

**Association Annual Disclosure pursuant to §38-33.3-209.4(2), C.R.S.**

Two Rivers Homeowners Association  
PO Box 600  
Edwards, CO 81632

Designated Agent:

Marchetti & Weaver, LLC  
28 Second St, Suite 213, Edwards CO 81632  
970-926-6060  
Magdalena Gembal; [magdalena@mwcpaa.com](mailto:magdalena@mwcpaa.com); 970-926-6060 ext 107

Declaration recorded in Eagle County on September 16, 2003, Reception Number 849865

- 1) Fiscal Year Commences: January 1, 2024
- 2) Current Year Budget: Attached
- 3) List of current Regular and Special Assessments, by unit type: included with budget
- 4) Prior Year Annual Financial Statements, including Reserve Funds if applicable
- 5) Most recent audit or financial review: n/a
- 6) Association Insurance Policies: see attached Summary of Policies Attached
- 7) Association Governing Documents (Article of Inc, Bylaws, Rules & Regulations): Attached
- 8) Association Responsible Governance Policies under 38-33.3-209.5: Attached
  - i. Collections of unpaid assessments
  - ii. Handling of conflicts of interest involving board members
  - iii. Conduct of meeting
  - iv. Enforcement of covenants and rules
  - v. Inspection and copying of records by unit owners
  - vi. Investment of reserve funds
  - vii. Procedures for adoption of policies, procedures and rules
  - viii. Procedures for addressing disputes between Association and unit owners
  - ix. Reserve study requirements
  - x. Parking Policy
- 9) Prior Year Minutes of Executive Board and Member meetings: Attached

	C	H	I	J	K	L	M	N
2	<b>TWO RIVERS HOMEOWNERS ASSOCIATION</b>							
3	<b>STATEMENT OF REVENUES, EXPENDITURES AND CHANGED IN FUND BALANCE</b>							
4	<b>BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED</b>							
5							Printed:	03/01/24
6								
7		Cal Yr	Cal Yr	Variance	Cal Yr	12 MO		Cal Yr
8		12/31/2022	2023	Favorable	2023	Ended	Remaining	2024
9		Actual	Adopted	(Unfavor)	Forecast	12/31/23	Forecast	Board Adopted
10			Budget			Actual		Budget
11	Properties	261	261	-	261			261
13	Assessments per Property Per Month	\$ 75.00	\$ 75.00		\$ 75.00			75.00
14					0%			0%
15	<b>Revenues</b>							
16	Total Assessments	234,685	234,900	-	234,900	234,825	75	234,900
20	Compliance Fines	0	1,000	-	1,000	0	1,000	1,000
21	Late Fees and Other Income	14,386	12,000	1,403	13,403	17,647	(4,245)	12,000
24	Interest Income	84	25	391	416	560	(144)	400
25	Title Prep Fees	1,900	3,000	-	3,000	1,500	1,500	3,000
26	DRB Reimbursable		0		0		0	0
27	<b>Total Revenues</b>	<b>251,055</b>	<b>250,925</b>	<b>1,794</b>	<b>252,719</b>	<b>254,532</b>	<b>(1,813)</b>	<b>251,300</b>
28								
29	<b>General and Admin Expenditures</b>							
30	Community Assn Mgmt/Accounting/Admin	17,840	26,574	-	26,574	23,276	3,298	27,371
31	Covenant Enforcement	0	0	-	0	0	0	0
32	Legal	0	1,000	-	1,000	495	505	1,000
33	Monthly Assessment Billings	13,356	13,635	-	13,635	13,300	335	14,465
34	Insurance	1,975	1,472	(787)	2,259	2,259	0	2,327
36	Bank Fees	0	0	-	0	0	0	0
37	Website Maintenance	75	500	-	500	980	(480)	500
38	Office Expenses and Misc.	1,533	1,000	-	1,000	1,221	(221)	1,000
40	Contingency		5,000	5,000	0		0	5,000
42	<b>Total General &amp; Admin Expenditures</b>	<b>34,779</b>	<b>49,182</b>	<b>4,213</b>	<b>44,969</b>	<b>41,531</b>	<b>3,438</b>	<b>51,663</b>
43								
44	<b>Operating Expenditures</b>							
45	Landscaping & Irrigation	98,282	117,967	-	117,967	100,380	17,587	121,506
46	Weeding & Fertilization Program	7,875	11,890	-	11,890	11,813	77	12,247
47	Repairs and Maintenance	0	5,000	5,000	0	0	0	5,000
48	Community Picnic/Events	1,498	2,000	2,000	0	0	0	2,000
49	Metro District Cost Reimbursement	73,729	80,911	-	80,911	92,416	(11,505)	81,655
50	Other Projects (Mail Boxes '23, Park '24)	18,646	27,500	-	27,500	6,547	20,953	50,000
52	<b>Total Operating Expenses</b>	<b>200,030</b>	<b>245,268</b>	<b>7,000</b>	<b>238,268</b>	<b>211,155</b>	<b>27,112</b>	<b>272,408</b>
53								
54	<b>Total Expenditures</b>	<b>234,808</b>	<b>294,449</b>	<b>11,213</b>	<b>283,236</b>	<b>252,686</b>	<b>30,550</b>	<b>324,071</b>
55								
56	<b>Revenue Over (Under ) Expenditures</b>	<b>16,247</b>	<b>(43,524)</b>	<b>13,007</b>	<b>(30,517)</b>	<b>1,847</b>	<b>(32,364)</b>	<b>(72,771)</b>
57								
58	Beginning Fund Balance	153,764	130,094	39,917	170,011	170,011	0	139,494
62								
63	<b>Ending Fund Balance</b>	<b>170,011</b>	<b>86,570</b>	<b>52,924</b>	<b>139,494</b>	<b>171,857</b>	<b>(32,364)</b>	<b>66,723</b>
64	No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.							
65								
66	<b>TWO RIVERS HOMEOWNERS ASSOCIATION</b>							
67	<b>Balance Sheet</b>							
68								
69	<b>ASSETS</b>	<b>12/31/22</b>				<b>12/31/23</b>		
70	<b>Current Assets:</b>							
71	Bank Account- Operating	124,441				155,540		
72	Bank Account- Reserve	147,446				147,815		
74	<b>Total Cash in Bank</b>	<b>271,887</b>				<b>303,355</b>		
75								
76	Accounts Receivable	35,061				35,130		
77	Other Receivables	0				0		
78	Allowance for Doubtful Accounts	(9,206)				(9,206)		
80	<b>TOTAL ASSETS</b>	<b>297,742</b>				<b>329,279</b>		
81								
82	<b>LIABILITIES &amp; NET ASSETS</b>							
83	<b>Liabilities:</b>							
84	Accounts Payable	94,161				123,852		
86	<b>Total Liabilities</b>	<b>94,161</b>				<b>123,852</b>		
87								
88	<b>Net Assets</b>							
89	Working Capital Reserve	33,570				33,570		
90	Fund Balance	170,011				171,857		
92	<b>Total Net Assets</b>	<b>203,581</b>				<b>205,427</b>		
93								
94	<b>Total Liabilities &amp; Net Assets</b>	<b>297,742</b>				<b>329,279</b>		
95	No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.							

**Association Annual Disclosure pursuant to §38-33.3-209.4(2), C.R.S.**

Two Rivers Homeowners Association  
PO Box 600, Edwards CO 81632

**Current Regular and Special Assessments, Fees and Charges:**

1) Assessment:

<u>Unit Type</u>	<u>Annual Assessment</u>	<u>Count</u>	<u>Total Assessed</u>
Lot/Residence	\$75	261	\$234,900
Period covering: 1/1 – 12/31			

2) Working Capital \$195, Special Assessments: \$0

3) Title Statement preparation fee: \$100

4) Record Change Fee: \$0

5) Document Access Fee: \$0 -available at website [www.tworivershoa.com](http://www.tworivershoa.com)

32-0074-00  
MOUNTAIN INSURANCE BROKERS INC  
3705 KIPLING ST UNIT 104  
WHEAT RIDGE CO 80033-5791

00001083



Agency phone: 303-420-4774

05-08-2023

# *Auto-Owners* INSURANCE

LIFE • HOME • CAR • BUSINESS

PO BOX 30660 • LANSING, MI 48909-8160

Owners Insurance Company

TWO RIVERS VILLAGE HOA  
C/O MARCHETTI & WEAVER LLC  
28 2ND ST UNIT 213  
EDWARDS CO 81632-8137

You can view your policy, pay your bill, or change your paperless options at any time online at [www.auto-owners.com](http://www.auto-owners.com).

### ADDITIONAL WAYS TO PAY YOUR BILL

Pay Online  
[www.auto-owners.com](http://www.auto-owners.com)  
Pay My Bill

Pay by Mail  
AUTO-OWNERS INSURANCE  
PO BOX 740312  
CINCINNATI, OH 45274-0312

Pay by Phone  
1-800-288-8740

RE: Policy 152332-74423853-23

Billing Account 014550716

Thank you for selecting Auto-Owners Insurance Group to serve your insurance needs! Feel free to contact your independent Auto-Owners agent with questions you may have. If you have questions your agent is unable to answer, please contact us at 517.323.1200.

Auto-Owners and its affiliate companies offer a full complement of policies, each of which has its own eligibility requirements, coverages and rates. In addition, Auto-Owners also offers many billing options. Please take this opportunity to review your insurance needs with your Auto-Owners agent, and discuss which company, program, and billing option may be most appropriate for you.

Auto-Owners Insurance Company was formed in 1916. Our A++ (Superior) rating by A.M. Best Company signifies that we have the financial strength to provide the insurance protection you need. The Auto-Owners Insurance Group is comprised of six property and casualty companies and a life insurance company.

*Serving Our Policyholders and Agents Since 1916*





## NOTICE OF PRIVACY PRACTICES

### What We Do To Protect Your Privacy

At Auto-Owners Insurance Group\*, we value your business and we want to retain your trust. In the course of providing products and services, we may obtain nonpublic personal information about you. We assure you that such information is used only for the purpose of providing our products and services to you.

### Protecting Confidentiality

Our agents and Company associates may have access to nonpublic personal information only for the purpose of providing our products or services to you. We maintain physical, electronic and procedural safeguards against unauthorized use of your nonpublic personal information.

### Information We Obtain

To assist in underwriting and servicing your policy, we may obtain nonpublic personal information about you. For example, we routinely obtain information through applications, forms related to our products or services, from visiting [www.auto-owners.com](http://www.auto-owners.com), and your transactions with us. We may obtain such information from our affiliates, independent insurance agents, governmental agencies, third parties, or consumer reporting agencies.

The type of information that we collect depends on the product or service requested, but may include your name, address, contact information, social security number, credit history, claims history, information to properly investigate and resolve any claims, or billing information. We may obtain your medical history with your permission. The nature and extent of the information we obtain varies based on the nature of the products and services you receive.

### The Internet and Your Information

If you would like to learn about how we gather and protect your information over the Internet, please see our online privacy statement at [www.auto-owners.com/privacy](http://www.auto-owners.com/privacy).

Generally, Auto-Owners may use cookies, analytics, and other technologies to help us provide users with better service and a more customized web experience. Our business partners may use tracking services, analytics, and other technologies to monitor visits to [www.auto-owners.com](http://www.auto-owners.com). The website may use web beacons in addition to cookies. You may choose to not accept cookies by changing the settings in your web browser.

Information obtained on our websites may include IP address, browser and platform types, domain names, access times, referral data, and your activity while using our site; who should use our web site; the security of information over the Internet; and links and co-branded sites.

### Limited Disclosure

Auto-Owners Insurance Group companies do not disclose any nonpublic personal information about their customers or former customers except as permitted by law. We do not sell your personal information to anyone. We do not offer an opportunity for you to prevent or "opt out of" information sharing since we only share personal information with others as allowed by law.

When sharing information with third parties to help us conduct our business, we require them to protect your personal information. We do not permit them to use or share your personal information for any purpose other than the work they are doing on our behalf or as required by law.



The types of information disclosed may include personal information we collect as necessary to service your policy or account, investigate and pay claims, comply with state and federal regulatory requests or demands, and process other transactions that you request. Third parties that receive disclosures may include your independent agent, regulators, reinsurance companies, fraud prevention agencies, or insurance adjusters.

## **How Long We Retain Your Information**

We generally retain your information as long as reasonably necessary to provide you services or to comply with applicable law and in accordance with our document retention policy. We may retain copies of information about you and any transactions or services you have used for a period of time that is consistent with applicable law, applicable statute of limitations or as we believe is reasonably necessary to comply with applicable law, regulation, legal process or governmental request, to detect or prevent fraud, to collect fees owed, to resolve disputes, to address problems with our services, to assist with investigations, to enforce other applicable agreements or policies or to take any other actions consistent with applicable law.

In some circumstances we may anonymize your personal information (so that it can no longer be associated with you) for research or statistical purposes, in which case we may use this information indefinitely without further notice to you. This allows the specific information collected (name, email, address, phone number, etc.) to become anonymous, but allows Auto-Owners to keep the transaction or engagement data.

## **Changes to the Privacy Policy**

We will provide a notice of our privacy policy as required by law. This policy may change from time to time, but you can always review our current policy by visiting our website at [www.auto-owners.com/privacy](http://www.auto-owners.com/privacy) or by contacting us.

## **Contact Us**

Auto-Owners Insurance Company  
Phone: 844-359-4595 (toll free)  
Email: [privacyrequest@aoins.com](mailto:privacyrequest@aoins.com)

\*Auto-Owners Insurance Group includes, Auto-Owners Insurance Company, Auto-Owners Life Insurance Company, Home-Owners Insurance Company, Owners Insurance Company, Property-Owners Insurance Company and Southern-Owners Insurance Company.

Policy Number: 152332-74423853-23  
Insurance Company: OWNERS INSURANCE COMPANY  
Renewal Effective Date: 06-21-2023

Dear Policyholder,

Thank you for choosing Auto-Owners Insurance. Your policy is set to renew on the renewal effective date shown above. This letter gives you advance notice of changes to your premium, deductibles or coverage:

Your renewal premium will be: \$2,119.00 or \$1,907.00 if paid in full.  
(Calculated changes are based on your current policy information. Your actual premium could vary if the information on file is incorrect or if your needs and renewal coverages change.)

- Changes in deductibles \_\_\_\_\_  
\_\_\_\_\_
- Reduction of limits \_\_\_\_\_  
\_\_\_\_\_
- Reduction or Removal of Coverage \_\_\_\_\_  
\_\_\_\_\_
- Other \_\_\_\_\_  
\_\_\_\_\_

This notice is for informational purposes only. Your policy contains the specific terms and conditions of coverage. If you have any questions regarding your policy or this notice, please contact your Auto-Owners Insurance agency.

MOUNTAIN INSURANCE BROKERS INC  
3705 KIPLING ST UNIT 104  
WHEAT RIDGE CO 80033-5791  
303-420-4774



## NOTIFICATION OF POSSIBLE CHANGES IN COVERAGE FOR TERRORISM

Dear Policyholder:

The Terrorism Risk Insurance Act (including ensuing Congressional actions pursuant to the Act) will expire on December 31, 2027 unless the Federal government extends the Act. What this means to you is the following:

1. Subject to policy terms and conditions, the enclosed policy will provide insurance coverage for certified acts of terrorism as defined in the Act only until December 31, 2027.
2. A conditional endorsement entitled, Conditional Exclusion Of Terrorism Involving Nuclear, Biological Or Chemical Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act) is enclosed. This conditional endorsement will only apply if the Act is not extended or if the Act is revised to increase statutory deductibles, decrease the federal government's share in potential losses above the statutory deductibles, change the levels, terms or conditions of coverage and we are no longer required to make terrorism coverage available and elect not to do so. It will not apply if the Act is simply extended.
3. The conditional endorsement will provide coverage for an incident of terrorism pursuant to the terms and conditions of the policy only if the incident does not involve nuclear, biological or chemical material.
4. A premium charge for the conditional endorsement will be applied effective January 1, 2028. The premium will be pro rated for the remainder of the policy term and is one-half of the current premium charge appearing in the Declarations for TERRORISM - CERTIFIED ACTS. However, it will only be made if the Terrorism Risk Insurance Act (including ensuing Congressional actions pursuant to the Act) is not extend. Revised Declarations will be mailed to you after January 1, 2028.
5. If the Act is extended without any revision, the enclosed policy will continue to provide coverage for certified acts of terrorism. The conditional endorsement will not be activated and the changes in coverage or premium referenced above will not apply.
6. If the Act is extended with revisions or is replaced, and we are required or elect to continue to offer coverage for certified acts of terrorism, we may amend this policy in accordance with the provisions of the revised Act or its replacement.

This notice is for informational purposes only.

If you have any questions concerning your policy or this notice, please contact your Auto-Owners agency.



INSURANCE COMPANY  
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

**TAILORED PROTECTION POLICY DECLARATIONS**

AGENCY MOUNTAIN INSURANCE BROKERS INC  
32-0074-00 MKT TERR 086 303-420-4774

Renewal Effective 06-21-2023

**POLICY NUMBER 152332-74423853-23**

INSURED TWO RIVERS VILLAGE HOA  
C/O MARCHETTI & WEAVER LLC

Company Use 74-23-CO-1506

ADDRESS 28 2ND ST UNIT 213  
EDWARDS CO 81632-8137

Company Bill	<b>Policy Term</b>	
	12:01 a.m. 06-21-2023	12:01 a.m. to 06-21-2024

In consideration of payment of the premium shown below, this policy is renewed. Please attach this Declarations and attachments to your policy. If you have any questions, please consult with your agent.

55039 (11-87)

**COMMON POLICY INFORMATION**

**Business Description:** Hoa

**Entity:** Association

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S):	PREMIUM
COMMERCIAL GENERAL LIABILITY COVERAGE	\$2,119.00
<b>TOTAL</b>	<b>\$2,119.00</b>
<b>PAID IN FULL DISCOUNT</b>	<b>\$212.00</b>
<b>TOTAL POLICY PREMIUM IF PAID IN FULL</b>	<b>\$1,907.00</b>
<b>THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.</b>	
The Paid in Full Discount does not apply to fixed fees, statutory charges or minimum premiums.	

Forms that apply to all coverage part(s) shown above (except garage liability, dealer's blanket, commercial automobile, if applicable):  
55003 (07-12) 59390 (11-20)

Countersigned By: COMPANY ISSUED



Owners Ins. Co.

Issued 05-08-2023

AGENCY MOUNTAIN INSURANCE BROKERS INC  
32-0074-00 MKT TERR 086

Company POLICY NUMBER 152332-74423853-23  
Bill 74-23-CO-1506

INSURED TWO RIVERS VILLAGE HOA

Term 06-21-2023 to 06-21-2024

55040 (11-87)

**COMMERCIAL GENERAL LIABILITY COVERAGE**

COVERAGE	LIMITS OF INSURANCE
General Aggregate (Other Than Products-Completed Operations)	\$3,000,000
Products-Completed Operations Aggregate	\$3,000,000
Personal And Advertising Injury Each Occurrence	\$1,000,000
Assn Directors/Officers Errors and Omissions Agg	\$1,000,000
Assn Directors/Officers Errors and Omissions Occ	\$1,000,000
<b>COMMERCIAL GENERAL LIABILITY PLUS ENDORSEMENT</b>	
Damage to Premises Rented to You (Fire, Lightning, Explosion, Smoke or Water Damage)	\$300,000 Any One Premises
Medical Payments	\$10,000 Any One Person
Hired Auto & Non-Owned Auto	\$1,000,000 Each Occurrence
Expanded Coverage Details See Form:	
Extended Watercraft	
Personal Injury Extension	
Broadened Supplementary Payments	
Broadened Knowledge Of Occurrence	
Additional Products-Completed Operations Aggregate	
Blanket Additional Insured - Lessor of Leased Equipment	
Blanket Additional Insured - Managers or Lessors of Premises	
Newly Formed or Acquired Organizations Extension	
Blanket Waiver of Subrogation	

Twice the "General Aggregate Limit", shown above, is provided at no additional charge for each 12 month period in accordance with form 55885.

**AUDIT TYPE:** Non-Audited

Forms that apply to this coverage:

59350 (01-15)	55405 (07-08)	55146 (06-04)	55084 (06-04)	IL0021 (07-02)
IL0017 (11-85)	59319 (03-15)	CG2106 (05-14)	55091 (05-17)	55448 (05-17)
55447 (05-17)	CG0001 (04-13)	55513 (05-17)	IL0125 (11-13)	CG2109 (06-15)
55029 (05-17)	CG2196 (03-05)	CG2132 (05-09)	CG2147 (12-07)	55885 (05-17)
59325 (12-19)	59390 (11-20)			

Owners Ins. Co.

Issued 05-08-2023

AGENCY MOUNTAIN INSURANCE BROKERS INC  
32-0074-00 MKT TERR 086

Company POLICY NUMBER 152332-74423853-23  
Bill 74-23-CO-1506

INSURED TWO RIVERS VILLAGE HOA

Term 06-21-2023 to 06-21-2024

**LOCATION 0001 - BUILDING 0001**

**Location:** 80 Lakeshore Dr, Gypsum, CO 81637-7321

**Territory:** 002

**County:** Eagle

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Commercial General Liability Plus Endorsement Included At 7.5% Of The Premises Operation Premium	00501	Prem/Op	Prem/Op Prem Included	Included	Included
Assn Directors/Officers Errors And Omissions	00811	Professional	Flat Charge 261		\$894.00
Homeowners &/Or Mobile Homeowners Association - No Buildings Or Premises Owned Or Leased Except For Office Purposes. (For-Profit)	41669	Prem/Op	Members 261	Each 1 2.085	\$544.00
		Prod/Comp Op	261	.239	\$62.00
Swimming Pools Noc	48925	Prem/Op	Pools 1	539.204	\$539.00
		Prod/Comp Op	1	58.900	\$59.00

COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0001 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$21.00
<b>LOCATION 0001</b>	<b>\$2,119.00</b>



55405 (7-08)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

### **A. Applicability Of This Endorsement**

**1. The provisions of this endorsement will apply if and when one of the following situations occurs:**

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act), terminates; or**
- b. The Program is renewed, extended or otherwise continued in effect:**
  - (1) With revisions that increase insurers' statutory percentage deductible or decrease the federal government's statutory percentage share in potential terrorism losses above such deductible, or that results in a change in the level or terms or conditions of coverage; and**
  - (2) We are not required by the Program to make terrorism coverage available to you and elect not to do so.**

**2. When this endorsement becomes applicable in accordance with the terms of A.1.a. or A.1.b., above, it supersedes any terrorism**

**endorsement already endorsed to this policy that addresses "certified acts of terrorism".**

- 3. If this endorsement does NOT become applicable, then any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism", will remain in effect. However, if the Program is renewed, extended or otherwise continued in effect with revisions that change the level or terms or conditions of coverage, and we are required to offer you the revised coverage or to provide revised coverage to those who previously accepted coverage under the Program, then we will take the appropriate steps in response to the federal requirements.**

**B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.**

"Terrorism" means activities against persons, organizations or property of any nature:

- 1. That involve the following or preparation for the following:**
  - a. Use or threat of force or violence; or**
  - b. Commission or threat of a dangerous act; or**

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55405 (7-08)

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- c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

2. When one or both of the following applies:

- a. The effect is to intimidate or coerce a government or the civilian population or any segments thereof, or to disrupt any segment of the economy; or
- b. It appears that the intent is to intimidate or coerce a government or the civilian population, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

C. The following exclusion is added:

**Exclusion Of "Terrorism"**

We will not pay for "bodily injury", "property damage", "personal injury" or "advertising injury" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". All "bodily injury", "property damage", "personal injury" or "advertising injury" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such

injury or damage. This exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination;
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material;
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, regardless of whether this endorsement was in effect during the entirety of that time period or not.

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM  
AND  
IMPORTANT INFORMATION REGARDING TERRORISM RISK  
INSURANCE COVERAGE**

It is agreed:

1. With respect to any one or more certified acts of terrorism, we will not pay any amounts for which we are not responsible because of the application of any provision which results in a cap on our liability for payments for terrorism losses in accordance with the terms of the federal Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act).
2. Certified act of terrorism means any act certified by the Secretary of the Treasury, in consultation with:
  - a. the Secretary of Homeland Security; and
  - b. the Attorney General of the United Statesto be an act of terrorism as defined and in accordance with the federal Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act).
3. Under the federal Terrorism Risk Act of 2002 (including ensuing Congressional actions pursuant to the Act) a terrorist act may be certified:
  - a. if the aggregate covered commercial property and casualty insurance losses resulting from the terrorist act exceed \$5 million; and
  - b. (1) if the act of terrorism is:
    - a) a violent act; or
    - b) an act that is dangerous to human life, property or infrastructure; and(2) if the act is committed:
    - a) by an individual or individuals as part of an effort to coerce the civilian population of the United States; or
    - b) to influence the policy or affect the conduct of the United States government by coercion.

All other policy terms and conditions apply.



## IMPORTANT INFORMATION REGARDING TERRORISM RISK INSURANCE COVERAGE

The Terrorism Risk Insurance Act of 2002 was signed into law on November 26, 2002. The Act (including ensuing Congressional actions pursuant to the Act) defines an act of terrorism, to mean any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States to be (i) an act of terrorism; (ii) to be a violent act or an act that is dangerous to human life, property or infrastructure; (iii) to have resulted in damage within the United States or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

Subject to the policy terms and conditions, this policy provides insurance coverage for acts of terrorism as defined in the Act.

Any coverage for certain commercial lines of property and casualty insurance provided by your policy for losses caused by certified acts of terrorism are partially paid by the federal government under a formula established by federal law. Under this formula, the government will reimburse us for 85% of such covered losses that exceed the statutory deductible paid by us. However, beginning January 1, 2016 the share will decrease 1% per calendar year until it equals 80%. **You should also know that in the event aggregate insured losses exceed \$100 billion during any year the Act is in effect, then the federal government and participating United States insurers that have met their insurer deductible shall not be liable for the payment of any portion of that amount of the loss that exceeds \$100 billion. In the event that aggregate insured losses exceed \$100 billion annually, no additional claims will be paid by the federal government or insurers.** This formula is currently effective through December 31, 2020 unless extended.

The premium charge, if any, for this coverage is shown separately on the attached Declarations page. In the event of a certified act of terrorism, future policies also may include a government assessed terrorism loss risk-spreading premium in accordance with the provisions of the Act.

Please contact us if you would like to reject coverage for certified acts of terrorism.

**COMMERCIAL GENERAL LIABILITY  
55146 (6-04)**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **UPSET AND OVERSPRAY COVERAGE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

It is agreed the coverage for "property damage" liability with respect to your operations is extended as follows:

### **1. COVERAGE**

We will pay those sums which you become legally obligated to pay for "property damage" caused directly by immediate, abrupt and accidental:

- a. Upset, overturn or collision of your "mobile equipment" while transporting; or
- b. "Overspray" during your application or dispersal of

"pollutants" which are intended for and normally used in your operations. The operations must be in compliance with local, state, and federal ordinances and laws.

This is not an additional amount of insurance and does not increase the Limits of Insurance stated in the Declarations.

### **2. EXCLUSIONS**

- a. With regard only to the coverage provided by this endorsement, Exclusion **f. of Section I - Coverage A - Bodily Injury And Property Damage Liability** is deleted and replaced by the following:

- f. Pollution**

Any loss, cost or expense arising out of any:

- (1)** Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
    - (2)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, this paragraph does not apply to liability for damages because of covered "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**b. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This coverage does not apply to "overspray" resulting from aerial application or dispersal of "pollutants".

**3. DEDUCTIBLE**

Any deductible provision of the policy which is applicable to Property Damage Liability coverage applies to this coverage extension.

**4. DEFINITIONS**

The following definition applies in addition to those in the policy.

"Overspray" means spray, from a device specifically designed for spray application or dispersal, that goes beyond the entire area of intended application or dispersal.

All other policy terms and conditions apply.

55405 (7-08)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

### **A. Applicability Of This Endorsement**

**1. The provisions of this endorsement will apply if and when one of the following situations occurs:**

**a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act), terminates; or**

**b. The Program is renewed, extended or otherwise continued in effect:**

**(1) With revisions that increase insurers' statutory percentage deductible or decrease the federal government's statutory percentage share in potential terrorism losses above such deductible, or that results in a change in the level or terms or conditions of coverage; and**

**(2) We are not required by the Program to make terrorism coverage available to you and elect not to do so.**

**2. When this endorsement becomes applicable in accordance with the terms of A.1.a. or A.1.b., above, it supersedes any terrorism**

**endorsement already endorsed to this policy that addresses "certified acts of terrorism".**

**3. If this endorsement does NOT become applicable, then any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism", will remain in effect. However, if the Program is renewed, extended or otherwise continued in effect with revisions that change the level or terms or conditions of coverage, and we are required to offer you the revised coverage or to provide revised coverage to those who previously accepted coverage under the Program, then we will take the appropriate steps in response to the federal requirements.**

**B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.**

"Terrorism" means activities against persons, organizations or property of any nature:

**1. That involve the following or preparation for the following:**

**a. Use or threat of force or violence; or**

**b. Commission or threat of a dangerous act; or**

- c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

2. When one or both of the following applies:

- a. The effect is to intimidate or coerce a government or the civilian population or any segments thereof, or to disrupt any segment of the economy; or
- b. It appears that the intent is to intimidate or coerce a government or the civilian population, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

C. The following exclusion is added:

**Exclusion Of "Terrorism"**

We will not pay for "bodily injury", "property damage", "personal injury" or "advertising injury" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". All "bodily injury", "property damage", "personal injury" or "advertising injury" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such

injury or damage. This exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination;
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material;
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, regardless of whether this endorsement was in effect during the entirety of that time period or not.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ASSOCIATION DIRECTORS AND OFFICERS ERRORS AND OMISSIONS COVERAGE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. SECTION I - COVERAGES** is amended. The following coverage is added.

#### **ASSOCIATION DIRECTORS AND OFFICERS ERRORS AND OMISSIONS COVERAGE**

##### **1. Insuring Agreement**

We will pay those sums the insured becomes legally obligated to pay as "damages" because of any negligent act, error, omission or breach of duty directly related to the management of the premises, shown in the Declarations, which occurs during the policy period. We will settle, as we consider appropriate, any claim or "suit" for damages covered by this policy. We will defend any "suit" for damages covered by this policy at our expense, using attorneys of our choice. This agreement to settle or defend claims or "suits" ends when we have paid the limit of our liability.

##### **2. Exclusions**

This coverage does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury".
- b. Any transactions of any insured from which any insured gained any personal profit or advantage not shared equitably by the members of the association.
- c. Any failure to:
  - 1) Procure or maintain any insurance policy or bond; or
  - 2) Obtain proper amounts, forms, conditions or provisions of any insurance policy or bond.
- d. Violation of any civil rights law, whether federal, state or local ordinance, including but not limited to discrimination based on race, religion, sex or age.
- e. Any criminal or malicious act.
- f. Liability based upon any intentionally dishonest or fraudulent act, or any judgment based upon any intentionally dishonest or fraudulent act.

- g. To the liability of any insured to return salaries or bonuses received illegally or without the permission of association members.
- h. To any claims for which your officer or director receives indemnity from you or has a right to be indemnified by you.
- i. An actual or alleged error, omission or breach of duty, committed by any insured in the discharge of fiduciary duties, obligations or responsibilities imposed by the Employee Retirement Income Act of 1974 or any similar legislation.
- j. Any insured's failure to comply with any law concerning workers compensation, unemployment insurance, social security, disability benefits or any similar law.
- k. To any claim for "damages" made by you, your officers or your directors.
- l. Any claim or liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - 1) At or from any premises, site or location which is or was at any time owned or occupied by, rented or loaned to any insured;
  - 2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - 3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as water by or for any insured or any person or organization for whom an insured may be legally responsible;
  - 4) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or



- indirectly on any insured's behalf are performing operations:
- a) If the "pollutants" are brought on or to the premises, site, or location in connection with such operations by such insured, contractor or subcontractor; or
  - b) If the operations are to test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize or in any way respond to, or assess the effects of pollutants.
- m. Any loss, cost or expense arising out of any:
- 1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
  - 2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, testing, detoxifying or neutralizing, or in any way responding to or assessing the effects of "pollutants".
- n. Any claim or liability arising out of any nuclear reaction, nuclear radiation, or radioactive contamination, or to any act or condition relating to any of these.
- o. Any claim against any insured arising out of their activities as a builder or developer of real property, including but not limited to any claim for damages arising out of conflict of interest, self-dealing or conversion.
- p. Any claim against any insured arising out of any defective, faulty or delayed construction, including but not limited to any claim for damages as a result of:
- (1) Faulty or incorrect design or plans;
  - (2) Improper soil testing;
  - (3) Negligent hiring, selection or retention of contractors;
  - (4) Negligent construction supervision; or
  - (5) Breach of warranty.
- q. Any claim against any insured arising out of any damage, destruction or deterioration of any property owned by the association or a member unit owner of the association for which you are a director or officer.
- B. SECTION II - WHO IS AN INSURED** is deleted and replaced by the following provision for the purposes of this endorsement only.
- SECTION II - WHO IS AN INSURED**  
Each of the following is an insured with respect to this coverage, but only to the extent set forth below:
- 1. Your directors and officers, but only while acting within the scope of their duties for you.
  - 2. You with respect to your liability for the negligent act, error, omission or breach of duty committed by an officer or director.
- C. SECTION III - LIMITS OF INSURANCE** is amended. The following provision is added for the purposes of this endorsement only.
- 1. The limit of insurance shown in the Declarations for this coverage:
    - a. Is the total of our liability for all "damages" for one or more persons as a result of any one negligent act, error, omission or breach of duty whether committed collectively or individually; and
    - b. Applies regardless of the number of insureds.
  - 2. The coverage provided by this endorsement is subject to a separate aggregate limit which is:
    - a. Shown in the Declarations; and
    - b. The most we will pay for all "damages" covered under this endorsement for any one policy period.
- D. SECTION V - DEFINITIONS** is amended. The following definition is added for the purposes of this endorsement only.
- "Damages" means only actual compensatory damages for loss suffered but does not include fines, taxes or any other cost or expense assessed against any insured.

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYER'S LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is amended. Exclusion **e. Employer's Liability** is deleted and replaced by the following exclusion.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of any insured arising out of and in the course of employment by any insured; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph e.(1).

This exclusion applies:

- (1) Whether any insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by any insured under an "insured contract".

**B. SECTION II - WHO IS AN INSURED** is amended. Paragraph 1. is deleted and replaced by the following paragraph for purposes of this endorsement only.

1. a. If you are designated in the Declarations as:
  - (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business.

- (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- b.** However, with respect to paragraphs 1.a.(1) through 1.a.(5), no person is an insured for "bodily injury" or "personal and advertising injury":
- (1) To:
    - (a) You and your spouse if the Named Insured is an individual;
    - (b) Your members, your partners and their spouses if the Named Insured is a partnership or joint venture;
    - (c) Your members if the Named Insured is a Limited Liability Company;
    - (d) Your "executive officers" and directors if the Named Insured is other than a partnership, joint venture or limited liability company; or
    - (e) Your trustees if the Named Insured is a trust.
  - (2) To an "employee" of any insured while in the course of his or her employment or performing duties related to the conduct of any insured's business.
  - (3) To any insured's "volunteer workers" while performing duties related to the conduct of any insured's business;
  - (4) To the spouse, child, parent, brother or sister of any "employee" or "volunteer worker" as a consequence of Paragraphs 1.b.(2) or (3).
  - (5) For which there is any obligation to share damages with or repay someone

else who must pay damages because of the injury described in Paragraphs **1.b.(1), (2) and (3)**.

**(6)** Arising out of his or her providing or failing to provide professional health care services.

All other policy terms and conditions apply.

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COMMERCIAL GENERAL LIABILITY  
CG 00 01 04 13**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance. The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured. Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

**SECTION I – COVERAGES****COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above. However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

### f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if

- you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.
- g. Aircraft, Auto Or Watercraft**  
"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".  
This exclusion applies even if the claims against any insured allege negligence or other

wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### **j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a side-track agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

#### **k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

#### **l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

**COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

**2. Exclusions**

This insurance does not apply to:

- a. **Knowing Violation Of Rights Of Another**  
"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another



and would inflict "personal and advertising injury".

**b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

**c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

**d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

**e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

**f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

**g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

**h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;

- (2) Designing or determining content of web sites for others; or

- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**COVERAGE C – MEDICAL PAYMENTS**

**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations; provided that:
    - (a) The accident takes place in the "coverage territory" and during the policy period;
    - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
    - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the

payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
  - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
  - (d) Arising out of his or her providing or failing to provide professional health care services.
- (2) "Property damage" to property:
- (a) Owned, occupied or used by;
  - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
- a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
- a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

## 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.  
You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

## 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

## 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

### a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

- (2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
  - (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a.

above, but is away for a short time on your business; or

- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
- 9. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
- 10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
  - 11. "Loading or unloading" means the handling of property:
    - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
    - b. While it is in or on an aircraft, watercraft or "auto"; or
    - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
 but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
  - 12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
    - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
    - b. Vehicles maintained for use solely on or next to premises you own or rent;
    - c. Vehicles that travel on crawler treads;
    - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
      - (1) Power cranes, shovels, loaders, diggers or drills; or

- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment designed primarily for:
- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
16. "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
- (a) When all of the work called for in your contract has been completed.
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project. Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- b. Does not include "bodily injury" or "property damage" arising out of:
- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.
17. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or



- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, electronic data is not tangible property.
- As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- 18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 21.** "Your product":
- a.** Means:
    - (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a)** You;
      - (b)** Others trading under your name; or
      - (c)** A person or organization whose business or assets you have acquired; and
    - (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - b.** Includes:
    - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    - (2)** The providing of or failure to provide warnings or instructions.
  - c.** Does not include vending machines or other property rented to or located for the use of others but not sold.
- 22.** "Your work":
- a.** Means:
    - (1)** Work or operations performed by you or on your behalf; and
    - (2)** Materials, parts or equipment furnished in connection with such work or operations.
  - b.** Includes:
    - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
    - (2)** The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – WITH LIMITED BODILY INJURY EXCEPTION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

- p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**
- 2. Exclusions**  
This insurance does not apply to:  
**Communicable Disease**  
"Bodily injury" or "property damage" arising out of the actual or alleged transmission of a communicable disease.  
This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:
- Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
  - Testing for a communicable disease;
  - Failure to prevent the spread of the disease; or
  - Failure to report the disease to authorities.
- B. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**
- 2. Exclusions**  
This insurance does not apply to:  
**Communicable Disease**  
"Personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.  
This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:
- Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
  - Testing for a communicable disease;
  - Failure to prevent that spread of the disease; or
  - Failure to report the disease to authorities.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**
- 2. Exclusions**  
This insurance does not apply to:  
**Silica Or Silica-Related Dust**
- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
  - b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
  - c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**
- 2. Exclusions**  
This insurance does not apply to:  
**Silica Or Silica-Related Dust**
- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
  - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- C. The following definitions are added to the Definitions Section:**
1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
  2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COLORADO CHANGES – CIVIL UNION**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 ELECTRONIC DATA LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK POLICY

- A.** The term "spouse" is replaced by the following:  
 Spouse or party to a civil union recognized under Colorado law.
- B.** Under the Commercial Automobile Coverage Part, the term "family member" is replaced by the following and supersedes any other provisions to the contrary:  
 "Family member" means a person related to:
1. The individual Named Insured by blood, adoption, marriage or civil union recognized under Colorado law, who is a resident of such Named Insured's household, including a ward or foster child;
  2. The individual named in the Schedule by blood, adoption, marriage or civil union recognized
- under Colorado law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individuals endorsement is attached.
- C.** With respect to coverage for the ownership, maintenance or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:  
 "Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Colorado law, who is a resident of your household, including a ward or foster child.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COLORADO CHANGES - CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY  
 COMMERCIAL CRIME COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** Paragraph 2. of the CANCELLATION Common Policy Condition is replaced by the following:
- 2.** If this policy has been in effect for less than 60 days and is not a renewal policy, we may cancel this policy for any reason by mailing or delivering written notice stating the reason for cancellation to the first Named Insured at your last mailing address known to us. This notice shall be mailed or delivered at least:
    - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
    - b.** 30 days before the effective date of cancellation for all other reasons.
- B.** The following is added to the CANCELLATION Common Policy Condition:  
 If this policy has been in effect for 60 days or more, or is a renewal:
- 1.** We may cancel this policy by mailing or delivering written notice stating the reason for cancellation to the first Named Insured at your last mailing address known to us. This notice shall be mailed or delivered at least:
    - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
    - b.** 45 days before the effective date of cancellation if we cancel for a reason stated below in 2.b. through 2.d.
  - 2.** We may cancel this policy only for one or more of the following reasons:
    - a.** Nonpayment of premium;
    - b.** The license of the insured health care provider has been suspended or revoked by the appropriate state regulatory authority;
    - c.** A false statement knowingly made by the insured on the application for insurance; or
    - d.** A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.
- C.** The following is added and supercedes any other provision to the contrary:  
**NONRENEWAL**  
 If we decide not to renew this policy, we shall mail or deliver written notice stating the reason for non-renewal to the first Named Insured at your last mailing address known to us, at least 45 days before the expiration date of the policy.
- D.** The following Condition is added:  
**INCREASE IN PREMIUM OR DECREASE IN COVERAGE**  
 We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.  
 Any decrease in coverage during the policy term must be based on one or more of the following reasons:
  - 1.** Nonpayment of premium;
  - 2.** A false statement knowingly made by the insured on the application for insurance; or
  - 3.** A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

All other policy terms and conditions apply.



**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM  
AND  
IMPORTANT INFORMATION REGARDING TERRORISM RISK  
INSURANCE COVERAGE**

It is agreed:

1. With respect to any one or more certified acts of terrorism, we will not pay any amounts for which we are not responsible because of the application of any provision which results in a cap on our liability for payments for terrorism losses in accordance with the terms of the federal Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act).
2. Certified act of terrorism means any act certified by the Secretary of the Treasury, in consultation with:
  - a. the Secretary of Homeland Security; and
  - b. the Attorney General of the United Statesto be an act of terrorism as defined and in accordance with the federal Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act).
3. Under the federal Terrorism Risk Act of 2002 (including ensuing Congressional actions pursuant to the Act) a terrorist act may be certified:
  - a. if the aggregate covered commercial property and casualty insurance losses resulting from the terrorist act exceed \$5 million; and
  - b. (1) if the act of terrorism is:
    - a) a violent act; or
    - b) an act that is dangerous to human life, property or infrastructure; and(2) if the act is committed:
    - a) by an individual or individuals as part of an effort to coerce the civilian population of the United States; or
    - b) to influence the policy or affect the conduct of the United States government by coercion.

All other policy terms and conditions apply.

## IMPORTANT INFORMATION REGARDING TERRORISM RISK INSURANCE COVERAGE

The Terrorism Risk Insurance Act of 2002 was signed into law on November 26, 2002. The Act (including ensuing Congressional actions pursuant to the Act) defines an act of terrorism, to mean any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States to be (i) an act of terrorism; (ii) to be a violent act or an act that is dangerous to human life, property or infrastructure; (iii) to have resulted in damage within the United States or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

Subject to the policy terms and conditions, this policy provides insurance coverage for acts of terrorism as defined in the Act.

Any coverage for certain commercial lines of property and casualty insurance provided by your policy for losses caused by certified acts of terrorism are partially paid by the federal government under a formula established by federal law. Under this formula, the government will reimburse us for 85% of such covered losses that exceed the statutory deductible paid by us. However, beginning January 1, 2016 the share will decrease 1% per calendar year until it equals 80%. **You should also know that in the event aggregate insured losses exceed \$100 billion during any year the Act is in effect, then the federal government and participating United States insurers that have met their insurer deductible shall not be liable for the payment of any portion of that amount of the loss that exceeds \$100 billion. In the event that aggregate insured losses exceed \$100 billion annually, no additional claims will be paid by the federal government or insurers.** This formula is currently effective through December 31, 2020 unless extended.

The premium charge, if any, for this coverage is shown separately on the attached Declarations page. In the event of a certified act of terrorism, future policies also may include a government assessed terrorism loss risk-spreading premium in accordance with the provisions of the Act.

Please contact us if you would like to reject coverage for certified acts of terrorism.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. EXAMINATIONS OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

### E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

**F. TRANSFER OF YOUR RIGHTS AND DUTIES  
UNDER THIS POLICY**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
    - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located

within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**ARTICLES OF INCORPORATION  
OF  
TWO RIVERS HOMEOWNERS ASSOCIATION**

The undersigned, acting as incorporators of a corporation under the Colorado Nonprofit Corporation Act, hereby certify the following Articles:

FILED  
DONETTA DAVIDSON  
COLORADO SECRETARY OF STATE  
20001233514 C  
\$ 100.00  
SECRETARY OF STATE  
12-01-2000 12:04:06

**ARTICLE I  
NAME**

1.1 The name of the corporation is Two Rivers Homeowners Association.

**ARTICLE II  
PERIOD OF EXISTENCE**

2.1 Two Rivers Homeowners Association (the "Association") shall have perpetual existence.

**ARTICLE III  
PURPOSES AND POWERS**

3.1 Purposes. The purposes and objectives for which Association is formed are as follows:

3.1.1 To promote, undertake and advance any and all lawful activities and objectives for the general benefit, well-being, advancement, improvement and enjoyment of the Association and its members;

3.1.2 To be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions and Restrictions for Two Rivers Village (the "Declaration") which is recorded or will be recorded in the office of the Clerk and Recorder of the County of Eagle, State of Colorado, relating to a mixed-use development project described therein, located in the County of Eagle, State of Colorado (the "Property") and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association, as contemplated therein; and

3.1.3 To provide an entity for the furtherance of the interests of the owners of the Property.

3.2 Powers. Subject to any specific limitation imposed by these Articles of incorporation, the Association shall have the following powers:



3.2.1 All of the powers conferred upon nonprofit corporations by the laws of the State of Colorado in effect from time to time.

3.2.2 All of the powers conferred upon unit owners' associations pursuant to the Colorado Common Interest Ownership Act, C.R.S. §§38-33.3-101, *et seq.* (the "Act").

3.2.3 All of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under the Declaration, including, without limitation, the following powers:

3.2.3.1 Subject to the budgeting procedures contained in the Declaration, to make and collect assessments against members of the Association for the purpose of paying the costs, expenses and any losses of the Association, or of exercising its powers or of performing its functions;

3.2.3.2 To manage, control, operate, maintain, repair and improve the Common Elements of the Property;

3.2.3.3 To enforce covenants, restrictions and conditions affecting the Property to the extent the Association may be authorized under any such covenants, restrictions or conditions and to make and enforce rules and regulations for use of the Property;

3.2.3.4 To engage in activities which will actively foster, promote and advance the interests of the Association's members;

3.2.3.5 Subject to restrictions set forth in the Act and the Declaration, to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal with and in, real, personal and mixed property of all kinds, and any right or interest therein, for any purpose of the Association.

3.2.3.6 Subject to restrictions set forth in the Act and the Declaration, to borrow money and secure the repayment of monies borrowed for any purpose of the Association, limited in amount or in other respects as may be provided in the Bylaws or in the Declaration.

3.2.3.7 To enter into, make, perform or enforce contracts of every kind and description, including, without limitation, a contract for management services, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any person, firm, association, corporation or other entity or agency, public or private;

3.2.3.8 To adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association, provided,



however, that such Bylaws may not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration;

3.2.3.9 To the extent authorized by law without jeopardizing the nonprofit status of the Association, to levy, assess, collect and accept taxes (or the equivalent thereof) on retail sales conducted within the Property.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article III are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article III, except for those limitations set forth in paragraph 3.3 below.

3.3 Restrictions Upon Purposes and Powers; Dissolution. The foregoing purposes and powers of the Association are subject to the following limitations:

3.3.1 The Association shall be organized and operated exclusively for nonprofit purposes as set forth in the Internal Revenue Code of 1986, as it is now or may hereafter be amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation.

3.3.2 No part of the net earnings of the Association shall inure to the benefit of any Member of the Association (except that reasonable compensation may be paid for services rendered to or for the Association and affecting one or more of its purposes and objectives, and reimbursement may be made for any expenses incurred for the Association by any officer, Director, Member of the Association, agent, or employee, or any person or corporation, pursuant to and upon authorization of the Association's Executive Board) .

3.3.3 The Association shall not pay any dividends. Subject to restrictions set forth in the Act and the Declaration, no distribution of the corporate assets to Member of the Associations (as such) shall be made until all corporate debts are paid, and then only upon final dissolution of the Association by the affirmative vote of at least 80 percent of the votes of all of the Member of the Associations at any regular or special meeting called for that purpose at which a quorum shall be represented. Upon such dissolution and distribution, the assets remaining after payment of all debts shall be distributed pro rata among the Member of the Associations of the Association.

#### ARTICLE IV INITIAL REGISTERED OFFICE AND AGENT

4.1 The initial registered office of the Association shall be at 0001 Colorado River Road, Gypsum, Colorado 81637. The initial registered agent at such office shall be Ken Kriz.

The principal office is located at 0001 Colorado River Road, Gypsum, Colorado 81637. The mailing address of the Association is P. O. Box 4570, Eagle, Colorado 81631.

## **ARTICLE V MEMBERSHIP**

5.1 Qualifications. The Association shall be a membership corporation without certificates or shares of stock and shall consist of one class of membership consisting of all owners, including Declarant so long as Declarant continues to own an interest in a Lot. The rights and obligations of membership are set forth in the Declaration and Bylaws of the Association. Membership shall terminate automatically without any Association action whenever such entity or individual ceases to own a Lot. Termination of membership shall not relieve or release any former member of the Association from any liability or obligation incurred by virtue of, or in any way connected with, ownership of a Lot, or impair any rights or remedies which the Association or others may have against such former member of the Association arising out of, or in any way connected with, such membership.

5.2 Suspension of Voting Rights. The Association may suspend the voting rights of a member of the Association for failure to pay any Assessments or for failure to otherwise comply with the rules and regulations, or the Bylaws, of the Association, or with any other obligations of the member of the Association under the Declaration, or agreement(s) created pursuant thereto.

5.3 Bylaws. The Bylaws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties and responsibilities of the member of the Association.

## **ARTICLE VI EXECUTIVE BOARD**

6.1 The business and affairs of the Association shall be conducted, managed, and controlled by an Executive Board.

6.2 Number; Manner of Election. The Executive Board shall consist of not less than three (3) nor more than seven (7) members, the specified number to be set forth from time to time in the Bylaws. In the absence of any provision in the Bylaws, the Executive Board shall consist of three (3) members. The terms of office of Directors and the manner of their selection or election shall be determined according to the Bylaws from time to time in effect. Directors may be removed and vacancies on the Executive Board shall be filled in the manner provided in the Bylaws.

6.3 Initial Executive Board. The initial Executive Board shall consist of three (3) persons and the names and addresses of the members of the initial Executive Board who shall serve until their respective successors are duly elected and qualified, are as follows:

<u>Name</u>	<u>Address</u>
Ken Kriz	0483 County Road 167 Glenwood Springs, CO 81601
Stephen R. Isom	P. O. Box 9 Eagle, CO 81631
Tammy Reh	P. O. Box 9 Eagle, CO 81631

6.4 Notwithstanding anything to the contrary provided for herein or in the Bylaws of the Association, Declarant shall be entitled to appoint the members of the Executive Board and officers of the Association to the fullest extent permitted under the Act.

## ARTICLE VII OFFICERS

7.1 The Executive Board may elect or appoint a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the Association. The officers shall have such duties as may be prescribed in the Bylaws.

## ARTICLE VIII NON-LIABILITY AND INDEMNIFICATION

8.1 Limitation on Liability. To the fullest extent permitted by the Colorado Corporation Code and the Act, as the same exist or may hereafter be amended, a Director of the Association shall not be liable to the Association or its members for monetary damages for breach of fiduciary duty as a Director.

8.2 Definitions. For purposes of this Article VIII, the following terms shall have the meanings set forth below:

8.2.1 Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal;

8.2.2 Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a Director or officer of the Association or a member of a committee formed by the Association or, while a Director or officer of the Association or a member of a committee, is or was serving at the request of the Association as a Director, officer, member, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

8.3 Indemnification. The Association shall indemnify any Indemnified Party in any Proceeding to the fullest extent permitted by law, including, without limitation, the advancement of expenses incurred by an Indemnified Party.

8.4 Insurance. By action of the Executive Board, notwithstanding any interest of the Directors in such action, the Association may purchase and maintain insurance, in such amounts as the Executive Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him and incurred by him in his capacity of or arising out of his status as an Indemnified Party, whether or not the Association would have the power to indemnify him against such liability under applicable provisions of laws.

8.5 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article VIII, such reasonable requirements and conditions as to the Executive Board may appear appropriate in each specific case and circumstances including, without limitation, any one or more of the following; (a) that any counsel representing the Indemnified Party, in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the Indemnified Party and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the Indemnified Party; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the Indemnified Party's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

## ARTICLE IX AMENDMENTS

9.1 The Association reserves the right to amend, alter, or change any provision contained in these Articles of Incorporation by a vote of at least two-thirds (2/3) of the votes in the Association present at any regular or special meeting of the members of the Association at which a quorum is present, provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration or applicable law, including but not limited to the Act.

ARTICLE X  
INCORPORATORS

10.1 The names and addresses of the incorporators of the Association are:

Ken Kriz                      0483 County Rd 167, Glenwood Springs, CO 81601  
Stephen R. Isom            P.O. Box 9, Eagle, CO 81631

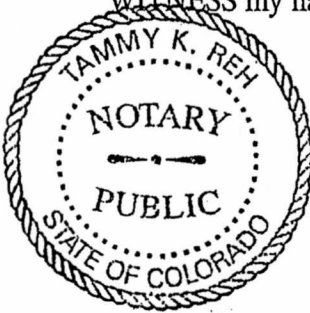
Executed this 29 day of November, 2000.

Ken Kriz  
Ken Kriz

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF Eagle    )

The foregoing was acknowledged before me this 29 day of November, 2000, by  
Tammy K Reh Ken Kriz

WITNESS my hand and official seal. My Commission expires: Expires 01/05/2004



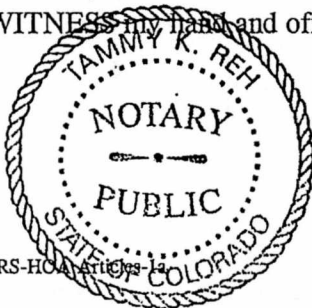
Tammy K Reh  
Notary Public

Stephen R. Isom  
Stephen R. Isom

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF Eagle    )

The foregoing was acknowledged before me this 29 day of November, 2000, by  
Stephen R. Isom

WITNESS my hand and official seal. My Commission expires: Expires 01/05/2004



Tammy K Reh  
Notary Public

**BYLAWS  
OF  
TWO RIVERS HOMEOWNERS  
ASSOCIATION**

These are the Bylaws of Two Rivers Homeowners Association (the "Association"), which shall operate under the Colorado Nonprofit Corporation Act, as amended ("Corporation Act"), and the Colorado Common Ownership Interest Act, C.R.S. Section 38-33.3-101, *et. seq.*, as amended from time to time (the "Act"), and in accordance with the Declaration of Covenants, Conditions and Restrictions for Two Rivers Village (the "Declaration") which is recorded or will be recorded in the office of the Clerk and Recorder of the County of Eagle, State of Colorado, relating to the mixed-use development project described therein, in the County of Eagle, State of Colorado.

Terms that are defined in the Declaration shall have the same meanings herein, unless otherwise defined herein. The word "member" or "members" as used in these Bylaws means and shall refer to Owner(s) in Two Rivers Village.

**ARTICLE I  
OBJECT**

1.1 Purpose. The purpose for which the Association is formed is to:

1.1.1 Govern and operate the Master Association and the mixed-use development project known as Two Rivers Village ("Two Rivers Village") located within the County of Eagle, State of Colorado, in accordance with the Corporation Act, the Act, and the Declaration;

1.1.2 Promote the health, safety, welfare, and common benefit of the Owners of Two Rivers Village and members of the Association; and

1.1.3 Be and constitute the Association to which reference is made in the Declaration and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association, as specified therein.

1.2 Owners Subject to Bylaws. All present or future Owners, tenants, future tenants, or any other person that might use in any manner the facilities of Two Rivers Village are subject to the terms and provisions set forth in these Bylaws. The mere acquisition or rental of any of the Lots or Tracts, or the mere act of occupancy of any of the Lots or Tracts will signify that these Bylaws are accepted, ratified, and will be complied with.

**ARTICLE II  
MEMBERSHIP, VOTING MAJORITY OF  
OWNERS, QUORUM, PROXIES**

2.1 Membership and Voting. The Association shall be a membership corporation without certificates or shares of stock. The Association shall have one class of voting membership consisting of all Owners and, except as otherwise provided for in the Declaration or Articles of Incorporation, shall be entitled to vote in Association matters on the following bases:



2.1.1 One vote for each finished Condominium Unit owned and occupied by its Owner;

2.1.2 One vote for each residential Lot owned and occupied by its Owner;

2.1.3 One vote for each commercial Lot owned;

2.1.4 The Owner of a multi-family residential Building, e.g., an apartment building, shall have one vote for Building owned.

2.1.5 When more than one person holds an interest in any Lot or Tract, all such persons shall be Members of the Association. The vote for each such Lot or Tract shall be exercised by one person. The number of votes allocated to the Owner of a specific Project shall decrease accordingly as ownership of fee simple title is transferred by the Owner of the Project to individual Owners. When more than one person holds an interest in any Voting Unit, all such persons shall be Members. The vote for such Voting Unit shall be exercised by a designated Member as the Owners among themselves determine, and the secretary of the Master Association shall be notified of such designation prior to any meeting. In the absence of such advice, if only one of the holders of a Voting Unit is present at the meeting, such holder is entitled to cast all of the votes allocated to the Voting Unit. If, however, more than one of the holders are present, such holders may vote in any manner in which they all agree. If such holders cannot agree about how to cast their vote on any specific issue, no vote for that issue shall be recorded for their Voting Unit. In the absence of a proxy, the vote allocated to the Lot or Tract shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any one matter.

2.1.6 Membership shall terminate automatically without any Association action whenever an Owner ceases to own a Lot or Tract. Termination of membership shall not relieve or release any former Owner from any liability or obligation incurred by virtue of, or in any way connected with, ownership of a Lot or Tract, or impair any rights or remedies which the Association or others may have against such former Owner arising out of, or in any way connected with, such membership.

2.2 Declarant Control. Notwithstanding anything to the contrary provided for herein, Declarant shall be entitled during the Declarant Control Period (defined below) to appoint and remove the members of the Association's Executive Board and officers of the Association, subject to the following restrictions:

2.2.1 Not later than sixty (60) days after conveyance by Declarant of twenty-five percent (25%) of the total number of Lots or Tracts to Owners, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Owners other than Declarant.

2.2.2 Not later than sixty (60) days after conveyance by Declarant of fifty percent (50%) of the total number of Lots or Tracts to Owners, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board shall be elected by Owners other than Declarant.

2.2.3 Not later than the termination of the Declarant Control Period, the Owners shall elect an Executive Board at least a majority of whom shall be Owners other than Declarant or designated representatives of Owners other than Declarant. .

2.2.4 The Declarant Control Period is hereby defined as the period of time commencing on the date of incorporation of the Association and terminating on the earliest of the following events: (i) sixty (60) days after conveyance by Declarant of seventy-five percent (75%) of the total number of Lots or Tracts to Owners, (ii) two (2) years after the last conveyance of a Lot or Tract by Declarant in the ordinary course of business or (iii) the date on which Declarant voluntarily relinquishes such power evidence by a notice recorded in the Office of the Clerk and Recorder for Eagle County, Colorado.

2.3 Election of Executive Board. In the election by Owners of Directors to serve on the Executive Board, each Member shall have the right to vote the number of votes to which he is entitled for as many persons as there are Directors to be elected, and for whose election he is entitled to vote. Cumulative voting shall not be allowed.

2.4 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of 20% of the Owners entitled to cast a vote at such meeting shall constitute a quorum.

2.5 Proxies. Votes allocated to a Lot or Tract may be cast in person or by proxy, provided such proxy is duly executed by an Owner. Proxies must be filed with the Secretary before the appointed time of each meeting. All proxies must be in writing and may be either general or for a particular meeting. A proxy holder need not be an Owner.

2.6 Affirmative Vote. Unless a different percentage is required by law, the Declaration, the Articles of Incorporation or these Bylaws, the affirmative vote of a majority of the Owners shall be sufficient to adopt decisions binding on all Members.

### **ARTICLE III ASSOCIATION MEETINGS**

3.1 Place of Meetings. Meetings of the Owners shall be held at a location within Two Rivers Village or at such place within the State of Colorado as the Executive Board may determine, so long as such alternate location is reasonably convenient to the Owners.

3.2 Annual Meeting. The annual meetings of the Association shall be held each year on such date as shall be selected by the Executive Board in accordance with the budget approval process set forth in the Declaration. The first annual meeting shall be called by the initial Executive Board of the Association and shall be held within one (1) year of the initial conveyance of a Lot or Tract by Declarant. At each annual meeting, members of the Executive Board shall be elected by ballot of the Owners in accordance with the provisions of Article IV of these Bylaws. The Owners may transact such other business as may properly come before them at these meetings.

3.3 Special Meetings. Special meetings of the Association for any purpose other than those controlled by statute may be called by the President of the Association, by a majority of the members of the Executive Board, or by Owners having twenty percent (20%) of the votes in the Association.



3.4 Notice of Association Meetings. It shall be the duty of the Secretary of the Association to cause notice of meetings of the Owners of the Association to be hand-delivered or sent prepaid by United States mail to the mailing address of each Owner or to any other mailing address designated in writing by an Owner, not less than fourteen (14) nor more than sixty (60) days in advance of a meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or to these Bylaws, and budget changes, and any proposal to remove an officer or member of the Executive Board.

3.5 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of the Association in writing, and the waiver shall be deemed the same as receipt of notice. The presence of a member at any meeting of the members shall constitute a waiver of notice, unless the member's presence at the meeting is for the purpose of objecting to the meeting on grounds that the meeting was not properly called. The certificate of the Secretary of the Association that notice was properly given as provided in these Bylaws shall be prima facie evidence hereof.

3.6 Adjourned Meetings. If any meeting of the Association cannot be convened because a quorum has not attended or if the business of the meeting cannot be concluded, then in that event, a majority of the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.7 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- 3.7.1 Roll call or check-in procedure;
- 3.7.2 Certification of notice of meeting or waiver of notice;
- 3.7.3 Reading of minutes of preceding meeting;
- 3.7.4 Reports of officers;
- 3.7.5 Reports of committees;
- 3.7.6 Election of members of the Executive Board (when required);
- 3.7.7 Unfinished business;
- 3.7.8 New business; and
- 3.7.9 Adjournment.

3.8 Rules of Meetings. The Executive Board may prescribe reasonable rules for the conduct of all meetings of the Executive Board and Owners and in the absence of such rules, Robert's Rules of Order shall be used.

## ARTICLE IV EXECUTIVE BOARD

4.1 Association Responsibilities. The Association has the responsibility to manage the Common Area and to administer Two Rivers Village, acting through an Executive Board. In the event of any dispute or disagreement between any Owners relating to Two Rivers Village, or any questions of interpretation or application of the provisions of the Declaration or Bylaws, such dispute or disagreement shall be submitted to the Executive Board. The determination of such dispute or disagreement by the Executive Board shall be binding on each and all such Owners, subject to the right of Owners to seek other remedies provided by law after such determination by the Executive Board.

4.2 Number and Qualification. The Executive Board shall be composed of three (3) Directors elected from among the Owners, as provided in the Articles and Declaration. In the case of Declarant or other corporate or partnership Owners, the officers, directors, employees, partners or agents of such entities may be members of the Board. The number of Directors may be increased or decreased by amendment of these Bylaws; provided, however, that the number of directors shall not be reduced to less than three (3) nor increased to more than seven (7), and a majority of the Board shall be Owner-occupants. Notwithstanding the foregoing, during the period of Declarant Control (as defined in the Articles), there may be one (1) or more members of the Executive Board, who shall be appointed by the Declarant or otherwise elected as provided by the Act.

4.3 Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class mixed-use planned community project. The Executive Board may do all such acts and things as are not by law, the Articles, these Bylaws or the Declaration either prohibited or directed to be exercised and done by the Owners directly.

4.4 Other Powers and Duties. The Executive Board shall be empowered and shall have the duties as follows:

4.4.1 To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and in the Articles and these Bylaws;

4.4.2 To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of Two Rivers Village and the Common Area with the right to amend the same from time to time. A copy of such rules and regulations and a copy of any amendment(s) thereto shall be delivered or mailed to each Owner promptly upon the adoption thereof;

4.4.3 To keep in good order, condition and repair all of the Common Area and all items of personal property, if any, used in the enjoyment of the entire Common Interest Community;

4.4.4 To obtain and maintain to the extent obtainable all policies of insurance required by the Declaration;

To, in accordance with the provisions of the Declaration, periodically fix, determine, levy and collect the assessments to be paid by each of the Owners towards the Common Expenses of the Association and to adjust, decrease or increase the amount of the Assessments, refund any excess Assessments to the Owners, or credit any excess of Assessments over expenses and cash reserves to the Owners

against the next succeeding assessment period or otherwise retains any such excess Assessments for application to other Common Expenses; to levy and collect Special Assessments whenever in the opinion of the Executive Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies; and to the extent authorized by law without jeopardizing the nonprofit status of the Association, to levy, assess, collect and accept taxes (or the equivalent thereof) on retail sales conducted within the Property;

4.4.5 To impose penalties and collect Delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws;

4.4.6 To protect and defend Two Rivers Village from loss and damage by suit or otherwise;

4.4.7 Subject to the limitations of the Act, to borrow funds and to give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration or these Bylaws and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary or desirable;

4.4.8 Subject to the applicable provisions of the Act, to enter into contracts within the scope of their duties and powers; provided, however, that any agreement entered into while a majority of the members of the Executive Board is appointed by the Declarant, must provide for termination by either party without payment of a termination fee on no less than ninety (90) days' notice to the other party;

4.4.9 To establish bank accounts that are interest bearing or non-interest bearing, as may be deemed advisable by the Executive Board;

4.4.10 To keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization and to permit inspection thereof as is provided in the Declaration and the Act, and, upon the direction of the Executive Board in its discretion or upon the vote of Owners representing an aggregate ownership percentage interest of at least fifty-one percent (51%) of the Common Area, to cause a complete audit to be made of the books and records by a competent certified public accountant;

4.4.12 To prepare and deliver annually to each Owner a statement showing all receipts, expenses or disbursements since the last such statement;

4.4.13 To designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the Common Area;

4.4.14 To suspend the voting rights of an Owner for failure to comply with these Bylaws or the rules and regulations of the Association or with any other obligations of the Owners pursuant to the Declaration ; and

4.4.15 In general, to carry on the administration of the Association and to do all of those things necessary and/or desirable in order to carry out the governing and operating of Two Rivers Village, except as expressly prohibited by the Act.

4.5 Managing Agent. The Executive Board may employ for the Association a Managing Agent (at reasonable compensation as established by the Executive Board), to perform such duties and

services as it shall authorize. The Executive Board may delegate any of the powers and duties granted to it but, notwithstanding such delegation, shall not be relieved of its responsibilities under the Declaration, the Articles or these Bylaws. If the Executive Board delegates any powers relating to collection, deposit, transfer or disbursement of Association funds, (a) the Managing Agent or others to whom such powers are delegated (collectively, "Delegatee") shall maintain all funds and accounts of the Association separate from the funds and accounts of the Delegatee, (b) the Delegatee shall maintain all reserve accounts of each association so managed separate from the operational accounts of each association, (c) fidelity bonds or insurance shall be maintained for or by the Delegatee in the amounts set forth in Section 4.14 below, and (d) an annual accounting of Association funds shall be prepared and presented to the Association by the Delegatee, a public accountant or a certified accountant.

4.6 Election and Term of Office. Subject to the Declarant's right to appoint and remove officers and members of the Executive Board during the period of Declarant Control as set forth in the Declaration, members of the Executive Board shall be elected by a majority of the Owners voting at the annual meeting of the members of the Association. The initial term of one (1) director of the Executive Board shall be for one (1) year, the initial term of one (1) director of the Executive Board shall be for two (2) years and the initial term of one (1) director of the Executive Board shall be for three (3) years and thereafter until such director's successor is duly elected and qualified, unless such director is removed in the manner hereinafter provided. At each annual meeting the members shall elect the same number of directors whose terms are expiring at the time of each election for a three (3) year term.

4.7 Vacancies. Subject to the Declarant's right to appoint and remove officers and members of the Executive Board during the period of Declarant Control as set forth in the Declaration, vacancies in the Executive Board caused by any reason other than the removal of a director by a vote of the Association shall be filled by election by the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is duly elected and qualified at the next annual meeting of the Association.

4.8 Removal of Directors. At any annual or special meeting of the Association, duly called, any one or more of the directors may be removed (except those appointed by the Declarant), with or without cause, by the vote of Owners representing an aggregate ownership interest of at least sixty-seven percent (67%) of the members present and entitled to vote at any such meeting and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Notwithstanding the foregoing, only the Declarant may remove a director appointed by the Declarant.

4.9 Organizational Meeting. The first meeting of a newly elected Executive Board shall be held within thirty (30) days of such election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order to convene such meeting, providing a majority of the new Board shall be present at such election meeting.

4.10 Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two (2) such meetings shall be held each year. Notice of regular meetings of the Executive Board shall be given to each director, personally or by mail, telephone, telegraph or facsimile, at least three (3) days prior to the day named for such meeting. All regular and special meetings of the Association's Executive Board, or any committee thereof, shall be open to attendance by all members of the Association or their representatives.



4.11 Special Meetings. Special meetings of the Executive Board may be called by the President, on his/her own initiative, on three (3) days' notice to each director, given personally, or by mail, telephone, telegraph or facsimile, which notice shall set forth the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on receipt of a written request to call such a special meeting from at least two (2) directors.

4.12 Waiver of Notice. Before or at any meeting of the Executive Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him/her of the time and place thereof. If all the directors are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

4.13 Executive Board Quorum. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum. The act, of a majority of directors present at a meeting at which a quorum is present shall be the acts of the Executive Board. If at any meeting of the Executive Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.14 Teleconference Meetings. Any regular or special meeting of the Executive Board may be conducted by teleconference, followed by minutes of such meeting, which shall be distributed to each Director.

4.15 Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as the unanimous vote of the Directors.

4.16 Compensation Fidelity Bonds. The members of the Executive Board shall serve without salary or compensation. The Executive Board may employ professional consultants for the Association at a compensation to be set by the Executive Board. The Executive Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds or insurance in amounts to be determined by the Executive Board. The premiums on such bonds shall be paid by the Association.

4.17 Committees. The Executive Board may establish committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Board present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board designating the committee or with the rules adopted by the Board.

4.18 Enforcement. The Executive Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Lot of the violating Owner and to suspend an Owner's right to vote or any person's right to use the Common Area for violation of any duty imposed under the Declaration, these bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Executive Board to limit ingress and egress to or

from a Lot. In the event that any occupant, guest or invitee of a Lot violates the Declaration, Bylaws or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Executive Board, the Owner shall pay the fine upon notice from the Association. The failure of the Executive Board to enforce any provision of the Declaration, Bylaws or any rule or regulation shall not be deemed a waiver of the right of the Executive Board to do so thereafter.

4.18.1 Notice. Prior to imposition of any sanction, the Executive Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Executive Board for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

4.18.2 Hearing. If a hearing is requested within the allotted ten day period, a hearing before the Executive Board shall be held affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction, proof of proper notice shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director or agent who delivered such notice.

4.18.3 Additional Enforcement Rights. Notwithstanding anything to the contrary, the Association, acting through the Executive Board, may elect to enforce any provision of the Declaration, these Bylaws, or the Association's Rules and Regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations), suit at law or in equity to enjoin any violation or to recover monetary damages, or pursue any other remedy, or any combination of remedies without the necessity of compliance with the procedures set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

## **ARTICLE V OFFICERS**

5.1 Designation. The officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Executive Board. Further, the Executive Board may, in its discretion, elect one (1) or more Vice Presidents, an Assistant Secretary and/or an Assistant Treasurer. The same person may hold the offices of Secretary and Treasurer. One (1) person may hold concurrently more than one (1) office except that the President may not serve as both President and Secretary.

5.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. All officers, except officers appointed by Declarant, must be members of the Association and the President must be elected from among the Executive Board.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Executive Board, any officer may be removed, either with or without cause, and his/her successor elected at any regular meeting of the Executive Board, or at any special meeting of the Board called for such purpose; provided, however, that only the Declarant may remove an officer appointed by the Declarant.

5.4 President. The President shall be elected from among the Executive Board and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Executive Board. The President shall have all of the general powers and duties which are usually vested in the office of the president of a nonprofit corporations including, but not limited to, the power to appoint committees from among the members from time to time as may be deemed appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

5.5 Vice President. The Vice President shall have all of the powers and authority and perform all the functions and duties of the President, in the absence of the President or in the President's inability for any reason to exercise such powers and functions or perform such duties.

5.6 Secretary. The Secretary shall keep the minutes of all the meetings of the Executive Board and the minutes of all meetings of the Association. The Secretary shall have charge of such books and papers as the Executive Board may direct, and shall, in general perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up-to-date at the principal office of the Association a complete list of members and their last-known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the Lot owned by such member, the percentage interests in the Common Area attributable thereto and a description of the Limited Common Area assigned appurtenant to each Lot. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

5.7 Treasurer. The Treasurer shall have responsibility for Association funds, shall keep the financial records and books of account of the Association and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Executive Board. Assistant Treasurers, if any, shall have the same duties and powers, subject to supervision by the Treasurer.

## ARTICLE VI INDEMNIFICATION

6.1 Definitions. For purposes of this Article VI, the following terms shall have the meanings set forth below:

6.1.1 Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal;

6.1.2 Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he/she is or was a director or officer of the Association or a member of a committee formed by the Association or, while a director or officer of the Association or a member of a committee, is or was serving at the request of the Association as a director, officer, member, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

## 6.2 Indemnification.

6.2.1 Except as provided in paragraph 6.2.4 of this Section 6.2, the Association shall indemnify an Indemnified Party against liability incurred in any Proceeding if:

I. He/she conducted himself/herself in good faith;

II. He/she reasonably believed:

(a) In the case of conduct in his/her official capacity with the Association that his/her conduct was in the Association's best interest; or

(b) In all other cases, that his/her conduct was at least not opposed to the Association's best interests; and

III. In the case of any criminal proceeding, he/she has no reasonable cause to believe his/her conduct was unlawful.

6.2.2 An Indemnified Party's conduct with respect to an employee benefit plan for a purpose he/she reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirements of sub-subparagraph (b) of subparagraph II of paragraph 6.2 of this Section. An Indemnified Party's conduct with respect to an employee benefit plan for a purpose that he/she did not reasonably believe to be in the interests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirements of subparagraph I of paragraph 6.2 of this Section.

6.2.3 The termination of any proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, is not of itself determinative that the individual did not meet the standard of conduct set forth in paragraph 6.2.1 of this Section.

6.2.4 The Association may not indemnify an Indemnified Party under this Section either:

I. In connection with a Proceeding by or in the right of the Association in which the Indemnified Party was adjudged liable to the Association; or

II. In connection with any proceeding charging improper personal benefit to the Indemnified Party, whether or not involving action in his/her official capacity, in which he/she was adjudged liable on the basis that personal benefit was improperly received by him/her.

6.3 Insurance. By action of the Board, notwithstanding any interest of the directors in such action, the Association may purchase and maintain insurance, in such amounts as the Executive Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him/her and incurred by him/her in his/her capacity of or arising out of his/her status as an Indemnified Party, whether or not the Association would have the power to indemnify him/her against such liability under applicable provisions of laws.



6.4 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article VI, such reasonable requirements and conditions as to the Executive Board may appear appropriate in each specific case and circumstances including, without limitation, any one or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the person to be indemnified and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the Indemnified Party's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

6.5 Non-Liability of the Directors, Board Officers and Declarant. Neither the Executive Board nor officers of the Association, nor Declarant shall be personally liable to the Owners for any mistake or judgment or for any acts or omissions of any nature whatsoever as such directors, Executive Board, officers, or Declarant, except for any acts or omissions found by a court to constitute gross negligence or fraud.

## **ARTICLE VII AMENDMENTS**

7.1 By the Owners. These Bylaws may be amended by action or approval of Owners representing an aggregate ownership interest of at least sixty-seven percent (67%) of the votes in the Association. Any notice of any meeting therefor shall specify the nature and text of any proposed amendment or amendments, provided that these Bylaws shall at all times comply with the provisions of the Act and the Corporation Act.

7.2 Amendment by the Executive Board. These Bylaws may be amended by the unanimous vote of the Executive Board at any regular or special meeting, provided that a quorum is present at such meeting. A statement of any proposed amendment shall accompany the notice of any regular or special Executive Board meeting at which such proposed amendment will be voted upon. No amendment may be adopted by the Executive Board which conflicts with an amendment adopted by the Members.

7.3 Preparation of Amendments. The President and Secretary of the Association may prepare, execute, certify and record amendments to the Declaration.

7.4 Scope of Amendments. These Bylaws may not be amended in a manner inconsistent with the Articles of Incorporation of the Association, the Declaration, or any applicable provision of Colorado law.

## **ARTICLE VIII MISCELLANEOUS**

8.1 Notice to Association. Every Owner shall timely notify the Association of the name and address of any Mortgagee, purchaser, transferee or lessee of his/her Lot, Tract or Condominium Unit. The Association shall maintain such information at the office of the Association.

8.2 Proof of Ownership. Except for those Owners who initially purchase a Lot or Tract from Declarant, every person becoming an Owner shall immediately furnish to the Executive Board a photocopy or a certified copy of the recorded instrument vesting in that person such ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he/she be entitled to vote at any annual or special meeting of members unless this requirement is first met.

8.3 Compliance. These Bylaws are intended to comply with the requirements of the Act and the Corporation Act. If any provisions of these Bylaws conflict with the provisions of any of such Acts, as the Acts may be amended from time to time, it is hereby agreed that the provisions of the appropriate Acts will apply.

8.4 Character of Association. This Association is not organized for profit. No member, member of the Executive Board, officer or person for whom the Association may receive any property or funds shall receive any pecuniary profit from the operation thereof, and in no event shall any part of the fiends or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any of the Executive Board officers or members, except upon a dissolution of the Association; provided, however, (a) that reasonable compensation may be paid to any member, manager, director, or officer while acting as an agent or employee of the Association for service rendered in effecting one or more of the purposes of the Association, and (b) that any member, manager, director, or officer may, from time to time, be reimbursed for his/her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

8.5 Conveyances and Encumbrances. Corporate property may be purchased, conveyed or encumbered for security of monies borrowed by authority of the Association and/or the Executive Board. Conveyance or encumbrances shall be by instrument executed by the President or Vice President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.

8.6 Inspection of Records. Any Owner or First Mortgagee may inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours, and, upon ten (10) days' notice to the Executive Board or Managing Agent, if any, and upon payment of a reasonable fee' not to exceed fifty dollars (\$50.00), any Owner or First Mortgagee of such Owner shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner. Further. the Association shall make available for inspection during normal business hours, to any Owner, Mortgagee, Agency, insurer or guarantor of any Mortgage and to any prospective purchaser of a Lot, current copies of the Declaration, Bylaws, Articles of Incorporation, Rules and Regulations, and most recent financial statements of the Association

ADOPTED by the Executive Board on April 24, 200~~0~~<sup>15</sup>.

By

Michael Pearson, President of the  
(Name) (Title)

Executive Board of Two Rivers Homeowners Association

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SB #296



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**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 53602*

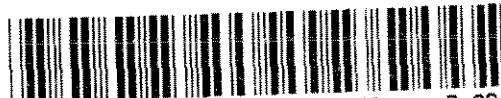


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**AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
TWO RIVERS VILLAGE**

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:



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## 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.).

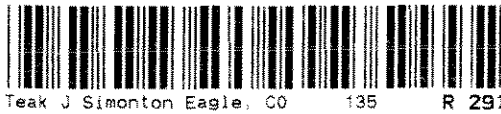
2.2 **Allocated Interests.** "Allocated Interests" shall mean, with respect to each Lot, a fraction or percentage of the undivided interest in the common elements and in the common expenses of the Association allocated to such Lot and a portion of the votes in the Master Association allocated to such 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.



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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



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.

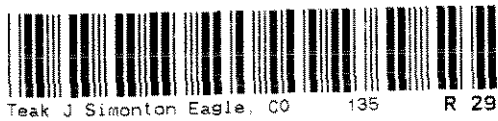




### ARTICLE 3. OPERATION OF THE MASTER ASSOCIATION

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 $\frac{1}{3}$ %) 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.





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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.





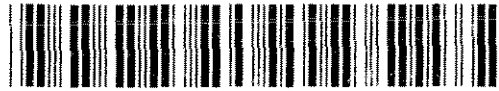
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4.15 **Statement of Status of Assessment Payment.** Upon payment of a reasonable fee set from time to time by the Executive Board and upon the written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Executive 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



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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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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





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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.

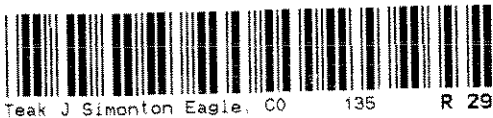
**8.6 Provisions Common to Physical Damage Insurance Liability Insurance and Fidelity Insurance.** Any insurance coverage obtained by the Master Association under the provisions of this Article 8 above shall be subject to the following provisions and limitations:

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.

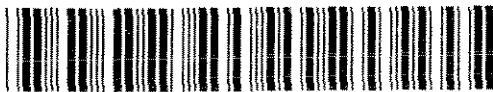
**8.8 Workmen's Compensation Insurance.** The Master Association shall obtain workmen's compensation or similar insurance with respect to its employees, if any, in the amounts and form as may now or hereafter be required by law.

**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;



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- 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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**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.

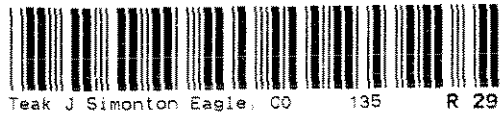
Each Declarant-owned Lot, and each Declarant-owned Master Common Area, is hereby described and declared to be a separate portion of real estate that is subject to this right of withdrawal, and Declarant expressly reserves the right to withdraw one or more Declarant-owned Lots and/or all or a portion 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**

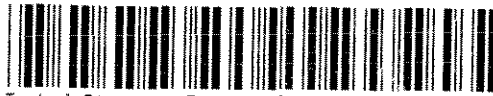
Each and every Owner and Building Association hereby irrevocably constitutes and appoints the Master Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Master Common Area upon damage or destruction 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.



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.

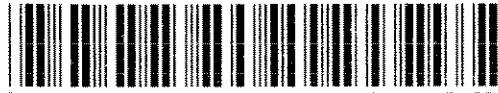
14.6 **Number and Gender.** Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

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.







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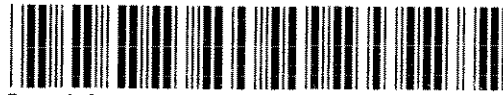
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Teak J Simonton Eagle, CO 135 R 291.00 D 0.00

## 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.



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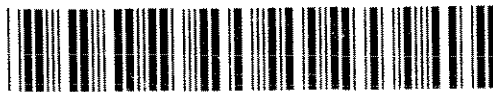
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## EXHIBIT B

### 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.



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**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**

## TWO RIVERS VILLAGE HOMEOWNERS ASSOCIATION

### RULES AND REGULATIONS

Whereas, the Board of Directors of the Two Rivers Village Homeowners Association desires to establish, adopt, and enforce the following Rules and Regulations of the Association, to be effective as of the date set forth below, to supersede all Rules and Regulations previously adopted by the Board. These Rules and Regulations are not meant as a replacement for the Covenants you received upon the purchase of your property and in fact are meant to compliment them. These Rules and Regulations are intended to compliment the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Two Rivers Village recorded in the real property records of Eagle County, Colorado on September 16, 2003 at Reception No. 849865 (the "Declaration"). In the event of a conflict between these Rules and Regulations and provisions of the Declaration the provisions in the Declaration shall prevail.

These rules are IN ADDITION to ordinances of the Town of Gypsum and the County of Eagle, which provide for additional penalties.

NOW, THEREFORE, **effective as of March 4<sup>th</sup>, 2020**, the Board hereby establishes makes and adopts the following amended and revised provisions to the Rules and Regulations of this Association.

#### **DEFINITIONS**

Capitalized terms not otherwise set forth herein shall have the meaning set forth in the Declaration or any Supplemental Declaration thereto.

**Nuisance Animal** shall mean any animal that consistently deprives other residents of their right to peaceful enjoyment of their property.

**Property** shall mean all the real estate subject to the Declaration.

**Property Manager** shall mean the current managing agent assigned by the management company that is contracted with the Association who will manage the day to day maintenance of the common property and provide contracted services as requested by the Board of Directors.

**Vicious Animal** shall mean an animal that has demonstrated a propensity to bite, molest, or harass people, their pets or their property.

#### **USE OF PROPERTY**

- a. All residential Lots or Units may be used only for dwelling or lodging purposes and typical residential activities incident thereto in accordance with applicable zoning regulations in effect from time to time. Subject to the terms of the Declaration and these Rules and Regulations, Owners may rent or lease their homes on their Lots or their Units to others for these purposes.
- b. Unless expressly permitted in writing by the Architectural Review Committee temporary structures shall not be permitted on the Property.

- c. In accordance with Section 6.10 of the Declaration, 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 Property. See Parking section reference below.

## **MAINTENANCE**

- a. Lots and Units , except for any portion of the Property then undergoing major construction, including all improvements on such Property, shall be kept and maintained by the Owner thereof in a clean, safe, attractive and sightly condition and in good repair, and no trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Lot, Unit or common area or common elements of a Project so that they are visible from, or are a nuisance in any way to, any other Unit, Lot, common area or public road.
- b. No unsightliness shall be permitted on any Lot, the common area or common elements of any portion of the Property. Without limiting the generality of the foregoing:
  - i. All unsightly structures, facilities, equipment, objects (such as trash cans) and conditions shall be kept within an enclosed structure at all times;
  - ii.. Mobile homes, travel trailers, tent trailers, trailers , trucks, snowmobiles, golf carts, boats, boat trailers, tractors , detached campers, camper shells, snow removal equipment , and garden or maintenance equipment shall be kept in an enclosed structure at all times, except when in actual use; provided that such equipment may be parked or stored areas specifically designated by the Board or Architectural Review Committee for such equipment; and
  - iii.. Barbecue grills shall be kept within Owners' backyards at all times, except when in actual use.
  - iv. Pipes for water, gas, sewer, drainage or other purposes , wires, cables , poles , antennas and other facilities for the transmission or reception of audio or visual signals or electricity, utility meters or other utility facilities , gas, oil, water or other tanks, and sewage disposal systems or devices shall be kept and maintained within an enclosed structure or below the surface of the ground, and
  - v. Satellite dishes shall be appropriately regulated by the Design Review Board as permitted by applicable law.
  - vi. All permanent and temporary structures , including, but not limited to tennis courts, Fences, basketball goals and backboards, outdoor hot tubs or jacuzzies, deck covers or similar facilities shall be approved in advance by the Design Review Board and shall be maintained in compliance with the Design Guidelines of the Design Review Board as in effect from time to time. Private swimming Pools are not allowed
  - vii. Weeds shall not be allowed to proliferate on any Lot. Owners and residents are expected to use appropriate and effective weed control measures. Properties where weeds are present in significant numbers and exceeding one foot in height will be deemed a

nuisance to neighboring properties and to the community as a whole.

- viii. The Design Review Board shall have the power to grant a variance from the provisions of this Section from time to time as it deems necessary or desirable. Furthermore, nothing contained in these Rules and Regulations shall be construed to prevent (i) the exercise by Declarant of any special declarant rights (as that term is defined in the Act); or (ii) the erection or maintenance by Declarant or its duly authorized agents, of temporary structures, trailers, improvements or signs necessary or convenient to the development, marketing or sale of Lots or Units within the Property.
- c. Holiday Decorations and Political signs are permitted on Owners' Lots and Units, as the case may be, subject to the provisions detailed hereunder.
    1. Holiday decorations are appropriate to our community, and are permitted subject to the guidance provided hereunder. Holiday decorations may be displayed up to thirty days in advance of a particular holiday and must be removed within thirty days following such holiday.
- 11.** Colorado Revised Statute § 38-33.3-106.5 (I) (c)(I) provides for the placement of political signs at election time. Such signs shall be permitted on private property subject to the provisions detailed hereunder, which are consistent with Colorado law. Political signs may be placed no earlier than 45 days prior to the election, and must be removed no later than 7 days after the election. No more than one sign per office or issue may be placed on any property. The maximum size of any sign shall be 36x48 inches.

## **PARKING**

- 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
  - i. On-street parking will be enforced by a licensed booting company, including guest parking.
  - ii. Any vehicle parked on the street, no matter how long it has been there, is subject to being booted at the cost of the owner.
  - iii. Guest Parking is available. Please see Section G below for details.
- b. No boats, trailers, buses, motor homes, campers (excluding camper shells mounted on pickup trucks), 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, motorcycles 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, motorcycles 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 provision 6.10 in the Declaration of Covenants, Conditions and Restrictions, 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.
- g. Guest Parking is allowed at the Two Rivers Community Center. You must set up an account and register the vehicle on the Two Rivers Online Parking Website. Any vehicle not registered will be booted at the owner's expense.

[www.parkingcode.com/tworivers](http://www.parkingcode.com/tworivers)

- i. Three (3) night maximum consecutive stay
- ii. You may register up to two (2) cars maximum per stay
- iii. Use of guest parking is limited to once a month

## **ACTIVITIES**

- a. No noxious, offensive, hazardous, illegal or annoying activities, which may become a nuisance, cause embarrassment, disturbance or annoyance to others are acceptable. As used herein, the term "noxious or offensive activity" shall not include any activities of an Owner, Declarant or their respective designees that are reasonably necessary to the development of and construction on the Property so long as such activities do not violate Master Association governing documents, any governing documents for any Building Documents, or the statutes, rules or regulations of any governmental authority having jurisdiction with respect thereto and do not unreasonably interfere with any Owner's use of its Unit or with any Owner's ingress and egress to or from its Lot or Unit and a roadway. Further, the reasonable odors and noises associated with the commercial use of any commercial establishment permitted by the zoning code shall not constitute noxious or offensive activity.



- b. No activities shall be conducted on any Lot, within any Unit or on any common area and no improvements shall be constructed on any part of Property, that are illegal and that are or might be unsafe or hazardous to any person or property, and, per Section 6.10(t) of the Declaration, no snow mobiles, motorcycles, motorized trail bikes, minibikes, dirt bikes, all-terrain vehicles, mopeds, or similar motorized vehicle may be used or operated within the Property, except that they may be transported on trailers and motorcycles properly licensed for operation of public roads may be used on public roads within the Property.
- d. No Owner shall release, discharge or emit from the Property or dispose of, or allow any person under such Owner's control or direction to release, discharge or emit from the Property or dispose of, any material on, above or under the Property that is designated as a pollutant or contaminant under any federal, state or local law, regulation or ordinance.
- e. Due to the corrosive and destructive nature of petroleum products and the adverse impact on the aesthetics of the Property, any vehicle maintenance on public streets is expressly prohibited. Emergency situations such as a failure during cold weather, changing signal lights, flat tires, and window washer fluid are acceptable.
- f. Vehicles are to be parked in driveways or garages on Owners' Lots or in areas designated for parking in Building Documents, except for temporary parking related to deliveries or emergencies as described in the Declaration.
- g. Soliciting is strictly forbidden. Please tell solicitors to leave the private property. You may contact police to escort them off the property if they don't leave when told.
- h. In the event additional uses, activities and/or facilities are deemed by the Board to be nuisances or to adversely affect the health, safety or welfare of Owners or members of the general public or the value of any Property, the Executive Board may adopt additional rules and regulations restricting or regulating the same.

## **PETS**

- a. No animals of any kind shall be raised, bred or kept on any Lot or in any Unit except domestic cats, dogs or other household pets permitted by the Association so long as they are (i) kept and maintained in accordance with the Declaration or any Supplemental Declaration and (ii) are not kept, bred or maintained for any commercial purposes.
- c. No person shall allow any Pet owned or controlled by such person to roam within the Property unattended, and Pets may not be left unattended on any balcony within the Property.
- d. Dogs shall either be contained indoors or confined within the boundary of a Lot or Unit in a manner approved by the Board or Architectural Review Committee. At all other times, dogs shall be on a leash and under the direct control and supervision of their owners.
- e. Owners are responsible for all property damage, injury or disturbances caused by their Pets, or the Pets of their family, guests, or tenants.
- f. Pets shall not be permitted to deprive other residents of their right of peaceful enjoyment of the Property.

- g. Pets must be kept and maintained in accordance with all applicable state and local regulations; failure to do so will constitute a violation of these rules.
- h. Owners are responsible for the removal of solid wastes of their pets from the common areas. This removal is to take place at the time of occurrence.
- 1. Neither Vicious Animals nor Nuisance Animals may be kept within the Property.
- j. Contractors and subcontractors shall be prohibited from bringing dogs into the Property, and such prohibition shall even apply to dogs kept inside motor vehicles. Violations of this policy shall result in the immediate eviction of the dog and the dog's owner or owner's representative from Property. In the event of a second violation by the same dog and/or the same dog's owner or owner's representative, the dog and the dog's owner or owner's representative shall be immediately evicted from the Property, and the offending person in question shall be prohibited from entering or working within the Property for the following seven (7) consecutive calendar days. In the event of a third violation, the offending person in question shall be prohibited from entering or working within the Property for the following six (6) consecutive calendar months.

#### **USES OF COMMON AREAS**

- a. Smoking of any kind in the common areas is prohibited.
- b. Personal property, such as yard equipment, toys, tools, etc., may not be left unattended on the common areas.
- c. Any intentional act or neglect of an Owner, their family members, guests, or tenants resulting in loss or damages shall be the financial responsibility of the Owner.

#### **DISTURBANCES**

- a. Owners, tenants and guests, are to avoid making excessive noise of any type at any time and are to be considerate of the welfare of other residents at all times.
- b. It is requested that noise due to visiting guests and parties, especially at night be kept to a minimum. Please be considerate of your neighbors.
- c. All owners and occupants shall exercise reasonable care to avoid making loud, disturbing, or objectionable noise, and in using or playing radios, television sets, or other devices, in such a manner as to disturb occupants of other Lots or Units. All radios, TVs, stereos, any other noise making apparatus or musical instruments must be played at reduced volume after 10:00 p.m. and before 8:00 a.m.

#### **RENTAL PROPERTIES**

- a. The Owner of a Developed Lot or a Unit shall have the right to lease their Lot or Unit, as the case may be. Owners shall be liable and financially responsible to the Master Association for any fines for violations of established Rules and Regulations or of the provisions within the Condominium Declarations, as well as damages caused by their guest(s), invitee(s), children, renters and pets. Owners are also financially responsible for all damage caused by their tenants, their family members, guest(s), invitee(s) and pets.

- b. All tenancies must be subject to a written lease that makes the lease subject to the Declaration, these Rules and Regulations, and any other documents governing the operation of the Master Association, as they may be amended from time to time and as further described in the Declaration.
- c. It is the responsibility of the Owner who is leasing or renting to notify tenants of the Declaration, the Rules and Regulations of the Master Association and the declarations or rules and regulations of any Building Association, as applicable, and provide the tenants with a copy of such. Copies of the documents related to the Master Association may be found at [www.TwoRiversHOA.com](http://www.TwoRiversHOA.com)
- d. Renters are encouraged to have insurance coverage to protect their personal property and any liability for damages or injury of property/persons.

**EASEMENTS**

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.

IN WITNESS WHEREOF, the parties have executed this Agreement this 4<sup>th</sup> day of March 2020.

Two Rivers Village Homeowners Association

A Colorado non-profit corporation

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Esgar Acosta  
Board President

Esgar provided an electronic signature that does not carry over when including in this file. Signed document is on file electronically on the Marchetti & Weaver Server

**POLICY OF TWO RIVERS HOMEOWNERS ASSOCIATION  
REGARDING PROCEDURES FOR COLLECTION OF UNPAID ASSESSMENTS**

**SUBJECT:** Adoption of a policy and procedure regarding the collection of unpaid assessments.

**PURPOSE:** To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** 12/18/2023

**RESOLUTION:** The Association hereby adopts the following policy:

The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

1. Due Dates. Installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the first day of each month, or such other period as determined by the Board. Assessments or other charges not paid in full to the Association within one day of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 20 days of the due date shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.
2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office.
3. Late Charges on Delinquent Installments. The Association shall impose on a monthly basis a \$20.00 late charge for each Owner who fails to timely pay any assessment within 20 days of the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association shall impose interest from the date due at the rate of 8% per annum on the amount owed for each Owner who fails to timely pay their quarterly installment of the any assessment within 20 days of the due date.

4. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.
5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Policy, a return check fee, not to exceed \$20.00, plus all costs assessed by the bank, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Policy after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of any assessment is not timely made within 20 days of the due date.
6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner.
7. Repayment Plan. Any Owner who becomes delinquent in payment of assessments may enter into a repayment plan with the Association, which plan shall be for a minimum term of 18 months or such other longer term as may be approved by the Board of Directors.

Such repayment plan shall be offered to each Owner prior to the Association referring any account to an attorney or collection agency for collection action. Under the repayment plan, the Owner may choose the amount to be paid each month, so long as each payment is at least twenty-five dollars (\$25.00) until the balance of the amount owed is less than twenty-five dollars (\$25.00).

The Owner shall be deemed to be in default of the repayment plan and the repayment plan with the Association shall be null and void if within thirty (30) days after the Association has provided the Owner with a written offer to enter into a repayment plan, the Owner either declined the repayment plan; or after accepting the repayment plan, failed to pay at least three (3) of the monthly installments within fifteen (15) days after the monthly installments were due.

If the Owner does not confirm written acceptance of the repayment plan within thirty (30) days after the Association has provided the Owner with a written offer to enter into a repayment plan, the offer shall be deemed to be declined.

In the event the Owner defaults or otherwise does not comply with the terms and conditions of the repayment plan, including the payment of ongoing assessments of the Association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

An Owner who has entered into a repayment plan may elect to pay the remaining balance owed under the repayment plan at any time during the duration of the repayment plan.

8. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.
9. Application of Payments. Once an account is referred to the Association's attorney, all sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. The

Association may prohibit the Owner from accessing any online payment portal until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any assessments owed, then to any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Policy.

10. Collection Process.

- (a) After an installment of an annual assessment or other charges due to the Association becomes more than 30 days delinquent, the Management Company shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment. This First Notice shall be sent by regular first class mail.
- (b) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the Management Company shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have accrued, notice of intent to file a lien and request for immediate payment. The Association's notice, at a minimum shall include the following:
  - (i) The total amount due to the Association along with an accounting of how the total amount was determined.
  - (ii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.
  - (iii) A name and contact information for an individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.
  - (iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and

foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law including revoking the Owner's right to vote if permitted in the Bylaws or Declaration.

- (v) Specify whether the delinquency concerns unpaid assessments; unpaid fines, fees or charges; or both unpaid assessments and unpaid fines, fees, or charges, and, if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the Owner that unpaid assessments may lead to foreclosure.
  - (vi) Include a description of the steps the Association must take before the Association may take legal action against the Owner, including a description of the Association's covenant violation cure process as laid out in the Association's Covenant and Rule Enforcement Policy.
  - (vii) Include a description of what legal action the Association may take against the Owner, including a description of the types of matters that the Association or Owner may take to Small Claims Court, including injunctive matters for which the Association seeks an order requiring the Owner to comply with the Declaration, Bylaws, Covenants, or other governing documents of the Association.
- (c) This Second Notice will be provided to the Owner in the following manners:
- (i) Certified mail, return receipt requested; and
  - (ii) Physically posted on the Owner's Unit at the Association; and
  - (iii) By one of the following manners:
    - i. First-class mail;
    - ii. Text message to a cellular number that the Association has on file because the Owner has provided the cellular number to the Association; or



- iii. Email to an email address that the Association has on file because the Owner has provided the email address to the Association.
- (d) After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the Management Company shall turn the account over to the Association's attorney for collection.

Any collection account referred to an attorney for collections shall first be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken, pursuant to the Association's Conduct of Meetings Policy.

Upon receiving the delinquent account, legal counsel may file a lien and send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, legal counsel may file a lawsuit or further collection action. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney fees together with the cost of the action and any applicable interest and late fees.

In addition to the steps outlined above, even after the Owner has been sent to the attorney for collections, on a monthly basis, the Association shall send any Owner with an outstanding balance due an itemized list of all assessments, fines, fees, and charges that the Owner owes the Association. A ledger going back to the last zero balance can satisfy this requirement.

This monthly notice shall be sent by first-class mail. The monthly notice shall also be sent by email if the Association has an email address for the Owner.

This monthly notice shall be sent in English unless the Owner has indicated a preference for notices to be sent in another language.

If the Owner has identified a designated contact, this notice shall be sent to both the Owner and a copy sent to the designated contact.

This notice may not contain additional legal fees and legal costs that have been incurred by the Association but have not yet been

posted to the ledger. As such, the Owner is required to communicate with the collection attorney to obtain the most up to date balance.

11. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.
12. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Due Date (date payment due)	first day of the month due
Past Due Date (date payment is late if not received on or before that date)	20 days after due date
First Notice (notice that late charges and interest have accrued)	Any time after 30 days after due date
Second Notice (notice that late charges and interest have accrued, notice of intent to file lien, required disclosures of the Association and the availability of a payment plan if applicable)	Any time after 60 days after due date
Delinquent account turned over to	Any time after 90 days after due date

Association's attorney; Lien filed; Demand letter sent to Owner.	
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The attorney may consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon the Owner or designee's written request to the Association, made via first class postage prepaid, return receipt requested mail, a written statement from the Association, setting forth the amount of unpaid assessments currently levied against such Owner's property at no charge and delivered personally or by certified mail, first class-postage prepaid, return receipt requested. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

A status letter provided to a title company or mortgage company in anticipation of a sale of the property or a refinance of the mortgage provides additional information beyond a statement of the total amount due and as such any charges incurred by the Association for providing a status letter shall be charged back to the Owner.

14. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any unit within the Association, Management Company shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.
15. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with Management Company, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:
- (a) Filing of a suit against the delinquent Owner for a money judgment;

- (b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
- (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- (d) Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

16. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.
17. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Association shall consider individually each recommendation for a foreclosure. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

The Association may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association.

The Association may not foreclose on an Owner's Unit if the debt securing the lien consists only of one or both of the following:

- (a) Fines that the Association has assessed against the Owner as a result of covenant violations; or

- (b) Collection costs or attorney fees that the Association has incurred and that are only associated with assessed fines as a result of covenant violations.

If a Unit has been foreclosed on by the Association, the Unit shall not be purchased by a member of the Board of Directors, an employee of the Association's management company representing the Association, an employee of the law firm representing the Association, or an immediate family member of any of these individuals.

- 18. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.
- 19. Communication with Owners. As to any communication sent by the Association or the Management company on behalf the Association pursuant to Paragraph 10 of this Policy, the Association or management company on their behalf, shall maintain a record of any contacts, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made.

An Owner may identify another person to serve as a designated contact for the Owner to be contacted on the Owner's behalf. If the Owner identifies as designated contact, the Association shall send any collection correspondence and notices to both the Owner and their designated contact. However, once an Owner is sent to the attorney for collections, all communication will be directly with the Owner until or unless the Owner provides permission directly to the Association's attorney giving permission for the attorney to discuss with the designated contact.

An Owner may notify the Association if the Owner prefers that correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association shall send the correspondence and notices in English. If the Owner has notified the Association of a preference other than English, any notices or letters sent pursuant to this Policy shall be sent both in English and in the preferred language.

If an Owner has identified both a designated contact and a preference for a different language, the Association shall send the Owner the

correspondence or notice in the preferred language and in English and the designated contact the correspondence or notice in English.

All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. No member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

20. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.
21. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.
22. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
23. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
24. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
25. Amendment. This Policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Two Rivers Homeowners Association, a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on 12/06/2023 and in witness thereof, the undersigned has subscribed their name.

**Two Rivers Homeowners Association, a  
Colorado nonprofit corporation**

DocuSigned by:

*Esgar Acosta*

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By:

Its:

\_\_\_\_\_  
President

**TWO RIVERS HOMEOWNERS ASSOCIATION**

**GOVERNANCE POLICY FOR**

**CONFLICT OF INTEREST TRANSACTIONS**  
**INVOLVING BOARD MEMBERS**

(all capitalized terms used herein and not defined herein shall have the meaning given to them in the Declaration of Covenants, Conditions and Restrictions for Two Rivers Homeowners Association)

(a) In performing their duties, directors and officers shall act as fiduciaries and shall discharge their duties in a manner that the director or officer believes in good faith to be in the best interest of the Association and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.

(b) A "conflict of interest transaction" means a contract, transaction, or other financial relationship between (i) Two Rivers Homeowners Association (the "Association") and a member of the Board, (ii) the Association and a party related to a Board member, or (iii) the Association and an entity in which a Board member of the Association is a director or officer or has a financial interest. A "related party" is a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board member or a party related to a Board member has a beneficial interest, or an entity in which a party related to a Board member is a director, officer, or has a financial interest. A "financial interest" means a direct monetary interest.

(c) No conflict of interest transaction shall be void or voidable, enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding brought by a member of the Association or by or in the name of the Association, solely because (i) the conflicting interest transaction involves a Board member, a party related to a Board member, or an entity in which a Board member is a director or officer or has a financial interest; (ii) the Board member is present at or participates in the meeting of the Board or of a committee of the Board that authorizes, approves, or ratifies the conflict of interest transaction; or (iii) the Board member's vote is counted for such purpose, if:

(i) The material facts as to the Board member's relationship or interest and as to the conflict of interest transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflict of interest transaction by the affirmative vote of a majority of the disinterested Board members, even if the disinterested Board members are less than a quorum; or

(ii) The material facts as to the Board member's relationship or interest and as to the conflict of interest transaction are disclosed or are known to the Board members entitled to vote, and the conflict of interest transaction is specifically authorized, approved or ratified in good faith by a vote of the Board members entitled to vote; or

(iii) The conflict of interest transaction is fair as to the Association.



(d) Notwithstanding anything to the contrary in Section 1(a) and (b) or in the other Governing Documents, if any contract, decision, or other action taken by or on behalf of the Board would financially benefit any Board member or anyone related to a Board member, that Board member shall declare a conflict of interest for that issue in an open meeting prior to any discussion or action on that issue. After making such a declaration, the Board member may participate in the discussion but shall not vote on that issue. Any contract entered into in violation of this section is void and unenforceable.

(e) Notwithstanding anything herein to the contrary, directors appointed by Declarant may be employed by or otherwise transact business with the Declarant and its affiliate, and the Declarant may transact business with the Association and its contractors.

(f) The Board shall no less than annually review and update, if deemed appropriate, this conflict of interest policy.

**This policy was adopted on by resolution of the Board of Two Rivers Homeowners Association on April 23, 2015, is effective of even date therewith, and complies with the Colorado Common Interest Ownership Act as of that date. If the policy contained herein becomes in conflict with the laws of the State of Colorado shall be rendered void. The governance policy set forth herein is not intended to enlarge or create any fiduciary duties. Except for acts of fraud or bad faith, no director shall incur any liability under this policy.**

TWO RIVERS HOMEOWNERS ASSOCIATION,  
a Colorado nonprofit corporation

By: \_\_\_\_\_

Its: President

ATTEST:

By: \_\_\_\_\_

Its: Secretary

**POLICY OF TWO RIVERS HOMEOWNERS ASSOCIATION  
REGARDING POLICIES AND PROCEDURES FOR COVENANT  
AND RULE ENFORCEMENT**

**SUBJECT:** Adoption of a policy regarding the enforcement of covenants and rules and procedures for the notice of alleged violations, conduct of hearings and imposition of fines.

**PURPOSE:** To adopt a uniform procedure to be followed when enforcing covenants and rules to facilitate the efficient operation of the Association.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association, and Colorado law.

**EFFECTIVE DATE:** 12/18/2023  
\_\_\_\_\_

**RESOLUTION:** The Association hereby adopts the following procedures to be followed when enforcing the covenants and rules of the Association:

1. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.
2. Complaints. Complaints by Owners or residents, member of the Board of Directors, a committee member, or the manager shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

3. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.
4. Violation Which Threatens Public Safety or Health. With respect to any violation of the Declaration, Bylaws, Covenants, or other Governing Documents of an Association that the Board of Directors reasonably determines threatens the public safety or health, the Association shall provide the Unit Owner an initial letter (see Paragraph 7 below) of the violation informing the Unit Owner that the Unit Owner has seventy-two (72) hours to cure the violation or the Association may fine the Unit Owner.
  - a. If, after an inspection of the Unit, the Association determines that the Unit Owner has not cured the violation within seventy-two (72) hours after receiving the notice, the Association may impose fines on the Unit Owner every other day, not to exceed five hundred dollars (\$500.00), and may take legal action against the Unit Owner for the violation.
  - b. Violation Cured by Unit Owner. Once the Association determines that a Unit Owner has cured a violation, the Association shall notify the Unit Owner, in English and in any other language that the Unit Owner has indicated a preference for correspondence and notices pursuant to C.R.S. 38-33.3-209.5 (1.7)(a)(I).
    - i. That the Unit Owner will not be further fined with regard to the violation; and
    - ii. Of any outstanding fine balance that the Unit Owner still owes the Association.
5. Violation Which Does Not Threaten Public Safety or Health. If an Association reasonably determines that there is a violation of the Declaration, Bylaws, Covenants, or other Governing Documents of the Association, other than a violation that threatens the public safety or health, the Association shall, provide a warning letter (see Paragraph 6) regarding the violation to the Owner and providing

up to ten (10) days to cure the violation. Upon expiration of the initial cure period, if the violation continues to exist, the Association shall provide an initial letter (see Paragraph 7 below) regarding the violation and informing the Unit Owner that the Unit Owner has thirty (30) days to cure the violation. Upon expiration of the initial thirty (30) days, the Association, after conducting an inspection and determining that the Unit Owner has not cured the violation, may fine the Unit Owner.

- a. Process to Cure Violation. If a Unit Owner cures the violation within the cure period afforded the Unit Owner, the Unit Owner may notify the Association of the cure and, the Unit Owner sends notice to the Association with visual evidence that the violation has been cured, the violation is deemed cured on the date that the Unit Owner sends the notice. If the Unit Owner's notice does not include visual evidence that the violation has been cured, the Association shall inspect the unit as soon as practicable to determine if the violation has been cured.
- b. Violation Cured by Unit Owner. Once the Association determines that a Unit Owner has cured a violation, the Association shall notify the Unit Owner, in English and in any other language that the Unit Owner has indicated a preference for:
  - i. That the Unit Owner will not be further fined with regard to the violation; and
  - ii. Of any outstanding fine balance that the Unit Owner still owes the Association.
- c. Failure to Cure Violation by Unit Owner. If the Association does not receive notice from the Unit Owner that the violation has been cured, the Association shall inspect the unit within seven (7) days after the expiration of the initial thirty (30) day cure period to determine if the violation has been cured. If, after the inspection, the Association determines that the violation has not been cured, the Association may impose a fine, not to exceed five hundred dollars (\$500.00) per violation, pursuant to Paragraph 9 below. A second letter pursuant to Paragraph 8 shall provide an additional thirty (30) day period to cure.

- d. The Association may take legal action pursuant to this section if the two (2) thirty (30) day periods described above have elapsed and the violation remains uncured.
6. Warning Letter. If a violation is found to exist, a warning letter shall be sent to the Unit Owner. The letter must explain the nature of the violation, and the action or actions required to cure the alleged violation. The written notice shall be in English and in any language that the Unit Owner has indicated a preference for correspondence.
7. Initial Letter. If the violation has not been cured following the warning letter, an initial letter shall be sent to the Unit Owner. The letter must be sent via certified mail, return receipt requested if not a public safety or health threat. The letter must explain the nature of the violation, and the action or actions required to cure the alleged violation. The written notice shall be in English and in any language that the Unit Owner has indicated a preference for correspondence. The letter shall provide a Fine Notice as set forth in Paragraph 9.
8. Second Letter. If the alleged violation is not resolved within thirty (30) days of the initial letter, this will be considered a second violation for which a fine or legal action may be imposed following notice and opportunity for a hearing. A second letter shall then be sent to the Unit Owner, and shall include a Fine Notice as set forth in Paragraph 9.
9. Fine Notice. The letter(s) shall further state that the Unit Owner is entitled to a hearing on the merits of the matter in front of an impartial decision maker provided that such hearing is requested in writing within ten (10) days of the date on the initial or second letter pursuant to Paragraph 7 and Paragraph 8. On a violation that is a safety/health violation since the letter only provides seventy-two (72) hours to cure, any request for a hearing will be after that period runs but the hearing has to be prior to any fines being applied.
10. Notice of Hearing. If a hearing is requested by the Unit Owner, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a

written notice of the hearing to all parties involved at least fifteen (15) days prior to the hearing date.

11. Impartial Decision Maker. Pursuant to Colorado law, the alleged Violator has the right to be heard before an "Impartial Decision Maker." An Impartial Decision Maker is defined under Colorado law as "a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the Association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association." Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint to act as the Impartial Decision Maker the entire Board, specified members of the Board, any other individual or group of individuals.
12. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Neither the Complainant nor the Unit Owner or alleged Violator are required to attend the hearing. The Impartial Decision Maker shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Hearings will be held in executive session pursuant to C.R.S. 38-33.3-308(4)(e). The Impartial Decision Maker shall, within a reasonable time, not to exceed fifteen (15) days, render its written findings and decision, and impose a fine, if applicable.
13. Failure to Timely Request Hearing. If the Unit Owner fails to request a hearing pursuant to Paragraph 9, or fails to appear at any hearing, the Impartial Decision Maker may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the Unit Owner may be assessed a fine pursuant to these policies and procedures.

- 14. Notification of Decision. The decision of the Impartial Decision Maker shall be in writing and provided to the Unit Owner within fifteen (15) days of the hearing, or if no hearing is requested, within fifteen (15) days of the final decision.
- 15. Fine Schedule for Violations that do Threaten Public Safety or Health. The following fine schedule has been adopted for all covenant violations that do threaten public safety or health:

First Notice	Initial Letter (¶7)
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After a Unit Owner has failed to cure a violation which threatens public safety or health within seventy-two (72) hours of being provided written notice of such violation, the Association may fine the Unit Owner fifty dollars (\$50.00) every other day until the violation is cured and may turn over to an attorney to file suit. Any fine notice shall notify the Unit Owner that failure to cure may result in a fine every other day and only one hearing shall be held.

- 16. Fine Schedule for Violations that do not Threaten Public Safety or Health. The following fine schedule has been adopted for all covenant violations that do not threaten public safety or health. The total amount of fines imposed per violation may not exceed five hundred dollars (\$500.00):

First notice of violation Up to ten (10) days to comply	Warning letter No fine
Second notice of violation (of same covenant or rule) Thirty (30) days to comply	Initial Letter (¶7) \$200.00
Third notice of violation (of same covenant or rule) Additional thirty (30) days to comply	Second Letter (¶8) \$300.00

The Association may turn over any violation to the Association's attorney to take appropriate legal action once the two (2) thirty (30) day periods described above have expired.

- 17. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of

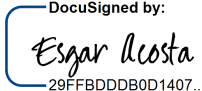
the entire fine, or any portion thereof, upon the violation being resolved and staying in compliance with the Articles, Declaration, Bylaws or Rules.

18. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.
19. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
20. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
21. Amendment. This Policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Two Rivers Homeowners Association, a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on 12/06/2023 and in witness thereof, the undersigned has subscribed their name.

**Two Rivers Homeowners Association, a  
Colorado nonprofit corporation**

By:   
Its: President



**POLICY OF THE  
EXECUTIVE BOARD OF  
TWO RIVERS HOMEOWNERS ASSOCIATION**

RE: Landscape Maintenance Responsibilities of Association and Owners

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions & Restrictions for Two Rivers Village was recorded on September 16, 2003 at Reception No. 849865 in the office of the Clerk and Recorder of Eagle County, Colorado (hereafter the "Declaration"); and

WHEREAS, all Lots in Two Rivers Village are encumbered by, and subject to, the terms and provisions of the Declaration; and

WHEREAS, Section 6.3 of the Declaration provides for the general maintenance of the Community and specifically provides that the Association will assume the responsibility for maintaining the front yards of all Lots in the Community; and

WHEREAS, as a convenience to owners of Lots in the Community and to take advantage of cost efficiencies so as to benefit individual Owners in the Community, the Executive Board has also agreed to undertake responsibility for maintaining rear yards and side yards on Lots in the Community to the extent that such rear yards and side yards are not enclosed by fences.

NOW, THEREFORE, the Executive Board of the Association hereby adopts the following policy:

1. From and after the adoption of this policy until this policy is later repealed, if ever, the Association shall be responsible for maintenance and upkeep of the front yards on each Lot in the Community, and all rear and side yards in the Community to the extent that such rear and side yards are not enclosed by fences. Such maintenance and upkeep shall include seasonal lawn mowing; lawn, tree and shrub irrigation; removal of weeds and debris; minor adjustments to the irrigation system; and seasonal turn on and clean out of the irrigation system.
2. From and after the adoption of this policy until this policy is later repealed, if ever, Lot Owners shall be responsible for maintenance and upkeep of any portions of their Lots that are enclosed by fences. Such maintenance and upkeep shall include seasonal lawn mowing; lawn, tree and shrub irrigation; and removal of weeds and debris. In addition, Lot Owners shall be responsible for maintenance, repairs and replacement of the irrigation system on their own Lot, regardless of whether it is located within or outside of, a fenced area.
3. If the Owner of a Lot fails to maintain or keep his/her Lot in the manner required by this policy, and fails to perform any required maintenance or upkeep within 10 days following receipt of a written notice from the Executive Board requiring the same, the Executive Board shall have the right to perform, or cause to be performed, such maintenance or upkeep on behalf of the Owner, and to levy a Reimbursement Assessment upon the Owner and its Lot or Unit to recover the costs thereof.
4. Capitalized terms herein shall have the same meaning as such terms in the Declaration.
5. This Policy shall supersede any contrary provisions of the Association's Rules and Regulations.

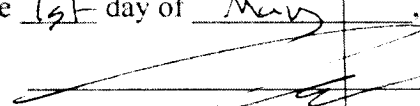
6. The Executive Board shall cause this Policy to be distributed to all Owners in the manner required by the Association's Policy Regarding Procedures for the Adoption and Amendment of Policies, Procedures and Rules.

Two Rivers Homeowners Association

By: 

\_\_\_\_\_  
President

The undersigned hereby certifies that the foregoing Policy was adopted by the Executive Board of the Two Rivers Homeowners Association on the 1st day of May, 2018.

  
\_\_\_\_\_  
Secretary

**POLICY OF TWO RIVERS HOMEOWNERS ASSOCIATION  
ADOPTING PROCEDURES FOR THE CONDUCT OF MEETINGS**

**SUBJECT:** Adoption of a policy and procedures for conducting Owner and Board meetings.

**PURPOSE:** To facilitate the efficient operation of Owner and Board meetings and to afford Owners an opportunity to provide input and comments on decisions affecting the community.

**AUTHORITY:** The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** 12/18/2023  
\_\_\_\_\_

**RESOLUTION:** The Association hereby adopts the following procedures regarding the conduct of meetings:

1. Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.

**(a) Notice.**

- (1) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be conspicuously posted in the community at least 24 hours prior to each such meeting, or as may otherwise be required by Colorado law.
- (2) The Association shall also post notice on its website of all Owner meetings. Such notice shall be posted 10 days prior to such meeting.
- (3) If any Owner has requested the Association provide notice via email and has provided the Association with an email address, the Association shall send notice for all Owner meetings to such Owner at the email address provided at least 24 hours prior to any such meeting.

**(b) Conduct.**

- (1) All Owner meetings shall be governed by the following rules of conduct and order:
  - (A) The president of the Association or designee shall chair all Owner meetings;
  - (B) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies, and receive ballots as appropriate (See section below regarding voting);
  - (C) Any person desiring to speak shall sign up on the list provided at check in and indicate if they are for or against an agenda item;
  - (D) Anyone wishing to speak must first be recognized by the chair;
  - (E) Only one person may speak at a time;
  - (F) Each person who speaks shall first state their name and address;
  - (G) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for them;
  - (H) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed;
  - (I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting;
  - (J) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased

by the chair, but shall be uniform for all persons addressing the meeting;

- (K) All actions and/or decisions will require a first and second motion;
- (L) Once a vote has been taken, there will be no further discussion regarding that topic;
- (M) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video, or otherwise recorded. Minutes of actions taken shall be kept by the Association;
- (N) Anyone disrupting the meeting, as determined by the chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting; and
- (O) The chair may establish such additional rules of order as may be necessary from time to time.

(c) **Voting.** All votes taken at Owner meetings shall be taken as follows:

- (1) Contested elections of Board members, defined as elections in which there are more candidates than positions to be filled, shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the secretary of the Association or the secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.
- (2) Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice, or by ballot. Notwithstanding the above, uncontested elections of Board members or other votes on matters affecting the community shall be by secret ballot at the discretion of the Board or upon the request

of 20% of the Owners who are present at the meeting or represented by proxy.

- (3) Written ballots shall be counted by a neutral third party, excluding the Association's managing agent or legal counsel, or a committee of volunteers who are not Board members, and in the case of a contested election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the chair or another person presiding during that portion of the meeting.
- (4) The individual(s) counting the ballots shall report the results of the vote to the chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

**(d) Proxies.** Proxies may be given by any Owner as allowed by C.R.S. 7-127-203.

- (1) All proxies shall be reviewed by the Association's secretary or designee as to the following:
  - (A) Validity of the signature;
  - (B) Signatory's authority to sign for the unit Owner;
  - (C) Authority of the unit Owner to vote;
  - (D) Conflicting proxies; and
  - (E) Expiration of the proxy.

2. Board Meetings. Meetings of the Board of Directors of the Association shall be called pursuant to the Bylaws of the Association.

**(a) Conduct.**

- (1) All Board meetings shall be governed by the following rules of conduct and order:
  - (A) The president of the Association, or designee, shall chair all Board meetings;

- (B) All persons who attend a meeting of the Board shall be required to sign in, listing their name and unit address;
- (C) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate at the time of sign in;
- (D) Anyone desiring to speak shall first be recognized by the chair;
- (E) Only one person may speak at a time;
- (F) Each person speaking shall first state their name and address;
- (G) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them;
- (H) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed;
- (I) Comments are to be offered in a civilized manner and without profanity, personal attacks, or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand;
- (J) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the chair but shall be uniform for all persons addressing the meeting;
- (K) No meeting of the Board may be audio, video, or otherwise recorded except by the Board to aid in the preparation of minutes; and

- (L) Anyone disrupting the meeting, as determined by the chair, shall be asked to “come to order.” Anyone who does not come to order shall be requested to immediately leave the meeting.

**(b) Owner Input.**

After a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to a vote by the directors, Owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on the motion as follows:

- (1) The chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.
- (2) Following Owner input, the chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Owner participation.

**(c) Action Without a Meeting.**

- (1) Notice of Action Without a Meeting. Notice of the proposed action must be transmitted in writing to each director. The notice must contain the following information:
  - (A) The action to be taken;
  - (B) The deadline (date and time) by which a director must respond to the written notice; and
  - (C) That failure by a director to respond by the deadline stated in the notice will have the same effect as abstaining in writing or failing to demand in writing that the action be taken at a meeting.



- (2) Voting. By the deadline stated in the written notice, each director may:
  - (A) Vote in writing for such action;
  - (B) Vote in writing against such action;
  - (C) Fail to respond or vote; or
  - (D) Demand in writing that the action be taken at a meeting. If any director demands, by the deadline date, that action be taken at a meeting, action without a meeting is no longer available. The Board must then hold a Board meeting to take action on such matter.
- (3) Effective Date of Action. Once the deadline stated on the notice has expired, and assuming no director demands that action be taken at a meeting, the action is deemed effective if the number of votes received in favor of the action are equal to or exceed the number of votes that would be required to pass the action if all the directors then in office were voting.
- (4) Electronic Communications/ Authenticity of Signatures. All written communications of directors pursuant to this section may be transmitted or received by facsimile, e-mail, or other form of wireless communication. The Association may accept any electronic vote received as valid unless it has a reasonable, good faith basis to doubt its validity.
- (5) Minutes/Ratification. If action is taken pursuant to the above procedures, such action(s) shall be noted in the minutes of the next meeting of the Board and ratified at that time.

**(d) Executive Sessions.**

- (1) The members of the Board may hold a closed door, executive session and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting for discussion of the following:
  - (A) Matters pertaining to employees of the Association or the manager's contract or involving the employment, discipline,

or dismissal of an officer, agent, or employee of the Association;

- (B) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (C) Investigative proceedings concerning possible or actual criminal misconduct;
- (D) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy, including a disciplinary hearing regarding a Unit Owner and any referral of delinquency;
- (E) Review of or discussion relating to any written or oral communication from legal counsel;
- (F) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure.

- (2) Prior to holding a closed-door session, the president of the Board, or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above;
- (3) No rule or regulation or amendment to the Bylaws or the Articles of Incorporation shall be adopted during a closed session. The foregoing documents may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following a closed session; and
- (4) The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session. Minutes of executive sessions may be kept but are not subject to disclosure pursuant to the Association's policy regarding inspection of records.

3. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

4. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
5. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
6. Amendment. This Policy may be amended at any time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Two Rivers Homeowners Association, a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on 12/06/2023 and in witness thereof, the undersigned has subscribed their name.

**Two Rivers Homeowners Association, a  
Colorado nonprofit corporation**

By:   
Its: President

**TWO RIVERS HOMEOWNERS ASSOCIATION**

**GOVERNANCE POLICY FOR**

**INSPECTION OF ASSOCIATION RECORDS**

(all capitalized terms used herein and not defined herein shall have the meaning given to them in the Declaration of Covenants, Conditions and Restrictions for Two Rivers Homeowners Association)

(a) Subject to C.R.S. § 38-33.3-317(4), the Board shall make available for inspection and copying by a holder, insurer or guarantor of a first Mortgage on a Lot or Unit, any Owner, or the duly appointed representative of any of the foregoing during normal business hours and for a purpose reasonably related to his or her interest in a Lot or Unit: (i) the Master Documents, (ii) the membership register, (iii) books of account, (iv) the minutes of meetings of the Owners, the Board and committees, and (v) any other records in accordance with Colorado law. Records of a confidential nature, however, shall not be available for inspection. The Board shall provide for record inspection to take place within 10 business days after receipt of the Request for Access to Association Records form (see Exhibit A attached) for access at the Association's office, at the offices of its management company or at such other place within the Community as the Board shall designate. The Board may modify The Request for Access to Association Records form at any time.

(b) Such inspection shall be conducted on weekdays (not Saturdays, Sundays, or holidays) during the Association's normal business hours.

(c) The cost of reproducing the requested documents shall be borne by the requesting party in advance.

(d) Each director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties owned or controlled by the Association. A director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

(e) The Association shall permanently retain the following records: (1) Owner, Board and committee meeting minutes, (2) Owner, Board and committee actions and (3) waivers of meeting notices.

**This policy was adopted on by resolution of the Board of Two Rivers Homeowners Association on April 23, 2015, is effective of even date therewith, and complies with the Colorado Common Interest Ownership Act as of that date. If the policy contained herein becomes in conflict with the laws of the State of Colorado shall be rendered void. The governance policy set forth herein is not intended to enlarge or create any fiduciary duties. Except for acts of fraud or bad faith, no director shall incur any liability under this policy.**

TWO RIVERS HOMEOWNERS ASSOCIATION,  
a Colorado nonprofit corporation

By: \_\_\_\_\_

Its: President

ATTEST:

By: \_\_\_\_\_

Its: Secretary

**EXHIBIT A**

**REQUEST FOR ACCESS TO  
ASSOCIATION RECORDS**

Owner Name: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Pursuant to state law and the governing documents of \_\_\_\_\_  
Association, I hereby request that \_\_\_\_\_ Association provide access to  
the records of the Association on the following date: \_\_\_\_\_. If this date is not  
available, my first preference for an alternate date is: \_\_\_\_\_.

1. The records that I wish to review are (attach a separate piece of paper if necessary):

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_

2. I certify that my request to review the records of the Association is for a proper purpose  
related to my membership in the Association, and that this request is not for commercial  
purposes or my personal financial gain. Specifically, my purpose for wanting to review the  
records of the Association is as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. I acknowledge and accept the Association's record access and inspection procedures. I  
acknowledge and accept that the records of the Association will be made available to me  
only at such time and place as the Association's policy provides, and that there may be a cost  
associated with providing copies of these documents for me. I agree to pay any costs  
associated with copying these documents, including but not limited to the actual and  
reasonable costs of labor and photocopying material.

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**TWO RIVERS HOMEOWNERS ASSOCIATION**

**GOVERNANCE POLICY FOR**

**INVESTMENT OF RESERVE FUNDS**

(all capitalized terms used herein and not defined herein shall have the meaning given to them in the Declaration of Covenants, Conditions and Restrictions for Two Rivers Homeowners Association)

The investment of Association reserve funds is in the reasonable discretion of the Board; however, the Board's investment strategy decisions shall comply with the business judgment rule and the rule of reasonableness.

At the sole discretion of the Board, the Board may:

- (a) Analyze principles related to the short and long term needs of the Association, which may include, but are not limited to, the safety of the principal, liquidity and accessibilities of monies, investment costs, diversification of investment vehicles, rates of return, etc.
- (b) Review any limitations on the type of investments such as FDIC insured institutions or only those guaranteed by the U.S. Government.
- (c) Hire a qualified investment counselor to assist the Board in formulating investment strategies.
- (d) Conduct a reserve study.

**This policy was adopted on by resolution of the Board of Two Rivers Homeowners Association on April 23, 2015, is effective of even date therewith, and complies with the Colorado Common Interest Ownership Act as of that date. If the policy contained herein becomes in conflict with the laws of the State of Colorado shall be rendered void. The governance policy set forth herein is not intended to enlarge or create any fiduciary duties. Except for acts of fraud or bad faith, no director shall incur any liability under this policy.**

TWO RIVERS HOMEOWNERS ASSOCIATION,  
a Colorado nonprofit corporation

By: 

Its: President

ATTEST:

By:  \_\_\_\_\_

Its: Secretary



**TWO RIVERS HOMEOWNERS ASSOCIATION**

**GOVERNANCE POLICIES**

**ADOPTION AND AMENDMENT OF POLICIES,  
PROCEDURES, AND RULES**

1. (all capitalized terms used herein and not defined herein shall have the meaning given to them in the Declaration of Covenants, Conditions and Restrictions for Two Rivers Homeowners Association (the "Declaration"))

(a) Rules

(i) Subject to the notice requirements in subsection (iii) below, the consent of the Declarant during the Declarant Control Period (as defined in the Declaration), and the Board's duty to exercise judgment and reasonableness on behalf of the Association and Owners, the Board may adopt new rules and modify or rescind existing rules by majority vote of the directors at any Board meeting.

(ii) Subject to the notice requirements in subsection (iii) below, the Owners whose votes represent a majority of the votes in the Association may also vote to adopt new rules and modify or rescind existing rules at any meeting of the Association duly called for such purpose, regardless of the manner in which the original rule was adopted. However, during the Declarant Control Period, any such action shall also be subject to the Declarant's approval.

(iii) The Board shall send notice to all Owners concerning any proposed rule change at least ten days prior to the meeting of the Board at which such action is to be considered. At any such meeting, Owners shall have a reasonable opportunity to be heard before the proposed action is put to a vote.

(iv) A change of rules shall take effect 30 days after the date on which written notice of the Rules change is given to the Owners.

(v) The Board and the Owners shall have the authority to adopt and modify rules as needed to address new or changing circumstances.

(b) Governance Policies

(i) The Board shall have the authority to amend these Governance Policies by a vote of the Board at a regular or special meeting or by the unanimous consent of the directors in lieu of a meeting.

(ii) In the event of a conflict between any of the Governing Documents and these Governance Policies, these Governance Policies shall control.

**This policy was adopted on by resolution of the Board of Two Rivers Homeowners Association on April 23, 2015, is effective of even date therewith, and complies with the Colorado Common Interest Ownership Act as of that date. If the policy contained**

herein becomes in conflict with the laws of the State of Colorado shall be rendered void. The governance policy set forth herein is not intended to enlarge or create any fiduciary duties. Except for acts of fraud or bad faith, no director shall incur any liability under this policy.

TWO RIVERS HOMEOWNERS ASSOCIATION,  
a Colorado nonprofit corporation

By:  \_\_\_\_\_

Its: President

ATTEST:

By:  \_\_\_\_\_  
Its: Secretary

**TWO RIVERS HOMEOWNERS ASSOCIATION**

**GOVERNANCE POLICY FOR**

**RESOLUTION OF DISPUTES ARISING BETWEEN  
THE ASSOCIATION AND OWNERS**

(all capitalized terms used herein and not defined herein shall have the meaning given to them in the Declaration of Covenants, Conditions and Restrictions for Two Rivers Homeowners Association)

This governance policy shall be applicable to the Board of Directors and the Owners and this governance policy shall remain in effect until otherwise rescinded, modified, or amended by a majority of the Board.

A. Policy to Encourage Resolution of Disputes Without Litigation:

1. ***Excluded Claims.*** Notwithstanding any other provisions of this Governance Policy, the following claims are not Claims for purposes of this Governance Policy and are ***not*** subject to the provisions of this Governance Policy (i.e., the procedures stated in this Governance Policy do not apply), unless all parties to the matter otherwise agree to submit the matter to the procedures set forth herein:
  - (a) any suit by the Association to collect assessments or other amounts due from any Owner;
  - (b) any suit or action by the Association that involves the protest of real property taxes;
  - (c) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of this Declaration (relating to creation and maintenance of community standards);
  - (d) any suit that does not include the Declarant or the Association as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Governing Documents; and
  - (e) any dispute in which a party to the dispute is not a party bound to and has not agreed to submit to the procedures set forth herein.
2. ***Dispute Resolution Procedures.***
  - (a) Notice. If a party that is bound by the procedures set forth herein desires to assert a Claim (the party asserting the Claim is referred to in this Governance Policy as

the "Claimant") against the other ("Respondent") it must do so by giving written notice ("Notice of Claim") by mail or personal delivery to each Respondent, stating plainly and concisely:

- (i) the nature of the Claim, including the persons involved and the Respondent's role in the Claim;
  - (ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
  - (iii) the Claimant's proposed resolution or remedy; and
  - (iv) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.
- (b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. The Board may appoint a representative to assist the parties in negotiating a resolution of the Claim if a written request, accompanied with a copy of the Notice of Claim, is submitted to the Board by either the Claimant or Respondant.
- (c) Mediation.
- (i) If the parties have not resolved the Claim through negotiation within 30 days of the date of the Notice of Claim (or within any other agreed upon period), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or another recognized independent entity providing dispute resolution services in the Eagle County area. The Claimant and the Respondent shall each present the mediator with a written summary of the Claim and timely pay any fees of the mediation service.
  - (ii) If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.
  - (iii) If the parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or otherwise initiate proceedings on the Claim, as appropriate.


- (iv) Each party to the mediation shall bear its own costs of the mediation, including attorneys' fees, and each party shall pay an equal share of the mediator's fees.
  
- (d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party to the settlement agreement may file suit or otherwise initiate proceedings to enforce such agreement without the need to comply again with the procedures set forth in this section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

B. Modification of Governance Policy:

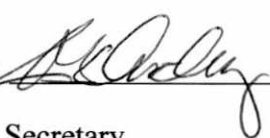
Subject to the Governance Policies for the Adoption and Amendment of Policies, Procedures, and Rules and the notice requirements therein, the Board may modify, amend, supplement or rescind this Governance Policy.

**This policy was adopted on by resolution of the Board of Two Rivers Homeowners Association on April 23, 2015, is effective of even date therewith, and complies with the Colorado Common Interest Ownership Act as of that date. If the policy contained herein becomes in conflict with the laws of the State of Colorado shall be rendered void. The governance policy set forth herein is not intended to enlarge or create any fiduciary duties. Except for acts of fraud or bad faith, no director shall incur any liability under this policy.**

TWO RIVERS HOMEOWNERS ASSOCIATION,  
a Colorado nonprofit corporation

By:   
Its: President

ATTEST:

By:   
Its: Secretary

**TWO RIVERS HOMEOWNERS ASSOCIATION**

**GOVERNANCE POLICY FOR**

**RESERVE STUDIES**

(all capitalized terms used herein and not defined herein shall have the meaning given to them in the Declaration of Covenants, Conditions and Restrictions for Two Rivers Homeowners Association)

(a) The Association is not required under the Master Documents to have a reserve study and does not currently have one.

(b) The Board has determined to establish policies on reserve studies as follows:

(i) The Board of Directors shall determine whether to have a reserve study prepared and the timing of any such study.

(ii) The Association may have any reserve study updated or revised periodically.

(iii) Reserve studies may be performed by an outside consultant or may be prepared internally;

(iv) Reserve studies are preferred to be based on a physical examination of the Community by the person preparing the reserve study.

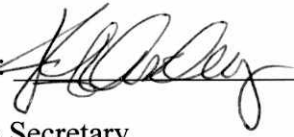
**This policy was adopted on by resolution of the Board of Two Rivers Homeowners Association on April 23, 2015, is effective of even date therewith, and complies with the Colorado Common Interest Ownership Act as of that date. If the policy contained herein becomes in conflict with the laws of the State of Colorado shall be rendered void. The governance policy set forth herein is not intended to enlarge or create any fiduciary duties. Except for acts of fraud or bad faith, no director shall incur any liability under this policy.**

TWO RIVERS HOMEOWNERS ASSOCIATION,  
a Colorado nonprofit corporation

By: \_\_\_\_\_

Its: President

ATTEST:

By:  \_\_\_\_\_

Its: Secretary

**TWO RIVERS HOMEOWNERS ASSOCIATION**  
**GOVERNANCE POLICY FOR**  
**VEHICLE PARKING**

- 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
  - i. On-street parking will be enforced by a licensed booting company, including guest parking.
  - ii. Any vehicle parked on the street, no matter how long it has been there, is subject to being booted at the cost of the owner.
  - iii. Guest Parking is available. Please see Section G below for details.
  
- b. No boats, trailers, buses, motor homes, campers (excluding camper shells mounted on pickup trucks), 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, motorcycles 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, motorcycles 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 provision 6.10 in the Declaration of Covenants, Conditions and Restrictions, 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.
- g. Guest Parking is allowed at the Two Rivers Community Center. You must set up an account and register the vehicle on the Two Rivers Online Parking Website. Any vehicle not registered will be booted at the owner's expense.

[www.parkingcode.com/tworivers](http://www.parkingcode.com/tworivers)

- i. Three (3) night maximum consecutive stay
- ii. You may register up to two (2) cars maximum per stay
- iii. Use of guest parking is limited to once a month

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# RECORD OF PROCEEDINGS

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## MINUTES OF THE BOARD OF DIRECTORS MEETING TWO RIVERS HOMEOWNERS ASSOCIATION, INC. MARCH 9, 2023

A meeting of the Board of Directors of the Two Rivers Homeowners Association, Inc. was duly called and noticed at the Two Rivers Community Center, 80 Lake Shore Dr., Gypsum, CO 81637.

**ATTENDANCE**      **The following directors were present and acting:**

- Esgar Acosta (via Phone)
- Chris Delsordo

**Absent and excused:**

**Also in attendance were:**

- Kendra Nicholson, Recording Secretary for the meeting
- Ken Marchetti, Marchetti & Weaver
- Craig Plizga, Community Operations Manager
- Nancy Andresen, Resident
- George Maddalone, Resident
- Tom Behrens, Resident

**Call to Order**      The meeting of the Executive Board of the Two Rivers Homeowners Association was called to order on March 9, 2023 at 6:10 p.m., noting a quorum was present.

**Addition  
To the Agenda**      Director Delsordo stated he would like to add an agenda item to discuss giving allowances during summer months for RV's and trailers to residents..

**Minutes**      The Board reviewed the June 29, 2022 minutes included in the packet, there were suggested edits to correct typing errors and, upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the June 29, 2022 Minutes of the Board of Directors with suggested edits.

**Operations  
Manager  
Report**      Craig Plizga, Operations Manager Report:

- He is in the process of trying to get reimbursement from Garfield County for the damages caused by the high-speed chase that ended in Two Rivers;

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# RECORD OF PROCEEDINGS

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Two Rivers Homeowners Association Board of Directors Meeting March 9, 2023

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- He reported the plowing contractor has been showing up earlier than the former company did;
- He reviewed the planned Community Center improvements;
- There was a discussion about the summer clean up, it was decided to do two days, one in July and another in September
- He is continuing to look for a contractor to help with the expansion of the mailboxes;
- Disabled vehicles removal was suggested as the next compliance issue to address.

## **Board Member Interest**

Residents that expressed interest in serving on the HOA Board and who are in attendance are Tom Behrens, George Maddalone & Nancy Andresen. As there are currently three vacancies, the current Board members agreed to add three Board members with the following term expirations:

Tom Behrens & Nancy Andresen Terms expiring 2024  
George Maddalone Term expiring 2025

And to reiterate the other Board members terms, Esgar Acosta's term expires in 2023 and Chris Delsordo's term is up in 2025

By motion duly made and seconded it was unanimously

**RESOLVED** to approve the addition of the new Board members with the term expirations listed above

## **Annual Meeting And Homeowner Interest**

There was a Board discussion about how to go about getting the word out for the annual member meetings. Tom suggested having block leaders that would reach out to designated areas within the HOA. The hope is to get more owners to the annual meetings and more resident involvement in the HOA. There was also a discussion about possibly having more community outreach events over the course of the year.

## **Recreational Vehicles Allowed in Resident Driveways**

Director Delsordo suggested the Board consider allowing recreational vehicles to be parked in driveways between Memorial Day and Labor Day with a clear understanding that on-street parking would be prohibited. Mr. Marchetti said the current covenants may not allow that and it likely will

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# RECORD OF PROCEEDINGS

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Two Rivers Homeowners Association Board of Directors Meeting March 9, 2023

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require an amendment to the covenants which is very difficult. Director Acosta suggested if there is an option available for the Board to make the changes without an approval of the full membership, this would be the preferred option. He also stated that it does become harder to get residents to remove the vehicles once it has been allowed. Director Acosta stated that assigning block leaders and getting proxy statements from residents are both good ideas for getting a quorum at the next annual member meeting. This subject will be tabled for a future meeting.

## **Financial Statements**

The December 2022 year-end financial numbers and the January 31, 2023 financial statements were both presented by Mr. Marchetti. He pointed out that the community has the option in 2024 to purchase the community park that is currently being leased. Director Acosta stated that the Metro District has discussed putting in playground and or workout equipment on the park at some point in the future. He also explained the history of the discussion about the park so far. After discussion and by motion duly made and seconded, it was unanimously

**RESOLVED** to accept the Association's December 2022 year end and January 31, 2023 financial statements as presented.

## **Metro District Board**

Mr. Marchetti mentioned there is a vacancy on the Metro District Board if any homeowners are interested in serving on that Board. Director Behrens stated he'd be interested.

## **Account Payable**

The payables were presented by Mr. Marchetti, including the February payables with the Metro District annual reimbursement.

The Board reviewed the October 2022 through February 2023 accounts payable lists and by motion duly made and seconded it was unanimously

**RESOLVED** to ratify the October 2022 through February 2023 accounts payable lists as presented, including the Metro District annual reimbursement

## **Adjournment**

There being no further matters for discussion, the meeting was adjourned by Director Acosta at 7:27 p.m..

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# RECORD OF PROCEEDINGS

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Two Rivers Homeowners Association Board of Directors Meeting March 9, 2023

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Respectfully submitted,

Kendra Nicholson  
Recording Secretary for the Meeting

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# RECORD OF PROCEEDINGS

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## MINUTES OF THE BOARD OF DIRECTORS MEETING TWO RIVERS HOMEOWNERS ASSOCIATION, INC. OCTOBER 26, 2023

A meeting of the Board of Directors of the Two Rivers Homeowners Association, Inc. was duly called and noticed at the Two Rivers Community Center, 80 Lake Shore Dr., Gypsum, CO 81637 and via an online Zoom meeting.

**ATTENDANCE**      **The following directors were present and acting:**

- Esgar Acosta
- Chris Delsordo
- Nancy Andresen

**Absent and excused:**

- Tom Behrens

**Also in attendance were:**

- Ken Marchetti, Marchetti & Weaver
- Magdalena Gembal, Recording Secretary for the meeting (Zoom)
- Craig Plizga, Community Operations Manager

**Call to Order**      The meeting of the Executive Board of the Two Rivers Homeowners Association was called to order on October 26, 2023 at 6:09 p.m., noting a quorum was present.

**Consideration of the Agenda**      There were no changes to the agenda.

**Minutes**      The Board reviewed the March 9, 2023 minutes included in the packet, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the March 9, 2023 Minutes of the Board of Directors.

**Operations Manager Report**

Craig Plizga presented his Operations Manager Report:

- Sprinkler blowout is in progress, marking completed houses with green tape.
- Fresh Mountain Lawns replaced mulch along Buffalo Blvd and the entrance.
- Double M Asphalt performed crack sealing in the neighborhood and seal coated Buffalo Blvd, Kokanee Lane, and the community center parking lot, planning to seal coat the loops next year.

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# RECORD OF PROCEEDINGS

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Two Rivers Homeowners Association Board of Directors Meeting October 26, 2023

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- Parking spots at the community center were repainted after seal coating.
- Rocky Mountain Custom Landscaping was selected for snow removal.
- The pool closed in the second week of September, with an overall decent season. It has been winterized, including the pumps, filters, and boilers.
- Summer activities, like the seed-to-feed class and church activities, went well.
- Mira's monthly art class continues with around 10 attendees each time. Mira's bus and art class continue, focusing on seasonal events. A ballet class and food bank continue to operate. Talks with the Gypsum library for a story time class are ongoing.
- Trash week faced challenges with roll-off availability.
- Covenant enforcement has been slower than expected. Around 20 violations were issued for the worst yards. Some yards lack grass but don't have parking violations. About half of those who received warnings made improvements, while two have done nothing but promised to. These will be a greater focus for next summer.

## Review of DRB Process

Ms. Gembal highlighted the ongoing challenges within the DRB, citing the absence of clear guidelines and communication delays, and suggested considering outsourcing. Director Acosta acknowledged the historical difficulties in this process and traced the DRB's evolution from handling fence and home paint requests to addressing parking and driveways. He also emphasized the parking limitations, allowing only three parking spots. Enforcement has become problematic, with many individuals making upgrades without board approval. To address these issues, new guidelines may be needed for the potential outsourcing of the DRB process.

## Consider Updating HOA Policies

Mr. Marchetti highlighted the necessity of implementing new HOA policies in accordance with the recent legislation, HB22-1137. To initiate this process, Marchetti and Weaver will contact Altitude Community Law to commence the proposal's drafting for subsequent review and approval. After discussion and by motion duly made and seconded, it was unanimously

**RESOLVED** to proceed with updating the HOA policies in accordance with the requirements of HB 22-1137 with a maximum cost of \$2,000 through a law firm recommended by Marchetti and Weaver.

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# RECORD OF PROCEEDINGS

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Two Rivers Homeowners Association Board of Directors Meeting October 26, 2023

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## Other

It was announced that on November 16<sup>th</sup>, a visit from Mira has been scheduled within the community to facilitate sign-ups for OmniSalud, providing affordable health insurance plans for undocumented Coloradans.

## Board Member Discussion

Conversations centered around resolving the issue with the lights, with the acknowledgment that this falls under the jurisdiction of the Metro District, and suitable fixtures are hard to find.

Director Andresen inquired about locating and potentially altering the drainage behind her residence, and Mr. Plizga will explore this matter.

Additionally, Director Andresen raised the possibility of installing Christmas lights, but the board opposed this idea due to associated costs.

There was mention of the repair of PO Boxes, but no one has been found to provide covers for them.

Director Andresen also inquired about the feasibility of installing bear-proof trash cans. Director Acosta pointed out that the HOA's declaration and bylaws prohibit the placement of trash cans outside enclosed areas.

## Account Payable

The Board reviewed the March 2023 through October 2023 accounts payable lists and by motion duly made and seconded it was unanimously

**RESOLVED** to ratify the March 2023 through October 2023 accounts payable lists as presented.

## Annual Member Meeting

The date for the annual member meeting has been established as Wednesday, December 6th, 2023, at 6 pm at the Community Center.

## Financial Statements

Mr. Marchetti presented the financial statements as of September 30, 2023, highlighting the consistency of income revenues and of larger expenditures.

## 2024 Budget Discussion

Mr. Marchetti introduced the initial 2024 budget, suggesting a \$5 increase in the monthly assessment to \$80. He also mentioned the reimbursement for the Two Rivers Metropolitan District for shared costs, which included Mr.



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# RECORD OF PROCEEDINGS

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Two Rivers Homeowners Association Board of Directors Meeting October 26, 2023

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Plizga's salary and benefits. Additionally, discussions revolved around the planned purchase of the community park by the Metro District.

Director Acosta expressed concerns about raising assessments, considering the recent increase in property taxes and its potential impact on owners. However, it was agreed that this issue should be revisited in the future, primarily due to inflation considerations. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the 2024 budget without raising the monthly assessments.

**Adjournment**

There being no further matters for discussion, the meeting was adjourned by Director Acosta at 7:36 p.m.

Respectfully submitted,

Magdalena Gembal  
Recording Secretary for the Meeting

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# RECORD OF PROCEEDINGS

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## ANNUAL MEMBER MEETING OF TWO RIVERS HOMEOWNERS ASSOCIATION, INC.

December 6, 2023

A meeting of the members of the Two Rivers Homeowners Association, Inc. was duly noticed and called at the Two Rivers Community Center, 80 Lake Shore Dr., Gypsum, CO 81637, in accordance with the applicable statutes of the State of Colorado.

### ATTENDANCE

#### The following property owners were present and acting:

- Esgar Acosta (President)
- Thomas Behrens (Director)
- Chris Delsordo (Director)
- Nancy Andresen (Director)
- Cindy Rascon
- Drew Stone
- Sayra Gonzalez
- Sergio Juarez
- Keith Wilson
- April Buskirk
- Chris Blackstock
- Duncan Hamilton
- Judith Medina
- Adriana and Jose Duron
- Adelaida Gonzalez
- Elvia Martinez

#### Also in attendance were:

- Ken Marchetti, C.P.A.
- Magdalena Gembal, Recording Secretary for the meeting
- Craig Plizga, Community Operations Manager

### Call to Order

The member meeting of the Two Rivers Homeowners Association was called to order on December 6, 2023 at 6:07 p.m., noting a quorum was not present. It was reported for the record by Director Acosta that proper notice as required by the Associations bylaws had been duly sent on 11/04/23, to all members of the Association. In the absence of a quorum, no official action can be taken at the meeting, but the meeting was conducted, and this record of items discussed was maintained for documentation purposes.

### Declaration of Quorum

Director Acosta reported that according to the Bylaws of the Association, the presence in person or by proxy of 20% of the votes entitled to be cast at such meeting shall constitute a quorum so a quorum was not represented at

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the meeting. Those in attendance agreed to hold an informal meeting recognizing that no formal action can be taken.

### **Changes to Agenda**

None.

### **Minutes**

The Board reviewed the December 7, 2022 Annual Member Meeting Minutes. Those present agreed the minutes accurately reflected the results of the meetings.

### **2023 Financials/ 2024 Budget**

Mr. Marchetti examined the financial statements covering the interim period up to September 30, 2023, along with the 2024 budget. He observed that assessments would remain at \$75 per month, aimed at alleviating some financial strain resulting from the increased assessed value and the subsequent rise in property taxes. Key operational costs, subject to annual inflation, were scrutinized, encompassing accounting, administration by Marchetti and Weaver, and assessment billing for the third-party company. Notably, landscaping and irrigation emerged as the most significant expenses.

During the review, Mr. Marchetti also addressed the reimbursement process from the Homeowners Association (HOA) to the Metropolitan District for shared expenses, including Mr. Plizga's payroll. Additionally, he highlighted the ongoing lease of the open area and mentioned that there are plans to purchase it next year. The cost of this purchase will be shared between the HOA and the Metropolitan District

No questions were asked at this time.

### **Metro District 2023 Financials**

Mr. Marchetti provided insights into the financial status of Two Rivers Metropolitan District for the interim period concluding on September 30, 2023. He explored into the intricacies of the mill levy and its role in property tax calculations. Furthermore, he discussed the repayment to the original developer for \$5 million, indicating there is a willingness from the developer to accept a reduced payment of \$0.25 on the dollar.

A significant portion of the expenditure pertains to water and sewer treatment plants, with expectations of rate increases in line with inflation. The primary focus of capital projects is the sewer plant upgrade,

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necessitated by current needs, albeit a prolonged process due to compliance requirements with CDPHE.

Mr. Marchetti also touched upon the Infrastructure and Recreation Fund, noting a reduction in the infrastructure monthly fee from \$39 to \$28. This adjustment again aims to alleviate some financial burden on residents. Lastly, he commented on the utilization of the sales tax fund for road maintenance, highlighting recent improvements on Buffalo Boulevard.

Director Acosta conveyed information to residents regarding the rise in property taxes and its subsequent impact on mortgage payments and escrow accounts, which serve to collect and manage property taxes and insurance payments for homes. He cautioned them that they can anticipate an uptick in their monthly statements starting in 2024.

## **Election of Board Members**

Since a quorum was not represented, a formal election of a board member could not be conducted and the procedure for Board vacancies under the bylaws is for the remaining Board members to fill the vacancy by appointment. The board members requested feedback from the members in attendance on anyone interested in serving on the Board.

No community members expressed an interest in serving on the Board. The Board will consider these vacancies at the next Board meeting. For recording purposes, the current term limits of the Board are as follows:

Chris Delsordo	Term Expiring 2025
Thomas Behrens	Term Expiring 2024
Nancy Andresen	Term Expiring 2024
Vacant	Term Expiring 2026
Vacant	Term Expiring 2025

## **Community Update**

Craig Plizga, operations manager of the community, informed on facility updates and maintenance activities in Two Rivers Village, which included Good Shepherd Flooring replacing locker room floors, Prima Paint painting the first floor of the community center, and Rocky Mountain Custom Landscape being selected for snow plowing with added benefits. Montes Electric continues to maintain streetlights, and Double M Asphalt performed crack sealing and seal coating in various areas.

Detour strategies were successful last winter, diverting traffic away from Dotsero. However, summer cleanup did not go as planned, with roll-off

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deliveries causing chaos. Pool chlorinators were replaced, completing the five-year refurbishment plan. Covenant enforcement focused on addressing yard parking issues, with plans to continue emphasizing yard aesthetics in 2024.

The community center hosted 42 residential events and various programs, including a seed-to-feed program, EVOM events, arts and activities by Vail Church, toddler outdoor education classes by Walking Mountain, Mira bus visits, art classes by Mira, ballet sessions, Eagle Market, and approved food trucks on Friday evenings.

## Public Input

Residents expressed concerns on various issues during public input. These included the suggestion for QR codes for guest parking registrations instead of physical registrations, dealing with loose dogs in neighbors' yards, and addressing the challenge of achieving quorum. The Board recommended gathering evidence for loose dogs and spreading the word through street leaders to address quorum issues.

Additional topics raised were turf maintenance and the lack of weed spraying in rock gardens, with the Board clarifying that owners are responsible for rock garden maintenance. A resident inquired about planting trees on their property without permission, and the Board stated it is acceptable as long as it doesn't affect road visibility.

Concerns about mail issues, such as open or missing mail, were raised, and the Board advised residents to notify the Postmaster. Safety concerns regarding disrespectful behavior towards the school bus were discussed, with the Board recommending complaints be directed to the school for potential changes in drop-off locations.

Other discussions included upgrading basketball amenities and a community cleaning day, which was initiated by a resident but discontinued due to insufficient participation.

## Adjournment

There being no further matters for discussion, the meeting was adjourned at 7:30 p.m.

Respectfully submitted,

Magdalena Gembal  
Recording Secretary for the Meeting