such invalid provision shall not affect the validity of the remainder of the terms and provisions set forth in this Comprehensive Amended Declaration.

Article 1 **DECLARATION**

NOW, THEREFORE, for the purposes set forth above and herein, it is declared that the property described on Exhibit A attached, less and except Edgemont Ranch Unit 1, is relieved entirely of any burden related to the Prior Declarations and the Undersigned for themselves, all Owners in Edgemont Ranch Unit 1 and their successors and assigns hereby declare that Edgemont Ranch Unit 1 and all other property which becomes subject to this Comprehensive Amended Declaration in the manner hereinafter provided, and each part thereof, shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, improved, altered, maintained and enjoyed subject to the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations, exceptions, easements, privileges, rights and other provisions hereinafter set forth, for the duration hereof, all of which are declared to be part of, pursuant to, and in furtherance of a common and general plan of development, improvement, enhancement, use, occupancy and enjoyment of Edgemont Ranch Unit 1, and all of which shall run with the land and be binding upon and inure to the benefit of (i) the Edgemont Ranch Unit 1 and every part thereof, (ii) the EPOA and its successors and assigns, (iii) every Member of the EPOA, and (iv) all Owners, Occupants and other Persons having or acquiring any right, title or interest in or to the Edgemont Ranch Unit 1 or any part thereof, or any Improvement thereon, and their respective heirs, personal representatives, successors and assigns.

Notwithstanding the foregoing, in no event shall the Annexable Property or any portion thereof be burdened or benefited by or otherwise subject to any of the terms or provisions of this Comprehensive Amended Declaration until such property has been annexed to the Edgemont Ranch Unit 1, at EPOA's sole option and discretion, and expressly subjected to the terms and provisions hereof (and any amendments hereof affecting the annexed property as may be contained in the Supplemental Declaration therefore), all as more particularly provided herein. This Declaration shall be recorded in every county in which any portion of the Edgemont Ranch Unit 1 is located and shall be indexed in the Grantee's index in the name of Edgemont Ranch Unit 1 and the EPOA and in the Grantor's Index in the name of each person or entity executing this Comprehensive Amended Declaration.

Article 2 **DEFINITIONS**

Unless otherwise expressly provided herein, the following words and phrases when used in this Comprehensive Amended Declaration shall have the meanings hereinafter specified.

2.1 Act. “Act” shall mean the Colorado Common Interest Ownership Act as provided in C.R.S. 38-33.3-101, et seq., as the same may be amended from time to time.

2.2 Allocated Interests. “Allocated Interests” means the Common Expenses liability and the votes in the EPOA allocated to each Lot, which interests are allocated as follows:

- (a) The Common Expenses liability for each Lot is calculated on the basis of a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots in the Edgemont Ranch Unit 1 as of the date of the calculation. Such fraction is then multiplied by the Common Expenses or the Assessment in question to determine that Lot’s share thereof. The Common Expenses liability of a Lot is determined without reference to the size, location, value or use of the Lot. However, each multi-family Lot developed into apartments shall pay one-fourth (1/4) of the assessment, attributable to a single family residential Lot, for each apartment.
- (b) One vote in the EPOA is allocated to each single family residential Lot, condominium, townhouse or patio home in the Edgemont Ranch Unit 1. Each Multi-Family Lot developed as apartments shall be entitled to one vote for each four apartments and Multi-Family Lots undeveloped shall be entitled to 1 vote per lot.
- (c) If Lots are added to or withdrawn from the Edgemont Ranch Unit 1, (i) the Common Expenses liability for each Lot shall be reallocated on the basis of a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots in the Edgemont Ranch Unit 1 following the addition or withdrawal of such Lots, and (ii) one vote in the EPOA shall continue to be allocated to each Lot in the Edgemont Ranch Unit 1 following the addition or withdrawal of such Lots. In calculating the total number of Lots, multi-family Lots undeveloped shall be considered one Lot, and multi-family Lots developed into apartments shall be considered one (1) Lot for every four (4) apartments. Multi-family Lots developed into condominiums, townhomes or patio homes shall be calculated as one (1) Lot for each condominium, townhouse or patio home.

2.3 Annexable Property. “Annexable Property” means that real property which is covered by the Plan of Edgemont Ranch P.U.D., but which has not been annexed to the Edgemont Ranch Unit 1 or made subject to the terms and provisions of this Comprehensive Amended Declaration. In the sole discretion of EPOA, upon application of the owner(s) of the property seeking annexation, all or a portion of the Annexable Property may be annexed to, and made a part of, the Edgemont Ranch Unit 1 in the manner provided in this Comprehensive Amended Declaration.

2.4 Application for Certificate of Compliance. “Application for Certificate of Compliance” means a written application submitted by a Lot Owner to the Design Review Board requesting the issuance of a Certificate of Compliance to the effect that the Improvements constructed by the Owner on its Lot have been completed in compliance with the development approvals granted therefore by the Design Review Board. The procedures pertaining to such Applications are more particularly set forth in Section 4.12 below.

2.5 Approved Builder. “Approved Builder” means a general contractor that has been approved to perform work within Edgemont Ranch Unit 1 by the Design Review Board pursuant to the standards, guidelines and procedures set forth herein and in the Design Regulations.

2.6 Articles of Incorporation. “Articles of Incorporation” or “Articles” means the Articles of Incorporation of EPOA, which have been or will be filed in the office of the Secretary of State of the State of Colorado, as the same may be amended from time to time.

2.7 Assessment. “Assessment” means a Regular Assessment, Special Assessment or Reimbursement Assessment. .

2.8 Board of Directors. “Board of Directors” or “Board” means the Board of Directors of the EPOA.

2.9 Budget. “Budget” means a written itemized estimate of the Common Expenses to be incurred by the EPOA in performing its functions under this Comprehensive Amended Declaration and adopted by the Board of Directors pursuant to Section 10.7 of this Comprehensive Amended Declaration.

2.10 Bylaws. “Bylaws” means the Bylaws of the EPOA which have been or will be adopted by the Board of Directors of the EPOA, as the same may be amended from time to time.

2.11 Common Areas. “Common Areas” means all portions of any Open Space, Common Areas, trails, tennis courts, picnic areas or other common facilities that may be created within the Edgemont Ranch Unit 1, other than within single-family or multi-family residential Lots. Except as otherwise provided herein, every Owner and Occupant shall have a non-exclusive license and easement to use and enjoy the Common Areas, subject always to the provisions of this Comprehensive Amended Declaration, all Supplemental Declarations, and the Rules and Regulations. No Owner may delegate his rights to use and enjoy the Common Areas to any Person, except to the members of his immediate family, to Occupants of his Lot, or to his invitees, subject always to the provisions of this Comprehensive Amended Declaration, all Supplemental Declarations, and the Rules and Regulations.

2.12 Common Expenses. “Common Expenses” means any expenditures made or liabilities incurred by or on behalf of the EPOA, together with any allocations to reserves, including, but not limited to the following:

(a) The costs of maintenance, management, operation, repair and replacement of the Common Areas, and of all other parts of the Edgemont Ranch Unit 1 which are managed or maintained by the EPOA, but excluding any areas being managed or maintained at the expense of a Sub-Associations on Multi-Family Lots;

(b) The costs of Improvements constructed from time to time by the EPOA on Common Areas, if such costs were included within a duly adopted Budget.

(c) Unpaid Assessments;

(d) All costs incurred by the EPOA in connection with the Fishing Area which is not located within the Edgemont Ranch Unit 1, but is described in the Fishing Agreement, a copy of which is attached as Exhibit C, as amended from time to time, and all costs incurred by the EPOA in connection with the Picnic Area Improvements or New Improvements which are not located within the Edgemont Ranch Unit 1, but are described in the Agreement Regarding Picnic Area at Edgemont Ranch, a copy of which is attached as Exhibit D, as amended from time to time.

(e) The costs of management and administration of the EPOA, including, but not limited to, compensation paid by the EPOA to managers, accountants, attorneys and employees;

(f) The costs of utilities and services (including, but not limited to, water, electricity, gas, sewer, trash pick-up and disposal and recycling), which are provided to the EPOA or the Edgemont Ranch Unit 1 and not individually metered or assessed to Lots, landscaping maintenance, and other services which generally benefit and enhance the value and desirability of the Edgemont Ranch Unit 1 and which are provided by or on behalf of the EPOA, but excluding any such utilities or services that may be provided by a Sub-Association;

(g) The costs of insurance maintained by the EPOA as required or permitted herein, but excluding any insurance maintained by a Sub-Association;

(h) Reasonable reserves for contingencies, replacements and other proper purposes as deemed appropriate by the Board of Directors to meet anticipated costs and expenses including, but not limited to, maintenance, repair and replacement of those Common Areas which must be maintained, repaired or replaced on a periodic basis.

(i) The costs of bonding the members of the Board of Directors, the officers of the EPOA, any professional managing agent or any other Person handling the funds of the EPOA;

(j) Taxes paid by the EPOA;

(k) Amounts paid by the EPOA for the discharge of any lien or encumbrance levied against the Common Areas or portions thereof;

(l) The costs incurred by the Design Review Board, and by any other committees that may be established from time to time by the Board of Directors;

(m) The cost of security guards, if any, and of operating any guard gates, key gates and like gates at entrances to the Edgemont Ranch Unit 1, and any other security systems or services installed, operated or contracted for by the EPOA (including, but not limited to, patrols for the Edgemont Ranch Unit 1);

(n) The costs of maintaining, operating and replacing recreational, cultural, health-related or similar facilities or enterprises available to or for the benefit of all Owners; and

(o) Other expenses incurred by the EPOA for any reason whatsoever in connection with the Common Areas, or the costs of any other item or service provided or performed by the EPOA pursuant to this Comprehensive Amended Declaration, any Supplemental Declaration, the Articles, Bylaws, Rules and Regulations, or Design Regulations, or in furtherance of the purposes of the EPOA or in the discharge of any duties or powers of the EPOA. In the event that any common services furnished to the Edgemont Ranch Unit 1 are part of services that are provided to or benefit property in addition to the Edgemont Ranch Unit 1, Common Expenses shall only include the cost of such services reasonably allocated to the services provided to the Edgemont Ranch Unit 1.

2.13 Condominium. “Condominium” means any part of the Edgemont Ranch Unit 1 in which portions of the real estate (i.e., units) are designated for separate ownership and the remaining real estate is designated for common ownership in undivided interests solely by the owners of said units.

2.14 County. “County” means La Plata County, Colorado.

2.15 Deed of Trust. “Deed of Trust” means a Mortgage.

2.16 Design Regulations. “Design Regulations” means the rules, procedures, standards, guidelines and requirements promulgated from time to time by the Board of Directors, and all amendments thereto, governing the review and approval or disapproval of proposed Improvements within the Edgemont Ranch Unit 1, of proposed Builders of such Improvements, and such other matters as the Board of Directors considers necessary or appropriate.

2.17 Design Review Board. “Design Review Board” means the Committee provided for in Article 4 of this Comprehensive Amended Declaration.

2.18 Edgemont Ranch Unit 1. “Edgemont Ranch Unit 1” means Edgemont Ranch Unit 1 and any additional real property which may from time to time be annexed to the Edgemont Ranch Unit 1 and made subject to this Comprehensive Amended

Declaration by Supplemental Declaration and Supplemental Plat, including all Lots, Common Areas, Sub-Association Common Areas, Common Elements and Limited Common Elements, if any, together with all Improvements and other amenities now or hereafter located thereon, and together with all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto. If any property is subsequently withdrawn from the Edgemont Ranch Unit 1 pursuant to the provisions of this Comprehensive Amended Declaration, the term “Edgemont Ranch Unit 1” shall thereafter not include said withdrawn property.

2.19 EPOA. “EPOA” means Edgemont Ranch Unit 1 Property Owners Association, a Colorado nonprofit corporation, its successors and assigns. The EPOA is acting in the capacity of an association as described in C.R.S. §38-33.3-301.

2.20 Final Plat. “Final Plat” means the Final Plat of Edgemont Ranch Unit 1, as recorded November 2, 1983 as Reception No. 491170 in the Office of the Clerk and Recorder of La Plata County, Colorado, as amended by the Final Plat of Edgemont Ranch Unit 1 Amend Plat No. 1 as recorded May 1, 1985 as Reception No. 515243, and as said Final Plat may be further amended from time to time.

2.21 Household Pets. “Household Pets” means generally recognized household pets such as dogs, cats, fish, birds, rodents, and non-poisonous reptiles.

2.22 Improvements. “Improvements” means any improvements, structural or otherwise, alterations, additions, repairs, excavation, grading, landscaping or other work which in any way alters any property within the Edgemont Ranch Unit 1, or the improvements located thereon, from its natural or improved state existing on the date this Comprehensive Amended Declaration or a Supplemental Declaration for such property was first Recorded, including, but not limited to, dwelling units, buildings, outbuildings, additions, swimming pools, patio covers, awnings, the painting or other change of any exterior surfaces of any visible structure, walkways, outdoor sculptures or artwork, sprinkler or irrigation systems, garages, carports, roads, driveways, parking areas, ponds, ditches, fences, screening walls, retaining walls, stairs, decks, flag poles, fixtures, landscaping (including the addition, alteration or removal of any tree, shrub or other vegetation), hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, tanks, solar equipment, wind harnessing or other energy generating equipment, exterior air conditioning, water softener fixtures, utilities, antennae and satellite dishes or receivers. Once an Improvement has been constructed or accomplished on a property within the Edgemont Ranch Unit 1, any subsequent alteration of or addition to or removal of that Improvement shall also constitute an “Improvement” hereunder.

2.23 Lease. “Lease” means and refers to any agreement for the leasing, rental, use or occupancy of a dwelling unit located on a Lot within the Edgemont Ranch Unit 1. The required terms and procedures for Leases are more particularly set forth in Section 3.33 below.

2.24 Lot. “Lot” means any part of the Edgemont Ranch Unit 1 which is designated as a Lot upon the Final Plat or any Supplemental Plat, together with all

improvements thereon and appurtenances thereto. For the purpose of conformance of this Comprehensive Amended Declaration to the terms and provisions of the Act, the term “Lot” shall be analogous to the term “Unit,” as that term is defined in the Act. The term “Lot” shall include each unit within any condominium or townhouse or patio home that may be created within the Edgemont Ranch Unit 1. The term “Lot” shall not include the Common Areas or any property owned by a public entity.

2.25 Lot Owner “Lot Owner” means the Person, or, if more than one, all Persons collectively, who hold fee simple title of Record to a Lot, including sellers under executory contracts of sale and excluding buyers there under. The term “Lot Owner” shall be analogous to the term “Unit Owner”, as that term is defined in the Act. “Lot Owner” shall be used interchangeable with the term “Owner” in this Comprehensive Amended Declaration.

2.26 Map. “Map” means any map or Plat that is attached to a Supplemental Declaration and that depicts a portion of the Edgemont Ranch Unit 1 in three dimensions. A Map is required for any portion of the Edgemont Ranch Unit 1 with units having a horizontal boundary (such as a condominium). A Map and a Plat may be combined in one instrument.

2.27 Member. “Member” means each Lot Owner. Membership in the EPOA shall be appurtenant to, and may not be separated from, ownership of a Lot.

2.28 Mortgage. “Mortgage” means any mortgage, deed of trust or other security instrument, given voluntarily by the Owner of a Lot, creating a real property security interest in a Lot and Recorded in the records of the Clerk and Recorder of the County. “First Mortgage” means a mortgage which is the first and most senior of the Mortgages on the same Lot. The term “Mortgage” does not mean a statutory, tax or judicial lien. The term “Deed of Trust” when used herein shall be synonymous with the term “Mortgage.”

2.29 Mortgagee. “Mortgagee” means a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee.

2.30 Mortgagor. “Mortgagor” means the maker, obligor or grantor of a Mortgage. The term “Mortgagor” includes a trustor or grantor under a Deed of Trust.

2.31 Notice and Hearing. “Notice and Hearing” means a written notice and public hearing before the Board of Directors, or a panel appointed by the Board of Directors, as set forth in the Bylaws.

2.32 Occupant. “Occupant” means any Person, other than an Owner, in rightful possession of any portion of the Edgemont Ranch Unit 1, whether as a guest, tenant, or otherwise.

2.33 Open Space Tracts. Those open space tracts as designated on the recorded Plats of Edgemont Ranch Unit 1.

2.34 Owner. “Owner” means the Person, or, if more than one, all Persons collectively, who hold fee simple title of Record to a Lot, including sellers under executory contracts of sale and excluding buyers there under. The term “Owner” shall be analogous to the term “Unit Owner”, as that term is defined in the Act.

2.35 Person. “Person” means a natural person, a corporation, a partnership, an association, a trust, or any other entity or any combination thereof.

2.36 Plat. “Plat” shall mean the Final Plat of Edgemont Ranch Unit 1 recorded November 2, 1983 at Filing No. 491170, as amended by the Final Plat of Edgemont Ranch Unit 1 Amended Plat No. 1 recorded May 1, 1985 at Filing No. 515243 and any Supplemental Plat filed pursuant to this Comprehensive Amended Declaration.

2.37 Record or Recorded. “Record” or “Recorded” means an instrument of record in, or the act of recording an instrument with, the office of the Clerk and Recorder of the County.

2.38 Regular Assessment. “Regular Assessment” means a charge against each Owner and the Owner’s Lot for purposes of covering the annual costs of operating and administering the EPOA and all other Common Expenses. Regular Assessments are based on a Budget adopted by the Board of Directors in accordance with Section 10.7 below, and are allocated to the Lots in accordance with the Allocated Interests.

2.39 Reimbursement Assessment. “Reimbursement Assessment” means a charge against a particular Owner and the Owner’s Lot for purpose of reimbursing the EPOA for costs and expenses incurred by the EPOA in connection with the enforcement of any provision hereof or the remedying of any violation by the Owner or an Occupant of this Comprehensive Amended Declaration or any amendment hereto or any Supplemental Declaration, the Articles, Bylaws, Rules and Regulations, or Design Regulations, or any approvals granted by the Design Review Board, or for other purposes set forth in this Comprehensive Amended Declaration, pursuant to Section 10.9 hereof, together with late charges and interest as provided for herein. Reimbursement Assessment shall include without limitation any Common Expense caused by the misconduct of any Lot Owner or of such Owner’s Occupants.

2.40 Comprehensive Amended Declaration. “Comprehensive Amended Declaration” means this instrument and all Supplemental Declarations, as this instrument and such Supplemental Declarations may be amended from time to time.

2.41 Rules and Regulations. “Rules and Regulations” means rules and regulations adopted from time to time by the Board of Directors, in accordance with this Comprehensive Amended Declaration.

2.42 Special Assessment. “Special Assessment” means a charge against each Owner and the Owner’s Lot for purposes of reimbursing the EPOA for costs and expenses incurred or to be incurred by the EPOA for the purpose of paying for the construction, reconstruction, repair or replacement of capital Improvements to the Edgemont Ranch Unit 1, the costs of which were not included in a Regular Assessment,

or for excess reconstruction costs or other extraordinary expenses (including uncollected Reimbursement Assessments, until collected), as authorized by the Board of Directors from time to time as provided herein.

2.43 Sub-Association. “Sub-Association” means any Colorado nonprofit corporation, and its successors and assigns, organized and established pursuant to or in connection with any Supplemental Declaration.

2.44 Sub-Association Common Area. “Sub-Association Common Area” means all real property interests (not just fee title and leasehold interests) and the Improvements or amenities and personal property thereon which may from time to time be owned, leased or maintained by a Sub-Association or otherwise held by a Sub-Association for the common use, enjoyment and benefit of the members of such Sub-Association.

2.45 Supplemental Declaration. “Supplemental Declaration” means an amendment to this Comprehensive Amended Declaration which annexes real property to the Edgemont Ranch Unit 1, subjects such real property to this Comprehensive Amended Declaration, and sets forth such amendments to the Comprehensive Amended Declaration and such additional covenants, conditions, uses and restrictions as may be applicable to the annexed property, executed by the Board of Directors and Recorded in the office of the Clerk and Recorder of the County, and any Recorded amendments thereto.

2.46 Supplemental Plat. “Supplemental Plat” means any land survey plat which is Recorded by the Board of Directors for the purpose of annexing the real property described therein to the Edgemont Ranch Unit 1, and any Recorded amendments to such Supplemental Plat.

Article 3

GENERAL RESTRICTIONS APPLICABLE TO EDMONT RANCH UNIT 1

It is the intention of the Undersigned to establish and impose a common and general plan for the improvement, development, use and occupancy of the Edgemont Ranch Unit 1, all in order to enhance the value, desirability, and attractiveness of the Edgemont Ranch Unit 1 and to promote the marketing, development and enjoyment thereof. Accordingly, the Undersigned hereby declare that the entire Edgemont Ranch Unit 1, including but not limited to all Lots, shall be owned, held, used, occupied, improved, altered, maintained, conveyed, leased, encumbered and enjoyed subject to the following covenants, conditions, restrictions, reservations, easements, rights and other provisions, and to the further requirements and restrictions set forth in the Design Regulations.

3.1 Development Control. No Improvements shall be made, done, permitted, located, altered or removed within the Edgemont Ranch Unit 1 without the prior approval of the Design Review Board, except as otherwise expressly provided in this

Comprehensive Amended Declaration. No residence, building, structure, fence, wall, landscaping, or other Improvement shall be commenced, erected, maintained, improved, altered, made or removed without the prior written approval of the Design Review Board. All subsequent additions to or changes or alterations in any residence, building, structure, fence, wall, landscaping or other Improvement, including exterior color scheme, and all changes in the grade of Lots, shall also be subject to the prior written approval of the Design Review Board. No changes or deviations in or from the plans and specifications or Approved Builder approved by the Design Review Board shall be made without the prior written approval of the Design Review Board. Notwithstanding the foregoing, in the event of an emergency or the sudden occurrence of unanticipated conditions which threaten the health, safety or physical well-being of Persons or property within the Edgemont Ranch Unit 1, the Board of Directors and/or the Design Review Board shall have the authority (without the prior approvals described above), to take whatever remedial action may be necessary anywhere in the Edgemont Ranch Unit 1 to protect Persons and property until such time as applicable notice and/or approval procedures can reasonably be utilized.

3.2 Violation of Law, Insurance, Etc. No Owner or Occupant shall do any act or cause or permit anything to be done or kept on its Lot or in or upon the Common Areas which would result in the increase of, or cancellation of, insurance maintained by the EPOA or would be in violation of any federal, state, County or other law, ordinance, regulation or code of any governmental body having jurisdiction, or of any Rule or Regulation promulgated by the EPOA, or of any provision of this Comprehensive Amended Declaration.

3.3 General Maintenance of Edgemont Ranch Unit 1. All property within the Edgemont Ranch Unit 1, including without limitation all Lots (including without limitation unimproved Lots, and Lots on which Improvements are under construction), Common Areas, Improvements, and landscaping, shall be kept and maintained in a clean, attractive and safe condition and in good order, condition and repair. Maintenance, repair, and upkeep of each Lot and the Improvements thereon (including adequate painting and finishing thereof) shall be the responsibility of the Owner of the Lot. Maintenance, repair, and upkeep of Common Areas and the Improvements thereon shall be the responsibility of the EPOA. The individual Lot Owners and the Board of Directors shall each use a reasonable standard of care in providing for the repair, management and maintenance of the properties for which they are responsible so that the entire Edgemont Ranch Unit 1 will reflect a pride of ownership. If an Owner fails to perform any of such obligations within thirty (30) days following receipt of a written notice from the Board of Directors requesting the same, the Board of Directors shall have the right to enter upon the Lot of the Owner to cure the violation or otherwise to cause compliance with this provision and to levy and collect a Reimbursement Assessment upon the Lot Owner and its Lot for the costs and expenses incurred by the EPOA in connection therewith. The Board of Directors shall have no right to enter into the interior of a residence without the consent of the Owner except in the case of an emergency.

3.4 Residential Use. Each Single-Family Lot (as designated on the Plat) shall be improved, occupied and used only for single family residential purposes. Servants who care for the residence and/or the children may also occupy the residence. Attached or detached guest houses or caretaker units shall be permitted only if allowed by applicable zoning and approved by the County. A guest house or caretaker unit may be occupied only by the same persons that are permitted hereunder to occupy the residence, and may not be rented separate from a rental of the residence.

No structures whatsoever, other than one single-family residence, a guest house or caretaker unit that meets the above criteria, a private garage, and other outbuildings customarily incident to a single-family residence in the Durango/La Plata County area and approved by the Design Review Board, shall be erected, placed or permitted to remain on any single family residential Lot. No business, professional or other non-residential or commercial use shall be made of any Lot, or conducted in any residence constructed on a Lot, excepting “in-home businesses or occupations.” “In-home businesses or occupations” shall be defined as enterprises within a residential unit (single family home, condominium, townhome, patio home or apartment) employing no more than two (2) employees who are not residents of the Lot and which activity does not result in more than two (2) vehicles at a time for customer or client parking and has no exterior signage or other evidence of the business activity is visible from the exterior of such residential unit. No equipment or materials incident to any business or occupation (whether conducted within the residence or elsewhere) shall be kept or stored on any Lot except within the residence, garage, or other outbuilding approved by the Design Review Board.

Multi-family residential Lots (as designated on the Plat) are Lots which can be used solely for multiple-family residential dwelling purposes (condominiums, townhouses, apartments and cluster housing), and upon which the number of condominium, townhouse, apartment or cluster units to be constructed shall be as shown on the recorded Plat of Edgemont Ranch Unit 1, as revised from time-to-time, provided all provisions of these Comprehensive Amended Declaration are otherwise complied with.

3.5 New Construction Required; No Temporary Buildings or Occupancy. All Improvements constructed within or placed upon the Edgemont Ranch Unit 1 shall be new. Except as provided in Section 3.6 below, no used, previously erected, modular, or temporary house, structure, or non-permanent out-building shall ever be placed, erected or allowed to remain within the Edgemont Ranch Unit 1 except temporary structures or construction trailers used for construction office purposes during the construction of a residence, which temporary facilities shall be removed immediately following completion of construction and in any event no later than 18 months following commencement of construction or remodeling unless a written extension is granted by the Design Review Board. No trailer, incomplete residence or other structure other than a residence completed in accordance with approved plans shall ever be used or occupied at any time for residential purposes, either temporarily or permanently. No completed residence shall be occupied in any manner until all provisions of this

Comprehensive Amended Declaration and of the Design Regulations and all conditions of development approval have been complied with, and a Certificate of Compliance has been issued pursuant to Section 4.12 below. The work of constructing, altering or remodeling any residence or other Improvement within the Edgemont Ranch Unit 1 shall be prosecuted diligently from the commencement thereof until the completion thereof.

3.6 No Mobile, Modular or Manufactured Homes. No mobile or modular or manufactured homes shall be sited, constructed, fabricated, or otherwise located on any Lot within Edgemont Ranch Unit 1.

3.7 Design Regulations. All construction and landscaping activities within the Edgemont Ranch Unit 1 shall be strictly governed by the procedures, standards, guidelines, restrictions and requirements set forth in the Design Regulations. A violation of the Design Regulations shall constitute a violation of this Comprehensive Amended Declaration and may be enforced in accordance with the terms hereof.

3.8 Height Restrictions. No residence or other structure within the Edgemont Ranch Unit 1 shall exceed thirty-five (35) feet in height measured from the average elevation of the natural grade along the perimeter of the structure to the peak of the roof (or a lesser height if so restricted by applicable building codes).

3.9 Annoying Light, Sound or Odor. All exterior lighting installed or maintained on any Improvement located on a Lot shall be placed so that the light source is screened or shielded from the residence on any other Lot or from the Common Areas. No light shall be emitted from any part of the Edgemont Ranch Unit 1 (including any Lot) which is unreasonably bright or causes unreasonable glare. Without limiting the generality of the foregoing, no spotlights, floodlights or other high-intensity lights shall be permitted within the Edgemont Ranch Unit 1 without the prior written approval of the Design Review Board. The Design Regulations may contain standards for exterior lighting including, without limitation, standards for hue and intensity.

No sounds, except sounds from construction or remodeling of improvements or landscaping, maintenance or firewood cutting, shall be emitted from any part of the Edgemont Ranch Unit 1 (including any Lot) which exceeds 75 decibels (measured at the Lot boundary line), and no odor shall be emitted from any part of the Edgemont Ranch Unit 1 (including any Lot) which is noxious or unreasonably offensive. Again without limiting the generality of the foregoing, horns, whistles, bells (excepting chimes), or other sound devices, other than security devices used exclusively for security purposes, shall be located or used within the Edgemont Ranch Unit 1 except with the prior written approval of the Design Review Board.

The Board of Directors, in its sole discretion, shall have the right and authority to determine the existence of any violation of this Section 3.9, including the reasonableness of any light, sound or odor.

3.10 Noxious or Offensive Activities; Nuisances; Construction Activities.

No noxious or offensive activity shall occur or be allowed at any time within the Edgemont Ranch Unit 1, nor shall anything be done or placed therein which is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to Owners, Occupants, or the EPOA, or which interferes with the peaceful enjoyment or possession and proper use of the Edgemont Ranch Unit 1, or any part thereof, by Owners or Occupants. As used herein, the term “nuisance” shall not apply to any activities of EPOA which are reasonably necessary or appropriate to the development, improvement or maintenance of the Edgemont Ranch Unit 1 or any part thereof. The Board of Directors, in its sole discretion, shall have the right and authority to determine the existence of any nuisance or unreasonable annoyance under this Section 3.10.

Each Owner shall comply with the Rules and Regulations and the requirements of all health authorities and other governmental authorities having jurisdiction over the Edgemont Ranch Unit 1. Normal construction activities and parking in connection with the building of Improvements on a Lot shall not be considered a nuisance or otherwise prohibited by this Comprehensive Amended Declaration unless they are in violation of the Design Regulations or other requirements of the Design Review Board, but Lots and Common Areas shall be kept in a neat and tidy condition during construction periods, trash and debris shall not be permitted to accumulate, and supplies of brick, block, lumber and other building materials shall be piled only in such areas as may be approved by the Design Review Board. In addition, construction equipment and building materials may only be stored or kept within the Edgemont Ranch Unit 1 during and in connection with the construction of Improvements thereon. All such equipment and materials shall be removed immediately following completion of construction.

3.11 No Hazardous or Unsafe Activities. No activity shall be conducted on, and no Improvement shall be constructed on, any property within the Edgemont Ranch Unit 1 which is or might be unsafe or hazardous to any Person or property. Without limiting the generality of the foregoing, and except as allowed below, no explosives, gasoline, or other volatile and/or incendiary materials or devices or any materials deemed hazardous substances under applicable environmental laws, rules, or regulations shall ever be kept, stored, permitted to remain or be released on any Lot or elsewhere within the Edgemont Ranch Unit 1. Gasoline or fuel for an Owner’s lawn mower, snow removal equipment, and the like may be maintained on an incidental basis on a Lot in an amount not to exceed ten (10) gallons. Similarly, gasoline, fuel and other products necessary in connection with the maintenance of the Common Areas may be stored in enclosed structures on the Common Areas.

3.12 Outside Burning; Fire Hazards. No exterior fires shall be lighted or permitted within the Edgemont Ranch Unit 1 except in a contained barbecue unit while attended and in use for cooking purposes or in an outside fireplace whose type and location has been approved in writing by the Design Review Board. No Lot Owner shall cause or permit any condition on his Lot which creates a fire hazard or is in violation of fire prevention regulations, or which would increase insurance rates for the Common Areas or for other Lot Owners.

3.13 No Firearms or Hunting. The discharge of firearms on any part of the Edgemont Ranch Unit 1 (including the Lots) is expressly prohibited. Hunting on any part of the Edgemont Ranch Unit 1 (including the Lots) is expressly prohibited. Further, taking access from any part of the Edgemont Ranch Unit 1 to hunt on the Bureau of Land Management property that is located within the Edgemont Ranch Unit 1 Subdivision or giving consent or permission to others to do so, is expressly prohibited.

3.14 No Obstruction. There shall be no obstruction of any easements, or drainage, irrigation or water feature systems located within any Lot or the Common Areas, or any interference with the free use thereof, except such obstruction or interference as may be reasonably required in connection with the construction, maintenance or repair thereof. The EPOA shall promptly take such action as may be necessary to abate or enjoin any such obstruction or interference, and shall have the right to enter upon a Lot for purposes of removing the same, and any costs incurred by the EPOA in connection with such abatement, injunctive or corrective activities shall be assessed to the responsible Lot Owner or Owners in the form of a Reimbursement Assessment.

3.15 No Unsightliness; Sporting Equipment; No Clothes Drying; Children's Recreational Equipment. All unsightly structures, facilities, equipment, objects, and conditions shall be kept in an enclosed structure approved by the Design Review Board, including sporting equipment (e.g., skis, snowboards, bikes, mountain bikes, kayaks, etc.), snow removal equipment and garden or maintenance equipment except when in actual use. No laundry or wash shall be dried or hung outside any residence. Equipment intended for children's recreation use, such as swing sets and slides, shall be adequately screened from roads, other Lots, and the Common Areas in accordance with approvals obtained from the Design Review Board.

3.16 Garbage and Trash. No refuse, garbage, trash, grass, shrub, or tree clippings, plant waste, compost, scrap, rubbish, or debris of any kind shall be kept, stored, maintained or allowed to accumulate or remain on any Lot or on the Common Areas except temporarily within an enclosed structure within the Building Envelope approved by the Design Review Board. No garbage containers, trash cans, composter or receptacles shall be kept or maintained in an unsanitary or unsightly condition, and they shall not be visible from another Lot or Common Areas. All such refuse, garbage, trash, plant waste, scrap materials, rubbish and debris (except material placed in a properly maintained composter) shall be promptly removed from the Edgemont Ranch Unit 1 and shall not be burned thereon. Garbage structures and containers shall comply with such recommendations as may be made from time to time by the Colorado Division of Wildlife. All centralized trash locations, if any, will be maintained by the EPOA. A sub-association that contracts for garbage structures and containers shall maintain the sanitary condition and appearance in accordance with the Edgemont Ranch Unit 1 Covenants, Conditions and Restrictions.

3.17 Vehicle Parking, Storage, Operation and Repair. No boats, trailers, buses, motor homes, campers (on or off supporting vehicles), snowmobiles, recreational vehicles, golf carts, trucks, industrial or commercial vehicles (cabs or trailers), abandoned or inoperable vehicles (as defined below), or any other similar vehicles (excepting passenger automobiles and one-ton or smaller pick-up trucks) shall be parked or stored in or upon the Common Areas (including the private streets) or upon a Lot unless they are adequately screened from streets, Lots and Common Areas by structures approved in advance by the Design Review Board, and no vehicle of any kind shall be maintained, repaired, repainted, serviced or rebuilt on the Common Areas or on any Lot except within a completely enclosed garage which fully screens the sight and sound of the activity from the streets and other Lots and the Common Areas. This restriction shall not prevent the non-commercial washing and polishing of vehicles and boats, together with activities normally incident thereto. Except during special occasions and then only for the duration thereof, only passenger automobiles and one ton or smaller pick-up trucks belonging to the Owner or Occupant of a Lot (or their occasional guests) shall be parked in the driveway of the Lot.

Notwithstanding the foregoing, vehicles, campers (on or off supporting vehicles) and trailers may be parked on driveways on Lots and on streets within Edgemont Ranch Unit 1 for loading and unloading purposes for no more than two days at one time, provided the Owner or Occupant provides prior notice of such to the EPOA by telephone or e-mail. Vehicles and trailers are also permitted as necessary for emergency purposes and/or for the construction or maintenance of Improvements within the Edgemont Ranch Unit 1 upon compliance with the Design Regulations and any conditions imposed by the Design Review Board.

An “abandoned or inoperable vehicle” shall mean any motorized vehicle which does not display a current motor vehicle license or which does not have an operable propulsion system within the vehicle.

In the event that the Board of Directors or the Design Review Board shall determine that a vehicle is abandoned or inoperable, or is otherwise in violation of the provisions of this Section 3.17, a written notice of violation describing said vehicle shall be personally delivered to the vehicle owner (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner cannot be reasonably ascertained), and if the offending vehicle is not removed within 72 hours thereafter, the Board of Directors or Design Review Board (as the case may be) shall have the right to remove and store the offending vehicle, or cause the vehicle to be removed and stored, at the sole expense of the Owner of the Lot on which the vehicle is located (or at the expense of the vehicle owner if it is parked on a street), and to enter upon an Owner’s Lot for such purpose, all without liability on the part of the Board of Directors or the Design Review Board.

Snowmobiles, motorcycles, trail bikes, mini-bikes, dirt bikes, all-terrain vehicles, mopeds and similar vehicles shall not be used or operated (but may be transported on trailers) within the Edgemont Ranch Unit 1, except that motorcycles

properly licensed for operation on public roads may be used for the strictly limited purpose of ingress and egress to a Lot over public or private roads. Motorized vehicles that are designed for agricultural or property maintenance uses may be used for those purposes.

3.18 Animals. Except as specifically permitted below or by the Rules and Regulations, no animals, reptiles, primates, fish, fowl or insects of any kind shall be kept, raised, bred, maintained or boarded within or upon any part of the Edgemont Ranch Unit 1.

Notwithstanding the foregoing, each Lot shall be entitled to a reasonable number of Household Pets, so long as such pets are not kept for any commercial purpose, are not kept in unreasonable numbers, do not cause an unreasonable amount of noise or odor, or do not become a nuisance to other Lot Owners or Occupants. Household Pets must be fenced or restrained at all times within the Owner's or Occupant's Lot. All Household Pets shall be properly immunized and otherwise maintained and cared for as required by applicable laws. All Household Pets must be confined to the Owner's Lot or on a leash at all times.

The Owner of a Lot where a Household Pet is kept, as well as the legal owner of the pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by the pet, and for any clean-up of streets, sidewalks, Common Areas or other Lots necessitated by such pet. Pet Owners may be subjected to fines as imposed by the Colorado Division of Wildlife if domestic pets are caught harassing or destroying wildlife. In addition to fines imposed by the Colorado Division of Wildlife, the Board of Directors shall have the authority to levy fines against a Lot Owner or Occupant if their domestic pet is caught harassing or destroying wildlife. The amount of the fines shall be determined by the Board of Directors.

The Board of Directors shall have, and is hereby given, the right and authority to determine in its sole discretion that Household Pets are being kept for commercial purposes, or are being kept in unreasonable numbers, or are causing an unreasonable amount of noise or odor, or are otherwise a nuisance to other Lot Owners or Occupants, or that a Lot Owner or Occupant is otherwise in violation of this Section 3.18, and to take such action or actions as it deems reasonably necessary to remedy the violation. Without limiting the generality of the foregoing, the Board of Directors may require the owner or custodian of a dog that barks or howls excessively, or of a Household Pet with other offensive habits, to confine such animal indoors.

3.19 Equipment, Tanks, Antennae, Satellite Dishes, Etc. No heating, air conditioning, air movement, solar collection (e.g., swamp coolers), wind collection, or refrigeration equipment shall be placed, allowed, or maintained anywhere other than on the ground, and then must be concealed from view and the location must receive the prior written approval of the Design Review Board. Provided, however, that solar units meeting all governmental guidelines for residential uses may be located on the roof if (a) such solar unit is built into and made an integral part of the roof flashing or

structure of a residence constructed on a Lot or is installed on the roof and parallel to the roof surface (rising no more than 16 inches above the roof surface), and (b) if specifically approved in advance by the Design Review Board. No tanks of any kind, whether elevated or buried, shall be erected, placed or permitted to remain upon any Lot or Common Area except in compliance with applicable federal and state regulations, and then only with the prior written consent of the Design Review Board. Any approved tank must be located underground or adequately concealed from view by fencing or screening approved by the Design Review Board. No radio, television or other antennae of any kind or nature, and no device for the transmission or reception of audio, microwave, visual or other signals, including without limitation satellite dishes or receivers, shall be erected, placed or permitted to remain upon any Lot or Common Area except with the prior written approval of the Design Review Board, and then must be adequately concealed from view by fencing or screening approved by the Design Review Board, except satellite dishes not exceeding eighteen (18) inches in diameter which are authorized but must also be reasonably concealed from view.

3.20 No Mining or Drilling. No property within the Edgemont Ranch Unit 1 shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing water, geothermal resources, oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, or earth, except drilling, exploring for, removing or storing underground water by Edgemont Ranch Metropolitan District or the EPOA. Nothing contained herein shall be construed to limit the rights of the owners of mineral interests severed from the surface of any portion of the Edgemont Ranch Unit 1 prior to the recording of this Comprehensive Amended Declaration.

3.21 Excavations. No excavation or other earth disturbance shall be performed or permitted within the Edgemont Ranch Unit 1 except in connection with the construction of Improvements, and then only with the prior written approval of the Design Review Board. Upon completion of construction, openings in the ground shall be backfilled and compacted and all disturbed ground shall be graded and landscaped in accordance with the Design Regulations and the requirements of the Design Review Board. Maintenance of existing utility improvements shall not require the prior approval of the Design Review Board. However, upon completion of maintenance, openings in the ground shall be backfilled and compacted and all disturbed ground shall be graded and landscaped in accordance with the Design Regulations and the original requirements of the Design Review Board.

3.22 No Interference with Waterways or Drainage or Irrigation Systems. No Lot Owner or Occupant shall construct, install, maintain or permit any fence or other improvement or obstruction or take any other action which damages or interrupts or interferes in any way with (i) the normal flow of water through and along waterways within the Edgemont Ranch Unit 1, (ii) any irrigation ditch or lateral or other water collection, storage or distribution system within or serving the Edgemont Ranch Unit 1, or (iii) normal drainage patterns within the Edgemont Ranch Unit 1 or any area designated as a "Drainage Easement" on the Final Plat or any other Plat, subject always

to the rights of owners of ditch and other water rights and the requirements of the Design Review Board.

3.23 Fencing and Gates. No fencing or gates may be constructed within the single family residential Lots in Edgemont Ranch Unit 1 (including the Lots) except in compliance with the provisions of the Design Regulations, and then only with the prior written approval of the Design Review Board. Dog runs are permitted, however, the design and location are subject to Design Review Board review and approval. These fencing and gate restrictions shall not apply to the multi-family Lots in Edgemont Ranch Unit 1. The Edgemont Ranch Metropolitan District shall from time to time determine who may have access through the entrances to the Edgemont Ranch Unit 1 onto the roads within the Edgemont Ranch Unit 1, and may promulgate reasonable rules and regulations relating to such right of entry, but none which restrict the right of entry and access of Lot Owners, Occupants, their guests, or prospective purchasers of a Lot that have been invited by the Lot Owner. It is expressly understood, however, that one or more entrances, as designated on the Final Plat or any other Plat or as required by governmental authority, may be restricted to emergency access only.

3.24 Tree and Natural Shrub Preservation. All Improvements within the Edgemont Ranch Unit 1 shall be located, designed and constructed so as to preserve and protect trees and natural shrubs. In order to conserve the natural beauty of the area, no existing trees or natural shrubs (e.g., pine, cedar, piñon, other evergreens, gamble oak, or sagebrush) may be removed except with the prior written approval of the Design Review Board. This restriction shall not apply to essential clearing by a Lot Owner in connection with the construction of a residence and its access (but not other Improvements) within a Lot, provided the prior written approval of the Design Review Board has been obtained. Any violation of this Section shall subject the offending Lot Owner to such penalties, fines and/or other conditions in accordance with the Design Review Guidelines.

3.25 Easements; Utility Companies; Underground Utility Lines. All roads, streets, and easements shown on the Final Plat or any other Plat covering any portion of the Edgemont Ranch Unit 1 have been created or reserved for the purposes indicated on such Plat and/or in Article 7 below. No Lot Owner may erect any structure of any type whatsoever in such easement areas, nor may an Owner or Occupant use the surface of such easement areas for any private use, other than landscaping which will not interfere with the use of said easement by the Persons or entities for whose benefit it has been created or reserved and which receives the prior written approval of the Design Review Board.

With respect to easements created for utility purposes either by the terms of this Comprehensive Amended Declaration or any other Recorded agreement or on the Final Plat or any other Plat, any and all bona fide public and private utility service companies and special utility districts shall have the right of access, ingress, egress, and use of such easement areas for the installation, operation and maintenance of utility facilities

serving the Edgemont Ranch Unit 1 or any future phase of Edgemont Ranch on the property designated on the currently approved Master Plan.

With the exception of improvements related to the collection, treatment, storage or distribution of domestic or irrigation water, and with the further exception of special street lighting or other above-ground facilities which may be expressly required by the County, no above-ground utility lines or facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed within the Edgemont Ranch Unit 1, whether upon Lots, easements, streets, or rights-of-way of any type, either by a utility company, a Lot Owner, or any other person or entity (including but not limited to any person owning or acquiring any part of the Edgemont Ranch Unit 1) and all utility lines and facilities (including but not limited to water, sewer, gas, electricity, telephone, and cable television shall be buried underground. Provided, that during the construction of a residence on a Lot the Approved Builder may install a temporary overhead utility line which shall be promptly removed upon completion of construction.

3.26 Landscaping. No landscaping shall be performed on any single family residential Lot or on the Common Area unless a landscaping plan therefore has received the prior written approval of the Design Review Board, and all landscaping shall comply with the Design Regulations. A landscaping plan for each Lot must be approved by the Design Review Board before construction is commenced on the residence on that Lot. In each instance, an approved landscaping plan shall be fully implemented and performed within the 9-month period immediately following (i) the issuance by the Design Review Board of a Certificate of Compliance for a residence constructed on a Lot, or (ii) the approval of the landscaping plan by the Design Review Board in all instances not involving the construction of a residence on a Lot. These requirements shall not apply to multi-family residential Lots and shall not be construed to require Design Review Board review and approval of plantings of flowers or incidental plantings of less than 5 shrubby plants or trees.

Landscaping shall be primarily indigenous plant life. Native trees and shrubs that are less desirable to big game shall be encouraged by the Design Review Board. Lawns shall be of an insect resistant blend of rough grasses naturally occurring in the area and such grasses shall be subject to guidelines promulgated by the Design Review Board. Each Owner shall diligently maintain, trim, weed, cultivate, husband, protect and preserve the shrubs, trees, hedges, grass, planters and other landscaping upon the Owner's Lot including, without limitation, the removal of dead and diseased branches and brush and the performance of other tasks necessary to remove or eliminate material which constitutes or creates a fire hazard or nuisance, and shall keep the Owner's Lot free of any plants listed on the prohibited plant list attached as an Appendix to the Design Regulations. Each Owner shall cooperate with the EPOA in its brush clearing and fire protection husbandry program for reduction of fire hazard within the Edgemont Ranch Unit 1. Each Owner shall also maintain all paved, concrete and other

synthetically surfaced areas within the Owner's Lot, including but not limited to, driveway and parking areas, in good condition and repair.

3.27 Swimming Pools, Spas and Related Equipment and Ponds No pond or pool may be erected, constructed or installed on any Lot without the prior written consent of the Design Review Board, in its sole discretion. All service equipment for ponds and pools and all spas or hot tubs shall be fenced and located in either (a) a side yard between the front and rear boundaries of the residence, or (b) in the rear yard adjacent to the residence, and shall be adequately screened from any street on which the Lot containing the pond, pool, spa or hot tub is located and from any neighboring Lot and the Common Areas.

3.28 Signs and Advertising. No sign, poster, billboard or advertising device of any kind shall be displayed in the public view upon any Lot or any Common Area without the prior written approval of the Design Review Board, except: (a) such signs as may be used in connection with the development, marketing and sale of Lots in the Edgemont Ranch Unit 1; (b) such signs as may be required by legal proceedings, or the prohibition of which is precluded by law; (c) such signs as may be required for traffic control and regulation of Common Areas; (d) residential identification signs or materials which are compatible with the architecture of the area, which shall be subject to the prior written approval of the Design Review Board, which signs shall not exceed 4 square feet in size; and (e) signs of the type commonly used by contractors and tradesmen may be erected during the authorized time of construction of the residence on a Lot, provided those signs do not exceed a total face area of 6 square feet. "For Sale" or "For Rent" signs may be posted on any Lot, provided the Lot Owner acts in compliance with applicable provisions of the Design Regulations and rules promulgated by the EPOA from time to time. No sign shall exceed a height of 4 feet from grade, unless previously approved in writing by the Design Review Board

3.29 Camping and Picnicking. No picnicking shall be allowed within the Common Areas except in areas designated for such purpose by the Board of Directors. Camping shall not be allowed within the Edgemont Ranch Unit 1 except by special permit issued by the Board of Directors in its sole discretion.

3.30 No Individual Water Wells or Individual Sewage Disposal Systems. With the exception of existing wells and septic systems, no individual water wells, and no cesspools, septic tanks or other individual sewage disposal systems, shall be drilled, constructed, maintained or permitted to remain within the Edgemont Ranch Unit 1.

3.31 Maintenance and Repair of Interior of Residence. The maintenance and repair of the interior of the residence and other structural Improvements on a Lot shall be the responsibility of the Lot Owner.

3.32 Restoration of Lot Improvements in the Event of Damage or Destruction. In the event of damage to or destruction of any Improvement on any Lot, the Owner thereof shall cause the damaged or destroyed Improvement to be promptly

restored or replaced to its original condition or such other condition as may be approved in writing by the Design Review Board, or the Owner shall cause the damaged or destroyed Improvement to be promptly demolished and the Lot to be suitably landscaped, subject to the approval of the Design Review Board, so as to present a pleasing and attractive appearance. Such Improvements shall be repaired, restored or otherwise demolished and suitably landscaped within such reasonable time frame as may be established by the Design Review Board.

3.33 Leases.

Any Owner of a condominium, townhouse, patio home or apartment shall have the right to Lease such unit without the limitations set forth below with respect single family Lots.

Any Owner of a single family Lot shall have the right to Lease his Lot (including the Improvements thereon) under the following conditions:

The Lease shall be in writing and shall cover the entire Lot. Only one Lease shall be in effect with respect to a Lot at any point in time. The Lease term shall not be less than 3 months unless written permission from the Board of Directors for a shorter term is given in the discretion of the Board of Directors.

All Leases shall be for a Lot with a completed and approved residence thereon;

All Leases shall provide (i) that the terms of the Lease and the tenant's (Occupant's) use of the Lot shall be subject in all respects to the provisions of this Comprehensive Amended Declaration, and the Articles, the Bylaws, and the Rules and Regulations, and the Design Regulations, (ii) that the Occupant has received and reviewed copies of said documents, and (iii) that any failure by the Occupant to comply with any of the aforesaid documents, in any respect, shall be a default by Occupant under the Lease and a default by Occupant and Owner under said documents which may be enforced against Occupant and/or Owner by the Board of Directors.

Without limiting the generality of the foregoing, each Lease shall contain a summary of (i) the maximum number of persons that may occupy a Lot, as set forth in Section 3.4 hereof, (ii) the rules regarding permitted animals, as set forth in Section 3.18 hereof, and (iii) the rules regarding storage of sporting equipment, as set forth in Section 3.15 hereof.

Each Owner who leases a Lot shall be responsible for assuring compliance by the Occupant with all of the provisions of this Comprehensive Amended Declaration, any Supplemental Declaration, the Articles, the Bylaws, the Rules and Regulations, and the Design Regulations, and shall be jointly and severally responsible with the Occupant for any violations thereof by the Occupant;

Each Lease shall expressly provide that the EPOA (via the Board of Directors) shall have the right to give the Occupant written notice that the Occupant is in violation

of one or more of the documents listed in subsection (f) above, which notice shall specify a period of time (at least 5 days) in which the Occupant may cure the violation. If the violation continues uncured, or if it is repeated within the 3-month period following the date of the first notice, the Lease shall provide that the Owner gives to the EPOA an irrevocable power of attorney to act on the Owner's behalf to give such statutory notices to the Occupant and to take such other actions as may be necessary or appropriate to terminate the Lease and to evict the Occupant from the premises.

Each owner shall provide the name and contact information of current tenant(s) including telephone number, email address and emergency contacts. The one page document will also contain acknowledgment that the owner has informed the lessee of the location of the CC&Rs and Bylaws of Edgemont Ranch Unit 1

3.34 Right of Entry. During reasonable hours and upon reasonable notice to the Owner or Occupant of a Lot, any member of the Design Review Board, any member of the Board of Directors, and any authorized representative of either of them, shall have the right to enter upon and inspect any Lot, and the Improvements thereon, except for the interior portions of any occupied residence, for the purpose of ascertaining whether or not the provisions of the Comprehensive Amended Declaration and of the Design Regulations have been or are being complied with and such individuals shall not be deemed guilty of trespass by reason of such entry.

3.35 Damage by Owners During Construction. Each Owner is responsible for any damage caused to ditches, fences, trails, natural drainage courses, utilities, Common Areas, or to other Lots or Improvements thereon, during the construction of Improvements upon the Owner's Lot. Damage shall include any degradation in the appearance or condition of such Common Areas or other Lots or Improvements. The responsible Owner shall promptly repair and clean up any such damage, at its sole expense. Each Owner shall also be responsible for any damage caused by utility cuts in roads, washouts and runoff damage caused by failure to properly install culverts, and to promptly repair any such damage. If the Owner fails to repair any such damage within 30 days following receipt of a written notice from the Design Review Board requesting the same, the Board of Directors shall have the right to perform such repairs on behalf of the Owner, and to levy a Reimbursement Assessment upon the Owner and its Lot to recover the costs thereof.

3.36 Restrictions on Re-subdivision, Property Restrictions, and Rezoning of Single Family Lots. Except as expressly permitted in this Comprehensive Amended Declaration or in a Supplemental Declaration by which additional property is annexed to the Edgemont Ranch Unit 1, (i) no single family Lot shall ever be further subdivided by an Owner into smaller lots or parcels, (ii) no portion less than all of any such single family Lot, nor any easement (except for access and/or utilities to serve another Lot within Edgemont Ranch Unit 1) or divided interest therein, shall be conveyed, transferred or encumbered by the Owner.

Lots designated as multi-family residential lots may be re-subdivided into condominiums or townhouses but may not exceed a density of 8 units per gross acre.

The boundaries between adjoining Lots may also be adjusted or removed (i.e. the Lots combined) by the Owner(s) thereof, if (i) the written consent of the Board of Directors is first obtained, in the reasonable discretion of the Board of Directors, (ii) all applicable regulations and codes are complied with and all necessary County approvals are obtained, (iii) the proposed adjustment or removal does not violate the terms of any document evidencing a security interest in the subject Lots, (iv) all Declaration and Plat amendments required by the Act and/or local land use laws are prepared, executed and Recorded, and (v) the necessary reallocation of Allocated Interests of the Owners is accomplished pursuant to the guidelines set forth above. All costs relating to such activity (including the attorneys' fees and costs incurred by the Board of Directors in reviewing and acting upon the matter) shall be the sole responsibility and obligation of the Owner(s) applying for the same.

No Owner of a Lot shall grant or convey any easement rights affecting any portion of the Lot without the prior written consent of the Board of Directors, which will not be unreasonably withheld.

No further covenants, conditions, restrictions or easements (except as provided for hereinabove) shall be Recorded by any Owner or other Person against any Lot (except in the case of multi-family Lots) without the provisions thereof having been first approved in writing by the Board of Directors for consistency with the Comprehensive Amended Declaration, any applicable Supplemental Declaration, and the general plan of development for the Edgemont Ranch Unit 1. Any covenants, conditions, restrictions or easements Recorded without such approvals being evidenced thereon shall be null and void.

No application for rezoning for any Lot, and no application for any variance or use permit for any Lot (except as may be required by a Plat note), shall be filed with any governmental authority by any Owner unless the proposed use of the Lot has first been approved in writing by the Board of Directors and the proposed use otherwise complies with the Comprehensive Amended Declaration and any applicable Supplemental Declaration.

3.37 Health, Safety and Welfare. In the event any uses, activities, and facilities within the Edgemont Ranch Unit 1 are deemed by the Board of Directors to be an unreasonable annoyance or nuisance, or to affect adversely the health, safety or welfare of Owners or Occupants, the Board of Directors may amend the Rules and Regulations in order to appropriately restrict and regulate such uses, activities or facilities within the Edgemont Ranch Unit 1. Such rules shall be consistent with the purposes and provisions of this Comprehensive Amended Declaration.

3.38 Implementation and Variances. The Board of Directors may implement the restrictions set forth in this Article 3, or otherwise restrict and regulate the use and

occupancy of the Edgemont Ranch Unit 1 and the Lots by reasonable Rules and Regulations of general application adopted by the Board of Directors from time to time, however, such rules and regulations must be for the purpose of clarifying or giving further definition to the covenants, conditions and restrictions contained in this Comprehensive Amended Declaration, as amended. The Board of Directors may, in its sole discretion and in extenuating circumstances, grant variances from the restrictions set forth in this Article 3 or in any Supplemental Declaration (excepting any such restrictions which fall within the jurisdiction and authority of the Design Review Board under this Comprehensive Amended Declaration or under the Design Regulations), if the Board of Directors determines, in its reasonable discretion, (a) either (i) that a particular restriction creates a substantial hardship or burden on an Owner or Occupant, which hardship or burden was not caused by said Owner or Occupant, or (ii) that a change of circumstances since the Recordation of this Comprehensive Amended Declaration has rendered such restriction obsolete, and (b) that the activity permitted under the variance, in the judgment of the Board of Directors, will not have any substantial adverse effect on the Owners and Occupants of the Edgemont Ranch Unit 1 (including neighboring Lots) and is consistent with the high quality of life intended for residents of the Edgemont Ranch Unit 1.

Article 4 **DESIGN REVIEW BOARD**

4.1 Establishment of Design Review Board. The EPOA shall have a Design Review Board, which shall consist of a minimum of three (3) members who may but shall not necessarily be Owners of Lots in the Edgemont Ranch Unit 1. All members of the Design Review Board shall be appointed and removed from time to time by the Board of Directors in its sole discretion. A member may be removed by the Board of Directors at any time upon written notice, without cause. Subject to the 3-member minimum, the Board of Directors may increase or decrease the size of the Design Review Board from time to time in its discretion. The Board of Directors may hire or appoint a secretary for the Design Review Board, and shall provide appropriate compensation for such secretarial services.

4.2 Establishment of Subcommittees. The Design Review Board shall have the right but never the obligation to establish subcommittees to perform one or more of the functions of the Design Review Board. For purposes of this Comprehensive Amended Declaration, all references to the Design Review Board shall also refer to any subcommittees established by the Design Review Board. The procedures for establishment of subcommittees, the rights and duties thereof, and the limitations thereon may be established and adopted by the Design Review Board from time to time, in its discretion.

4.3 Approvals in Annexed Areas. The Design Review Board shall also review and approve all proposed Improvements on Lots within properties hereafter

annexed to the Edgemont Ranch Unit 1, unless a different reviewing body or procedure is established in the Supplemental Declaration which annexes such property

4.4 Pre-Submission Conference. It is strongly recommended, but shall not be required, that an Owner proposing to make Improvements to its Lot schedule a pre-submission conference with the Design Review Board to discuss the general nature and scope of the contemplated Improvements and the Committee's requirements and procedures in connection therewith. The Design Review Board shall give priority to the scheduling of such pre-submission conferences.

4.5 Submission of Plans, Specifications and Data Regarding Proposed Improvements and Proposed Builder. Prior to commencement of work to accomplish any proposed Improvements, the Owner proposing to make such Improvements shall submit to the Design Review Board at its offices such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans, landscaping plans, specifications, and samples of materials and colors as the Design Review Board shall reasonably request showing among other things the nature, kind, shape, height, width, color, materials, and location of the proposed Improvements. The Owner shall also inform the Design Review Board of the identity of the Owner's proposed Builder, and shall provide the Design Review Board with any requested information about the proposed Builder. All submissions shall conform to and be in accordance with the Design Regulations established pursuant to Section 4.7. The Owner shall be entitled to receive a receipt for the same from the Design Review Board or its authorized agent. The Design Review Board may require submission of additional plans, specifications, or other information prior to approving or disapproving the proposed Improvements and Builder, including without limitation financial information and references with respect to the proposed Builder. Until receipt by the Design Review Board of all required information and materials in connection with the proposed Improvements and Builder, the Design Review Board may postpone review of the application.

4.6 Criteria for Approval or Disapproval. The Design Review Board shall approve any proposed Improvements only if it determines in its reasonable discretion that the Design Regulations have been complied with; that the proposed Improvements will not be detrimental to the value or enjoyment of the surrounding areas in the Edgemont Ranch Unit 1; that the siting, design and appearance of the proposed Improvements will be in harmony with the surrounding areas in the Edgemont Ranch Unit 1; and that the upkeep and maintenance of the proposed Improvements will not become a burden on the EPOA. The Design Review Board may condition its approval of any proposed Improvements upon the making of such changes therein as the Design Review Board may deem appropriate.

The Design Review Board shall approve a proposed Builder unless it determines in the exercise of its reasonable discretion, based upon the information submitted to it by the Owner and such other information as may be available to the Committee, that the proposed Builder does not have the proven ability to perform and complete the work in a prompt, competent and workmanlike manner and to provide a finished work product

of a quality which is consistent with the Design Regulations. Under no circumstances shall the Committee's approval of a Builder for a particular Owner or Improvement constitute approval of that Builder for any other Improvement on the same Lot or for any other like or unlike work on any other Lot.

Furthermore, the approval by the Committee of any Improvement or Builder shall in no event imply or require that such approval will be granted again in the future for the same or a similar Improvement or Builder, and the Committee shall have complete discretion, consistent with the standards and criteria contained herein and in the Design Regulations, to grant or deny such approval in each instance on the merits of the particular application or proposal and considering the circumstances surrounding the same.

4.7 Design Regulations. The Board of Directors has established an initial set of rules, procedures, standards, guidelines and requirements, including without limitation architectural, design and Design Regulations and Guidelines, which shall govern the review and approval or disapproval of proposed Improvements, and other matters provided for therein (the "Design Regulations and Guidelines"). The Board of Directors may make such amendments and additions to the Design Regulations and Guidelines as the Design Review Board and/or Board deems necessary or appropriate from time to time to accomplish the purposes of (and as are not in conflict with) the governing documents of EPOA and to ensure the orderly and attractive development of Edgemont Ranch Unit 1. The Design Regulations and Guidelines are hereby incorporated herein and shall be deemed to be a part of the Comprehensive Amended Declaration and shall be binding on the Edgemont Ranch Unit 1, and on all Lot Owners, Occupants, Members or other Persons as if expressly set forth herein. A copy of the current Design Regulations shall, at all times, be a part of the EPOA's records. The Design Review Board shall have the right and authority to determine the existence of any violation of the Design Regulations or of any approvals granted or other determinations made by, or other requirements of, the Design Review Board, however, such determination shall be subject to appeal to the Board of Directors.

4.8 Design Review Fee. The Board of Directors shall, in the Design Regulations, provide for the payment of a fee to accompany each request for approval of any proposed Improvement and Builder. The Board of Directors shall provide that the amount of such fee shall be in an amount necessary to cover the demonstratable costs and expenses associated with such review. The Design Review Board shall not take any action on a request for approval until all required fees are paid in connection therewith.

4.9 Decision of Board. Any decision of the Design Review Board shall be made within thirty (30) days after receipt by the Design Review Board of all materials and information required by the Design Review Board, unless such time period is extended by mutual written agreement. The decision shall be in writing and if the decision is not to approve the proposed Improvements or Builder, the reasons therefore

shall be stated. The decision of the Design Review Board shall be promptly transmitted to the Owner at the address furnished by the Owner to the Design Review Board.

4.10 Failure of Board to Act on Plans. Any written request for approval of proposed Improvements and a proposed Builder shall be deemed approved, unless disapproval or a request for additional information or materials is transmitted to the Owner by the Design Review Board within thirty (30) days after the date of receipt by the Design Review Board of all required materials and information, unless such time period is extended by mutual written agreement.

4.11 Prosecution and Completion of Work Following Approval. Following the approval of any proposed Improvements and Builder (the “Approved Builder”) by the Design Review Board for single family Lots, the proposed Improvements shall be completed by the Lot Owner using the Approved Builder: (a) as promptly and diligently as possible but in no event in excess of the time periods set forth below; (b) in compliance with the Design Regulations and with all applicable laws, regulations and codes, (c) in strict conformance with all plans and specifications and other materials presented to and approved by the Design Review Board; and (d) in accordance with any and all conditions imposed by the Design Review Board. All Improvements approved by the Design Review Board shall be completed, including issuance of a Certificate of Compliance and the removal of all construction equipment, materials and debris (i) within 18 months from the date of approval of such Improvements by the Design Review Board, or (ii) within such other time period as the Design Review Board may prescribe. Provided, however, that any and all landscaping and/or gardening approved by the Design Review Board which is related to the initial construction of a residence on a Lot shall be completed no later than 9 months immediately following the issuance of the Certificate of Compliance for such residence. Failure to comply with the terms and conditions of this Section 4.11 shall constitute noncompliance with the terms and provisions of this Comprehensive Amended Declaration and the Design Review Board and/or the Board of Directors shall have the right to invoke all rights and remedies provided to them hereunder, including but not limited to, the imposition of fines and penalties.

Any construction of a multi-family residential structure must be completed upon the sooner of:

- a) 12 months from the beginning of framing of each respective building;
or
- b) 24 months from the completion of the foundation for each such respective building.

4.12 Certificate of Compliance; Inspection of Work; Correction of Defects.

Upon the completion of any Improvements for which plans and specifications and a Builder have been approved by the Design Review Board, the Owner or the Approved Builder shall submit to the Committee a written Application for a Certificate of Compliance, on a form to be provided by the Committee, which Application shall

certify that the Improvements have been completed in accordance with the plans, specifications and conditions approved by the Committee and with the Design Regulations. Until receipt of such Application, the Committee shall not be deemed to have any notice regarding completion of the Improvements.

Within thirty (30) sixty following receipt of the Application, the Design Review Board or its duly authorized representative shall inspect the Improvements. If the Committee finds that the Improvements have not been completed in accordance with the plans, specifications and conditions approved by the Committee and/or with the Design Regulations, it shall notify the Lot Owner in writing of such noncompliance within said thirty (30) day period, specifying the particulars of noncompliance, and shall request the Owner to remedy the same.

If upon the expiration of thirty (30) days from the date of such notification of noncompliance the Lot Owner shall have failed to remedy such noncompliance, the Design Review Board shall notify the Board of Directors in writing of such failure. Upon Notice and Hearing, as provided in the Bylaws, the Board of Directors shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Lot Owner shall remedy or remove the same within a period of not more than thirty (30) days from the date of the announcement of the Board of Directors ruling. If the Lot Owner does not comply with the Board of Directors ruling within such period, the Board, at its option, may either remove the non-complying Improvement or remedy the noncompliance, and the Lot Owner shall reimburse the EPOA, upon demand, for all expenses, including interest on monies expended and attorneys' fees, incurred in connection therewith. If such expenses are not repaid by the Lot Owner to the EPOA within 30 days following delivery of a written demand therefore to the Owner, the Board of Directors shall levy a Reimbursement Assessment against such Owner and the Owner's Lot.

When the Design Review Board is satisfied that the Improvements have been completed in accordance with the plans, specifications and conditions approved by the Committee and with the Design Regulations, it shall issue to the Owner a Certificate of Compliance with respect to said Improvements. No newly-constructed residence on a Lot shall be occupied until (a) a Certificate of Compliance has been issued therefore, and (ii) if required by the La Plata County, a Certificate of Occupancy has been issued therefore.

4.13 Board of Directors Power to Grant Variances. The Board of Directors may authorize variances from compliance with any of the provisions of this Comprehensive Amended Declaration or any Supplemental Declaration or the Design Regulations pertaining to proposed Improvements and Builders and the criteria therefore, including restrictions upon height, size, floor area, location or placement of structures, or similar restrictions, when unique circumstances not created by the Lot Owner, such as topography, natural obstructions, or aesthetic or environmental considerations would otherwise result in extreme hardship. When an Owner applies for

a variance, the Owner must give at least 10 days written notice of the variance hearing (as set by the Board of Directors), and of the nature of the variance requested, postage prepaid, by certified mail, return receipt requested, to all Owners of Lots that are within 300 feet of the Lot for which the variance is requested, at the current addresses for such Owners reflected in the EPOA files, and must provide the Board of Directors with a certificate of mailing which lists the names and addresses of such Owners. If the Owner complies with the foregoing notice requirements, it is not necessary that the Owners actually receive the notice that is mailed to them.

All variances that are granted by the Board of Directors must be evidenced in writing, must specify the Lot for which the variance is granted and the unique circumstances justifying the variance, and must be signed by at least a majority of the members of the Board of Directors. If any such variance is granted, no violation of the covenants, conditions and restrictions contained in this Comprehensive Amended Declaration or any Supplemental Declaration or the Design Regulations shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Comprehensive Amended Declaration or of any Supplemental Declaration or the Design Regulations for any purpose except as to the particular property and particular provision hereof covered by the variance. A copy of each variance request and approval, or denial, will be kept on file at the EPOA offices.

The granting of a variance in a particular instance shall in no event imply or require that such a variance will be granted again in the future in a similar situation, and the Board of Directors shall have complete discretion, consistent with the standards and criteria contained herein and in the Design Regulations, to grant or deny a variance in each instance on the merits of the particular application and considering the circumstances surrounding the same.

4.14 Improvements and Builder Must Conform to Approvals. No building, fence, wall, structure, landscaping or other Improvement of whatever type shall be commenced, constructed, erected, placed, installed, located, maintained or removed within the Edgemont Ranch Unit 1, nor shall there be any additions or changes to the exterior of any residence or other structure or Improvement upon a Lot or the landscaping, grading or drainage thereof, including without limitation, the painting (other than painting with the same color and type of paint as previously existed) of exterior walls, patio covers and fences, except in compliance with plans and specifications therefore which have been submitted to and approved by the Design Review Board in accordance with the Design Regulations, and except by the Approved Builder.

4.15 Compensation of Committee Members. In the discretion of the Board of Directors, the members of the Design Review Board shall be entitled to reasonable compensation from the EPOA for services rendered, together with reimbursement for reasonable expenses incurred by them in the performance of their duties hereunder. Such compensation shall be set by the Board of Directors from time to time.

4.16 Meetings and Actions of Committee. The Design Review Board shall meet from time to time as necessary to perform its duties hereunder. The Design Review Board may from time to time, by resolution in writing adopted by a majority of the members, designate a Committee Representative (who may but need not be one of its members) to take any action or perform any duties for or on behalf of the Design Review Board, except the granting of approval to any Improvements or Builders and the granting of variances. The action of such Committee Representative within the authority of such Committee Representative shall constitute the action of the Design Review Board. A majority of the members of the Design Review Board shall constitute a quorum of the Committee. Actions of the Committee may be taken (without a meeting) by the written consent of a majority of the members thereof, or at a meeting at which a quorum is present in person or by proxy, by the vote of a majority of such members constituting the quorum, but in no event less than two (2) members.

4.17 Records of Actions. The Design Review Board shall report in writing to the Board of Directors all final action of the Design Review Board, and the Board of Directors shall keep a permanent record of such reported action.

4.18 Non-liability for Approval or Disapproval of Plans and Specifications and Builders or for Issuance of a Certificate of Compliance. Plans and specifications which are approved by the Design Review Board as to style, exterior design, appearance, location, and consistency with the Design Regulations, are not approved for engineering design or for compliance with zoning, building ordinances, environmental laws, or any other applicable laws or regulations, and by approving such plans and specifications, neither the Design Review Board, the members thereof, the EPOA, any Member, the Board of Directors assumes any liability or responsibility therefore, or for any defect in any Improvement constructed from such plans and specifications. Neither the Design Review Board, any member thereof, the EPOA, the Board of Directors nor the shall be liable to any Lot Owner, Occupant or other Person for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the issuance of a Certificate of Compliance for any Improvements, or (d) the development, or manner of development of any property within the Edgemont Ranch Unit 1. The approval of plans and specifications by the Design Review Board, and/or the issuance of a Certificate of Compliance by the Design Review Board, shall not under any circumstances constitute or be deemed to be a representation or warranty that the plans, specifications or completed Improvements comply with applicable laws, ordinances or regulations, including but not limited to, zoning ordinances and building codes and environmental laws.

Likewise, proposed Builders shall be approved or disapproved by the Design Review Board based upon the criteria set forth in Section 4.6 above and in the Design Regulations. By approving a proposed Builder, the Design Review Board does not represent or warrant that the Approved Builder will in fact complete the Improvement

in a prompt, competent and workmanlike manner, and neither the Design Review Board, the members thereof, the EPOA, any Member, the Board of Directors shall be liable to any Lot Owner, Occupant or other Person for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any proposed Builder, (b) defects in the work performed by an Approved Builder, or (c) any other problems arising from an Owner's use of an Approved Builder.

4.19 Right to Inspect. Any member or authorized consultant of the Design Review Board or of the Board of Directors, or any authorized officer, employee or agent of the EPOA, may (but shall not be obligated to) at any reasonable time enter, without being deemed guilty of trespass, upon any Lot after reasonable notice to the Lot Owner, in order to inspect Improvements constructed or being constructed on such Lot, to ascertain whether such Improvements have been or are being built or changed in compliance with the Design Regulations, the approvals granted by the Design Review Board, and this Comprehensive Amended Declaration.

4.20 Reconstruction of Common Areas. The reconstruction by the EPOA after destruction by casualty or otherwise of any Common Areas or Improvements thereon which is accomplished in substantial compliance with "as built" plans for such Common Areas or Improvements shall not require compliance with the provisions of this Article 4 or the Design Regulations.

4.21 Enforcement. The requirements and provisions of this Article 4 and/or of the Design Regulations shall be enforceable in accordance with the rights and procedures set forth in Section 12.4 of this Comprehensive Amended Declaration.

4.22 Multi-family Lot Development Standards and Review. 4.22 Multi-family Lot Development Standards and Review Notwithstanding anything contained in this Comprehensive Amended Declaration to the contrary, the multi-family Lots, as designated on the Plat, shall be exempt from the Design Review Guidelines and review and approval by the Design Review Committee except as set forth herein below:

(a) No Lot will be developed at a density of greater than eight (8) units per gross acre. (Gross acreage shall include all area within the exterior boundaries of a multi-family Lot)

(b) No residence or other structure shall exceed thirty-five (35) feet in height measured from the average elevation of the natural grade along the perimeter of the structure to the peak of the roof (or a lesser height if so restricted by applicable building codes).

(c) The cutting of any trees more than fifteen (15) feet from a structure or as necessary for driveway or parking shall require the advance written approval of the Design Review Committee.

(d) All structures shall be constructed with exterior materials and colors similar to or compatible with those used on other existing dwellings constructed within Edgemont Ranch Unit 1.

(e) Tom D. Gorton Construction, Inc. is an Approved Builder for the multi-family Lots.

ARTICLE 5

COMMON AREAS

5.1 Use and Enjoyment of Common Areas. Except as otherwise provided in this Comprehensive Amended Declaration or in any Supplemental Declaration, each Owner shall have the non-exclusive right to use and enjoy the Common Areas in common with all other Owners (a) for all purposes for which such Common Areas were established, and (b) as required for purposes of access and ingress to and egress from (and use occupancy and enjoyment of) any Lot owned by the Owner or Common Areas available for the Owner's use. This right to use and enjoy the Common Areas shall extend to each Owner, Occupant, and the family members, guests and invitees of each Owner, and shall be appurtenant to each Lot, subject at all times to the provisions of this Comprehensive Amended Declaration, any applicable Supplemental Declaration, the Articles, Bylaws, and Rules and Regulations. No Owner or Occupant shall place any structure whatsoever upon the Common Areas, nor shall any Owner or Occupant engage in any activity which will temporarily or permanently impair free and unobstructed access to all parts of the Common Areas by all Owners.

5.2 EPOA May Regulate Use of Common Areas. The EPOA, acting through the Board of Directors, shall have the right and authority to regulate the use of the Common Areas by the promulgation, enforcement and interpretation from time to time of such Rules and Regulations relating thereto as the EPOA considers necessary or appropriate for the protection and preservation of the Common Areas and the enhancement of the use and enjoyment thereof by the Owners and Occupants.

5.3 EPOA to Maintain and Improve Common Areas. The EPOA, its agents and employees, shall maintain and otherwise manage the Common Areas, including, but not limited to, any Improvements, landscaping, paths, trails, parking areas, drives, recreational and other facilities located thereon. The EPOA shall construct, alter and remove such Improvements and landscaping upon the Common Areas as the EPOA in its discretion considers necessary, desirable or appropriate from time to time, and shall do all such other and further acts which the Board of Directors deems necessary or appropriate to preserve, protect and enhance the Common Areas and the beauty thereof in accordance with the general objectives for the Edgemont Ranch Unit 1 reflected in this Comprehensive Amended Declaration.

5.4 No Partition of Common Areas. No Owner or other Person shall have any right to partition or to seek the partition of the Common Areas or any part thereof.

5.5 Owner Liability for Owner or Occupant Damage to Common Areas.

Each Owner shall be liable to the EPOA for any damage to Common Areas or for any expense, loss or liability suffered or incurred by the EPOA in connection with the Common Areas arising from (a) the negligence or willful misconduct of such Owner or of any Occupant, agent, employee, family member, guest or invitee of such Owner, or (b) any violation by such Owner or any Occupant, agent, employee, family member, guest or invitee of such Owner of any law, regulation, or code, including without limitation any environmental law, or of any provisions of this Comprehensive Amended Declaration, any Supplemental Declaration, or the Rules and Regulations relating to the Common Areas. Each Owner shall indemnify, defend and hold the EPOA harmless from any loss, damage, expense or liability arising from the circumstances described in subsections (a) or (b) immediately above. The EPOA shall have the power to levy and collect a Reimbursement Assessment against a Lot Owner to recover the costs, expenses, damages, losses or liabilities incurred by the EPOA as a consequence of any such negligence, willful misconduct or violations.

5.6 Damage or Destruction to Common Areas. In the event of damage to or destruction of the Common Areas, including Improvements thereon, by fire or other casualty, the EPOA shall repair or replace the same in accordance with the provisions of Section 9.18 below. Repair, reconstruction, or replacement of Common Areas shall be accomplished under such contracting and bidding procedures as the EPOA shall determine are appropriate. If insurance proceeds available to the EPOA on account of damage or destruction exceed the cost of repair, reconstruction, and replacement, the EPOA may use the same for future maintenance, repair, improvement, and operation of Common Areas or any other use deemed appropriate by the Board of Directors.

5.7 Condemnation of Common Areas. If any Common Area or part thereof or interest therein is taken under exercise of the power of eminent domain or by purchase in lieu thereof, the portion of any award in condemnation or the price payable for the deed in lieu that is attributable to the Common Area taken or purchased shall be paid to the EPOA. The EPOA shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners and Occupants and other Persons therein. Any award or funds received by the EPOA shall be held by the EPOA for the purposes stated in Section 5.6 above or as a reserve for future maintenance, repair, reconstruction, or replacement of Common Areas or may be used for Improvements or additions to or operation of Common Areas or for such other uses as may be deemed appropriate by the Board of Directors. Except as may otherwise be provided by the Act, no Owner or other Person shall be entitled to participate as a party or otherwise in any condemnation proceedings nor to receive any proceeds there from.

5.8 Title to Common Areas Upon Dissolution of EPOA. In the event of dissolution of the EPOA, the Common Areas shall, to the extent permitted by law and reasonably possible, be conveyed or transferred to an appropriate public, governmental or quasi-governmental agency or organization or to a nonprofit corporation, association, trust, or other organization, to be used, in any such event, for the common benefit of Owners for the purposes for which the Common Areas were held by the EPOA. If the

foregoing is not possible, the Common Areas shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Owners in proportion to each Owner's Allocated Interest in the Common Expenses of the EPOA.

5.9 Mechanic's Liens on Common Areas. The EPOA shall be responsible for the release of mechanics' liens filed with respect to Common Areas, or any part thereof, if such liens arise from labor performed or materials furnished at the instance of the EPOA, its directors, officers, agents, contractors or subcontractors. No labor performed or materials furnished with respect to a Lot at the instance of the Lot Owner shall be the basis for filing a lien against the Common Areas. No labor performed or materials furnished with respect to a Common Area at the instance of the Board of Directors shall be the basis for filing a lien against any Lot.

ARTICLE 6

ANNEXATION OF ANNEXABLE PROPERTY AND RESUBDIVISION

6.1 Annexation of Annexable Properties. The Board of Directors shall have the right to annex to the Edgemont Ranch Unit 1 all or any part of the Annexable Property upon application by the owner(s) of the property seeking annexation. Each Owner of a Lot hereunder hereby grants to Board of Directors the right to annex all or any part of the Annexable Property to the Edgemont Ranch Unit 1 and to modify such Owner's Allocated Interests accordingly. EPOA makes no assurances that all or any portion of the Annexable Property will be added to the Edgemont Ranch Unit 1 and reserves the right to annex all or any portion of the Annexable Property to the Edgemont Ranch Unit 1 in any order it deems appropriate in its sole and absolute discretion.

6.2 Annexation Procedure. The annexation of additional real property to the Edgemont Ranch Unit 1 shall be accomplished by the recording by EPOA with the Clerk and Recorder of La Plata County of a Supplemental Declaration containing a legal description of the land area to be added to the Edgemont Ranch Unit 1 and amending this Comprehensive Amended Declaration accordingly, together with a Supplemental Plat thereof. The Supplemental Declaration shall assign an identifying number to each new Lot created thereby, and shall reallocate the Allocated Interests of all Lot Owners in the Edgemont Ranch Unit 1 in accordance with the definition of Allocated Interests contained in this Comprehensive Amended Declaration. The Supplemental Declaration shall also describe any or Sub-Association Common Areas thereby created and any Common Elements and any Limited Common Elements thereby created, and in the case of Limited Common Elements, the Supplemental Declaration shall designate the Unit(s) to which each is allocated.

The annexation of the Annexable Property may be accomplished by successive Supplemental Declarations, in no particular or pre-established order, and may provide that property annexed thereby (the "Annexed Property") is phased so that it is made subject to this Comprehensive Amended Declaration at different times. Upon Recording of a Supplemental Declaration, the Annexed Property described therein shall

be subject to all of the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions set forth in this Comprehensive Amended Declaration, except to the extent specifically stated in the Supplemental Declaration or as modified thereby. Any such Supplemental Declaration may impose on the Annexed Property described therein additional covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions than those set forth in this Comprehensive Amended Declaration, taking into account the unique and particular aspects of the Annexed Property covered thereby and of the proposed development thereof. A Supplemental Declaration may provide for a Sub-Association of Owners within the Annexed Property described in the Supplemental Declaration and for the right of the Sub-Association to assess such Owners for common expenses unique to those Owners.

6.3 Effect of Expansion or Contraction. In the event any additional real property is annexed to the Edgemont Ranch Unit 1 as provided herein, or if any real property is withdrawn from the Edgemont Ranch Unit 1 as provided herein, the definitions used in this Comprehensive Amended Declaration shall be automatically expanded or contracted to encompass and refer to the Edgemont Ranch Unit 1 as expanded or contracted, e.g., “Edgemont Ranch Unit 1” shall mean the real property described herein plus any additional real property annexed thereto and/or minus any property withdrawn there from; similarly, “Common Areas” and “Lots” shall mean and include those areas as described herein as well as or less those so designated on any Supplemental Declaration or Supplemental Plat (or any amendment to a Declaration or Plat) relating to any real property which is annexed or withdrawn pursuant to this Section 6.3. Common Areas shall also mean and include all properties located from time to time within the Annexed Property that fall within the definition of Common Areas contained in this Comprehensive Amended Declaration, less any Common Areas removed by withdrawal. References to this Comprehensive Amended Declaration shall mean this Comprehensive Amended Declaration as so supplemented by any Supplemental Declaration and any Supplemental Plat, or as amended. Every Owner of a Lot in the area annexed to the Edgemont Ranch Unit 1 shall, by virtue of ownership of such Lot and upon recordation of the Supplemental Declaration annexing such property to the Edgemont Ranch Unit 1, be a member of the EPOA and, except as may be otherwise provided in the Supplemental Declaration, shall be entitled to the same rights and privileges and subject to the same duties and obligations as any other EPOA Member. Regular Assessments for Lots within the Annexed Property shall commence as of the date of the Recording of the Supplemental Declaration and shall be prorated as of such date.

The recording of amendments to the Comprehensive Amended Declaration and Plat, whether in the form of Supplemental Declarations and Supplemental Plats or otherwise, which reallocate the Allocated Interests in the Edgemont Ranch Unit 1, shall automatically:

Vest in each existing Lot Owner the reallocated Interests appurtenant to the Owner's Lot; and

Vest in each existing Mortgage a perfected security interest in the reallocated Allocated interests appurtenant to the encumbered Lot.

6.4 Subdivision of Lots. Owners shall have the right to subdivide any Multi-Family Lot located within the Edgemont Ranch Unit 1 to create additional Lots (including condominium units, townhouses or Single-Family Lots and appurtenant Common Elements and Limited Common Elements), subject to the maximum number of Lots set forth in the Recitals to this Comprehensive Amended Declaration; provided, however, that such subdivision is consistent with the Plat or that the Plat is amended if necessary, and that the subdivision is accomplished in compliance with County subdivision requirements. No Single-Family Lots shall be re-subdivided except as necessary to accommodate minor lot-line adjustments, or except for the combining of two Lots, after approval of the same by the Board of Directors. Upon the re-subdivision of any Lot in accordance with the terms and conditions contained herein, the Allocated Interests of all Owners shall be reallocated in accordance with the definition of Allocated Interests contained in this Comprehensive Amended Declaration.

ARTICLE 7 **EASEMENTS**

7.1 Easements for Incidental Encroachments. If any portion of an Improvement approved by the Design Review Board encroaches in its approved location upon a Common Area, including any future encroachments arising or resulting from the repair or reconstruction of an Improvement subsequent to its damage, destruction or condemnation, a valid easement on the surface and for subsurface support below such surface and for the maintenance of same, so long as it stands, shall and does exist for such incidental encroachment.

7.2 Blanket EPOA Utility Easement Over Common Areas. There is hereby created, granted and reserved to the EPOA, its agents, employees and assigns, a perpetual, non-exclusive blanket easement over, across, upon and under the Common Areas for the construction, installation, operation, maintenance, repair, removal and replacement of utilities and utility lines, pipes, wires, circuits, conduits, meters, facilities and systems for the benefit of the Edgemont Ranch Unit 1 or any part thereof, including but not limited to water, sewer, gas, telephone, electricity, cable TV and other TV and communication systems, if any, together with an easement for access, ingress and egress to accomplish such purposes. The EPOA or other person or entity exercising such utility easement rights shall be obligated to restore, reseed, replant and/or re-landscape the surface of the disturbed area to as close to its original condition as possible, as promptly as possible following completion of any utility work.

7.3 EPOA Administrative Easement Over Common Areas. There is hereby created, granted and reserved to the EPOA, its agents, employees and assigns, a perpetual, non-exclusive easement over, across, upon and under the Common Areas and a right to use the Common Areas for purposes of enabling the EPOA to perform the duties and functions which it is obligated or permitted to perform pursuant to this Comprehensive Amended Declaration.

7.4 Edgemont Ranch Metropolitan District Utility Easements. Utility Easements have been dedicated on the Final Plat for the use and benefit of Owners, utility companies and of the Edgemont Ranch Metropolitan District, and the Edgemont Ranch Unit 1 is subject to such easements. The easements shall have the width indicated on the Final Plat. The Edgemont Ranch Metropolitan District Easements may be used for purposes of constructing, installing, operating, maintaining, repairing, removing and replacing sewer and water lines, pipes, tanks, meters, facilities and systems, and for access thereto. The District shall be responsible for the operation, maintenance, repair and replacement of said sewer and water system improvements, and the party exercising such easement rights shall be obligated to restore, reseed, replant and/or re-landscape the surface of any area disturbed by such activities to as close to its original condition as possible, as promptly as possible following completion of any utility work.

7.5 Perimeter Easements. In the event that any “Perimeter Easements”, adjacent to external boundaries of the Edgemont Ranch Unit 1 or to internal Lot lines, are dedicated on the Plat or on any Supplemental Plats, there are hereby created, granted and reserved to the EPOA perpetual, non-exclusive easements 10 feet in width over, upon, across and under said Perimeter Easements. Any such Perimeter Easements may be used for the installation, operation, maintenance, repair, removal and replacement of underground utilities for the benefit of the properties within Edgemont Ranch Unit 1. To the extent that said Perimeter Easements adjoin an exterior boundary of Edgemont Ranch Unit 1, such easements may also be used by the EPOA for perimeter fences and landscaping. The EPOA shall be obligated to restore, reseed, replant and/or re-landscape the surface of any area disturbed by such activities to as close to its original condition as possible, as promptly as possible following the exercise of any Perimeter Easement rights.

7.6 Trail Easements. In the event that any “Trail Easements” are dedicated on the Plat or on any Supplemental Plat, there are hereby created, granted and reserved to the EPOA perpetual, non-exclusive easements 10 feet in width over, upon and across said Trail Easements. Any such Trail Easements may be used by the Owners and Occupants of Edgemont Ranch Unit 1 as a pedestrian and/or equestrian trail, as dedicated on the Plat. The EPOA shall be responsible for maintaining any such trail. The Board of Directors may adopt rule, regulations or guidelines which shall govern use of the trails.

7.7 Landscaping Easements. In the event that any “Landscaping Easements” are dedicated on the Plat or on any Supplemental Plats, there are hereby created, granted and reserved to the EPOA perpetual, non-exclusive easements over, across, upon and under said Landscaping Easements. Any such Landscaping Easements may be used for purposes of installing, planting, maintaining, repairing, removing and replacing such landscaping and landscaping features as the EPOA deems necessary or appropriate from time to time, including but not limited to fencing, berming, irrigation facilities and

landscaping. Any and all landscaping Improvements within the Landscaping Easement must receive the prior written approval of the Design Review Board.

7.8 Emergency Access Easement. There is hereby created, granted and reserved for the use and benefit of the EPOA a perpetual, non-exclusive Emergency Access Easement in the location shown on the Final Plat. The Emergency Access Easement shall be used for purposes of emergency access, ingress and egress to the Edgemont Ranch Unit 1 and all parts thereof, and shall be maintained by the EPOA.

7.9 Blanket Emergency Services Easement. There is hereby created, granted and reserved for the use and benefit of all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons, now or hereafter serving the Edgemont Ranch Unit 1 and its Owners and Occupants, a perpetual, non-exclusive blanket Emergency Services Easement over, upon, along and across all Common Areas, the Emergency Access Easement, and all other properties and areas within the Edgemont Ranch Unit 1, for use in the lawful performance of their duties.

7.10 Easements Deemed Created. All conveyances of Lots and Common Areas hereafter made, whether by Board of Directors or otherwise, shall be deemed and construed to grant and reserve all of the easements referred to in this Article 7 and elsewhere in this Comprehensive Amended Declaration, even though no specific reference to such easements appears in the conveying instruments.

7.11 Easements for Multi-Family Lots. Multi-family Lots shall have an easement over and across the Common Areas for the purpose of connection to utilities (including construction, maintenance and repair of such utility service lines), to the extent necessary or practical to serve the multi-family Lots. Any disturbance of the surface of the Common Areas shall be immediately re-graded and re-vegetated to the condition existing prior to such disturbance at the cost and expense of the Owner of the benefited Multi-Family Lot(s).

ARTICLE 8 **EPOA**

8.1 EPOA. The EPOA has been formed as a Colorado nonprofit corporation under the Colorado Nonprofit Corporation Act to manage the affairs of the Edgemont Ranch Unit 1. The EPOA shall serve as the governing body for all of the Owners for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of the Common Areas, the levying and collection of Assessments for Common Expenses and other expenses of the EPOA, and such other matters as may be provided in this Comprehensive Amended Declaration, any Supplemental Declaration, the Articles, Bylaws, and Rules and Regulations. The EPOA shall not be deemed to be conducting a business of any kind, and all funds received by the EPOA shall be held and applied by it for the Owners in accordance with the provisions of this Comprehensive Amended Declaration, the Articles and the Bylaws.

8.2 EPOA Board of Directors. The affairs of the EPOA shall be managed by a Board of Directors. The number, term, and qualifications of the members of the Board of Directors shall be fixed in the Articles of Incorporation or the Bylaws. A quorum shall be deemed present throughout any meeting of the Board of Directors if persons entitled to cast at least 50 percent of the votes on the Board of Directors are present at the beginning of the meeting. With the exception of matters that may be discussed in executive session, as set forth in Section 38-33.3-308(3-7) of the Act, all regular and special meetings of the Board of Directors or any committee thereof shall be open to attendance by all Members of the EPOA or their representatives. Without limiting the generality of the foregoing, no Rule or Regulation may be validly adopted during an executive session.

The Board of Directors shall have all of the powers, authority and duties granted or delegated to it by the Act, this Comprehensive Amended Declaration, any Supplemental Declaration, the Articles or Bylaws. Except as provided in the Act, this Comprehensive Amended Declaration, any Supplemental Declaration, the Articles or Bylaws, the Board of Directors may act in all instances on behalf of the EPOA.

The Board of Directors may not, however, act on behalf of the EPOA to amend this Comprehensive Amended Declaration, to terminate the Edgemont Ranch Unit 1, or to elect members of the Board of Directors or determine the qualifications, powers and duties, or terms of office of Board of Directors members, but the Board of Directors may fill vacancies in its membership for the unexpired portion of any term.

The Board of Directors may, by resolution, delegate portions of its authority to officers of the EPOA, but such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for management of the affairs of the EPOA. No member of the Board of Directors and no officer shall be liable for actions taken or omissions made in the performance of such member's or officer's duties except for wanton and willful acts or omissions or gross negligence.

8.3 Membership in EPOA. There shall be one Membership in the EPOA for each Lot, condominium or townhouse within the Edgemont Ranch Unit 1. There shall be one-fourth of a membership for each apartment within the Edgemont Ranch Unit 1. The Person or Persons who constitute the Owner of a Lot, condominium or townhouse shall automatically be the holder of the Membership appurtenant to that Lot, condominium or townhouse, and shall collectively be the "Member" of the EPOA with respect to that Lot, condominium or townhouse, and the Membership appurtenant to that Lot, condominium or townhouse shall automatically pass with fee simple title to the Lot, condominium or townhouse. Membership in the EPOA shall not be assignable separate and apart from fee simple title to a Lot, condominium or townhouse, and may not otherwise be separated from ownership of a Lot, condominium or townhouse.

8.4 Voting Rights of Members. Each Lot, condominium or townhouse in the Edgemont Ranch Unit 1 shall be entitled to one (1) vote in the EPOA. Each apartment shall be entitled to one-fourth (1/4) vote per apartment. Undeveloped Multi-Family Lots

shall be entitled to one (1) vote per Lot. If title to a Lot, condominium or townhouse is owned by more than one (1) Person, such persons shall collectively vote their interest as a single vote. If only one of the multiple owners of a Lot, condominium or townhouse is present at an EPOA meeting, such owner is entitled to cast the vote allocated to that Lot, condominium or townhouse. If more than one of the multiple owners is present, the vote allocated to that Lot, condominium or townhouse may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any of the multiple owners casts the vote allocated to that Lot, condominium or townhouse without protest being made promptly to the person presiding over the meeting by any of the other owners of the Lot, condominium or townhouse. In the event of a protest being made by one or more multiple owners, and a majority of the multiple owners of the Lot, condominium or townhouse cannot agree on how to cast their vote, any vote cast for that Lot, condominium or townhouse shall be null and void with regard to the issue being voted upon. Such multiple owners and their Lot, condominium or townhouse shall nevertheless be counted in determining the presence of a quorum with respect to the issue being voted upon.

In accordance with Section 38-33.3-309 of the Act, a quorum is deemed present throughout any meeting of the Members of the EPOA if persons entitled to cast at least one third (1/3) of the votes in the EPOA are present, in person or by proxy, at the beginning of the meeting.

Provided a quorum of Members entitled to vote is present in person or by proxy, the affirmative vote of a majority of the Members so present shall constitute approval of any matter voted upon unless a different number is required on a particular matter by the Act, this Comprehensive Amended Declaration, any Supplemental Declaration, the Articles, or the Bylaws.

The vote allocated to a Lot may be cast pursuant to a proxy duly executed by a Lot Owner. If a Lot is owned by more than one person, each owner of the Lot may vote or register protest to the casting of a vote by the other owners of the Lot through a duly executed proxy. A Lot Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the EPOA. A proxy is void if it is not dated or purports to be revocable without notice. A proxy shall terminate eleven (11) months after its date, unless a different termination date is otherwise set forth on its face.

No votes allocated to a Lot owned by the EPOA may be cast.

The Lot Owners, by a vote of two thirds (2/3) of all Members present and entitled to vote at any meeting of the Lot Owners at which a quorum is present, may remove any member of the Board of Directors with or without cause.

8.5 EPOA/Sub-Associations. Every Supplemental Declaration in which a Sub-Association is organized and/or established shall contain sufficient language pursuant to Section 38-33.3-220 of the Act delegating responsibilities and control and subordinating it to the EPOA and to this Comprehensive Amended Declaration to

effectuate the purposes of this Comprehensive Amended Declaration. If both a Sub-Association and the EPOA have liens for Assessments created at any time on the same Lots, the lien of the EPOA shall take priority over the lien of any Sub-Association.

ARTICLE 9

POWERS AND DUTIES OF EPOA

9.1 General Powers and Duties of EPOA. The EPOA shall have and may exercise all of the powers and rights and duties of a Colorado corporation formed under the Colorado Nonprofit Corporation Act, and all of the powers and duties provided for in the Act including those enumerated in Section 38-33.3-302 of the Act, as such laws may be amended from time to time, subject only to the limitations upon such powers as are contained in this Comprehensive Amended Declaration. More specifically, and without limiting the generality of the foregoing, the EPOA shall have all of the powers and duties necessary (i) for the administration, management, governance and operation, of the Edgemont Ranch Unit 1 and the EPOA, (ii) to own, operate, improve, maintain, repair, manage, lease, encumber, and otherwise deal with the Common Areas, and (iii) to do any and all lawful things that may be authorized, required or permitted to be done by the EPOA under the Act and under the provisions of this Comprehensive Amended Declaration and of any Supplemental Declaration.

9.2 Power to Borrow Money The EPOA shall have the power to borrow money to accomplish its duties and responsibilities as set forth in this Comprehensive Amended Declaration. The Board of Directors shall have the power and authority to borrow up to Twenty Thousand Dollars (\$20,000.00) without approval from the Owners. Borrowing in excess of Twenty Thousand Dollars (\$20,000.00) shall require the consent of at least eighty (80) per cent of the Owners.

9.3 Power to Grant Easements. The EPOA shall have the power to grant access, utility, drainage, irrigation, and such other easements upon, over, across or under the Common Areas as it deems necessary or desirable for the benefit of the Edgemont Ranch Unit 1 or parts thereof, or for the benefit of all or less than all of the Lot Owners.

9.4 Power to Convey or Encumber Common Areas. The EPOA shall have the power to convey, or subject to a security interest, portions of the Common Areas if Owners entitled to cast at least eighty (80) percent of the votes in the EPOA, agree to that action. Proceeds of the sale are an asset of the EPOA.

An agreement to convey, or subject to a security interest, Common Areas must be evidenced by the execution of an agreement, or ratifications thereof, in the same manner as a deed, by the requisite number of Lot Owners. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement and all ratifications thereof must be Recorded in the County, and is effective only upon Recordation. The EPOA, on behalf of the Lot Owners, may contract to convey an interest in a Common Area, but the contract is not enforceable against the EPOA until approved, executed and ratified pursuant to this Section 9.4. Thereafter, the

EPOA shall have all the powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments. Unless in compliance with this Section 9.4, any purported conveyance, encumbrance, judicial sale, or other transfer of Common Areas is void. A conveyance or encumbrance of Common Areas pursuant to this Section 9.4 shall not deprive any Lot of its rights of (i) access, ingress and egress to the Lot, and (ii) support of the Lot. A conveyance or encumbrance of Common Areas pursuant to this Section 9.4 shall not affect the priority or validity of preexisting encumbrances.

9.5 General Power to Provide Services and Facilities to Owners. The EPOA shall have the power, but not the obligation, to acquire, construct, operate, manage, maintain, repair and administer services and facilities for the benefit of the Owners, or some of them, including, without limitation, repair and maintenance of streets, sidewalks, bicycle, pedestrian and/or equestrian paths or trails, security, including the provision of gated entrances and guard houses, animal control, vegetation control, insect and pest control, television service, parking facilities, transportation facilities, signage, including entry monuments, lighting, including seasonal lighting, interior and perimeter fencing, landscape walls, landscaping services and facilities, drainage facilities, including retention and detention ponds, irrigation facilities, including recycling programs, utility services, recreational facilities and services, and such other services, functions and facilities as are deemed appropriate by the Board of Directors. The foregoing list shall not be deemed to be a representation by EPOA of services or facilities that will in fact be available for use by the Owners. The EPOA may enter into such agreements and arrangements as it may deem appropriate with any provider of utilities or services to the Edgemont Ranch Unit 1 or any portion thereof, including any special districts that provide such services, and may form or join any districts created to provide such services.

9.6 Power to Provide Services to Sub-Associations. The EPOA shall have the power, but not the obligation, to provide services to Sub-Associations. Such services to any Sub-Association shall be provided pursuant to an agreement in writing between the EPOA and such Sub-Association which shall provide for the payment by such Sub-Association to the EPOA of the costs and expenses of the EPOA of providing such services to the Sub-Association including a fair share of the overhead expenses of the EPOA. Services which may be provided to a Sub-Association may include, without limitation, (a) the construction, care, operation, management, maintenance, repair, and replacement of Improvements owned by the Sub-Association; (b) the providing of services to the area covered by the Sub-Association; (c) the enforcement of the provisions of any Supplemental Declaration for, on behalf of, and in the name of the Sub-Association; (d) the collection of assessments for, in the name of, and on behalf of a Sub-Association; (e) the payment of taxes for a Sub-Association with funds of the Sub-Association; (f) the obtaining of insurance for a Sub-Association; (g) the collection of charges for use of facilities of a Sub-Association; and (h) the appointment and supervision of a manager or managers for a Sub-Association.

9.7 Power to Provide Special Services to Owners. The EPOA shall have the power to provide services to an Owner or group of Owners. Any service or services to an Owner or group of Owners shall be provided pursuant to an agreement in writing, or through one or more Supplemental Declarations, which shall provide for payment to the EPOA by such Owner or group of Owners of the costs and expenses of the EPOA in providing such services, including a fair share of the overhead expenses of the EPOA, and shall contain reasonable provisions assuring that the obligation to pay for such services shall be binding upon any heirs, personal representatives, successors and assigns of the Owner or group of Owners and that the payment for such services shall be secured by a lien on the Lot(s) of the Owner or group of Owners.

9.8 Power to Charge for Common Area Use and EPOA Services. The EPOA Board of Directors shall have the power to establish reasonable and uniformly applied admission or other fees or charges for any special or extraordinary Common Areas uses or EPOA services such as special parking privileges, special recreation facilities, conference rooms, instruction, day care or child care services, or similar uses beyond the ordinary use of Common Areas and ordinary EPOA services. Such charges or fees shall be set forth in schedules of charges and fees adopted from time to time by the Board of Directors.

9.9 Power to Acquire Property and Construct Improvements. The EPOA may acquire, hold, encumber and/or convey any right, title or interest in or to real or personal property, including Improvements. The EPOA may construct Improvements on Common Areas and may demolish existing Improvements thereon.

9.10 Power to Adopt Rules and Regulations. The EPOA Board of Directors may adopt, amend, repeal, and enforce such Rules and Regulations as the Board of Directors may consider necessary, desirable or appropriate from time to time with respect to the interpretation and implementation of this Comprehensive Amended Declaration, the operation of the EPOA, the use and enjoyment of Common Areas, and the use of any other property within the Edgemont Ranch Unit 1, including Lots. Any such Rules and Regulations shall be effective only upon adoption by resolution at an open meeting of the Board of Directors. Notice of the adoption, amendment, or repeal of any Rule or Regulation shall be given in writing to each Owner, and copies of the currently effective Rules and Regulations shall be made available to each Owner upon request and payment of the reasonable expense of copying the same. Each Owner shall comply with such Rules and Regulations and shall see that Occupants of the Lot owned by such Owner comply with such Rules and Regulations. Such Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Comprehensive Amended Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Comprehensive Amended Declaration, the provisions of this Comprehensive Amended Declaration shall govern. Such Rules and Regulations may restrict access to the Edgemont Ranch Unit 1 to Owners and Occupants, may establish traffic safety and parking regulations, and may establish penalties (including the levying and collection of fines) for the violation of such Rules

and Regulations or of any provision of this Comprehensive Amended Declaration, the Articles, or the Bylaws.

9.11 Power to Employ Employees, Agents, Consultants and Managers. The EPOA shall have the power to employ and discharge employees, agents, independent contractors and consultants, including lawyers and accountants. The EPOA shall also have the power to retain and pay for the services of a manager or managers, to undertake any of the administrative or managerial responsibilities for which the EPOA may have responsibility under this Comprehensive Amended Declaration, to the extent deemed advisable by the EPOA, and may delegate any of its duties, powers, or functions to any such manager. Notwithstanding any delegation to a manager of any duties, powers, or functions of the EPOA, the EPOA and its Board of Directors shall remain ultimately responsible for the performance and exercise of such duties, powers, and functions.

9.12 Power to Assign Future Income. The EPOA shall have the power to assign its right to future income, including the right to receive Regular Assessments, but only following the affirmative vote of the Owners of Lots to which at least 67 percent of the votes in the EPOA are allocated, at a duly-called meeting of the Members of the EPOA.

9.13 Duty to Manage and Care for Common Areas. The EPOA shall manage, operate, care for, maintain, repair and replace all Common Areas and keep the same in a clean, safe, attractive and desirable condition for the benefit and enjoyment of the Owners.

9.14 Duty to Pay Taxes. The EPOA shall pay any taxes and assessments levied upon the Common Areas and any other taxes and assessments payable by the EPOA before they become delinquent. The EPOA shall have the right to contest any such taxes or assessments by appropriate legal proceedings provided no sale or foreclosure of any lien for such tax or assessment occurs and provided further that the EPOA shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful.

9.15 Duty to Keep EPOA Records. The EPOA shall keep financial records in sufficient detail to enable the EPOA to carry out its responsibilities under this Comprehensive Amended Declaration and to comply with the requirements of the Act, including, but not limited to, current records of paid and unpaid Assessments for each Lot. All financial and other records of the EPOA shall be made reasonably available for examination by the Owners and the authorized agents of the Owners.

9.16 Duty to Support Design Review Board. The EPOA shall take such actions, provide such funds, and do such other things as may be necessary or appropriate from time to time to support and assist the Design Review Board in the

performance of its responsibilities under this Comprehensive Amended Declaration, and shall cooperate with said Committee to the fullest extent possible in such matters.

9.17 Insurance. The EPOA shall maintain and keep in effect at all times the following types of insurance, and the cost of said coverage shall be paid by the EPOA as a Common Expense:

(a) **Casualty Insurance.** To the extent reasonably available, property insurance on all Common Areas, including but not limited to Improvements and personally, owned or leased by the EPOA, and on all property that must become Common Areas. Such insurance shall be for broad form covered causes of loss, including casualty, fire, and extended coverage insurance including, if available at reasonable cost, coverage for vandalism and malicious mischief and, if available and if deemed appropriate, coverage for flood, earthquake, and war risk. Such insurance shall, to the extent reasonably obtainable, be for the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavation, foundations and other items normally excluded from property policies.

(b) **Liability Insurance.** To the extent reasonably available, commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Areas and covering public liability or claims of liability for injury to persons and/or property, and death of any person or persons, and, if the EPOA owns or operates motor vehicles, public liability or claims of liability for bodily injury (including death) and property damage arising as a result of the ownership and operation of motor vehicles. Such liability insurance for other than motor vehicle liability shall, to the extent reasonably obtainable, (a) have limits of not less than Two Million Dollars (\$2,000,000.00) per person and Three Million Dollars (\$3,000,000.00) per occurrence; (b) insure the Board of Directors, the Design Review Board, the EPOA and its officers, the manager, if any, and their respective employees, agents and all Persons acting as agents; (c) include the Owners as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of Common Areas; (d) cover claims of one or more insured parties against other insured parties; and (e) be written on an occurrence basis.

(c) **Fidelity Bonds.** To the extent reasonably available, fidelity bond coverage against dishonest acts on the part of directors, officers, managers, trustees, agents, employees or volunteers responsible for handling funds belonging to or administered by the EPOA. If funds of the EPOA are handled by a management agent, then fidelity bond coverage may also be obtained for the officers, employees, or agents thereof handling or responsible for EPOA funds. The fidelity bond or insurance must name the EPOA as the named insured and shall be written to provide protection in an amount no less than the lesser of (a)

one-half times the EPOA's estimated annual operating expenses and reserves, (b) a sum equal to three months aggregate Regular Assessments, plus reserves, as calculated from the current Budget of the EPOA; or (c) the estimated maximum amount of funds, including reserves, in the custody of the EPOA (and its management agent) at any one time. In connection with such coverage, an appropriate endorsement to the policy to cover any person who serves without compensation shall be added if the policy would not otherwise cover volunteers.

(d) **Worker's Compensation.** A Worker's Compensation policy, if necessary, to meet the requirements of law.

(e) **Directors and Officers Liability Insurance.** Directors and officers liability insurance with coverage of at least Two Million Dollars (\$2,000,000.00) or such greater amount as the Board of Directors shall approve for all EPOA Board of Directors and Design Review Board directors, officers, members and managers, for any and all errors and/or omissions and other covered actions that occur during their tenure in office or employment. This insurance coverage shall be mandatory.

(f) **Other Insurance.** Such other insurance in such amounts as the EPOA shall determine, from time to time, to be appropriate to protect the EPOA or the Lot Owners, or as may be required by the Act.

(g) **General Provisions Respecting Insurance.** Insurance obtained by the EPOA may contain such deductible provisions as good business practice may dictate. If the insurance described is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefore having been obtained by it, the EPOA shall promptly cause notice of that fact to be delivered or sent prepaid by U.S. Mail to all Owners.

Insurance policies carried pursuant to Sections 9.17(a) and 9.17(b) above shall provide that (i) each Owner is an insured Person under the policy with respect to liability arising out of such Owner's interest in the Common Areas or membership in the EPOA; (ii) the insurer waives its rights of subrogation under the policy against the EPOA, each Owner, and any Person claiming by, through, or under such Owner or any other director, agent, or employee of the foregoing; (c) no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the EPOA, will void the policy or be a condition to recovery under the policy; and (d) if at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the EPOA's policy shall be the primary insurance. An insurer that has issued an insurance policy for the insurance described in Sections 9.17(a) and 9.17(b) above shall issue certificates or memoranda of insurance to the EPOA and, upon request, to any Lot Owner or holder of a security interest. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the EPOA, and each Lot Owner and holder of a security interest to whom a

certificate or memorandum of insurance has been issued, at their respective last-known addresses.

Any loss covered by the property insurance policy described in Section 9.17(a) above must be adjusted with the EPOA, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the EPOA, and not to any holder of a security interest. The insurance trustee or the EPOA shall hold any insurance proceeds in trust for the EPOA Lot Owners and lien holders as their interests may appear. Subject to the provisions of Section 38.33.3-313(9) of the Act, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the EPOA, Lot Owners, and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Edgemont Ranch Unit 1 is terminated.

The EPOA 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 EPOA settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration for all deductibles paid by the EPOA. In the event more than one Lot is damaged by a loss, the EPOA in its reasonable discretion may assess each Lot Owner a pro rata share of any deductible paid by the EPOA.

Insurance policies and insurance coverage shall be reviewed at least annually by the Board of Directors to ascertain whether coverage under the policies is sufficient in light of the current values of the Common Areas and in light of the possible or potential liabilities of the EPOA and other insured parties.

In no event shall insurance coverage obtained or maintained by the EPOA obviate the need for Owners to obtain insurance for their own benefit.

Furthermore, to the extent reasonably available, insurance policies obtained by the EPOA shall contain the following provisions:

(i) The coverage afforded by such policies shall not be brought into contribution or proration with any insurance which may be purchased by a Lot Owner, Occupant or Mortgagee.

(ii) The conduct of any one or more Lot Owners or Occupants shall not constitute grounds for avoiding liability on any such policies.

(iii) Each policy must contain a waiver of any defenses based on co-insurance or on invalidity arising from the acts of the insured.

(iv) A “severability of interest” endorsement shall be obtained which shall preclude the insurer from denying the claim of a Lot Owner or Occupant because of the conduct or negligent acts of the EPOA and its agents or other Lot Owners or Occupants.

(v) Any “no other insurance” clause shall exclude insurance purchased by Lot Owners, Occupants or Mortgagees.

(vi) Coverage must not be prejudiced by (i) any act or neglect of Lot Owners or Occupants when such act or neglect is not within the control of the EPOA, or (ii) any failure of the EPOA to comply with any warranty or condition regarding any portion of the Edgemont Ranch Unit 1 over which the EPOA has no control.

(vii) Coverage may not be canceled or substantially modified without at least 30 days (or such lesser period as the EPOA may reasonably deem appropriate) prior written notice to the EPOA.

(viii) Any policy of property insurance which gives the carrier the right to elect to restore damage in lieu of a cash settlement must provide that such election is not exercisable without the prior written approval of the EPOA, or when in conflict with the insurance trust provisions contained herein, or any requirement of law.

(ix) A recognition of any insurance trust agreement entered into by the EPOA.

(x) Each hazard insurance policy shall be written by a hazard insurance carrier which has a financial rating as designated in *Best's Key Rating Guide* of Class VI or better, or if such rating service be discontinued, an equivalent rating by a successor thereto or a similar such rating service. Each insurance carrier must be specifically licensed or authorized by law to transact business within the State of Colorado.

(h) **Non-liability of EPOA or Board of Directors.** Notwithstanding the duty of the EPOA to obtain insurance coverage, as stated herein, neither the EPOA nor any Board of Directors member, shall be liable to any Lot Owner, Occupant, Mortgagee or other Person, if any risks or hazards are not covered by insurance, or if the appropriate insurance is not obtained because such insurance coverage is not reasonably obtainable on the EPOA's behalf, or if the amount of insurance is not adequate, and it shall be the responsibility of each Lot Owner and Occupant to ascertain the coverage and protection afforded by the EPOA's insurance and to procure and pay for such additional insurance coverage and protection as the Lot Owner or Occupant may desire.

(i) **Premiums.** Premiums for insurance policies purchased by the EPOA and other expenses connected with acquiring such insurance shall be paid by the EPOA as a Common Expense, except that the amount of increase over any annual or other premium occasioned by the use, misuse, occupancy or abandonment of a Lot or its appurtenances, or the Common Areas, by a Lot Owner or Occupant, may at the Board of Director's election, be assessed against that particular Lot Owner and its Lot as a Reimbursement Assessment.

(j) **Insurance Claims.** The EPOA is hereby irrevocably appointed and authorized, subject to the provisions contained herein, to adjust all claims arising under insurance policies purchased by the EPOA and to execute and deliver releases upon the payment of claims, and to do all other acts reasonably necessary to accomplish any of the foregoing. The Board of Directors has full and complete power to act for the EPOA in this regard, and may, in its discretion, appoint an authorized representative, or enter into an insurance trust agreement, wherein the trustee shall have the authority to negotiate losses under any policy purchased by the EPOA.

(k) **Benefit.** Except as otherwise provided herein, all insurance policies purchased by the EPOA shall be for the benefit of, and any proceeds of insurance received by the EPOA or any insurance trustee shall be held or disposed of in trust for the EPOA, the Lot Owners or the Occupants, as their interests may appear.

(l) **Other Insurance to be Carried by Lot Owners.** Insurance coverage on the furnishings and other items of personal property belonging to a Lot Owner, public liability insurance coverage upon each Lot, and hazard insurance coverage on the Improvements constructed on Lots, shall be the responsibility of the Owner of the Lot. No Lot Owner shall maintain any insurance, whether on its Lot or otherwise, which would limit or reduce the insurance proceeds payable under the casualty insurance maintained by the EPOA in the event of damage to the Improvements or fixtures on the Common Areas.

9.18 Damage to Edgemont Ranch Unit 1. Any portion of the Edgemont Ranch Unit 1 for which insurance is required under Section 38-33.3-313 of the Act (except any portion on which insurance is carried by a Sub-Association) which is damaged or destroyed must be repaired or replaced promptly by the EPOA unless: (i) repair or replacement is the responsibility of a Sub-Association under a Supplemental Declaration; (ii) the Edgemont Ranch Unit 1 is terminated; (iii) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; (iv) 80 percent of the Lot Owners, including owners of every Lot that will not be rebuilt or repaired, vote not to rebuild or repair. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire Edgemont Ranch Unit 1 is not repaired or replaced, the insurance proceeds attributable to the damaged Common Areas must be used to restore the damaged area to a condition compatible with the remainder of the Edgemont Ranch Unit 1, and, except to the extent that other Persons will be distributees, the insurance proceeds attributable to Lots that are not rebuilt must be distributed to the Owners of those Lots, or to lien holders, as their interests may appear, and the remainder of the proceeds must be distributed to all Lot Owners or lien holders as their interests may appear in proportion to the Common Expense liabilities of all the Lots.

In the event of damage to or destruction of all or a portion of the Common Areas due to fire or other adversity or disaster, the insurance proceeds, if sufficient to

reconstruct or repair the damage, shall be applied by the EPOA to such reconstruction and repair. If the insurance proceeds with respect to such Common Area damage or destruction are insufficient to repair and reconstruct the damage or destruction, the EPOA may levy a Special Assessment in the aggregate amount of such deficiency, or if any Owner or group of Owners is liable for such damage, may levy a Reimbursement Assessment against the Owner or group of Owners responsible therefore, and shall proceed to make such repairs or reconstruction. Such Assessment shall be due and payable as provided by resolution of the Board of Directors, but not sooner than 60 days after written notice thereof. The Assessment provided for herein shall be a debt of each Lot Owner assessed and a lien on his Lot, and may be enforced and collected in the same manner as any Assessment Lien provided for in this Comprehensive Amended Declaration. If the entire damaged Common Area is not repaired or replaced, the insurance proceeds attributable to the damaged Common Area must be used to restore the damaged area to a condition compatible with the remainder of the Edgemont Ranch Unit 1. No distributions of insurance proceeds shall be made unless made jointly payable to the Lot Owners and first Mortgagees of their respective Lots, if any.

9.19 Limited Liability. The EPOA nor its past, present or future officers, directors, nor any other employee, agent or committee member of the EPOA shall be liable to any Owner or Occupant or to any other Person for actions taken or omissions made except for wanton and willful acts or omissions. Without limiting the generality of the foregoing, neither the EPOA and the Board of Directors, nor any other officer, employee, agent or committee member of the EPOA shall not be liable to any Owner or Occupant or other Person for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice. Acts taken upon the advice of legal counsel, certified public accountants, registered or licensed engineers, architects or surveyors shall conclusively be deemed to be in good faith and without malice. To the extent insurance carried by the EPOA for such purposes shall not be adequate, the Owners severally agree to indemnify the EPOA and Board of Directors against claims, damages or other liabilities resulting from such action or failure to act.

Article 10 **ASSESSMENTS**

10.1 Assessment Obligation and Lien. Each Lot Owner, by acceptance of a deed therefore (including a public trustee's or sheriff's deed), whether or not it shall be so expressed in any such deed or other instrument of conveyance, shall be deemed to covenant and agree, to pay to the EPOA: (1) Regular Assessments or charges, (2) Special Assessments, and (3) Reimbursement Assessments, such assessments to be established and collected as hereinafter provided (collectively the "Assessments"). The Assessments, together with interest, late charges, costs, and reasonable attorneys' fees, shall be a continuing lien and security interest upon the Lot against which each such Assessment is charged. The obligation for such payments by each Lot Owner to the EPOA is an independent covenant, with all amounts due from time to time payable in full without notice (except as otherwise expressly provided in this Declaration) or demand, and without set-off or deduction of any kind or nature. Each Lot Owner is

liable for Assessments made against such Owner's Lot during his period of ownership of the Lot. Each Assessment, together with interest, late charges, costs and reasonable attorneys' fees, shall also be the joint, several and personal obligation of each Person who was an Owner of such Lot at the time when the Assessment became due. Upon the transfer of title to a Lot, the transferor and the transferee shall be jointly, severally and personally liable for all unpaid Assessments and other charges due to the EPOA prior to the date of transfer, and the transferee shall be personally liable for all such Assessments and charges becoming due thereafter.

10.2 Statutory Lien. The EPOA has a statutory lien pursuant to Section 38-33.3-316 of the Act on the Lot of an Owner for all Assessments levied against such Lot or fines imposed against such Lot's Owner from the time the Assessment or fine becomes due (the "Assessment Lien"). Fees, charges, late charges, attorneys' fees, fines and interest charged by the EPOA pursuant to the Act or this Comprehensive Amended Declaration or any Supplemental Declaration are enforceable as Assessments. The amount of the lien shall include all such items from the time such items become due. If an Assessment is payable in installments, the EPOA has an Assessment Lien for each installment from the time it becomes due, including the due date set by the Board of Director's acceleration of installment obligations. An Assessment Lien is extinguished unless proceedings to enforce the lien are instituted within 6 years after the full amount of Assessments becomes due.

10.3 Lien Superior to Homestead and Other Exemptions. An Assessment Lien shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed subject to this Comprehensive Amended Declaration shall constitute a waiver of the homestead and any other exemption as against said Assessment Lien.

10.4 Priority of Lien. An Assessment Lien is prior to all other liens and encumbrances on a Lot, except as follows:

(a) Liens and encumbrances Recorded before the recordation of this Comprehensive Amended Declaration;

(b) A security interest on the Lot which has priority over all other security interests on the Lot and which was Recorded before the date on which the Assessment sought to be enforced became delinquent. An Assessment Lien is prior to the security interest described in the preceding sentence to the extent of an amount equal to the Regular Assessments (based on a Budget adopted by the EPOA pursuant to Section 10.7 below) which would have become due, in the absence of any acceleration, during the 6 months immediately preceding institution by the EPOA or any party holding a lien senior to any part of the EPOA lien created under this Article 10 of an action or a non-judicial foreclosure either to enforce or to extinguish the lien;

(c) Liens for real estate taxes and other governmental assessments or charges against the Lot; and

(d) As may otherwise be set forth in the Act. The priority of mechanics' and materialmen's liens is not affected by the Act.

This Article 10 does not prohibit an action or suit to recover sums for which this Article 10 creates a lien or prohibit the EPOA from taking a deed in lieu of foreclosure. Sale or transfer of any Lot shall not affect the lien for an Assessment.

10.5 Perfection of Lien. The Recording of this Comprehensive Amended Declaration constitutes record notice and perfection of the statutory lien. No further Recordation of any claim of lien for Assessments is required; however, a claim may be Recorded at the EPOA's option, in which event costs and attorneys' fees incurred in connection with the preparation and filing of such claim shall be assessed against the Lot as a Reimbursement Assessment.

10.6 Regular Assessments.

(a) A Regular Assessment shall be made annually against each Lot, based upon an annual Budget prepared by the Board of Directors, for purposes of paying (i) the annual costs of operating and administering the EPOA and all other Common Expenses, (ii) the costs of services rendered or expenditures incurred by the EPOA to or for less than all Lots (but not including Common Expenses), which shall be assessed only to the Lots benefited and then equally among them, (iii) reasonable reserves for contingencies, replacements, and other proper purposes, and (iv) such other matters as may be reasonably determined by the Board of Directors to be the subject of a Regular Assessment;

(b) Regular Assessments shall be allocated in accordance with the Allocated Interests of each Lot in the Edgemont Ranch Unit 1, except that (i) any Common Expense or portion thereof benefiting fewer than all of the Lots shall be assessed exclusively against the Lots benefited, and (ii) the costs of insurance shall be assessed in proportion to risk, and the costs of utilities shall be assessed in proportion to usage. If Common Expense liabilities are reallocated, Common Expense Assessments and any installment thereof not yet due shall be reallocated in accordance with the reallocated Common Expense liabilities.

(c) Regular Assessments shall be levied on a calendar year basis. Regular Assessments shall be paid in installments on either an annual or a quarterly basis, as the Board of Directors may determine from time to time, and shall be due either on the first day of March or on the first day of each calendar year quarter (January 1, April 1, July 1 and October 1), as appropriate. Unless and until changed to a quarterly system by the Board of Directors, Regular Assessments shall be due and payable on the first day of March. Any Lot Owner

acquiring a Lot between installment due dates shall pay a pro rata share of the immediately preceding installment.

(d) The Board of Directors shall fix the amount of the Regular Assessment, using the Budget procedure described below, at least 30 days before the end of each calendar year. Written notice of the Regular Assessment shall be sent to each Owner. Failure of the EPOA timely to fix and levy the Regular Assessments for any year or to send a notice thereof to any Owner shall not relieve or release any Owner from liability for payment of Regular Assessments or any installments thereof for that or subsequent years as soon as the Board of Directors levies the Regular Assessment and provides notice thereof.

10.7 EPOA Budget. Within ninety days after adoption of any proposed budget for the EPOA, 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 the budget. Such meeting shall occur within a reasonable time after mailing or other delivery of the summary, or as allowed for in the Bylaws. The Board of Directors shall give notice to the Owners of the meeting as allowed for in the Bylaws.

10.8 Special Assessments. In addition to the Regular Assessments and Reimbursement Assessments authorized in this Article 10, the Board of Directors may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of capital improvements (including related fixtures and personal property) to or upon the Edgemont Ranch Unit 1, or for excess reconstruction costs or other extraordinary expenses, or for funding any operating deficit of the EPOA. Except in the event of an emergency, where no membership vote shall be required, the Board of Directors shall not levy a Special Assessment without the affirmative vote of at least a majority of the Lot Owners in the Edgemont Ranch Unit 1 who are entitled to vote. Written notice of any meeting called for the purpose of levying a Special Assessment shall be sent to all Owners no less than 30 or more than 60 days before the meeting. At the meeting, the presence of Owners in person or by proxy that are entitled to cast 60 percent of the total votes in the EPOA shall constitute a quorum. If the required quorum is not present, another meeting may be called pursuant to the same notice requirements, and the required quorum at this second meeting shall be only 30 percent of the total votes in the EPOA. No such second meeting shall be held more than 60 days following the date of the first meeting.

For purposes of this Section 10.8, the term “emergency” shall mean any circumstances or set of circumstances which pose an imminent threat of loss, damage or injury, actual or threatened, to persons or property. Special Assessments in emergency situations assessed without a vote of the membership shall not exceed \$500.00 per Lot for any individual Special Assessment. Special Assessments shall be allocated in the same manner as Regular Assessments, that is, in accordance with the Allocated Interests of each Lot in the Edgemont Ranch Unit 1, and shall be due and payable to the

EPOA on the due date fixed by the Board of Directors in the notice given to the Owners of such Special Assessment, which due date shall be no earlier than 30 days after the giving of such notice.

10.9 Reimbursement Assessments. In addition to the Regular and Special Assessments authorized hereunder, the Board of Directors may levy against any Owner or Owners, at any time and from time to time, a Reimbursement Assessment for purposes of reimbursing the EPOA for all costs and expenses incurred by it in enforcing any provision of or in remedying any violation of this Comprehensive Amended Declaration, or of any Supplemental Declaration, the Articles, Bylaws, Rules and Regulations or Design Regulations, or any approvals granted by the Design Review Board, by such Owner or Owners, their Occupant(s), or their agents, employees or contractors. Reimbursement Assessments may also be made by the Board of Directors for any other purposes for which this Comprehensive Amended Declaration provides for the levying of a Reimbursement Assessment. Finally, and in addition to the foregoing, a Reimbursement Assessment may also be levied in the form of a reasonable fine against an Owner for a violation of this Comprehensive Amended Declaration, a Supplemental Declaration, the Articles, Bylaws, or the Rules and Regulations, but only after the Owner(s) to be so fined have been provided with Notice and Hearing. Reimbursement Assessments shall be due and payable to the EPOA on the due date fixed by the Board of Directors in the notice given to the Owner(s) of such Reimbursement Assessment, which date shall be no earlier than 30 days after the giving of such notice.

10.10 Effect of Nonpayment of Assessments; Remedies of the EPOA. Any Assessment or portion or installment thereof which is not paid when due shall be deemed delinquent and shall bear interest from and after the due date at the rate of interest set by the Board of Directors from time to time, which shall be eighteen (18) percent per year, and the Board of Directors may also assess a late charge thereon. The Board of Directors may also elect to accelerate the installment obligations of any Regular Assessment for which an installment is delinquent. The delinquent Owner shall also be liable for all costs, including attorneys' fees, which may be incurred by the EPOA in collecting a delinquent Assessment, which collection costs shall be added to the delinquent Assessment. The Board of Directors may but shall not be required to record a Notice of Delinquent Assessment or charge against any Lot as to which an Assessment or charge is delinquent. The Notice shall be executed by an officer of the Board of Directors, and shall set forth the amount of the unpaid Assessment, the name of the delinquent Owner and a description of the Lot. The Assessment Lien may be foreclosed by the EPOA in the same manner as a mortgage on real property. The EPOA shall be entitled to purchase the Lot at foreclosure. The EPOA may also bring an action at law against the Owner personally obligated to pay the delinquent Assessment and/or foreclose the lien against said Owner's Lot, in the discretion of the EPOA. No Owner may exempt himself or otherwise avoid liability for the Assessments provided for herein by waiver of the use or enjoyment of any of the Common Areas or by abandonment of the Lot against which the Assessments are made. Where Assessments that are due from any Owner are more than 90 days delinquent, the EPOA may

temporarily cut off any or all EPOA services or benefits to the delinquent Owner and his Lot, including the right to use Common Areas (except access roads), until all delinquent Assessments are fully paid. The Board of Directors shall suspend the voting rights of any Lot Owners which are delinquent in their assessments, if such delinquency has not been cured within 20 days of written notice of delinquency.

In any action by the EPOA to collect Assessments or to foreclose a lien for unpaid Assessments, the court may appoint a receiver to collect all sums alleged to be due from the Lot Owner prior to or during the pending of the action. The court may order the receiver to pay any sums held by the receiver to the EPOA during the pending of the action to the extent of the EPOA's Regular Assessments.

10.11 Statement of Unpaid Assessments. The EPOA shall furnish to an Owner or such Owner's designee or to a holder of a security interest or its designee upon written request, delivered personally or by facsimile transmittal or by certified mail, first class postage prepaid, return receipt requested, to the EPOA, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's Lot, whether delinquent or not. The statement shall be furnished within 21 days after receipt of the request and is binding on the EPOA, the Board of Directors, and every Owner. If no statement is furnished either delivered personally or by facsimile transmission or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the EPOA shall have no right to assert a lien upon the Lot for unpaid Assessments which were due as of the date of the request.

10.12 Assessments for Tort Liability. In the event of any tort liability against the EPOA which is not covered completely by insurance, each Owner shall contribute for the payment of such liability as a Special Assessment. The EPOA may, however, require a larger contribution from fewer than all Owners under any legal or equitable principles regarding liability for negligent or willful acts or omissions.

Article 11 **EMINENT DOMAIN**

11.1 Definition of Taking. The term "taking", as used in this Article 11, shall mean condemnation by eminent domain or sale under threat of condemnation.

11.2 Representation in Condemnation Proceedings of Common Areas. In the event of a threatened taking of all or any portion of the Common Areas, the Lot Owners hereby appoint the EPOA through such persons as the Board of Directors may designate to represent the EPOA and all of the Lot Owners in connection therewith. The EPOA shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action. Service of process on the EPOA shall constitute sufficient notice to all Lot Owners, and service of process on each individual Lot Owner shall not be necessary.

11.3 Award for Common Area. Any awards received by the EPOA on account of the taking of Common Area shall be paid to the EPOA. The EPOA may, in its sole discretion, retain any award in the general funds of the EPOA or distribute all or any portion thereof to the Lot Owners as their interests may appear. The rights of a Lot Owner and the Mortgagee of a Lot as to any such distribution shall be governed by the provisions of the Mortgage encumbering the Lot.

11.4 Taking of Lots. If a Lot is acquired by eminent domain or part of a Lot is acquired by eminent domain leaving the Lot Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Comprehensive Amended Declaration, the award must include compensation to the Lot Owner for that Lot and its Allocated Interests whether or not any Common Area was acquired. Upon acquisition, unless the decree otherwise provides, that Lot's Allocated Interests are automatically reallocated to the remaining Lots in proportion to the respective Allocated Interests of those Lots before the taking. Any remnant of a Lot remaining after part of a Lot is taken is thereafter Common Area. Otherwise, if part of a Lot is acquired by eminent domain, the award must compensate the Lot Owner for the reduction in value of the Lot and its interest in the Common Areas whether or not any Common Area was acquired. Upon acquisition, unless the decree otherwise provides:

(a) That Lot's Allocated Interests are reduced in proportion to the reduction in the size of the Lot; and

(b) The portion of Allocated Interests divested from the partially acquired Lot is automatically re-allocated to that Lot and to the remaining Lots in proportion to the respective interests of those Lots before the taking, with the partially acquired Lot participating in the re-allocation on the basis of its reduced Allocated Interests.

11.5 Miscellaneous. The court decree shall be recorded in La Plata County. The re-allocations of Allocated Interests pursuant to this Article shall be confirmed by an amendment to the Comprehensive Amended Declaration prepared, executed, and recorded by the EPOA.

Article 12

GENERAL PROVISIONS

12.1 Duration of Comprehensive Amended Declaration. The term of this Comprehensive Amended Declaration shall be perpetual.

12.2 Termination of Edgemont Ranch Unit 1. The Edgemont Ranch Unit 1 may be terminated only by the agreement of (i) Lot Owners to which at least 80 percent of the votes in the EPOA are allocated, and (ii) the holders of all First Mortgages on Lots. In the event of such termination, the provisions of Section 38-33.3-218 of the Act shall apply.

12.3 Amendment of Comprehensive Amended Declaration and Plat. This Comprehensive Amended Declaration and the Plat may be amended pursuant to Section 38-33.3-217 of the Act. The Act also provides that the Comprehensive Amended Declaration may be amended by the EPOA in certain defined circumstances. Otherwise, this Comprehensive Amended Declaration and any Supplemental Declarations (including the Plat and any Supplement Plats) may be amended only by the vote or agreement of Lot Owners to which at least 67 percent of the votes in the EPOA are allocated.

With the exception of amendments accomplished by Supplemental Declaration (when lands are annexed to the Edgemont Ranch Unit 1), an amendment to this Comprehensive Amended Declaration shall be in the form of a “First (or Second, etc.) Amendment to Comprehensive Amended Declaration and Plat of Edgemont Ranch Unit 1”. Amendments to this Comprehensive Amended Declaration shall be duly executed by the President and Secretary of the EPOA and Recorded in the Office of the Clerk and Recorder of La Plata County. All amendments to this Comprehensive Amended Declaration shall be indexed in the Grantee’s index in the names of the Edgemont Ranch Unit 1 and the EPOA, and in the Grantor’s index in the name of each Person executing the amendment.

12.4 Enforcement. Every Owner and Occupant of a Lot in the Edgemont Ranch Unit 1 shall fully and faithfully observe, abide by, comply with and perform all of the covenants, conditions and restrictions set forth in this Comprehensive Amended Declaration, any Supplemental Declaration, the Articles, Bylaws, Rules and Regulations, the Design Regulations and all approvals granted by the Design Review Board, as the same or any of them may be amended from time to time. In addition to any other rights or remedies that may be provided to any Person under the terms and provisions of this Comprehensive Amended Declaration or of any Supplemental Declaration, the Board of Directors, the Design Review Board as to matters arising under Article 4 hereof, and every Lot Owner (except an Owner that is delinquent in the payment of Assessments hereunder) shall have the right, acting alone or together with others having such right, to enforce, by any proceeding at law or in equity, any or all of the covenants, conditions, restrictions, assessments, charges, liens, servitudes, easements and other provisions now or hereafter imposed by this Comprehensive Amended Declaration, any Supplemental Declaration, the Articles, Bylaws, Rules and Regulations, the Design Regulations, and approvals granted by the Design Review Board.

Such enforcement rights shall include without limitation the right to bring an injunctive action for any form of injunctive relief available under Colorado law (including specific performance), or an action for damages, or both. Injunctive relief may include, without limitation, orders to stop work, orders to remove Improvements constructed in violation hereof, orders to compel performance, and any other orders appropriate under the circumstances.

The Board of Directors shall have the further right (a) to levy and collect, after Notice and Hearing, reasonable fines for the violation of any of the foregoing matters, (b) to levy and collect a Reimbursement Assessment against any Owner, and/or (c) to enter upon any Lot within the Edgemont Ranch Unit 1, after giving the Lot Owner or Occupant at least 5 days written notice of the nature of the violation (unless an emergency exists, in which case without notice), without liability to the Owner or Occupant thereof, to enforce or cause compliance with such matters, at the cost and expense of the Owner or Occupant in violation.

In any action brought under this Section 12.4, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection therewith, as well as any and all other sums awarded by the court. Failure by any party entitled to do so to exercise in a particular instance any of the rights available to it under this Section 12.4 shall in no event be deemed a waiver of the right to do so in any other instance, or impose any liability upon any person or entity having such enforcement right.

Provided always, that no Owner shall have the right to bring an enforcement action against another Owner or Occupant for a breach by that Owner or Occupant of any of such matters, or against the EPOA for a breach by the EPOA of any of such matters or for a failure by the EPOA to enforce compliance with such matters by others, until the aggrieved Owner has given the offending Owner or Occupant and the EPOA at least 30 days prior written notice of the aggrieved Owner's complaint and the opportunity to resolve the problem during that 30 day period.

12.5 Rights of First Mortgagees. Upon the filing of a written request therefore with the EPOA, the holder of a First Mortgage on any Lot in the Edgemont Ranch Unit 1 shall be entitled to:

- (a) Written notice from the EPOA that the Owner of the subject Lot is delinquent in the payment of Assessments thereon;
- (b) Inspect the books and records of the EPOA during normal business hours;
- (c) Receive copies of annual EPOA financial statements;
- (d) Receive written notice of meetings of the EPOA where matters will be considered that, if approved, will require the consent of First Mortgagees or some of them;
- (e) Receive written notice of condemnation proceedings affecting any Common Areas; and
- (f) Receive written notice of the lapse of any insurance that the EPOA is required to maintain under this Comprehensive Amended Declaration.

In addition, any First Mortgagee shall be entitled to pay any taxes or other charges which are in default and which may or have become a lien against the Common Areas and may pay any overdue premiums on hazard or general liability insurance policies covering the Common Areas, and shall be entitled to immediate reimbursement therefore from the EPOA, unless the EPOA is contesting any unpaid taxes or other charges and has set aside sufficient funds to pay the contested amounts if necessary.

12.6 EPOA Right to Mortgage Information. Each Owner hereby authorizes and instructs any holder of a Mortgage on the Owner's Lot, that in the event the EPOA is involved in collection efforts for assessments on the Owner's Lot which are more than 60 days past due, to furnish to the EPOA, upon receipt of a written request therefore from the EPOA, all information in the Mortgagee's possession regarding the status of the Mortgage and of the loan secured thereby.

12.7 Notice. Each Lot Owner, and each First Mortgagee if it so elects, shall register its mailing address, email address and telephone number from time to time with the EPOA. Except as otherwise specifically provided in this Comprehensive Amended Declaration, any notice permitted or required to be given hereunder shall be in writing and may be delivered either personally, or by facsimile transmission, or by mail. If delivery is made by mail, it shall be deemed to have been delivered two (2) business days after a copy of the same has been posted in the first-class U.S. Mail with adequate postage affixed, addressed to the receiving party at the address last registered by such party with the EPOA, or in the case of a Lot Owner that has not provided such an address, to the Lot of that Owner. Notices to the EPOA shall be sent to such address as it may from time to time designate in writing to each Owner.

12.8 No Dedication to Public Use. Unless expressly so provided herein, nothing contained in this Comprehensive Amended Declaration or in any Supplemental Declaration shall be deemed to be or to constitute a dedication of all or any part of the Edgemont Ranch Unit 1 to the public or to any public use.

12.9 Interpretation of Comprehensive Amended Declaration. The provisions of this Comprehensive Amended Declaration shall be liberally construed to effectuate its purposes of creating a common and general plan for the development, improvement, enhancement, protection and enjoyment of the Edgemont Ranch Unit 1, and to the extent possible, shall be construed so as to be consistent with the Act. In the event that any of the terms and conditions of this Comprehensive Amended Declaration are determined to be inconsistent with the Act, the Act shall control.

12.10 Conflict With Plats. In the event of any conflict or inconsistency between the provisions of this Comprehensive Amended Declaration and the Plat, or any Supplemental Plat, or the Final Plat, including the Plat notes thereon, the provisions of said Plat or Final Plat or Plat notes, as the case may be, shall govern and control and this Comprehensive Amended Declaration shall automatically be amended, but only to

the extent necessary to conform the conflicting provisions hereof with the provisions of said Plat, Final Plat or Plat notes.

12.11 No Express or Implied Covenants on Lands Not Annexed. Nothing in this Comprehensive Amended Declaration shall create, or be deemed to create, any express or implied covenants upon or with respect to any real property or interest therein not actually annexed to the Edgemont Ranch Unit 1 in the manner provided herein, including without limitation the properties described in attached Exhibits C and D.

12.12 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Comprehensive Amended Declaration or any Supplemental Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Comprehensive Amended Declaration. This provision does not limit the remedies that may be available under this Comprehensive Amended Declaration or at law or in equity.

12.13 Disclaimer Regarding Severed Mineral Rights. Certain mineral rights have been severed from the ownership of the surface of the Edgemont Ranch Unit 1 or a portion thereof and are owned by persons unrelated to EPOA. Each purchaser of a Lot understands and acknowledges that the ownership of such mineral rights include certain rights to enter upon the surface of the Edgemont Ranch Unit 1 to extract and remove minerals (including oil and gas) and to construct improvements related to such activities. If such mineral rights are ever exercised, it might have a detrimental impact on the value and enjoyment of the portion of the Edgemont Ranch Unit 1 affected thereby.

12.14 Captions. Captions given to various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof and shall not be considered in interpreting any of the provisions hereof.

12.15 Singular Includes Plural. Unless the context requires a contrary construction, as employed in this Comprehensive Amended Declaration the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

12.16 Remedies Cumulative. Each remedy provided under this Comprehensive Amended Declaration is cumulative and not exclusive.

12.17 Costs and Attorneys' Fees. In any action or proceeding involving the interpretation or enforcement of any provision of this Comprehensive Amended Declaration, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection therewith.

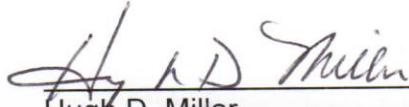
12.18 Governing Law; Jurisdiction. The laws of the State of Colorado shall govern the interpretation, validity, performance, and enforcement of this Comprehensive Amended Declaration. Any legal action brought in connection with this Comprehensive Amended Declaration shall be commenced in the District Court for La Plata County, Colorado, and by acceptance of a deed to a Lot each Lot Owner voluntarily submits to the jurisdiction of such court.

12.19 Severability. Any determination by any court of competent jurisdiction that any provision of this Comprehensive Amended Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof. Where any provision of this Comprehensive Amended Declaration is alleged to be or declared by a court of competent jurisdiction to be unconscionable, EPOA shall have the right by amendment to this Comprehensive Amended Declaration to replace such provision with a new provision, as similar thereto as practicable but which in EPOA's reasonable opinion would be considered not to be unconscionable.

12.20 Disclaimer Regarding Safety. THE EPOA HEREBY DISCLAIMS ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE EDMONT RANCH UNIT 1. ANY OWNER OF PROPERTY WITHIN THE EDMONT RANCH UNIT 1 ACKNOWLEDGES THAT THE EPOA ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION AND BYLAWS, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE EDMONT RANCH UNIT 1.

CERTIFICATION

The undersigned, as President of Edgemont Ranch Unit 1 Property Owners Association ("EPOA"), a Colorado not for profit corporation, hereby certifies that on the 11th day of February, 2013, the Second Amendment to Comprehensive Amended Declaration of Edgemont Ranch Unit 1 (hereafter "Amended Covenants") was presented to the membership for the purposes of amending the covenants. The Amended Covenants were submitted to members with a ballot by mail. The ballots were counted on March 6, 2013. The undersigned further certifies that the foregoing Amended Covenants was passed. The amendment to Section 3.11 passed by a vote of 168 affirmative votes to 9 negative votes; the amendment to Section 3.16 passed by a vote of 165 affirmative votes to 12 negative votes; the amendment to Section 3.17 passed by a vote of 155 affirmative votes to 22 negative votes; the amendment to Section 3.21 passed by a vote of 165 affirmative votes to 12 negative votes; the amendment to Section 3.33 passed by a vote of 156 affirmative votes to 21 negative votes; the amendment to Section 7.6 passed by a vote of 167 affirmative votes to 10 negative votes; the amendment to Section 10.10 passed by a vote of 155 affirmative votes to 22 negative votes; and the amendment to Section 12.7 passed by a vote of 163 affirmative votes to 14 negative votes; all of which meets or exceeds the Covenant requirement of 67% of the eligible voting members. Accordingly, the undersigned hereby certifies that the Covenants are amended.



Hugh D. Miller

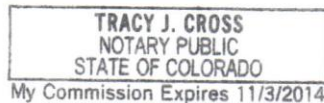
President EPOA

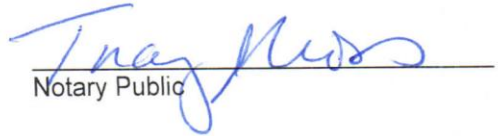
COUNTY OF LA PLATA)
STATE OF COLORADO)

The foregoing instrument was acknowledged before me this 28th day of March, 2013, by Hugh D. Miller, President of EPOA.

WITNESS my hand and official seal.

My commission expires: 11/03/2014





Notary Public

EXHIBIT A

Property Description on Plat of Edgemont Ranch Unit 1, Amended Plat No. 1, recorded May 1, 1985 at Reception No. 515243 in the records of the La Plata County, Colorado, Clerk and Recorder.

EXHIBIT B

Property Description on Plat of Master Plan of Edgemont Ranch, recorded December 18, 1996 at Reception No. 719177 in the records of the La Plata County, Colorado, Clerk and Recorder;

LESS AND EXCEPT Property Description on Plat of Edgemont Ranch Unit 1, Amended Plat No. 1, recorded May 1, 1985 at Reception No. 515243 in the records of the La Plata County, Colorado, Clerk and Recorder.

EXHIBIT C

Fishing Agreement

EXHIBIT D

Agreement Regarding Picnic Area at Edgemont Ranch