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Page: 1 of 58  
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Teak J Simonton Eagle, CO 135 R 291.00 D 0.00

**AMENDED AND RESTATED**

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

**FOR**

**TWO RIVERS VILLAGE**

*Return to Barry Green  
 Balcony + Green  
 PO Drawer 790  
 Manitowish Springs, WI 53160*

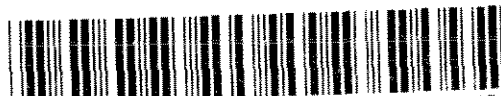


TABLE OF CONTENTS

RECITALS ..... 2

ARTICLE 1.

    DECLARATION ..... 3

ARTICLE 2.

    DEFINITIONS ..... 4

        2.1 Act ..... 4

        2.2 Allocated Interests ..... 4

        2.3 Annexable Property ..... 4

        2.4 Architectural Review Committee ..... 4

        2.5 Assessments ..... 4

        2.6 Building ..... 4

        2.7 Building Assessments ..... 5

        2.8 Building Association ..... 5

        2.9 Building Common Area ..... 5

        2.10 Building Declaration ..... 5

        2.11 Building Documents ..... 5

        2.12 Building Expenses ..... 5

        2.13 Common Expenses ..... 5

        2.14 Community Wide Standard ..... 5

        2.15 Declarant ..... 6

        2.16 Declarant Control Period ..... 6

        2.17 Declaration or Master Declaration ..... 6

        2.18 Design Guidelines ..... 6

        2.19 Developed Lot ..... 6

        2.20 District ..... 6

        2.21 District Properties ..... 6

        2.22 Executive Board ..... 6

        2.23 Improvement(s) ..... 7

        2.24 Lot ..... 7

        2.25 Manager ..... 7

        2.26 Map ..... 7

        2.27 Master Articles or Master Articles of Incorporation ..... 7

        2.28 Master Association ..... 7

        2.29 Master Bylaws ..... 7

        2.30 Master Common Area ..... 7

        2.31 Master Documents ..... 8

        2.32 Member ..... 8

        2.33 Owner ..... 8

        2.34 Plat ..... 8



2.35 Supplemental Declaration ..... 8  
 2.36 Supplemental Plat ..... 8  
 2.37 Undeveloped Lot ..... 8  
 2.38 Unit ..... 8

**ARTICLE 3.**

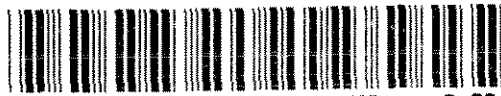
**OPERATION OF THE MASTER ASSOCIATION** ..... 9  
 3.1 Membership ..... 9  
 3.2 Executive Board ..... 9  
 3.3 Compliance with Documents ..... 10  
 3.4 Rules and Regulations ..... 10  
 3.5 Rights and Obligations of the Master Association ..... 10  
 3.6 Cooperation with District ..... 12

**ARTICLE 4.**

**ASSESSMENTS** ..... 12  
 4.1 Obligation ..... 12  
 4.2 Statutory Lien ..... 12  
 4.3 Lien Superior to Homestead and Other Exemptions ..... 13  
 4.4 Priority of Lien ..... 13  
 4.5 Perfection of Lien ..... 14  
 4.6 Budget ..... 14  
 4.7 Annual Assessments ..... 14  
 4.8 Apportionment of Annual Assessments ..... 15  
 4.9 Special Assessments ..... 15  
 4.10 Default Assessments ..... 15  
 4.11 Effect of Nonpayment of Assessments; Remedies of the Master Association ..... 15  
 4.12 Personal Obligation ..... 16  
 4.13 Successor's Liability for Assessments; Subordination of Lien ..... 16  
 4.14 Payment by Mortgagee ..... 16  
 4.15 Statement of Status of Assessment Payment ..... 17  
 4.16 Working Capital Fund ..... 17  
 4.17 Building Associations ..... 17

**ARTICLE 5.**

**PROPERTY RIGHTS OF OWNERS, MASTER ASSOCIATION AND DECLARANT** ..... 18  
 5.1 Easements of Enjoyment of Common Area ..... 18  
 5.2 Recorded Easements ..... 18  
 5.3 Easements for Encroachments ..... 18  
 5.4 Maintenance Easement ..... 18  
 5.5 Drainage Easement ..... 18  
 5.6 Utility Easement ..... 19  
 5.7 Roadway Easement ..... 19



5.8 Declarant's Rights Incident to Construction and Sales . . . . . 19  
 5.9 Emergency Easement . . . . . 19  
 5.10 Reservation of Easements, Exceptions, and Exclusions . . . . . 19  
 5.11 No Partition of Master Common Area . . . . . 20

**ARTICLE 6.**

**GENERAL RESTRICTIONS APPLICABLE TO THE  
 COMMON INTEREST COMMUNITY . . . . . 20**

6.1 Master Development Control . . . . . 20  
 6.2 Violation of Law, Insurance, Etc . . . . . 21  
 6.3 General Maintenance of Common Interest Community . . . . . 21  
 6.4 Residential Use and Occupancy . . . . . 22  
 6.5 Annoying Light, Sound or Odor . . . . . 22  
 6.6 No Hazardous or Unsafe Activities . . . . . 23  
 6.7 Outside Burning; Fire Hazards . . . . . 23  
 6.8 No Firearms or Hunting . . . . . 23  
 6.9 Garbage and Trash and Compost Containers . . . . . 24  
 6.10 Vehicle Parking, Storage, Operation and Repair . . . . . 24  
 6.11 Animals . . . . . 25  
 6.12 No Mining or Drilling . . . . . 26  
 6.13 Excavations . . . . . 26  
 6.14 Fencing . . . . . 26  
 6.15 Easements; Utility Companies . . . . . 26  
 6.16 Landscaping . . . . . 27  
 6.17 Basketball Goals; Tennis Courts . . . . . 27  
 6.18 Swimming Pools, Spas, and Related Equipment . . . . . 27  
 6.19 Signs and Advertising . . . . . 27  
 6.20 Camping . . . . . 28  
 6.21 Maintenance and Repair of Interior of Residence . . . . . 28  
 6.22 Restoration of Improvements in the Event of Damage or  
 Destruction . . . . . 28  
 6.23 Leases . . . . . 28  
 6.24 Damage by Owners During Construction . . . . . 29  
 6.25 Health, Safety and Welfare . . . . . 29  
 6.26 Implementation and Variances . . . . . 29  
 6.27 Declarant Activities . . . . . 30

**ARTICLE 7.**

**ARCHITECTURAL REVIEW . . . . . 30**

7.1 General . . . . . 30  
 7.2 Architectural Review . . . . . 31  
 7.3 Design Guidelines and Procedures . . . . . 31  
 7.4 No Waiver of Future Approvals . . . . . 32  
 7.5 Variance . . . . . 32  
 7.6 Limitation of Liability . . . . . 32



7.7 Enforcement ..... 33

**ARTICLE 8.**

**INSURANCE AND FIDELITY BONDS ..... 33**

8.1 Authority to Purchase ..... 33

8.2 General Insurance Provisions ..... 33

8.3 Physical Damage Insurance on Master Common Area ..... 33

8.4 Liability Insurance ..... 34

8.5 Fidelity Insurance ..... 35

8.6 Provisions Common to Physical Damage Insurance Liability  
Insurance and Fidelity Insurance ..... 35

8.7 Personal Liability Insurance of Officers and Directors ..... 36

8.8 Workmen's Compensation Insurance ..... 36

8.9 Other Insurance ..... 36

8.10 Insurance Obtained by Owners ..... 36

**ARTICLE 9.**

**DECLARANT'S RESERVED RIGHTS ..... 36**

9.2 Completion of Improvements ..... 37

9.3 Sales, Marketing and Management ..... 37

9.4 Merger ..... 38

9.5 Declarant Control of Association ..... 38

9.6 Declarant's Rights to Grant and Create Easements ..... 38

9.7 Annexation of Additional Properties ..... 38

9.8 Annexation Procedure ..... 39

9.9 Annexation of Additional Unspecified Real Estate ..... 39

9.10 Withdrawal Rights and Procedure ..... 39

9.11 Effect of Expansion or Contraction ..... 40

9.12 Subdivision of Lots; Construction of Buildings and  
Condominiumization thereof ..... 41

9.13 Transfer of Declarant's Reserved Rights ..... 41

9.14 Termination of Declarant's Reserved Rights ..... 41

**ARTICLE 10.**

**MASTER ASSOCIATION AS ATTORNEY-IN-FACT ..... 42**

**ARTICLE 11.**

**CONDEMNATION ..... 42**

11.1 Rights of Owners ..... 42

11.2 Partial Condemnation; Distribution of Award; Reconstruction  
..... 42

**ARTICLE 12.**

**DAMAGE OR DESTRUCTION ..... 43**

12.1 The Role of the Executive Board ..... 43

12.2 Estimate of Damages or Destruction ..... 43

12.3 Repair and Reconstruction ..... 43

12.4 Funds for Repair and Reconstruction ..... 43



12.5 Disbursement of Funds for Repair and Reconstruction . . . . 44

12.6 Decision Not to Rebuild the Master Common Area . . . . . 44

**ARTICLE 13.**

**DURATION OF THESE COVENANTS AND AMENDMENT . . . . . 44**

13.1 Term . . . . . 44

13.2 Amendment . . . . . 44

**ARTICLE 14.**

**MISCELLANEOUS AND GENERAL PROVISIONS . . . . . 46**

14.1 Enforcement of Covenants . . . . . 46

14.2 Resolution of Dispute . . . . . 48

14.3 Owners' Acknowledgment . . . . . 48

14.4 Supplemental to Act . . . . . 48

14.5 Severability . . . . . 48

14.6 Number and Gender . . . . . 48

14.7 Captions . . . . . 48

14.8 Conflicts in Documents . . . . . 48



849865

Page: 7 of 58  
09/16/2003 03:54P  
Teak J Simonton Eagle, CO 135 R 291.00 D 0.00

**AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
TWO RIVERS VILLAGE**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TWO RIVERS VILLAGE (the "Declaration"), is made this \_\_\_\_ day of September, 2003 and shall be effective upon recordation, by DOTSERO REALTY PARTNERS, LLLP, a Colorado limited liability limited partnership (the "Declarant").

**AMENDMENT AND RESTATEMENT**

WHEREAS, a Declaration of Covenants, Conditions and Restriction for Two Rivers Village was recorded on May 17, 2002 in the office of the Clerk and Recorder of Eagle County, Colorado as Reception No. 795929 (the "Previous Declaration"); and

WHEREAS, Section 16.2 of the Previous Declaration provides that the same may be terminated as to the whole or any portion of the Property therein described upon the affirmative vote of a majority of the owners of such Property; and

WHEREAS, Dotsero Realty Partners, LLLP, the Declarant hereunder, has succeeded to all of the rights of Two Rivers Village Development Company, LLC, the Declarant under the Previous Declaration, by virtue of that certain Transfer of Declarant Rights dated August 27, 2002 and recorded in the records of Eagle County, Colorado, on September 16, 2003 as Reception No. 849864; and

WHEREAS, Dotsero Realty Partners, LLLP, the Declarant hereunder, is the owner of one hundred percent (100%) of the Property described in the Previous Declaration and has decided to terminate the Previous Declaration in its entirety as expressly authorized by Section 16.2 thereof and to subject the Property herein described to the terms and conditions of this Amended and Restated Master Declaration of Covenants, Conditions and Restriction for Two Rivers Village.

NOW, THEREFORE, for and in consideration of the premises, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Previous Declaration is hereby terminated and the following Amended and Restated Master Declaration of Covenants, Conditions, and Restriction for Two Rivers Village is adopted:



849865

Page: 8 of 58  
09/16/2003 03:54P

## RECITALS

1. Declarant is the record owner of that certain real property situated in Eagle County, Colorado, more particularly described on Exhibit A attached hereto and by reference made a part hereof (the "Common Interest Community").

2. Declarant is also the record owner of that certain real property described on Exhibit B attached hereto and by reference made a part hereof (the "Annexable Property").

3. The Common Interest Community and the Annexable Property have been approved for development pursuant to The Two Rivers Village Planned Unit Development Control Documents recorded in the records of Eagle County, Colorado on November 6, 1998, as Reception No. 675343, as amended by Resolution No. 2001-001, "A Resolution Approving An Amendment to The Two Rivers Planned Unit Development" recorded in the records of Eagle County, Colorado on January 4, 2001 as Reception No. 747484, and all further amendments thereto ("Two Rivers Village PUD").

4. Declarant intends to develop the Common Interest Community as a planned community under the Colorado Common Interest Ownership Act. Declarant reserves the right, but shall have no obligation, to annex to the Common Interest Community from time to time some or all of (i) the Annexable Property, and/or (ii) additional unspecified real estate, and to develop such property as part of the planned community. Each such annexation shall be accomplished by the recording of a Supplemental Declaration, and, if necessary, a Supplemental Plat or Map, which describe and depict any new Lots, Units, Common Areas and/or Subassociation Common Areas thereby added to the Common Interest Community, and which describe any Common Elements or Limited Common Elements thereby created. The Supplemental Declaration shall incorporate this Master Declaration by reference and shall set forth such amendments to the Master Declaration and such additional covenants, conditions, uses, restrictions, and reserved development rights as may be applicable to the annexed property.

5. Under the present Two Rivers Village PUD four hundred forty (440) legally separate residential Lots and Units are permitted to be created and developed. With the potential addition to the Common Interest Community of additional unspecified real estate, the maximum number of residential Lots and Units that may realistically be created and that Declarant reserves the right to create within the Common Interest Community is five hundred (500) Lots and Units. In addition, the Two Rivers Village PUD authorizes the development of certain commercial uses within the Annexable Property. Declarant reserves the right, but not the obligation, to create and develop a maximum of twenty-four (24) commercial Lots or Units within the property zoned for commercial use and to make such Commercial Lots or Units part of the Common Interest Community upon such terms and conditions as may be set forth in the applicable Supplemental Declaration.

6. Two Rivers Homeowners Association, a Colorado non-profit corporation, has been formed as a master association to exercise the functions set forth herein and to own, lease, hold,





operate, care for and manage certain property for the common benefit of Owners and Occupants of Lots and Units within the Common Interest Community, and to have the authority to enter into a contractual relationship with the District providing that the Association would administer, operate and maintain some or all of the District Properties.

7. Declarant desires to establish covenants, conditions and restrictions upon the Common Interest Community and all properties that may hereafter be annexed thereto, and certain mutually beneficial restrictions and limitations with respect to the proper use, occupancy, improvement and enjoyment thereof, all for the purposes of enhancing and protecting the value, desirability and attractiveness of the Common Interest Community and enhancing the quality of life within the Common Interest Community.

8. Declarant desires and intends that the Owners, Mortgagees,, Occupants and all other Persons hereafter acquiring any interest in the Common Interest Community 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 Master Declaration, as it may be amended from time to time by Supplemental Declaration or otherwise.

**ARTICLE 1.  
DECLARATION**

NOW, THEREFORE, for the purposes set forth above and herein, Declarant for itself and its successors and assigns hereby declares that the Common Interest Community and all other property which becomes subject to this Master 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 the Common Interest Community, and all of which shall run with the land and be binding upon and inure to the benefit of (i) the Common Interest Community and every part thereof, (ii) Declarant and its successors and assigns, (iii) the Master Association and its successors and assigns, (iv) every Member of the Master Association, and (v), all Owners, Occupants and other persons having or acquiring any right, title or interest in or to the Common Interest Community or any part thereof, or any Improvement thereon, and their respective heirs, personal representatives, successors and assigns. Provided always, that to the extent this Master Declaration provides that Declarant shall not be bound by, or is exempt from the application of certain covenants, conditions and restrictions contained herein, Declarant shall not be considered subject to such covenants, conditions or restrictions.



Notwithstanding the foregoing, in no event shall the Annexable Property or any portion thereof be burdened or benefitted by or otherwise subject to any of the terms or provisions of this Master Declaration until such property has been annexed to the Common Interest Community, at Declarant's sole option and discretion, and expressly subjected to the terms and provisions hereof (and any amendments hereto affecting the annexed property as may be contained in the Supplemental Declaration therefor), all as more particularly provided herein. This Declaration shall be recorded in Eagle County, Colorado and shall be indexed in the Grantee's index in the name of Two Rivers Village and the Master Association and in the Grantor's Index in the name of Dotsero Realty Partners, LLLP.

**ARTICLE 2.  
DEFINITIONS**

The following terms, as used in this Master Declaration, are defined as set forth below:

2.1 **Act.** "Act" shall mean the Colorado Common Interest Ownership Act, as amended (C.R.S. § 38-33.3-101 et seq.).

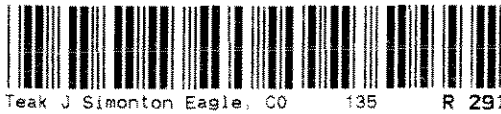
2.2 **Allocated Interests.** "Allocated Interests" shall mean, with respect to each Lot, a fraction or percentage of the undivided interest in the common elements and in the common expenses of the Association allocated to such Lot and a portion of the votes in the Master Association allocated to such Lot in accordance with the percentages set forth in Exhibit C attached hereto and made a part hereof. If Lots are added to or withdrawn from the Common Interest Community, the allocated interests of all Lots shall be reallocated on the basis of a fraction, the numerator of which is the lot area of each specific Lot (as set forth on the applicable Final Plat) and the denominator of which is the aggregate lot area of all Lots then within the Common Interest Community.

2.3 **Annexable Property.** "Annexable Property" shall mean that real property which is more particularly described on Exhibit B attached hereto and incorporated herein by this reference, and may include such other property which may be annexed to and made a part of the Common Interest Community, as more particularly provided herein.

2.4 **Architectural Review Committee.** "Architectural Review Committee" shall mean the committee formed pursuant to Article 7 of the Master Declaration to maintain the quality and architectural harmony of Improvements within The Riverwalk at Edwards.

2.5 **Assessments.** "Assessments" shall mean the types of assessments described in Article 4 below, including Annual, Special and Default Assessments

2.6 **Building.** "Building" shall mean a building or structure constructed on a Lot, whether or not governed by a separate association under the Act, in which the Owners of a unit(s)



contained therein may have common interest other than those common to all Members at the Master Association.

2.7 **Building Assessments.** "Building Assessments" shall mean assessments levied pursuant to a specific Building Declaration.

2.8 **Building Association.** "Building Association" shall mean any association established for a specific Building pursuant to a Building Declaration.

2.9 **Building Common Area.** "Building Common Area" shall mean any area within a Lot restricted in whole or in part to common use primarily by or for the benefit of the Owners within the Lot and its tenants, employees, guests and invitees.

2.10 **Building Declaration.** "Building Declaration" shall mean a declaration of covenants, conditions, and restrictions which may be recorded to impose a unified development scheme on a particular Lot.

2.11 **Building Documents.** "Building Documents" shall mean the documents which may be prepared and may be recorded, as appropriate, to create and govern a particular building, including a condominium map or plat, as applicable, any Supplemental Declaration, the Building Declaration, the articles of incorporation and by-laws of the Building Association, and any procedures, rules, regulations or policies adopted pursuant to such documents.

2.12 **Building Expenses.** "Building Expenses" shall mean the actual and estimated expenses incurred or anticipated to be incurred by the Building Association for the benefit of the Owner within that building association which may include a reasonable reserve for capital repairs and replacements, as the board of directors for such Building Association thereof may specifically authorize from time to time and as may be authorized herein or in Supplemental Declarations applicable to a Building or Building Association.

2.13 **Common Expenses.** "Common Expenses" shall mean the actual and estimated expenses incurred, or anticipated to be incurred, by the Master Association for the general benefit of all Owners, include any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Master Declaration, the Master Bylaws, and the Master Articles of Incorporation. Common Expenses shall not include any expenses incurred during the Declarant Control Period as defined in Section 3.2 of this Master Declaration for initial development and construction of infrastructure or other capital improvements, unless such expenses are approved by a majority of the Owners in the Master Association.

2.14 **Community Wide Standard.** The standard of conduct, maintenance or other activity generally prevailing through the Common Interest Community. Such standard may be more specifically determined by the Board.



849865

Page: 12 of 58  
09/16/2003 03:54P

2.15 **Declarant.** "Declarant" shall mean Dotsero Realty Partners, LLLP, a Colorado limited liability limited partnership, and any other person or entity that (a) acquires one or more Lots within the Common Interest Community and prior to or at the time of such acquisition is designated by a written instrument as a successor or assignee of Declarant under this Master Declaration. Such instrument may specify the extent and portion of the rights or interests as a Declarant which are being assigned, in which case Dotsero Realty Partners, LLLP, shall retain all other rights as Declarant.

2.16 **Declarant Control Period.** "Declarant Control Period" shall mean and refer to the specific Declarant rights to appoint members to the Executive Board as provided in Section 3.2 of the Master Declaration.

2.17 **Declaration or Master Declaration.** "Declaration" or "Master Declaration" shall mean this Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Two Rivers Village, as amended and supplemented from time to time and also including, but not limited to, any plats for Two Rivers Village.

2.18 **Design Guidelines.** "Design Guidelines" shall mean the guidelines and rules published and amended and supplemented from time to time by the Architectural Review Committee.

2.19 **Developed Lot.** "Developed Lot" shall mean any Lot upon which Improvements have been constructed and for which a certificate of occupancy has been issued by Eagle County, Colorado.

2.20 **District.** "District" shall mean the Two Rivers Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado which has been organized pursuant to Colorado law to provide certain municipal services to the properties within the Common Interest Community and to Owners, Members, their guests and invitees, all as provided in the Service Plan for Two Rivers Metropolitan District approved by the Board of County Commissioners of Eagle County, Colorado in Resolution No. 98-97, as modified by Resolution No. 2000-46, 2000-161 and 2001-154.

2.21 **District Properties.** "District Properties" shall mean those parcels of real property either within or without the Common Interest Community, which are owned by the District and utilized by the District to provide public services to the Common Interest Community, Owners, Members, their guests and invitees.

2.22 **Executive Board.** "Executive Board" or "Board" shall mean the governing body of the Two Rivers Homeowners Association.



2.23 **Improvement(s).** "Improvement(s)" shall mean all Buildings, driveways, pedestrian ways, parking areas, loading areas, fences, walls, hedges, plantings, poles, driveways, gardens, sprinkler systems and other landscaping changes, signs, mailbox structures, changes in any exterior color or shape, excavation and all other site work, including, without limitation, grading, road construction, utility improvements, removal of trees or plantings, monuments, ducts, shafts and flues, conduit installation areas, storage facilities for supplies and equipment, earth walls, retaining walls and other road supports, lighting, and any new exterior construction or exterior improvement which may not be included in the foregoing. "Improvement(s)" does not include turf, shrub, or tree repair or replacement of a magnitude which does not change exterior colors or exterior appearances. "Improvement(s)" includes both original improvements and all later changes and improvements.

2.24 **Lot.** "Lot" shall mean any parcel of land designated as a lot on the most recent Final Plat of any portion of the Common Interest Community. A "Lot" may or may not be improved with a Building, yet will remain subject to this Master Declaration.

2.25 **Manager.** "Manager" shall mean such person or entity that may be retained by the Executive Board to perform certain functions of the Board pursuant to this Master Declaration or the Master Bylaws.

2.26 **Map.** "Map" means that part of a declaration that depicts all or any portion of a Building in three dimensions, is executed by a person that is authorized by the act to execute a declaration related to the Common Interest Community, and is recorded in the real estate records of Eagle County, Colorado.

2.27 **Master Articles or Master Articles of Incorporation.** "Master Articles" or "Master Articles of Incorporation" shall mean the Articles of Incorporation of Two Rivers Homeowners Association which were filed with the Secretary of State on December 1, 2000 to create the Master Association, as amended from time to time.

2.28 **Master Association.** "Master Association" shall mean Two Rivers Homeowners Association a nonprofit membership corporation, or any successor of the Master Association by whatever name, charged with the duties and obligations set forth in this Master Declaration, as described in Section 35-33.3-220 of the Act.

2.29 **Master Bylaws.** "Master Bylaws" shall mean the Bylaws of Two Rivers Homeowners Association which establish the methods and procedures of its operation, as amended from time to time.

2.30 **Master Common Area.** "Master Common Area" shall mean any real property in which the Master Association from time to time holds an interest for the common use and



849865

Page: 14 of 58  
09/16/2003 03:54P  
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enjoyment of some or all of the Members. Such interest may include, without limitation, estates in fee, leasehold estates, licenses, permits or easements.

2.31 **Master Documents.** "Master Documents" shall mean the basic documents creating and governing all or part of the Common Interest Community, as they may be amended from time to time, including, but not limited to, this Master Declaration, the Master Articles of Incorporation, and the Master Bylaws, and any other procedures, rules and regulations or policies adopted under such documents by the Master Association.

2.32 **Member.** "Member" shall mean any person or entity holding membership in the Master Association pursuant to Section 3.1 below.

2.33 **Owner.** "Owner" shall mean the owner of record, whether one or more persons or entities, of fee simple title to any Lot including a Building Association, but shall not mean or refer to any person or entity who holds such interest merely as security for the performance of a debt or other obligation unless and until fee simple title has vested in such person or entity pursuant to foreclosure or other proceedings.

2.34 **Plat.** "Plat" shall mean that part of declaration that is a land survey plat and depicts all or any portion of the Common Interest Community in two dimensions, is executed by a person that is authorized by the act to execute a declaration relating to the Common Interest Community and is recorded in the real estate records of Eagle County. A Plat and a map may be combined in one instrument.

2.35 **Supplemental Declaration.** "Supplemental Declaration" shall mean a written instrument containing covenants, conditions, restrictions, reservations, easements, or equitable servitudes, or any combination thereof, which may be recorded on any portion of the Annexable Property in accordance with Section 9.8 of this Master Declaration.

2.36 **Supplemental Plat.** "Supplemental Plat" shall mean and include any land survey plat which is recorded by Declarant for the purpose of annexing the property described therein to the Common Interest Community.

2.37 **Undeveloped Lot.** "Undeveloped Lot" shall mean any Lot for which no Improvements have been constructed and for which no certificate of occupancy or temporary certificate of occupancy has been issued by Eagle County, Colorado.

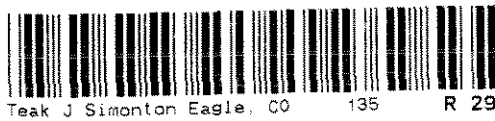
2.38 **Unit.** "Unit" or "Condominium Unit" means an air space or other defined physical portion of a Building, either residential or commercial, which is designated for separate ownership or occupancy and the boundaries of which are described in or determined from the Building Declaration.



**ARTICLE 3.  
OPERATION OF THE MASTER ASSOCIATION**

3.1 **Membership.** Every Owner of a Lot, or in the case of a Lot being improved with a Building containing Condominium Units, the Building Association for such Building, shall be a member of the Master Association. Membership shall be appurtenant to and cannot be separated from fee simple ownership of the Lot owned by such Member. No Owner or Building Association, whether one or more persons, shall have more than one membership per Lot owned or no more than one membership per Building Association. However, all of the persons owning such Lot or Owners of a Unit in a Building Association shall be entitled to rights of membership and of use and enjoyment appurtenant to such ownership. The Owner of each Lot, or the Building Association for each Lot, shall be entitled to vote in accordance with the Allocated Interests set forth in Exhibit C attached hereto.

3.2 **Executive Board.** The affairs of the Master Association shall be managed by an Executive Board which shall consist of the number of members which is set forth in the Master Documents, as amended from time to time. From the date of formation of the Master Association until the termination of Declarant's control as provided below, Declarant shall have the right to appoint and remove all members of the Executive Board and all officers of the Master Association. The period of Declarant's control of the Association shall terminate upon the first to occur of (i) sixty (60) days after conveyance of seventy-five percent (75 %) of the Lots in the Common Interest Community to Owners other than a Declarant, (ii) two (2) years after the last conveyance of a Lot by a Declarant in the ordinary course of business, or (iii) two (2) years after Declarant's right to add Lots to the Common Interest Community was last exercised. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant's control, but, in that event, Declarant may require, for the duration of the period of Declarant's control, that specified actions of the Master Association or Executive Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective. Not later than sixty (60) days after conveyance of twenty-five percent (25 %) of the Lots to Owners other than a Declarant, at least one member and not less than twenty-five percent (25 %) of the members of the Executive Board will be elected by Owners other than a Declarant. Not later than sixty (60) days after the conveyance of fifty percent (50%) of the Lots to Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board will be elected by Owners other than a Declarant. Not later than the termination of the period of Declarant's control as provided above, the Owners (including Declarant) shall elect the Executive Board of at least three (3) members, at least a majority of whom must be Owners other than a Declarant and the Executive Board shall elect the officers, with such Board members and officers to take office upon election. Within sixty (60) days after the Owners other than Declarant elect a majority of the Executive Board, Declarant shall deliver to the Master Association all property of the Owners and the Master Association held or controlled by Declarant, including without limitation those items specified in Section 38-33.3-303(9) of the Act. Except for Members of the Executive Board



appointed by the Declarant, all Members of the Executive Board shall be a resident of the Lot or Unit they own within the Common Interest Community.

**3.3 Compliance with Documents.** Each Member shall abide by and benefit from the provisions, covenants, conditions and restrictions contained in the applicable Master Declaration, Master Documents, if any, and the Rules and Regulations as set forth below.

**3.4 Rules and Regulations.** The Master Association, from time to time and subject to the provisions of the Master Documents, may adopt, amend and repeal rules and regulations, to be known as "Two Rivers Village Rules and Regulations." The Two Rivers Village Rules and Regulations may address any matter affecting the Common Interest Community, including, without limitation, the following:

- a. the use of Two Rivers Village Master Common Area;
- b. parking restrictions and limitations;
- c. establishment of times or other restrictions when commercial vehicles may be permitted to use any or all of the parking or roads within the Property;
- d. fines and or other penalties which may be assessed for the infraction of Two Rivers Homeowners Rules and Regulations or other Master Documents and, by contract or other agreement, enforce all applicable ordinances of Eagle County;
- e. restrictions against solicitation;
- f. noise regulations;
- g. operation regulations; and
- h. restrictions on animals and pets.

Provided, however, no Rule or Regulation shall be adopted which reduces or lessens any restriction on any matter set forth in this Master Declaration.

**3.5 Rights and Obligations of the Master Association.**

- a. *Master Common Area.* The Master Association, subject to the rights of the Owners set forth in this Master Declaration, shall manage and control the Master Common Area and all improvements thereon (including, without limitation, equipment, and common landscaped areas), and shall keep it in good, clean, attractive and sanitary





condition, order and repair, pursuant to the terms and conditions hereof and consistent with Community Wide Standard.

b. *Personal Property and Real Property for Common Use.* The Master Association, through action of its Executive Board, may acquire, hold and dispose of tangible and intangible personal property and real property. The Declarant has the right to convey to the Master Association any improved or unimproved Lot located within the Common Interest Community and personal property, leasehold, or any other property interests. Such property shall be accepted by the Master Association and thereafter shall be maintained at its expense for the benefit of its Members, subject to any restrictions set forth in the deed.

c. *Books and Records.* The Master Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to any Owner and its mortgagee(s), current copies of the Master Documents, and the books, records and financial statements of the Master Association prepared pursuant to the Master Bylaws. The Master Association may charge a reasonable fee for copying such materials.

d. *Successor to Declarant.* The Master Association shall assume all of the rights, duties and responsibilities of Declarant excluding rights specific to Declarant under this Master Declaration upon termination of the Declarant Control Period in accordance with Section 3.2 above.

e. *Implied Rights and Obligations.* The Master Association may exercise any other right or privilege given to it expressly by the Master Documents, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Master Association under the Master Documents or reasonably necessary to effectuate any such right or privilege. The Master Association shall perform all of the duties and obligations imposed on it expressly by the Master Documents, together with every other duty or obligation reasonably to be implied from the express provisions of the Master Documents or reasonably necessary to satisfy any such duty or obligation.

f. *Powers of the Master Association Relating to Lots and/or Building Associations.* Each Owner of a Lot or a Building Association is a voting Member of the Master Association. The Master Association shall have the enforcement power, provided it is in this Declaration, to require specific action to be taken by any Building Association or Owner of a Lot, in connection with its obligations and responsibility hereunder or under any other covenants affecting the Lot or Building Association. Further, the Master Association may impose sanctions for violation of the Master Documents in accordance with the procedures set forth in such Master Documents.



3.6 **Cooperation with District.** The Master Association shall in all respects cooperate with the Two Rivers Metropolitan District to enable both the Master Association and the District to most efficiently and economically provide their respective services to Owners, Members and the Common Interest Community. It is contemplated that from time to time either the District or the Master Association may use the services of the other in the furtherance of its obligations, and they may contract with each other to better provide for such cooperation. If either the Master Association or the District should fail or refuse to provide the services which it is obligated to provide under its respective formative documents for any reason, then the other entity, as permitted by law and to the best of its ability may, but need not, assume that obligation until such time as the entity primarily obligated is able to resume its functions, and the acting entity may charge the other a reasonable fee for the provisions of such services.

**ARTICLE 4.  
ASSESSMENTS**

4.1 **Obligation.** Declarant, for each Lot owned by Declarant, hereby covenants, and each Owner, by accepting a deed for a Lot, is deemed to covenant to pay to the Association (1) the Annual Assessments imposed by the Executive Board as necessary to meet the Common Expenses of maintenance, operation, and management of the Master Common Area and to perform the functions of the Master Association; (2) Special Assessments for capital improvements and other purposes as stated in this Master Declaration; and (3) Default Assessments which may be assessed against a Lot for the Owner's failure to perform an obligation under the Master Documents or because the Master Association has incurred an expense on behalf of the Owner under the Master Documents. The Assessments, together with interest, late charges, costs, and reasonable attorneys' fees, shall be a continuing lien and security interest upon the Lot or Unit against which each such Assessment is charged. The obligation for such payments by each Lot or Unit Owner to the Master Association 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 or Unit Owner is liable for Assessments made against such Owner's Lot or Unit during his period of ownership of the Lot or Unit. 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 or Unit at the time when the Assessment became due. Upon the transfer of title to a Lot or Unit, the transferor and the transferee shall be jointly, severally and personally liable for all unpaid Assessments and other charges due to the Master Association prior to the date of transfer, and the transferee shall be personally liable for all such Assessments and charges becoming due thereafter.

4.2 **Statutory Lien.** The Master Association has a statutory lien pursuant to Section 38-33.3-316 of the Act on the Lot or Unit of an Owner for all Assessments levied against such Lot or Unit or fines imposed against such Lot's or Unit'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 Master Association pursuant to the Act or this Master 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 Master Association has an Assessment Lien for each installment from the time it becomes due, including the due date set by the Executive Board'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.

**4.3 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 Master Declaration shall constitute a waiver of the homestead and any other exemption as against said Assessment Lien.

**4.4 Priority of Lien.** An Assessment Lien is prior to all other liens and encumbrances on a Lot or Unit except as follows:

a. Liens and encumbrances Recorded before the recordation of this Master Declaration;

b. A security interest on the Lot or Unit which has priority over all other security interests on the Lot or Unit 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 Master Association pursuant to Section 4.6 below) which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by the Master Association or any party holding a lien senior to any part of the Master Association lien created under this Article 4 of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien;

c. Liens for real estate taxes and other governmental assessments or charges against the Lot or Unit; 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 4 does not prohibit an action or suit to recover sums for which this Article 4 creates a lien or prohibits the Master Association from taking a deed in lieu of foreclosure. Sale or transfer of any Lot or Unit shall not affect the lien for an Assessment.



4.5 **Perfection of Lien.** The Recording of this Master Declaration and of each Supplemental 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 Master Association'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 or Unit as a Default Assessment.

4.6 **Budget.** Within thirty (30) days after the adoption of any proposed budget for the Master Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than ten (10) nor more than fifty (50) days after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board. The Executive Board shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Executive Board shall levy and assess the Annual Assessments in accordance with the annual budget.

4.7 **Annual Assessments.** Annual Assessments for Common Expenses made shall be based upon the estimated cash requirements as the Executive Board shall from time to time determine to be paid by all of the Owners. Estimated Common Expenses shall include, but shall not be limited to, the cost of routine maintenance and operation of the Master Common Area, expenses of management; taxes and special governmental assessments pertaining to the Master Common Area and insurance premiums for insurance coverage as deemed desirable or necessary by the Master Association; landscaping, care of grounds, common lighting within the Master Common Area; routine repairs and renovations relating to Master Common Area; wages; common water and utility charges for the Master Common Area; legal and accounting fees; management fees; expenses and liabilities incurred by the Master Association under or by reason of this Master Declaration; payment of any default remaining from a previous assessment period; and the creation of a reasonable contingency or other reserve or surplus fund for general, routine maintenance, repairs, and replacement of improvements relating to the Master Common Area on a periodic basis, as needed.

Annual Assessments shall be payable on a prorated basis each quarter in advance and shall be due on the first day of each quarter, or at such other times no more frequently than quarterly as shall be established from time to time by the Executive Board. The omission or failure of the Master Association to fix the Annual Assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Master Association shall have the right, but not the obligation, to make prorated refunds of any Annual Assessments in excess of the actual expenses incurred in any fiscal year.



4.8 **Apportionment of Annual Assessments.** Each Owner shall be responsible for that Owner's share of the Common Expenses, which shall be divided equally among the Lots on the basis of the Allocated Interests in effect on the date of assessment.

4.9 **Special Assessments.** In addition to the Annual Assessments authorized by this Article, the Master Association may, if permitted under the Act, levy in any fiscal year one or more Special Assessments, payable over such a period as the Master Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Master Common Area, or for any other expense incurred or to be incurred as provided in this Master Declaration. This Section 4.9 shall not be construed as an independent source of authority for the Master Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Master Association shall make specific references to this Section. Any amounts assessed pursuant to this Section shall be assessed to Owners in the same proportion as provided for Annual Assessments in this Article 4, subject, however, to the requirements that any extraordinary insurance costs incurred as a result of the value of a particular Owner's Lot or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Notice in writing in the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. Special Assessments are currently restricted under the Act.

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

4.11 **Effect of Nonpayment of Assessments; Remedies of the Master Association.** Any Assessment or portion or installment thereof which is not paid when due (or for which a bad check is issued) shall be deemed delinquent and shall bear interest from and after the due date at the rate of interest set by the Executive Board from time to time, which shall not be less than twelve percent (12%) nor more than twenty-one percent (21%) per year, and the Executive Board may also assess a late charge (and/or a bad check charge) thereon. The Executive Board may also elect to accelerate the installment obligations of any Regular Assessment for which an installment is delinquent. The Executive Board may also suspend the delinquent Owner's use of the Master Common Areas and Master Association services or benefits. The delinquent Owner shall also be liable for all costs, including attorneys' fees, which may be incurred by the Master Association in collecting a delinquent Assessment, which collection costs shall be added to the delinquent Assessment. The Executive Board may but shall not be required to record a Notice of Delinquent



Assessment or charge against any Lot or Unit as to which an Assessment or charge is delinquent. The Notice shall be executed by an officer of the Executive Board, and shall set forth the amount of the unpaid Assessment or charge, the name of the delinquent Owner and a description of the Lot or Unit.

The Assessment Lien may be foreclosed by the Master Association in the same manner as a mortgage on real property. The Master Association shall be entitled to purchase the Lot or Unit at foreclosure. The Master Association 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 or Unit in the discretion of the Master Association. 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 Master Common Areas or by abandonment of the Lot or Unit against which the Assessments are made. Where Assessments that are due from any Owner are more than ninety (90) days delinquent, the Executive Board may temporarily suspend any or all Master Association services or benefits to the delinquent Owner and his Lot or Unit, including the right to use Master Common Areas, until all delinquent Assessments are fully paid.

In any action by the Master Association 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 or Unit 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 Master Association during the pending of the action to the extent of the Master Association's Regular Assessments.

**4.12 Personal Obligation.** The amount of any Assessment chargeable against any Lot or Unit shall be a personal and individual debt of the Owner of same, including any members of a Building Association. No Owner may exempt himself from liability for the Assessment by abandonment of his Lot or by waiver of the use or enjoyment of all or any part of the Master Common Area. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, and all reasonable attorneys' fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Master Declaration.

**4.13 Successor's Liability for Assessments; Subordination of Lien.** The provisions of the Act shall govern and control (a) the obligations of successors to the fee simple title of a Lot on which Assessments are delinquent and (b) the subordination by the lien of the Assessments provided for in this Master Declaration.

**4.14 Payment by Mortgagee.** Any Mortgagee holding a lien on a Lot may pay any unpaid Assessment payable with respect to such Lot, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Lot for the amounts paid with the same priority as the lien of the Mortgage.



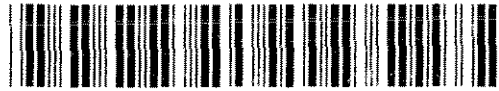
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Page: 23 of 58  
09/16/2003 03:54P

**4.15 Statement of Status of Assessment Payment.** Upon payment of a reasonable fee set from time to time by the Executive Board and upon the written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Executive Board shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Lot. Unless such statement shall be issued (which shall include posting in the United States mails) within fourteen (14) business days, all unpaid Assessments which become due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest in the Lot subsequent to requesting such statement. If the request is made by a prospective purchaser, both the lien for the unpaid Assessment and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within the fourteen (14) business day period provided for above, and if after that period an additional written request is made by such purchaser and is not complied with within ten (10) days and the purchaser subsequently acquires the Lot.

**4.16 Working Capital Fund.** The Master Association or Declarant may require the Owner of each Lot to make a non-refundable payment to the Master Association in an amount up to twenty-five percent (25%) of the amount of the total Annual Assessment applicable to such Lot at the time of conveyance to such Owner. For each Owner after the first Owner, such payment shall be recalculated at the time of transfer and the new Owner shall be responsible for any increase in the amount due. Such sums shall be held by the Master Association and maintained in a segregated account for the use and benefit of the Master Association, including meeting unforeseen expenses. Such payment shall not be deemed to be prepayment of any Assessment but shall be deemed a payment to the working capital fund and shall not relieve an Owner from making the regular payment of Assessments as the same become due. The payment to the working capital fund shall be due from the first Owner on the date of the commencement of the first Annual Assessment and from each subsequent Owner on the date of the first Annual Assessment following the transfer. Upon the transfer of any Lot or Building, an Owner shall be entitled to a credit from such transferee (but not from the Master Association) for the aforesaid payment to the working capital fund.

**4.17 Building Associations.** All Building Associations shall agree with the Master Association to collect Assessments of the Master Association as part of its Building Assessments and remit them to the Master Association on a timely basis. Collection of the Master Association's Assessments in this manner shall not prevent the creation of the Master Association's lien against any Lot or impair the Master Association's ability to enforce or collect its Assessments as provided under this Master Declaration if they are not remitted to the Master Association in a timely manner.



**ARTICLE 5.  
PROPERTY RIGHTS OF OWNERS, MASTER ASSOCIATION AND DECLARANT**

5.1 **Easements of Enjoyment of Common Area.** Declarant hereby reserves a perpetual, nonexclusive easement and grants to every Owner a nonexclusive easement to use and enjoy the Common Area, which easement is appurtenant to and shall pass with the title to every Lot or Condominium Unit subject to the provisions set forth in this Master Declaration. The Declarant and any Owner may delegate, in accordance with the Master Documents, its right of use and enjoyment of the Common Area to its tenants, employees, members, guests or invitees.

5.2 **Recorded Easements.** The Property shall be subject to all easements shown from time to time on any recorded Plat or Condominium Map affecting the Common Interest Community, or any portion thereof, and to any other easements of record or of use, including, without limitation, all easements granted, established and reserved pursuant to the Master Declaration.

5.3 **Easements for Encroachments.** If any portion of the Master Common Area encroaches upon any Lot, or if any Lot, including the improvements thereon, encroaches upon any other Lot or upon any portion of the Master Common Area, or if any roadway or utility improvement encroaches upon any Lot, as a result of the construction of any Building or other improvement, or if any such encroachment shall occur thereafter as a result of settling or shifting of the same, a valid easement for the encroachment and for the maintenance of the same so long as such building or improvement stands, shall exist. In the event any Building or other improvement, any Lot, any adjoining building, or any adjoining Master Common Area, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Master Common Area or roadway or utility improvements upon any Lot or upon any portion of the Master Common Area, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as such improvement shall stand.

5.4 **Maintenance Easement.** An easement is hereby granted to the Master Association and to each Lot Owner and Building Association, their respective officers, directors, agents, employees and assigns upon, across, over, in and under the Master Common Area, and a right to make such use of the Master Common Area as may be necessary or appropriate to perform the duties and functions which the Master Association, the Lot Owners, or the individual Building Associations are obligated or permitted to perform pursuant to the separate Building Declarations or this Master Declaration.

5.5 **Drainage Easement.** An easement is hereby granted to the Master Association, and to each Lot Owner and Building Association, their respective offices, directors, agents, employees, successors and assigns to enter upon, across, over, in and under any portion of the





849865

Page: 25 of 58  
09/16/2003 03:54P

Common Interest Community including, without limitation, the Master Common Area, for the purpose of installing any and all drainage facilities necessary to drain water from any portion of the Project in accordance with the drainage plan for the Project.

5.6 **Utility Easement.** There are hereby reserved unto the Declarant, so long as the Declarant owns any property described on Exhibit "B" of this Master Declaration, the Master Association and the designees of each (which may include, without limitation, Eagle County, Colorado and any utility company, its employees, agents, or assigns), for the benefit of the Owners, easements upon, across, over and under the Master Common Areas to the extent reasonably necessary for the purpose of installation, replacement, repair and maintenance of utilities, including but not limited to water, sewer, gas, telephone, electrical, cable or television.

5.7 **Roadway Easement.** Declarant hereby grants to the Master Association, its licensees, invitees, lessees, successors and assigns, nonexclusive, perpetual easements on, over, upon, across, above and through all of the roadways servicing Two Rivers for vehicular and pedestrian access to all Lots, Condominium Units, and Common Areas, and for all other purposes related to the exercise of any right held by the Master Association under this Master Declaration or any Building Document, or the performance of any function or obligation imposed upon the Master Association by this Master Declaration or any other Building Document.

5.8 **Declarant's Rights Incident to Construction and Sales.** Declarant hereby reserves an easement for ingress and egress over, in, upon, under, and across the Master Common Area and the right to store materials thereon and to make such other use thereof (including, without limitation, construction of one or more temporary structures, trailers or signs) as may be reasonably necessary or incidental to the construction of the Improvements on the Property or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access to an Owner's Lot.

5.9 **Emergency Easement.** A general easement is hereby granted to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or persons to enter upon the Master Common Areas in the proper performance of their duties.

5.10 **Reservation of Easements, Exceptions, and Exclusions.** Declarant reserves to itself and hereby grants to the Master Association the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Master Common Area, for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, conduit installation areas, and to create other reservations, exceptions, and exclusions for the best interest of all the Owners and the Master Association, in order to serve all the Owners within Two Rivers Village.



5.11 **No Partition of Master Common Area.** No Owner of a Lot or a Building Association shall bring any action for partition or division of the Master Common Area. By acceptance of a deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically waived such Owner's rights to institute or maintain a partition action or any other action designed to cause a division of the Master Common Area, and this Section may be pleaded as a bar to any such action. Any Owner who shall institute or maintain any such action shall be liable to the Master Association and hereby agrees to reimburse the Master Association for its costs, expenses and reasonable attorneys' fees in defending any such action. Notwithstanding the foregoing, this Section 5.11 shall not apply to the rights of Declarant or other Owners to re-subdivide or condominiumize a Building constructed upon a Lot.

**ARTICLE 6.  
GENERAL RESTRICTIONS APPLICABLE TO THE  
COMMON INTEREST COMMUNITY**

It is the intention of Declarant to establish and impose a common and general plan for the improvement, development, use and occupancy of the Common Interest Community, all in order to enhance the value, desirability, and attractiveness of the Common Interest Community and to promote the marketing, development and enjoyment thereof. Accordingly, Declarant hereby declares that the entire Common Interest Community, including but not limited to all Lots and Units, shall be owned, held, used, occupied, improved, altered, maintained, conveyed, leased, encumbered and enjoyed subject to the following covenants, conditions, and restrictions.

6.1 **Master Development Control.** Except as otherwise expressly provided in this Master Declaration or in any Supplemental Declaration, (i) no Improvements shall be made, done, permitted, located, altered or removed within the Common Interest Community without the prior written approval of the Architectural Review Committee, (ii) no residence, building, structure, fence, wall, landscaping or other Improvement shall be commenced, erected, improved, altered, made or removed without the prior written approval of the Architectural Review Committee, and (iii) 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 Architectural Review Committee. No modifications from the approvals granted by the Architectural Review Committee shall be made without the prior written approval of the Architectural Review Committee. 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 Common Interest Community, the Executive Board and/or the Architectural Review Committee shall have the authority (without the prior approvals described above), to take whatever remedial action may be necessary anywhere in the Common Interest Community to protect Persons and property until such time as applicable notice and/or approval procedures can reasonably be utilized. Further notwithstanding the foregoing, Architectural Review Committee approval shall not be required for Improvements made by Declarant.



6.2 **Violation of Law, Insurance, Etc.** No Owner, Occupant or Person shall do any act or cause or permit anything to be done or kept in or upon a Lot, Unit or the Common Areas which would result in the increase of, or cancellation of, insurance maintained by the Master Association 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 Master Association, or of any provision of this Master Declaration.

6.3 **General Maintenance of Common Interest Community.**

a. All property within the Common Interest Community, including without limitation all Lots (including unimproved Lots, and Lots on which Improvements are under construction), Units, Common Areas, Improvements, and landscaping, shall be kept and maintained in a clean and attractive condition and in good order, condition and repair. Except as specifically set forth in this Section 6.3 or in a Supplemental Declaration, maintenance, repair, and upkeep of each Lot or Unit and the Improvements thereon (including adequate painting and finishing thereof) shall be the responsibility of the Owner of the Lot or Unit. With respect to a Lot, this maintenance obligation extends to all lands within the Lot lines, excepting areas or elements to be maintained by the Master Association as set forth below. Maintenance, repair, and upkeep of Common Areas, and the Improvements thereon shall be the responsibility of the Master Association. The individual Lot or Unit Owners and the Executive Board 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 Common Interest Community will reflect a pride of ownership. If an Owner fails to perform any of such obligations within ten (10) days following receipt of a written notice from the Executive Board requesting the same, the Executive Board shall have the right to enter upon the Lot or Unit 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 Owner and its Lot or Unit for the costs and expenses incurred by the Master Association in connection therewith. The Executive Board 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.

b. Notwithstanding the foregoing, the Master Association may, but need not, assume responsibility for maintaining the front yards of all Lots in the single family or duplex residential areas of the Common Interest Community. By its acceptance of a deed therefor, each Owner of a Lot in the single family or duplex residential areas shall be deemed to have granted to the Master Association full right and authority to perform the above-described responsibilities, and a perpetual, non-exclusive easement to enter upon the Owner's Lot from time to time in order to accomplish the same. Said easement is hereby granted and reserved for the benefit of the Master Association. Pursuant to this paragraph the Master Association hereby elects to initially assume the responsibility for



maintaining the front yards of all Lots in the Common Interest Community. The Master Association shall have the authority to rescind this decision, in which case each Lot Owner shall have the responsibility to maintain the front yard of his Lot to the Community Wide Standard; provided, however, the Master Association shall not have the authority to modify the identity of the party responsible for maintaining front yards without the consent of Declarant, for so long as Declarant owns any Lot within the Common Interest Community.

**6.4 Residential Use and Occupancy.** Each Lot or Unit which is zoned and approved for residential use shall be improved, occupied and used only for single-family residential purposes, except that a duplex may be built and occupied upon a Lot designated therefor. Single-family occupancy shall mean and shall be strictly limited to occupancy of the residence on a Lot, each side of a duplex constructed on a Lot, and each Unit, by a family comprised of (i) no more than two (2) principal adults, (ii) the children of one or both of said principal adults, (iii) no more than two (2) additional family members (adults or children) who are related by blood to said principal adults, and occasional guests. Employees who care for the residence or duplex side or Unit or who care for the children may also occupy the residence or duplex side or Unit. For purposes hereof, "related by blood" shall mean the following relationships, but no others: Grandparents, parents, brothers and sisters, aunts and uncles, and nephews and nieces.

No business, professional or other non-residential or commercial use shall be made of any Lot or Unit, or conducted in any Unit or in any residence or duplex constructed on a Lot, excepting in-home businesses or occupations which do not involve (i) more than one non-Owner, nonresident employee, (ii) the solicitation or invitation of the general public, or (iii) the servicing of customers, and which activities are conducted entirely within the Unit or residence or duplex side and do not cause any additional traffic or parking within the Common Interest Community or otherwise create a nuisance for neighboring Lots or Units or the Common Interest Community. No equipment or materials incident to any business or occupation (whether conducted within the Unit or residence or duplex or elsewhere) shall be kept or stored on any Lot or Unit except within the Unit, residence, or duplex.

The foregoing single family and duplex residential use restrictions shall not apply to that portion of the Annexable Property that has been approved for either multi-family residential or commercial development. In the event that any such property is annexed to the Common Interest Community, Declarant shall have, and hereby reserves the right to establish multi-family residential or commercial use restrictions for such property consistent with the Two Rivers Village PUD, in the Supplemental Declaration annexing such property.

**6.5 Annoying Light, Sound or Odor.** All exterior lighting installed or maintained on any Unit or 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, from any other Unit, and from the Master Common Areas and District Properties. No light shall be emitted from any part of the



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Page: 29 of 58  
09/16/2003 03:54P

Common Interest Community (including any Lot or Unit) 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 Common Interest Community without the prior written approval of the Architectural Review Committee.

No sound shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is unreasonably loud or annoying, and no odor shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is noxious or unreasonably offensive. Again without limiting the generality of the foregoing, no exterior speakers, 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 Common Interest Community except with the prior written approval of the Architectural Review Committee.

The Executive Board, in its sole discretion, shall have the right and authority to determine the existence of any violation of this Section 6.5 including the reasonableness of any light, sound or odor.

**6.6 No Hazardous or Unsafe Activities.** No activity shall be conducted on, and no Improvement shall be constructed on, any property within the Common Interest Community 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 Unit or elsewhere within the Common Interest Community. Gasoline or fuel for an Owner's lawn mower, snowblower, and the like may be maintained on an incidental basis on a Lot or Unit in an amount not to exceed ten (10) gallons. Similarly, gasoline, fuel and other products necessary in connection with the maintenance of the District Properties and Master Common Areas may be stored in enclosed structures on the District Properties and Master Common Areas.

**6.7 Outside Burning; Fire Hazards.** No exterior fires shall be lighted or permitted within the Common Interest Community except in a contained barbecue unit while attended and in use for cooking purposes. No Lot or Unit Owner shall cause or permit any condition on his Lot or Unit which creates a fire hazard or is in violation of fire prevention regulations, or which would increase insurance rates for the Master Common Areas or for other Lot or Unit Owners.

**6.8 No Firearms or Hunting.** The discharge of firearms on any part of the Common Interest Community (including the Lots and Units) is expressly prohibited. Hunting on any part of the Common Interest Community (including the Lots) is expressly prohibited.



**6.9 Garbage and Trash and Compost Containers.** No refuse, garbage, trash, grass, shrub, or tree clippings, plant waste, scrap, rubbish, or debris of any kind shall be kept, stored, maintained or allowed to accumulate or remain on any Lot or Unit or on the Common Areas except temporarily within an enclosed structure except that any approved container containing such materials may be placed next to the street on the designated morning of garbage collection and must be returned to its enclosed structure that same day, and except that appropriate public trash receptacles shall be permitted within the District Properties and Common Area. No garbage containers, trash cans or receptacles shall be maintained in an unsanitary or unsightly condition, and except when placed for pickup they shall not be visible from another Lot or Unit. All such refuse, garbage, trash, plant waste, scrap materials, rubbish and debris shall be promptly removed from the Common Interest Community and shall not be burned thereon.

**6.10 Vehicle Parking, Storage, Operation and Repair.**

a. No motor vehicles of any kind and no boats, trailers, campers, motorcycles, snowmobiles or any other similar items shall be parked or stored on the public streets within the Common Interest Community.

b. No boats, trailers, buses, motor homes, campers (excluding camper shells mounted on pickup trucks), motorcycles, snowmobiles, recreational vehicles, trucks, industrial or commercial vehicles (both 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 or upon a Lot or Unit except within enclosed structures approved in advance by the Architectural Review Committee, and no vehicle of any kind shall be maintained, repaired, repainted, serviced or rebuilt on the Common Areas or on any Lot or Unit except within a completely enclosed garage which fully screens the sight and sound of the activity from the streets and other Lots and Units and the District Properties and Common Areas. This restriction shall not prevent the noncommercial washing and polishing of vehicles and boats, together with activities normally incident thereto. No more than three (3) permitted vehicles (passenger automobiles and/or one ton or smaller pick-up trucks) shall be parked at any time in the driveway, garage, carport or other designated location on any Lot or Unit, except during special occasions and then only for the duration thereof. At no time shall any motor vehicle be parked on any grassed or other landscaped area on any Lot or Unit.

c. Notwithstanding the foregoing, vehicles may be temporarily parked on driveways on Lots or Units and on public streets within the Common Interest Community for loading, delivery or emergency purposes, but only for the time required to accomplish such purpose, and as necessary for the construction or maintenance of Improvements within the Common Interest Community upon compliance with any conditions imposed



by the Architectural Review Committee and applicable provisions of the Rules and Regulations, if any.

d. An "abandoned or inoperable vehicle" shall mean any motorized vehicle which does not display a current motor vehicle license or which has not been driven under its own propulsion for a period of two (2) weeks or longer (excepting otherwise permitted vehicles parked by Lot or Unit Owners or Occupants on their Lot or Unit driveways while on vacation or during a period of illness), or which does not have an operable propulsion system within the vehicle.

e. In the event that the Executive Board or the Architectural Review Committee shall determine that a vehicle is abandoned or inoperable, or is otherwise in violation of the provisions of this Section 6.10, 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 seventy-two (72) hours thereafter, the Executive Board or Architectural Review Committee (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 or Unit on which the vehicle is located, and to enter upon an Owner's Lot or Unit for such purpose, all without liability on the part of the Executive Board or the Architectural Review Committee.

f. Snowmobiles, motorcycles, and motorized trail bikes, minibikes, dirt bikes, all-terrain vehicles, mopeds and similar motorized vehicles shall not be used or operated (but may be transported on trailers) within the Common Interest Community, except that motorcycles properly licensed for operation on public roads may be used on public roads within the Common Interest Community.

6.11 **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 Common Interest Community.

Notwithstanding the foregoing, each Lot or Unit, shall be entitled to a maximum of no more than two (2) dogs or cats (or one of each) and a reasonable number of other 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 otherwise become a nuisance to other Lot or Unit Owners or Occupants. Household Pets must be fenced or restrained at all times within the Owner's or Occupant's Lot or Unit, and shall not be permitted outside such Lot or Unit except when leashed and accompanied by the pet's owner or the owner's representative. All Household Pets shall be properly immunized and otherwise maintained and cared for as required by applicable laws. Furthermore, no dog shall be kept, raised, bred, maintained or bred on any Lot or Unit within the Common Interest Community if the Owner or



Occupant of such Lot or Unit is unable to obtain and maintain a policy of insurance providing liability insurance for the acts of such dog.

The Owner of a Lot or Unit where any Household Pet is kept, as well as the legal owner of the pet, 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, District Properties, Common Areas or other Lots or Units necessitated by such pet.

The Executive Board 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 or Unit Owners or Occupants, or that a Lot or Unit Owner or Occupant is otherwise in violation of this Section 6.11, and to take such action or actions as it deems reasonably necessary to remedy the violation. Without limiting the generality of the foregoing, the Executive Board may requires 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.

**6.12 No Mining or Drilling.** No property within the Common Interest Community 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 Declarant or the Master Association.

**6.13 Excavations.** No excavation or other earth disturbance shall be performed or permitted within the Common Interest Community except in connection with the construction of Improvements, and then only with the prior Written approval of the Architectural Review Committee. 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 Master Development Guidelines and the requirements of the Architectural Review Committee.

**6.14 Fencing.** No fence shall be constructed upon any Lot within the Common Interest Community except upon the approval of the Architectural Review Committee; provided, however, the said Committee shall have the authority to amend the Design Guidelines to identify certain types, sizes and/or materials for fences which would be pre-approved for use within the Common Interest Community.

**6.15 Easements; Utility Companies.** All easements shown on a Plat or Supplemental Plat covering any portion of the Common Interest Community have been created or reserved for the purposes indicated on such Plat and/or in Article 5, above. No Lot or Unit 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 Architectural Review Committee.

With respect to easements created for utility purposes or for ditches either by the terms of this Master Declaration or any other Recorded agreement or on a Plat, any and all bona fide public and private utility service companies, including, without limitation, the District, 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 Common Interest Community.

**6.16 Landscaping.** No landscaping shall be performed on any Lot or Unit, on any Common Area or on any District Property unless a landscaping plan therefor has received the prior written approval of the Architectural Review Committee.

Notwithstanding the foregoing, no review or approval shall be required for the replacement or replanting of the same or similar kind of trees, or plants, or flowers, or other vegetation that has been previously approved by the Architectural Review Committee for the Lot or Unit in question, in the previously approved location therefor. Any substantial change in the type or location of approved landscaping vegetation shall require the further approval of the Architectural Review Committee.

**6.17 Basketball Goals; Tennis Courts.** Basketball goals or backboards may be permitted on Lots or Units in the Common Interest Community, provided they receive the prior written approval of the Architectural Review Committee.

**6.18 Swimming Pools, Spas, and Related Equipment.** Private swimming pools are prohibited on Lots and Units within the Common Interest Community. Spas or hot tubs may be erected, constructed or installed on Lots or Units within the Common Interest Community, provided they receive the prior written consent of the Architectural Review Committee. If a spa or hot tub is approved, all service equipment 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 or Unit containing the spa or hot tub is located and from any neighboring Lot or Unit and the Master Common Areas and District Properties.

**6.19 Signs and Advertising.** No sign, poster, billboard or advertising device of any kind (including, but not limited to, signs commonly used by contractors, architects and tradesmen and signs advertising an "Open House" for sale or rent) shall be allowed or displayed upon any Lot or Unit or any Common Area within the Common Interest Community except: (a) such signs as may be used by the Declarant in connection with the development, marketing and sale of Lots and Units in the Common Interest Community; (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 and District Properties; and (d) one (1) "For Sale" or "For Rent" sign on any Lot or Unit. The signs permitted under subsections above must also meet standards which may be adopted and set forth in the Rules and Regulations.

6.20 **Camping.** No camping shall be allowed within the Common Interest Community except in areas, if any, that may be designated for such purpose by Declarant, the Master Association or the District.

6.21 **Maintenance and Repair of Interior of Residence.** The maintenance and repair of the interior of a Unit or of the residence and any other structural Improvements on a Lot shall be the responsibility of the Unit or Lot Owner.

6.22 **Restoration of Improvements in the Event of Damage or Destruction.** In the event of damage to or destruction of any Improvement on any Lot or Unit, 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 Architectural Review Committee, or the Owner shall cause the damaged or destroyed Improvement to be promptly demolished and the Lot or Unit to be suitably landscaped, subject to the approval of the Architectural Review Committee, 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 Architectural Review Committee.

6.23 **Leases.** All Leases of Units, residences on Lots, or duplex halves, shall be in writing and shall contain the following terms and conditions:

a. The Lease term shall not be less than three (3) months, and the Lease must cover the entire Unit, Lot or duplex half.

b. All Leases shall provided (i) that the terms of the Lease and the tenant's (Occupant's) use of the Lot, duplex half or Unit shall be subject in all respects to the provisions of this Master Declaration and of any pertinent Supplemental Declaration, and the Articles, the Bylaws, and the Rules and 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 Executive Board.

c. Without limiting the generality of the foregoing, each Lease shall contain a summary of (i) the maximum number of persons that may occupy a Unit, Lot or duplex half, as set forth in Section 6.4 hereof, and (ii) the rules regarding permitted animals, as set forth in Section 6.11 hereof.



d. Each Owner shall notify the Master Association immediately upon the leasing of his Lot, duplex half or Unit, and shall provide the Master Association with a copy of the Lease and with the name and mailing address of the Occupant and the mailing address (if changed) of the Owner.

e. Each Owner who leases a Lot, duplex half or Unit shall be responsible for assuring compliance by the Occupant with all of the provisions of this Master Declaration, any pertinent Supplemental Declaration, the Articles, the Bylaws, and the Rules and Regulation, and shall be jointly and severally responsible with the Occupant for any violations thereof by the Occupant.

**6.24 Damage by Owners During Construction.** Each Owner is responsible for any damage caused to roads, streets, ditches, fences, trails, natural drainage courses, utilities, Common Areas, District Properties, or to other Lots, Units or Improvements thereon, during the construction or alteration of Improvements upon the Owner's Lot or Unit, including without limitation damage caused by any construction vehicles using the roads or streets within the Common Interest Community. Damage shall include any degradation in the appearance or condition of such Common Areas, District Properties, or other Lots or Units 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 10 days following receipt of a written notice from the Executive Board requesting the same, the Executive Board 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 or Unit to recover the costs thereof.

**6.25 Health, Safety and Welfare.** In the event any uses, activities, and facilities within the Common Interest Community are deemed by the Executive Board to be an unreasonable annoyance or nuisance, or to adversely affect the health, safety or welfare of Owners or Occupants, the Executive Board may amend the Rules and Regulations in order to appropriately restrict and regulate such uses, activities or facilities within the Common Interest Community. Such rules shall be consistent with the purposes and provisions of this Master Declaration.

**6.26 Implementation and Variances.** The Executive Board may implement the restrictions set forth in this Article 6, or otherwise restrict and regulate the use and occupancy of the Common Interest Community and the Lots and Units by reasonable Rules and Regulations of general application adopted by the Executive Board from time to time. The Executive Board may, in its sole discretion and in extenuating circumstances, grant variances from any of the restrictions set forth in this Article 6 if the Executive Board determines, in its 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 Master Declaration has rendered such restriction



obsolete, and (b) that the activity permitted under the variance, in the judgment of the Executive Board, will not have any material adverse effect on the Owners and Occupants of the Common Interest Community (including neighboring Lots and Units) and is consistent with the standard of living intended to be promoted hereby throughout the Common Interest Community. When an Owner applies for a variance, the Board must give at least ten (10) days advance written notice of the variance hearing, and of the nature of the variance requested, postage prepaid, by certified mail, return receipt requested, to all Owners of Lots or Units that are situated within a radius of two hundred (200) feet from the Lot or Unit for which the variance is sought, at the current addresses for such Owners reflected in the Master Association files. The applying Owner must provide the Committee with an accurate list of the Owners to be so notified. If the foregoing notice requirements are complied with, it is not necessary that the Owners actually receive the notice that is mailed to them.

6.27 **Declarant Activities.** Nothing contained in this Master Declaration is intended or shall be construed to prevent or to restrict in any way Declarant's right and ability to develop, improve, maintain, repair, regulate, operate, administer, manage, market, sell, lease, encumber or dispose of the Common Interest Community, the Lots, the Units, the Common Areas, the Annexable Property or any part thereof, including the right to construct Improvements and install signs thereon, all in the complete discretion of Declarant.

**ARTICLE 7.  
ARCHITECTURAL REVIEW**

7.1 **General.** No structure shall be placed, erected or installed upon any Lot, and no Improvements (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials) shall be commenced or take place except in compliance with this Article and approval of the Architectural Review Committee.

a. Any Owner may remodel, paint or redecorate the interior of a residence upon a Lot or Condominium Unit without approval. However, modifications to the exterior of any residence upon a Lot or any Building in Two Rivers shall be subject to approval. No approval shall be required to repaint the exterior of any residence upon a Lot or a Building in accordance with an originally approved color scheme or to rebuild after damage or destruction in accordance with originally approved plans and specifications.

b. This Article shall not apply to the activities of the Declarant, to improvements to the Common Area by or on behalf of the Master Association, or to activities of the District.

c. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any property within the Common Interest Community.



7.2 **Architectural Review.** Responsibility for administration of the Design Guidelines, as defined below, and review of all applications for construction and modifications under this Article shall be handled by the Architectural Review Committee. The members of the Architectural Review Committee need not be members of the Master Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board. The Board may establish and charge reasonable fees, including reimbursement of costs, for review of applications hereunder and may require such fees to be paid in full prior to review. Such Architectural Review Committee shall consist of at least three (3), but not more than five (5) persons and, subject to Section 7.1(b), shall have exclusive jurisdiction over all construction on any portion of the Property to ensure compliance with the provisions of this Article 7. Until seventy-five percent (75%) of the Property has been developed and conveyed to Owners other than the Declarant, the Declarant retains the right to appoint all members of the Architectural Review Committee who shall serve at the Declarant’s discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board shall thereafter appoint the members, who shall serve and may be removed in the Board’s discretion.

7.3 **Design Guidelines and Procedures.**

a. The Declarant shall prepare the initial design and development guidelines and application and review procedures (the “Design Guidelines”) which, subject to Section 7.1(b), shall apply, to all construction activities within the Common Interest Community. The Design Guidelines may contain general provisions applicable to all of the Property, as well as specific provisions which vary from one portion of the Property to another depending upon the location, unique characteristics and intended use.

The Architectural Review Committee shall adopt such Design Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend them. Any amendments to the Design Guidelines shall apply only to construction and modifications commenced after the date of such amendment only and shall not apply to required modifications to or removal of structures previously approved once the approved construction or modification has commenced.

The Architectural Review Committee shall make the Design Guidelines available to Owners and Owners’ representatives who seek to engage in development or construction within the Property and all such persons shall conduct their activities in accordance with such Design Guidelines. In the Declarant’s discretion, such Design Guidelines may be recorded in the public records of Eagle County, Colorado, in which event the recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.



b. The Architectural Review Committee will review, consider and either approve or reject proposed improvements on the Property, all in compliance with the Master Declaration and the Design Guidelines and such rules and regulations as the Architectural Review Committee may establish to govern its proceedings.

c. Plans and specifications showing the nature, kind, shape, color, size, materials and location of all proposed structures and improvements shall be submitted to the Architectural Review Committee for review and subsequent approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting and other features of proposed construction shall be submitted. The Committee may request additional information where reasonably necessary to determine compliance of the proposed improvements with the Design Guidelines. In reviewing each submission, the Committee may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography and finish grade, among other things, and shall approve the plans and specifications if they satisfy all applicable Design Guidelines and are otherwise in conformity with the provisions of the Master Declaration. In the event that the Architectural Review Committee fails to approve or disapprove any application within sixty (60) days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing pursuant to Section 7.5.

**7.4 No Waiver of Future Approvals.** Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings or other matters subsequently or additional submitted for approval.

**7.5 Variance.** The Architectural Review Committee may authorize variances from compliance with any of its guidelines and procedures when circumstances are warranted, such as topography, natural obstructions, hardship, other than economic hardship, or environmental considerations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Master Declaration; (c) stop the Architectural Review Committee from denying a variance in other circumstances; or (d) be in contravention of the applicable zoning and land use requirements of Eagle County, Colorado. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

**7.6 Limitation of Liability.** Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only. The Architectural Review Committee, or any member thereof shall not bear any responsibility for ensuring the structural



integrity or soundness of approved construction or modifications, nor ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Master Association or its Board, any committee or Member of any of the foregoing shall be held liable for any injury, loss, or damages, resulting from, or arising out of the manner or quality of the approved construction.

7.7 **Enforcement.** Any structure or improvement constructed, whether completed or not, in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same conditions as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the Lot, Tract or Condominium Unit and collected as a Specific Assessment.

**ARTICLE 8.  
INSURANCE AND FIDELITY BONDS**

8.1 **Authority to Purchase.** All insurance policies relating to the Master Common Area shall be purchased by the Executive Board, or its duly authorized agent. Neither the Executive Board, the Manager nor the Declarant shall be liable for failure to obtain any coverage required by this Article 8 or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable cost.

8.2 **General Insurance Provisions.** For all such insurance coverage obtained by the Executive Board, the deductible, if any, on any insurance policy may be treated as a common expense payable from Annual Assessments or Special Assessments.

8.3 **Physical Damage Insurance on Master Common Area.** The Master Association shall obtain insurance for all insurable Improvements within the Master Common Area in an amount equal to the full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundation, excavation, depreciation on personal property, and other items normally excluded from coverage), which shall include all building service equipment and the like, common personal property and supplies, and any fixtures or equipment within the Master Common Area. In addition, such policy shall afford protection against at least the following:

- a. loss or damage by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage:



b. such other risks as shall customarily be covered with respect to projects similar in construction, location, and use to Two Rivers Village.

In contracting for the insurance coverage obtained pursuant to this Section above, the Executive Board shall be required to make reasonable efforts to secure coverage which provides the following:

c. a waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to this Master Declaration not to do so.

d. a provision that any "no other insurance" clause shall expressly exclude individual Owners' policies from its operation so that the physical damage policy or policies purchased by the Executive Board shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage.

**8.4 Liability Insurance.** The Master Association shall obtain a comprehensive policy of public liability insurance (including libel, slander, false arrest, and invasion of privacy coverage) and property damage insurance with such limits as the Executive Board may from time to time determine, insuring each member of the Executive Board, the Manager, each Owner and the employees of the Master Association against any liability to the public or the Owners (and their guests, invitees, tenants, agents and employees) arising in connection with the ownership, operation, maintenance or use of the Master Common Area and/or parking areas and roadways within Two Rivers Village and any other areas under the control of the Master Association. Such comprehensive policy of public liability insurance shall include the following:

a. coverage for construction liability, liability for non-owned and hired automobiles, and, if applicable, bailee's liability, garage keeper's liability, host liquor liability, employer's liability, and such other risks as shall customarily be covered with respect to developments similar to Two Rivers Village in construction, location, and use;

b. a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another insured; and

c. a "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to an Owner because of the negligent acts of the Master Association or another Owner.

The Executive Board shall review the coverage limits at least once each year, but, generally, the Executive Board shall carry such amounts of insurance usually required by private institutional mortgage lenders on projects similar to Two Rivers Village, and in no event shall such coverage be less than \$1,000,000.00 for all claims for bodily injury or property damage





arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than \$3,000,000.00.

**8.5 Fidelity Insurance.** To the extent obtainable at reasonable cost, fidelity bonds shall be maintained by the Master Association to protect against dishonest acts on the part of its officers, directors, trustees and employees, and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Master Association. In addition, if responsibility for handling funds is delegated to a Manager, such bonds shall be required for the Manager and its officers, employees, and agents, as applicable. Such fidelity coverage shall name the Master Association as an obligee and shall be written in an amount equal to at least \$500,000.00. Such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

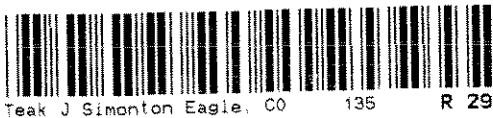
**8.6 Provisions Common to Physical Damage Insurance Liability Insurance and Fidelity Insurance.** Any insurance coverage obtained by the Master Association under the provisions of this Article 8 above shall be subject to the following provisions and limitations:

a. the named insured under any such policies shall include Declarant, and the Master Association, as attorney-in-fact for the Owners, or the authorized representative of the Master Association (including any trustee with whom the Master Association may enter into any insurance trust agreement, or any successor trustee, each of which is sometimes referred to in this Master Declaration as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under such policies;

b. in no event shall the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their Mortgagees,

c. the policies shall provide that coverage shall not be prejudiced by (1) any act or neglect of any Owner (including an Owner's family, tenants, servants, agents, invitees, and guests) when such act or neglect is not within the control of the Master Association, or (ii) any act or neglect or failure of the Master Association to comply with any warranty or condition with regard to any portion of the Common Interest Community over which the Master Association has no control. The policies shall contain a waiver of subrogation by the insurer as to any and all claims against Declarant, the Executive Board, the Master Association, the Manager, and any Owner and their respective agents, employees, or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured: and

d. all policies shall be written with a company licensed to do business in Colorado and holding a rating of "A" or better in the financial category as established by



Best's Insurance Reports, if reasonably available, or, if not available, the most nearly equivalent rating.

8.7 **Personal Liability Insurance of Officers and Directors.** To the extent obtainable at reasonable cost, appropriate officers' and directors' liability insurance shall be obtained by the Master Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Master Association.

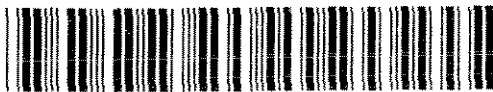
8.8 **Workmen's Compensation Insurance.** The Master Association shall obtain workmen's compensation or similar insurance with respect to its employees, if any, in the amounts and form as may now or hereafter be required by law.

8.9 **Other Insurance.** The Master Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Master Association's responsibilities and duties.

8.10 **Insurance Obtained by Owners.** It shall be the responsibility of the individual Owners and Building Associations, at their expense, to make arrangements in regard to title insurance on their Lots upon any resale, for hazard insurance covering the Improvements, personal property and furnishings located on their Lots or within their Building, and for public liability insurance covering their Lots and Building (except to the extent any Owner's Lot is encumbered by an easement conveyed to the Master Association as Master Common Area or to a Building Association as Building Common Area). In addition, each Owner may obtain such other and additional insurance coverage on and in relation to his or her Lot or Building as such Owner concludes to be desirable, provided, however, that none of such insurance coverages obtained by an Owner shall operate to decrease the amount which the Executive Board, on behalf of all Owners, may realize under any policy maintained by the Executive Board or otherwise affect any insurance coverages obtained by the Master Association or cause the diminution or termination of the coverage obtained by the Master Association. Any such insurance obtained by an Owner shall include a waiver of the particular insurance company's right of subrogation against the Master Association and other Owners.

**ARTICLE 9.  
DECLARANT'S RESERVED RIGHTS**

9.1 Declarant hereby expressly reserves to itself and its successors and assigns the following described rights, which include development rights and special Declarant rights, any one or more of which rights may be exercised, in the sole and absolute discretion of Declarant, at any time and from time to time during the period commencing upon the recording of this Declaration and ending on the date of termination of such rights established under Section 9.14 below. It is expressly understood that Declarant shall not be obligated to exercise any of these reserved rights.



Except as limited by this Article 9, such reserved rights may be exercised upon or in connection with all or any portion of the Common Interest Community, the Annexable Property and/or the additional unspecified real estate referred to in Section 9.9 below. Such rights may be exercised with respect to different parcels of said real estate at different times, and in connection therewith Declarant hereby states that (i) no assurances are made regarding the boundaries of said different parcels or with respect to the order in which such parcels may be subjected to the exercise of these reserved rights, and (ii) if a particular reserved right is exercised in any portion of the real estate subject to that reserved right, that reserved right is not required to be exercised in all or any portion of the remainder of that real estate.

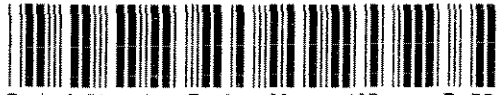
The reserved rights hereinafter set forth may not be amended, modified, terminated or otherwise altered in any way without the express prior written consent of Declarant. All conveyances of Lots hereafter made, whether by Declarant or otherwise, shall be deemed and construed to reserve to Declarant and/or to grant to Declarant all of the rights reserved by and to Declarant in this Article 9, even though no specific reference to such rights appears in the conveyance instruments. Nothing in this Article 9 shall limit or impair any other rights granted or reserved to Declarant by other provisions of this Declaration or of any Supplemental Declaration.

The following rights are hereby reserved to Declarant and its successors and assigns:

**9.2 Completion of Improvements.** The right throughout the Common Interest Community to complete Improvements indicated on any Plat, as such plats and Declarations may be amended from time to time and the right to construct and complete Improvements required by the terms of any Subdivision Improvements Agreements with Eagle County. Furthermore, the right to create, grant and/or use and enjoy additional non-exclusive easements, and to relocate existing platted easements, upon or across any portion of the Common Interest Community, as may be reasonably required for the completion by Declarant of the above-described Improvements or the effective exercise by Declarant of any of the other reserved rights described in this Article 9.

**9.3 Sales, Marketing and Management.** The right to construct, locate or operate, and to maintain upon, and to remove from, Lots owned by Declarant, and in such number, size and location as may be reasonably required by Declarant in connection with the completion of Improvements, the management of the development, and/or the promotion, marketing, sale or rental of Lots, the following:

- a. Sales offices, management offices, and/or construction offices, and structures containing or relating to the same. Such offices, to the extent they are not situated on a Lot are hereby declared to be personal property of the Declarant and shall in any case be removable by Declarant or its successors or assigns promptly upon the Declarant or its successors or assigns ceasing to be an Owner;



- b. Signs identifying and advertising the Common Interest Community and the Lots therein, or relating to development or construction thereon;
- c. Model residences constructed or to be constructed on Lots;
- d. Parking areas and facilities, and lighting, necessary or desirable in the marketing of the Common Interest Community and the Lots to prospective Owners;
- e. Employees in offices; equipment; vehicles; and marketing and construction materials;

Together with the right to attract, invite or bring prospective purchasers of Lots into the Common Interest Community at all times, and to permit them to use and enjoy the Master Common Areas.

9.4 **Merger.** The right to merge or consolidate the Common Interest Community with another common interest community of the same form of ownership.

9.5 **Declarant Control of Association.** The right to appoint or remove any Executive Board member or officer of the Association, as more specifically set forth in Section 3.2 above, but only for and during the "Period of Declarant Control of Association" as defined in said Section 3.2.

9.6 **Declarant's Rights to Grant and Create Easements.** The right to grant or create temporary easements or to relocate existing easements for (a) access to and egress from or through the Common Interest Community; (b) utilities, including, but not limited to, water sewer and electrical lines; (c) drainage, including, but not limited to, drainage and ditch lateral easements; (d) access across private roads located within the Common Interest Community to the Annexable Property; and (e) other purposes incident to the development and sale of the Common Interest Community (collectively the "Easements").

9.7 **Annexation of Additional Properties.** The right to annex to the Common Interest Community all or any part of the Annexable Property described on attached Exhibit C. Each Owner of a Lot hereunder hereby grants to Declarant the right to annex all or any part of the Annexable Property to the Common Interest Community and to modify such Owner's Allocated Interests accordingly. Alternatively, Declarant shall have the right and is authorized to develop portions of the Annexable Property and/or to convey portions of the Annexable Property to such third party or parties as Declarant may deem appropriate, prior to and instead of annexing them to the Common Interest Community, whether for purposes consistent with this Declaration or otherwise. Declarant makes no assurances that all or any portion of the Annexable Property will be added to the Common Interest Community and Declarant reserves the right to annex all or any portion of the Annexable Property to the Common Interest Community in any order it deems appropriate in its sole and absolute discretion.



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Page: 45 of 58  
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**9.8 Annexation Procedure.** The annexation of additional real property to the Common Interest Community shall be accomplished by the recording by Declarant with the Clerk and Recorder of Eagle County of a Supplemental Declaration containing a legal description of the land area to be added to the Common Interest Community and amending this Declaration accordingly, together with a Supplemental Plat thereof if the property described in such Supplemental Declaration is not the subject of a previously approved and recorded Final Plat. The Supplemental Declaration shall assign an identifying number to each Lot created thereby, and shall reallocate the Allocated Interests of all Lot Owners in the Common Interest Community in accordance with the definition of Allocated Interests contained in this Declaration. The Supplemental Declaration shall also describe any Master Common Areas or Limited 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 Lot(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 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 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 Declaration, taking into account the unique and particular aspects of the Annexed Property covered thereby and of the proposed development thereof. Furthermore, Declarant shall have the right to reserve in such Supplemental Declaration any development rights that Declarant considers necessary or appropriate, provided that such provision shall not extend the termination date for the exercise of Declarant's development rights as set forth in Section 9.14 below.

**9.9 Annexation of Additional Unspecified Real Estate.** The right to annex additional, unspecified real estate to the Common Interest Community to the fullest extent permitted by the Act. In the event that Declarant elects to annex any such additional unspecified real estate, Declarant shall annex such property to the Common Interest Community in accordance with the provisions of Section 9.8 above.

**9.10 Withdrawal Rights and Procedure.** The right at any time and from time to time to withdraw from the Common Interest Community (and any annexations thereto) any Declarant-owned Lot or Lots, or Master Common Areas.

Withdrawal may only be accomplished by the recording by Declarant of an amendment to this Declaration or any Supplemental Declaration affected by the withdrawal, and an amendment



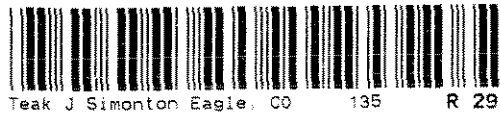
to the Plat or any Supplemental Plat affected by the withdrawal. Upon the recording of such amendments, the withdrawn Lots, or Master Common Areas shall no longer be part of the Common Interest Community or subject to this Declaration or any applicable Supplemental Declaration in any way.

Each Declarant-owned Lot, and each Declarant-owned Master Common Area, is hereby described and declared to be a separate portion of real estate that is subject to this right of withdrawal, and Declarant expressly reserves the right to withdraw one or more Declarant-owned Lots and/or all or a portion of any Declarant-owned Master Common Area from the Common Interest Community. Once a Lot has been conveyed to a Lot Owner other than Declarant, that portion of the real estate is no long subject to this right of withdrawal. Likewise, once a Master Common Area has been conveyed to the Association, that portion of the real estate is no longer subject to this right of withdrawal.

The withdrawn property shall be subject to whatever easements, if any, may be reasonably necessary for access or utility service to, or operation or management or use or enjoyment of, the Common Interest Community or any part thereof. Similarly, the owner(s) of the withdrawn property shall have whatever easements, if any, are reasonably necessary for access or utility service to or for use or enjoyment of the withdrawn property over and across the Master Common Areas within the Common Interest Community. At the time any withdrawal of real estate is accomplished, Declarant shall record whatever documents are necessary to establish such reciprocal easements in the County records.

**9.11 Effect of Expansion or Contraction.** In the event any real property is annexed to the Common Interest Community as provided herein, or if any real property is withdrawn from the Common Interest Community as provided herein, the definitions used in this Declaration shall be automatically expanded or contracted to encompass and refer to the Common Interest Community as expanded or contracted. Master Common Area shall also mean and include all properties located from time to time within the Annexed Property that fall within the definition of Master Common Area contained in this Declaration, less any Master Common Area removed by withdrawal. Every Owner of a Lot in the area annexed to the Common Interest Community shall, by virtue of ownership of such Lot and upon recordation of the Supplemental Declaration annexing such property to the Common Interest Community, be a member of the Association 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 Association 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 Declaration and Plat, whether in the form of Supplemental Declarations and Supplemental Plats or otherwise, which reallocate the Allocated Interests in the Common Interest Community, shall automatically:



- a. Vest in each existing Lot Owner the reallocated Allocated Interests appurtenant to the Owner's Lot; and
- b. Vest in each existing Mortgagee a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Lot.

**9.12 Subdivision of Lots; Construction of Buildings and Condominiumization thereof.** The right to subdivide any Declarant-owned Lot located within the Common Interest Community to create additional Lots, subject to the maximum number of Lots as set forth in the Recitals to this Declaration; provided, however, that such subdivision is consistent with and accomplished in compliance with Eagle County subdivision requirements. Declarant shall also have and hereby reserves the right to construct Buildings on one or more Lots and thereafter to convert such Building into a Condominium and create Condominium Units therefrom including either Commercial Units, Residential Units or both. Creation of such a Condominium shall be accomplished in accordance with applicable regulations of Eagle County and the maximum number of Units within any such Condominium shall be determined by such regulations then in effect. Upon creation of such a Condominium, the Building Association for such Building shall become the member of the Association as the owner of the Lot(s) on which the Building is constructed, as provided in Section 3.1, above.

**9.13 Transfer of Declarant's Reserved Rights.** Any one or more rights created or reserved for the benefit of Declarant under this Article 9 or elsewhere in this Declaration or in any Supplemental Declaration may be transferred to any Person by an instrument describing the right or rights transferred and recorded in Eagle County. Such instrument shall be executed by the transferor Declarant and the transferee.

**9.14 Termination of Declarant's Reserved Rights.** With the exception of Declarant's right to appoint or remove Executive Board members and officers of the Association, which is addressed in Section 3.2 above, the rights reserved to Declarant in this Article 9 shall automatically terminate and expire upon the first to occur of (i) the date which is thirty (30) years after the Recording of this Declaration, or (ii) Declarant's relinquishment and surrender of such rights by Recorded instrument. Declarant may from time to time relinquish and surrender one or more but less than all of the reserved rights, in which event the unrelinquished reserved rights shall remain fully valid and effective for the remainder of the term thereof. The Association may extend the time period for exercise of a development right, or reinstate a lapsed development right, subject to whatever terms, conditions and limitations the Association may impose on the subsequent exercise of the development right. The extension or renewal of a development right and any terms, conditions and limitations shall be included in an amendment executed by Declarant or the owner of the real estate subject to the development right and the Association.



**ARTICLE 10.  
MASTER ASSOCIATION AS ATTORNEY-IN-FACT**

Each and every Owner and Building Association hereby irrevocably constitutes and appoints the Master Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Master Common Area upon damage or destruction as provided in Article 12 or a complete or partial taking as provided in Article 11. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointment of the Master Association as attorney-in-fact as herein provided. As attorney-in-fact, the Master Association shall have full and complete authorization, right, and power to make, execute and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Master Association as attorney-in-fact.

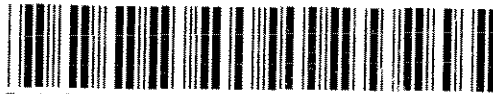
**ARTICLE 11.  
CONDEMNATION**

**11.1 Rights of Owners.** Whenever all or any part of the Master Common Area shall be taken or conveyed in lieu of and under threat of condemnation by any authority having the power of condemnation or eminent domain, the Executive Board, acting as attorney-in-fact for all Owners under instructions from each Owner, shall be entitled to notice of the taking, and the Master Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

**11.2 Partial Condemnation; Distribution of Award; Reconstruction.** The award made for such taking shall be payable to the Master Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Master Common Area on which Improvements have been constructed, then, unless within one hundred twenty (120) days after such taking, Declarant and Owners representing at least sixty-seven percent (67%) of the votes in the Master Association shall otherwise agree, the Master Association shall restore or replace such Improvements so taken on the remaining land included in the Master Common Area to the extent lands are available therefor, in accordance with plans approved by the Executive Board and the Architectural Review Committee. If such Improvements are to be repaired or restored, the provisions in Article 12 below regarding the disbursement of funds with respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Master Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Master Association and used for such purposes as the Executive Board shall determine.





**ARTICLE 12.  
DAMAGE OR DESTRUCTION**

12.1 **The Role of the Executive Board.** Except as provided in Section 12.6, in the event of damage to or destruction of all or part of any Master Common Area or other property covered by insurance written in the name of the Master Association under Article 8, the Executive Board shall arrange for and supervise the prompt repair and restoration of the damaged property (the property insured by the Master Association pursuant to Article 8 is sometimes referred to as the "Association-Insured Property").

12.2 **Estimate of Damages or Destruction.** As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Executive Board shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction. "Repair and reconstruction" as used in Article 12 shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction. Such costs may also include professional fees and premiums for such bonds as the Executive Board determines to be necessary.

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

12.4 **Funds for Repair and Reconstruction.** The proceeds received by the Master Association from any hazard insurance carried by the Master Association shall be used for the purpose of repair, replacement, and reconstruction of the Association-Insured Property.

If the proceeds of the Master Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement, or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Master Association may, pursuant to Article 4, if permitted under the Act, levy, assess, and collect in advance from the Owners and Building Association, without the necessity of a special vote of the Owners and/or Building Associations, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement, or reconstruction.



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

12.6 **Decision Not to Rebuild the Master Common Area.** If Owners or a Building Association representing at least seventy-five percent (75%) of the total allocated votes in the Master Association (other than Declarant) and seventy-five percent (75%) of the Mortgagees holding First Mortgages (based on 1.0 vote for each Mortgage which encumbers a Lot or Building, but not individual Units in a Building), and all directly adversely affected Owners, agree in writing not to repair and reconstruct improvements within the Master Common Area and if no alternative improvements are authorized, then and in that event the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Master Common Area by the Master Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with the Act.

**ARTICLE 13.  
DURATION OF THESE COVENANTS AND AMENDMENT**

13.1 **Term.** This Master Declaration and any amendments or supplements hereto shall remain in effect from the date of recordation until January 1, 2030. Thereafter this Master Declaration shall be automatically extended for five (5) successive periods of ten (10) years each, unless otherwise terminated or modified as provided below.

13.2 **Amendment.** Subject in all cases to subsections a. and b. of this paragraph, this Master Declaration, or any provision of it, may be terminated, extended, modified or amended, as to the whole or any portion of the Common Interest Community, upon the affirmative vote of a majority of the Members. Amendments made pursuant to this Section 13.2 shall inure to the benefit of and be binding upon all Owners of any part of the Common Interest Community, their family, tenants, guests, invitees and employees, and their respective heirs, successors and assigns. A certificate of a licensed abstract or title company showing record ownership of the Common Interest Community and a certificate of the secretary of the Master Association documenting votes held and voting rights exercised on the basis of such ownership records shall be evidence of such ownership and voting representation for the purposes of any such amendment.

a. *Amendment By Declarant.* The Declarant may unilaterally amend this Master Declaration if such amendment is (i) necessary to bring any provision into



compliance with any applicable governmental statutes, rule, regulation or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) required by an institutional or governmental lender or purchaser or mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan mortgage Corporation, to enable such lender such lender or purchaser to make or purchase mortgage loans on the Units; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans; or (v) otherwise necessary to satisfy the requirements of any governmental agency. However, any such amendment shall not adversely affect the title to any Lot or Building Association unless the Owner shall consent thereto in writing. So long as the Declarant still owns property described in Exhibit "A" for development as part of the Common Interest Community, it may unilaterally amend this Master Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

b. *Amendment by Owners.* Thereafter and otherwise, this Master Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of a majority of the total votes in the Master Association and the consent of the Declarant, so long as the Declarant has an option to subject additional property to this Master Declaration.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. To be effective, any amendment must be recorded in the public records of Eagle County, Colorado.

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

No amendment may remove, revoke or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

c. *Approval of Building Associations.* Approval by the Executive Board of the individual Building Associations shall be required for any amendment which affects the rights or privileges of the particular Building or its Owners. Such approval shall not be unreasonably withheld.



d. *Technical Amendment.* To the extent allowed by the applicable law, Declarant hereby reserves and is granted the right and power to record, without the approval or consent of any Owner, first mortgage holder, or any other person or entity, technical amendments to this Master Declaration, the Master Articles and/or the Master Bylaws, at any time prior to the conveyance by a Declarant of all of the Property to Owners (other than a Declarant) for the purposes of correcting spelling, grammar, dates, typographical errors, or as may otherwise be necessary to clarify the meaning of any provisions of this Master Declaration.

e. *Special Amendment.* To the extent allowed by the Section 38-33.3-217 of the Act, Declarant hereby reserves and is granted the right and power to record, without the approval or consent of any Owner, first mortgage holder, or any other person or entity, special amendments to this Master Declaration.

f. *Recording of Amendments.* To be effective, all amendments to or revocation or termination of this Master Declaration must be recorded in the Office of the Clerk and Recorder of the County of Eagle, Colorado, and must contain evidence of the required approval thereof. The recordation of a certificate of the Secretary of the Master Association, certifying that Owners representing the requisite percentage of the Members, and the requisite percentage of first mortgage holders, if required, have consented to the Amendment shall satisfy the requirement of evidence of the required approval.

**ARTICLE 14.  
MISCELLANEOUS AND GENERAL PROVISIONS**

**14.1 Enforcement of Covenants.**

a. *Violations Deemed a Nuisance.* Every violation of this Master Declaration or any other of the Master Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement of the violation. In addition, all public and private remedies allowed at law or equity against anyone in violation of this Master Declaration shall be available.

b. *Compliance.* Each Owner or other occupant of any part of the Common Interest Community shall comply with the provisions of the Master Documents.



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Page: 53 of 58  
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c. *Failure to Comply.* Failure to comply with the Master Documents shall be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the Master Bylaws shall be given to the delinquent party prior to commencing any legal proceedings.

d. *Who May Enforce.* Any action to enforce the Master Documents may be brought by Declarant, the Executive Board, or the Manager in the name of the Master Association on behalf of the Owners. If, after a written request from an aggrieved Owner, none of the foregoing persons or entities commences an action to enforce the Master Documents, then the aggrieved Owner may bring such an action.

e. *Remedies.* In addition to the remedies set forth above in this Article 14, any violation of the Master Documents shall give to the Executive Board, the Manager or Declarant, on behalf of the Owners, the right to enter upon the offending premises of take appropriate peaceful action to abate, remove, modify or replace, at the expense of the offending Owner or occupant, any structure, thing or condition that may exist thereon contrary to the interest and meaning of the Master Documents. If the offense occurs on any easement, walkway, Master Common Area or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

f. *Nonexclusive Remedies.* All the remedies set forth in this Master Declaration are cumulative and not exclusive.

g. *No Waiver.* The failure of the Executive Board, Declarant, the Manager or any aggrieved Owner to enforce the Master Documents shall not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any other part of the Master Documents at any future time.

h. *No Liability.* No member of the Executive Board, nor Declarant, nor the Manager, nor any Owner shall be liable to any other Owner for the failure to enforce any of the Master Documents at any time.

i. *Recovery, of Costs.* If legal assistance is obtained to enforce any of the provisions of the Master Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Master Documents or the restraint of violations of the Master Documents, the prevailing party shall be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees as may be incurred, or if suit is brought, as may be determined by the court. The term "prevailing party" shall include, without limitation, a party who dismisses an action for enforcement of this Master Declaration in exchange for payment of sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief subject to the action.



14.2 **Resolution of Dispute.** If any dispute or question arises between Members or between Members and the Master Association relating to the interpretation, performance or nonperformance, violation or enforcement of the Master Documents, such dispute or violation may be subject to a hearing and determination by the Executive Board in accordance with the procedures set forth in the Master Bylaws.

14.3 **Owners' Acknowledgment.** All Owners are subject to the restrictions and guidelines as contained in this Master Declaration and are given notice that (1) their ability to use their privately owned property is limited thereby, and (2) the Executive Board may add, delete, modify, create exceptions to or amend such restrictions and guidelines in accordance herewith.

Each Owner by acceptance of a deed acknowledges and agrees that the use, enjoyment and marketability of his or her property can be affected by this provision and that the restrictions, guidelines and rules may change from time to time.

14.4 **Supplemental to Act.** The provisions of this Master Declaration shall be addition and supplemental to the Act, as it may be amended from time to time, and to all other applicable provisions of law.

14.5 **Severability.** The provisions of this Master Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

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

14.7 **Captions.** The captions to the Articles and Sections and the table of contents at the beginning of this Master Declaration are inserted herein only as a matter of convenience and for reference, and are in no way to be construed to define, limit or otherwise describe the scope of this Master Declaration or the intent of any provision hereof.

14.8 **Conflicts in Documents.** In case of any conflict between this Master Declaration and the Master Articles or Master Bylaws, this Master Declaration shall control. In case of any conflict between the Master Articles and Master Bylaws, the Mater Articles shall control.



IN WITNESS WHEREOF, Declarant and Master Association have executed this Amended and Restated Master Declaration as of the day and year first above written.

DECLARANT:  
 DOTSERO REALTY PARTNERS, LLLP,  
 a Colorado limited liability limited partnership  
 By: Dotsero Partners-GP, LLC,  
 a Colorado limited liability company,  
 its General Partner

By:   
 William G. Smith, Jr., Manager

STATE OF COLORADO )  
 ) ss.  
 COUNTY OF GARFIELD )

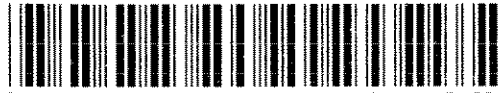
The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of September, 2003, by William G. Smith, Jr., as Manager for DOTSERO PARTNERS-GP, LLC, a Colorado limited liability company, General Partner of DOTSERO REALTY PARTNERS, LLLP, a Colorado limited liability limited partnership.

Witness my hand and official seal.

Notary Public

My commission expires:

818 Colorado Avenue  
 Glenwood Springs, CO 81601  
 My Commission Expires June 13, 2005



849865

Page: 56 of 58  
09/16/2003 03:54P

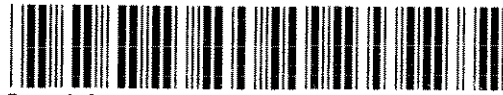
Teak J Simonton Eagle, CO 135 R 291.00 D 0.00

## EXHIBIT A

### Legal Description of Common Interest Community

Lots 1 through 30, inclusive, Block 6;  
Lots 1 through 15, inclusive, Block 7;  
Lots 1 through 19, inclusive, Block 8;  
Lots 1 through 25, inclusive, Block 9; and  
Lots 1 through 23, inclusive, Block 10,  
all as depicted on the Amended Final Plat of Two Rivers Village, recorded on May  
14, 2003 as Reception No. 833300, in the records of the Clerk and Recorder of Eagle  
County, Colorado.





849865

Page: 57 of 58

09/16/2003 03:54P

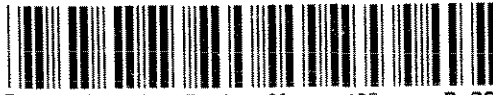
Teak J Simonton Eagle, CO 135 R 291.00 D 0.00

## EXHIBIT B

### Legal Description of Annexable Property

Lots 1 through 24, inclusive, Block 1;  
Lots 1 through 35, inclusive, Block 2;  
Lots 1 through 25, inclusive, Block 3;  
Lots 1 through 32, inclusive, Block 4;  
Lots 1 through 45, inclusive, Block 5;  
Lots 1 through 7, inclusive, Block 11; and  
Parcels G, H, L, M, and K,  
all as depicted on the Amended Final Plat of Two Rivers Village, recorded on May 14, 2003 as Reception No. 833300, in the records of the Clerk and Recorder of Eagle County, Colorado.

All streets and roads as depicted on the Amended Final Plat of Two Rivers Village, recorded on May 14, 2003 as Reception No. 833300, in the records of the Clerk and Recorder of Eagle County, Colorado.



849865

Page: 58 of 58  
09/16/2003 03:54P

Teak J Simonton Eagle, CO 135 R 291.00 D 0.00

**EXHIBIT C**

**Allocated Interests  
Two Rivers Village**

LOTS	COMMON EXPENSE LIABILITY	VOTE
<b>TWO RIVERS VILLAGE, PHASE I</b>		
Lots 1 through 30, inclusive, Block 6	Each Lot: 1/112	Each Lot: One Vote
Lots 1 through 15, inclusive, Block 7	Each Lot: 1/112	Each Lot: One Vote
Lots 1 through 19, inclusive, Block 8	Each Lot: 1/112	Each Lot: One Vote
Lots 1 through 25, inclusive, Block 9	Each Lot: 1/112	Each Lot: One Vote
Lots 1 through 23, inclusive, Block 10	Each Lot: 1/112	Each Lot: One Vote
<b>Total Lots: 112</b>	<b>Total Common Expense Liabilities = 112/112</b>	<b>Total Votes: 112</b>

**Total Lots: 112**

**Total Common Expense  
Liabilities = 112/112**

**Total Votes: 112**