

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

Two Rivers Homeowners Association
28 2nd St., Unit 213
Edwards, CO 81632

Designated Agent:

Marchetti & Weaver, LLC
28 Second St, Suite 213, Edwards CO 81632
970-926-6060
Magdalena Gembal; 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. Enforcement of covenants and rules
 - ii. Parking Policy
 - iii. Collections of unpaid assessments
 - iv. Landscaping Policy
 - v. Handling of conflicts of interest involving board members
 - vi. Inspection and copying of records by unit owners
 - vii. Investment of reserve funds
 - viii. Reserve study requirements
 - ix. Procedures for addressing disputes between Association and unit owners
 - x. Procedures for adoption of policies, procedures and rules
 - xi. Conduct of meeting
 - xii. Policy Regarding Registration of Phone Number and Email Address
- 9) Prior Year Minutes of Executive Board and Member meetings: Attached

	C	I	J	K	L	M
66	TWO RIVERS HOMEOWNERS ASSOCIATION					
67	Balance Sheet					
68						
69	ASSETS	12/31/23			12/31/24	
70	Current Assets:					
71	Bank Account- Operating	155,540			126,728	
72	Bank Account- Reserve	147,815			148,166	
74	Total Cash in Bank	303,355			274,894	
75						
76	Accounts Receivable	35,130			14,077	
77	Other Receivables	0			0	
78	Allowance for Doubtful Accounts	(9,206)			(9,206)	
80	TOTAL ASSETS	329,279			279,765	
81						
82	LIABILITIES & NET ASSETS					
83	Liabilities:					
84	Accounts Payable	123,852			132,550	
86	Total Liabilities	123,852			132,550	
87						
88	Net Assets					
89	Working Capital Reserve	33,570			33,570	
90	Fund Balance	171,857			113,645	
92	Total Net Assets	205,427			147,215	
93						
94	Total Liabilities & Net Assets	329,279			279,765	
95	No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.	=			=	

	C	I	J	K	L	M	N	O	P
2	TWO RIVERS HOMEOWNERS ASSOCIATION								
3	STATEMENT OF REVENUES, EXPENDITURES AND CHANGED IN FUND BALANCE								
4	BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED								
5									
6									
7		Cal Yr	Cal Yr	Variance	Cal Yr	12 Mo	12 Mo	Variance	Cal Yr
8		12/31/2023	2024	Favorable	2024	Ended	Ended	Favorable	2025
9		Actual	Adopted	(Unfavor)	Forecast	12/31/24	12/31/24	(Unfavor)	Prelim
10			Budget			Actual	Budget		Budget
11	Properties	261	261	-	261				261
13	Assessments per Property Per Month	\$ 75.00	\$ 75.00		\$ 75.00				72.00
14									-4%
15	Revenues								
16	Total Assessments	234,825	234,900	-	234,900	234,900	234,900	0	225,504
20	Compliance Fines	0	1,000	-	1,000	0	1,000	(1,000)	1,000
21	Late Fees and Other Income	17,647	12,000	-	12,000	8,870	12,000	(3,130)	12,000
24	Interest Income	560	400	140	540	519	400	119	400
25	Title Prep Fees	1,500	3,000	(2,000)	1,000	900	3,000	(2,100)	1,500
26	DRB Reimbursable		0	-	0		0	0	0
27	Total Revenues	254,532	251,300	(1,860)	249,440	245,189	251,300	(6,111)	240,404
28									
29	General and Admin Expenditures								
30	Community Assn Mgmt/Accounting/Admin	23,276	27,371	(8,629)	36,000	37,655	27,371	(10,284)	37,800
32	Legal	495	1,000	-	1,000	599	1,000	401	1,050
33	Monthly Assessment Billings	13,300	14,465	-	14,465	15,022	14,465	(556)	15,188
34	Insurance	2,259	2,327	63	2,264	2,264	2,327	63	2,377
36	Bank Fees	0	0	-	0	0	0	0	0
37	Website Maintenance	980	500	-	500	22	500	478	1,000
38	Office Expenses and Misc.	1,221	1,000	-	1,000	1,684	1,000	(684)	1,000
40	Metro District Cost Reimbursement	92,416	81,655	(967)	82,622	77,851	81,655	3,804	24,699
41	Contingency		5,000	5,000	0		5,000	5,000	5,000
43	Total General & Admin Expenditures	133,946	133,318	(4,533)	137,851	135,097	133,319	(1,779)	88,115
44									
45	Operating Expenditures								
46	Landscaping & Irrigation	100,380	121,506	18,632	102,874	102,874	121,506	18,632	117,120
47	Weeding & Fertilization Program	11,813	12,247	(3,465)	15,711	15,711	12,247	(3,465)	16,497
48	Repairs and Maintenance	0	5,000	5,000	0	0	5,000	5,000	5,000
49	Community Picnic/Events	0	2,000	2,000	0	0	2,000	2,000	2,000
50	Other Projects (Park '24)	6,547	50,000	282	49,718	49,718	50,000	282	10,000
52	Total Operating Expenses	118,739	190,753	22,449	168,304	168,304	190,753	22,449	150,617
53									
54	Total Expenditures	252,686	324,071	17,916	306,155	303,401	324,071	20,670	238,731
55									
56	Revenue Over (Under) Expenditures	1,847	(72,771)	16,056	(56,715)	(58,212)	(72,771)	14,559	1,673
57									
58	Beginning Fund Balance	170,011	139,494	32,364	171,857	171,857	139,494	32,364	115,143
62									
63	Ending Fund Balance	171,857	66,723	48,420	115,143	113,645	66,722	46,923	116,816
64	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
28 2nd St, unit 213, 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	\$72	261	\$225,504
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

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

00002257



Agency phone: 303-420-4774

Auto-Owners **INSURANCE**

LIFE • HOME • CAR • BUSINESS

PO BOX 30660 • LANSING, MI 48909-8160

05-14-2024

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.

ADDITIONAL WAYS TO PAY YOUR BILL

Pay Online
www.auto-owners.com
Pay My Bill

Pay by Phone
1-800-288-8740

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

RE: Policy 152332-74423853-24

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, 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.

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. 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.



59526 (8-13)

Policy Number: 152332-74423853-24
Insurance Company: OWNERS INSURANCE COMPANY
Renewal Effective Date: 06-21-2024

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: \$2,123.00 or \$1,912.00 if Paid in Full discount applies.
(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

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

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

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

TAILORED PROTECTION POLICY DECLARATIONS

Renewal Effective 06-21-2024

POLICY NUMBER 152332-74423853-24

Company Use 74-23-CO-1506

Company
Bill

Policy Term	
12:01 a.m.	12:01 a.m.
06-21-2024	to 06-21-2025

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	\$2,123.00
TOTAL	\$2,123.00
PAID IN FULL DISCOUNT	\$211.00
TOTAL POLICY PREMIUM IF PAID IN FULL	\$1,912.00

THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

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 05-14-2024

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

Company POLICY NUMBER 152332-74423853-24
Bill 74-23-CO-1506

INSURED TWO RIVERS VILLAGE HOA

Term 06-21-2024 to 06-21-2025

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		\$850.00
Homeowners &/Or Mobile Homeowners Association - No Buildings Or Premises Owned Or Leased Except For Office Purposes. (For-Profit)	41669	Prem/Op Prod/Comp Op	Members 261 261	Each 1 2.166 .255	\$565.00 \$67.00
Swimming Pools Noc	48925	Prem/Op Prod/Comp Op	Pools 1 1	556.472 64.446	\$556.00 \$64.00

COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0001 SUMMARY

	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$21.00
LOCATION 0001	\$2,123.00



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



**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.



**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

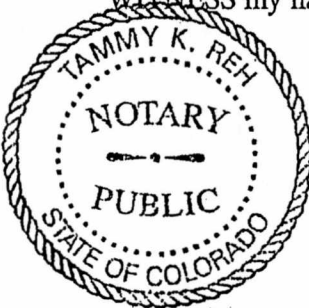
Executed this 29 day of November, 2000.

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: My Commission Expires 01/05/2004



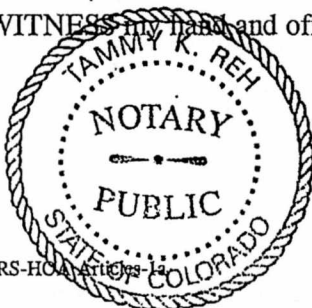
Tammy K Reh
Notary Public

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: My Commission 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 funds 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~~¹⁵.

By 

Michael Pearson, President of the
(Name) (Title)
Executive Board of Two Rivers Homeowners Association



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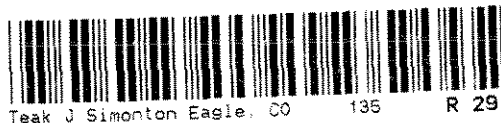
AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

TWO RIVERS VILLAGE

Return to Barry Green
Baltimore + Green
PO Drawer 790
Manassas Springs, GA 31602



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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,

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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.

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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)

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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.

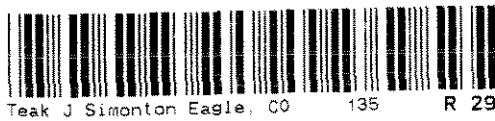
2.38 **Unit.** "Unit" or "Condominium Unit" means an air space or other defined physical portion of a Building, either residential or commercial, which is designated for separate ownership or occupancy and the boundaries of which are described in or determined from the Building Declaration.

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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 (33⅓%) 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

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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

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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.

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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

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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.

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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.

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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.

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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

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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

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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

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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

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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



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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.

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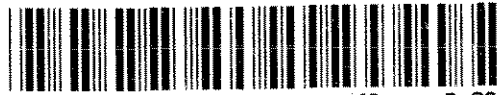
7.2 Architectural Review. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications for construction and modifications under this Article shall be handled by the Architectural Review Committee. The members of the Architectural Review Committee need not 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

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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.

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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.

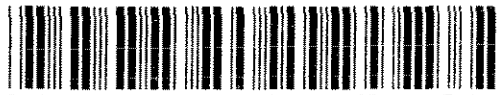
The reserved rights hereinafter set forth may not be amended, modified, terminated or otherwise altered in any way without the express prior written consent of Declarant. All conveyances of Lots hereafter made, whether by Declarant or otherwise, shall be deemed and construed to reserve to Declarant and/or 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

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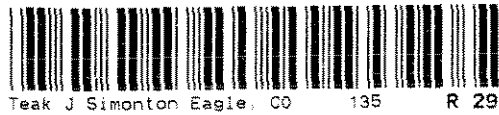
to the Plat or any Supplemental Plat affected by the withdrawal. Upon the recording of such amendments, the withdrawn Lots, or Master Common Areas shall no longer be part of the Common Interest Community or subject to this Declaration or any applicable Supplemental Declaration in any way.

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:

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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.

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ARTICLE 10. MASTER ASSOCIATION AS ATTORNEY-IN-FACT

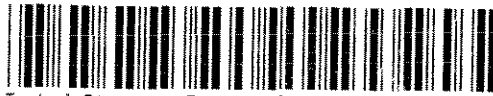
Each and every Owner and Building Association hereby irrevocably constitutes and appoints the Master Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Master Common Area upon damage or destruction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

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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.



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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

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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.

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

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

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

ARTICLE 14.

MISCELLANEOUS AND GENERAL PROVISIONS

14.1 Enforcement of Covenants.

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

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

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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.

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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 Master Articles shall control.



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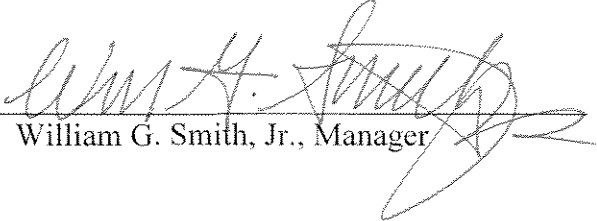
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IN WITNESS WHEREOF, Declarant and Master Association have executed this Amended and Restated Master Declaration as of the day and year first above written.

DECLARANT:

DOTSERO REALTY PARTNERS, LLLP,
a Colorado limited liability limited partnership

By: Dotsero Partners-GP, LLC,
a Colorado limited liability company,
its General Partner

By: 
William G. Smith, Jr., Manager

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

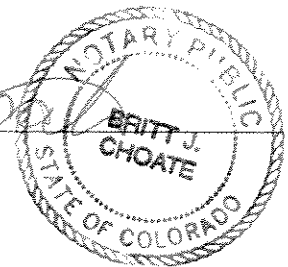
The foregoing instrument was acknowledged before me this 12th day of September, 2003, by William G. Smith, Jr., as Manager for DOTSERO PARTNERS-GP, LLC, a Colorado limited liability company, General Partner of DOTSERO REALTY PARTNERS, LLLP, a Colorado limited liability limited partnership.

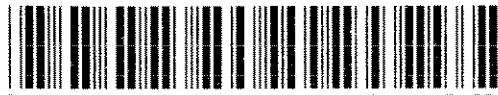
Witness my hand and official seal.


Notary Public

My commission expires:

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





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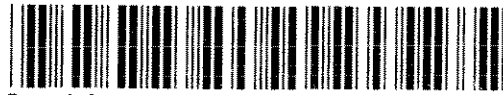
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EXHIBIT A

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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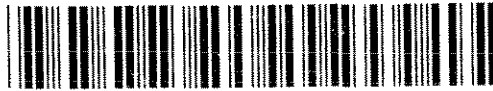
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EXHIBIT B

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
TWO RIVERS VILLAGE, PHASE I		
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
Total Lots: 112	Total Common Expense Liabilities = 112/112	Total Votes: 112

Total Lots: 112**Total Common Expense
Liabilities = 112/112****Total Votes: 112**

**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 funds 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~~¹⁵.

By 

Michael Pearson, President of the
(Name) (Title)
Executive Board of Two Rivers Homeowners Association

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 4th, 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

- 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
- 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 4th day of March 2020.

Two Rivers Village Homeowners Association

A Colorado non-profit corporation

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 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)

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

DocuSigned by:
Esgar Acosta
29FFBDDDB0D1407...

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

- 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

**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:** November 6th, 2024

RESOLUTION: 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 1st day of each month. 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 monthly installment of 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, 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. However, the cost charged to the Owner for any notice or other documentation sent to an Owner via certified mail is limited to the actual cost of the certified mail.

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, within any limitations pursuant to

Colorado law. 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 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 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 or the Owner's designated contact in the following manners:
- (i) Certified mail, return receipt requested; and
 - (ii) By two of the following manners:

- i. Telephone call to a telephone number that the Association has on file because the Owner or the Owner's designated contact has provided the number to the Association. If the Association attempts to contact the Owner or designated contact by telephone but is unable to contact the Owner or the Owner's designated contact, the Association shall, if possible, leave a voice message for the Owner or the Owner's designated contact; or
 - ii. Text message to a cellular number that the Association has on file because the Owner or the Owner's designated contact has provided the cellular number to the Association; or
 - iii. Email to an email address that the Association has on file because the Owner or the Owner's designated contact 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 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)	1st day of the month due
Past Due Date (date payment is late if not received on or before that date)	One day after due date

First Notice (notice that late charges and interest have accrued)	Any time after 20 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 Association's attorney; Lien filed; Demand letter sent to Owner.	Any time after 90 days after due date

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 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, 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 addition to attempting to sue an Owner for a money judgment, subject to the provisions of Colorado law. 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 any of the following categories of persons or companies, who are currently or have been at any time during the 5 years prior to the foreclosure sale:

- (i) a member of the Board of Directors;
- (ii) an employee of the Association's management company representing the Association;
- (iii) an employee of the law firm representing the Association;
- (iv) an immediate family member of any of the foregoing individuals; or
- (v) the Association's management company.

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 of 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 a 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 November 6th, 2024 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

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

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 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.

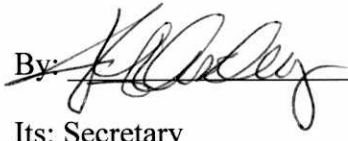
This policy was adopted on by resolution of the Board of Two Rivers Homeowners Association on April 23, 2015, is effective of even date therewith, and complies with the Colorado Common Interest Ownership Act as of that date. If the policy contained herein becomes in conflict with the laws of the State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

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 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

**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.

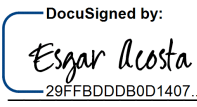
3. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

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

**POLICY OF TWO RIVERS HOMEOWNERS ASSOCIATION
REGARDING REGISTRATION OF
PHONE NUMBER AND EMAIL ADDRESS**

SUBJECT: Registration of phone number and email address pursuant to Colorado law.

PURPOSE: To provide a policy and procedure by which owners and their designated contacts, if applicable, are requested to register their phone number and email addresses for notification purposes pursuant to C.R.S. §38-33.3-209.5 of the Colorado Common Interest Ownership Act (the "Act").

AUTHORITY: The Declaration, Bylaws, Articles, and the Act.

**EFFECTIVE
DATE:** November 6th, 2024

RESOLUTION: The Association gives notice of its adoption of the following Policy and Procedure ("Policy") pursuant to which Owners and their designated contacts, if applicable, are requested to register their phone number and email address with the Association for notification purposes pursuant to the Act. The Policy is as follows:

1. Definitions. Unless otherwise defined below, capitalized terms shall have the meanings set forth in the Act and/or Declaration as applicable.
 - (a) "Owner" shall have the same meaning as in the Declaration.
 - (b) "Designated Contact" means a person that an Owner identifies to the Association to serve as a designated contact for the Owner to be contacted on the Owner's behalf for purposes of compliance with C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act.
 - (c) "E-Mail Address" means an electronic mail address.
 - (d) "Cellular Number" means a mobile number or cell phone number assigned to a mobile device that enables communication through cellular networks, including the ability to send and receive Text Messages.

- (e) “Text Message” means a written message sent from one cellular phone to another.
2. Compliance with the Act. As part of its procedures for collecting unpaid assessments, the Act requires the Association to contact the delinquent Owner or their Designated Contact, by two of the following means:
- (a) Telephone call to a telephone number that the Association has on file because the Owner or Designated Contact provided that number to the Association;
 - (b) Text Message to a Cellular Number that the Association has on file because the Owner or Designated Contact has provided the cellular number to the Association;
 - (c) E-Mail to an E-Mail Address that the Association has on file because the Owner or Designated Contact has provided the e-mail address to the Association.

In order for the Association to comply with the Act, the Association will need the Cellular Number, telephone number (if different from Cellular Number), and E-Mail Address of each Owner and their Designated Contact, if applicable.

3. Registration of Phone and Email Address. Each Owner and their Designated Contact, if applicable, are requested to register their Cellular Number, telephone number (if different from Cellular Number), and E-Mail Address with the Association using any reasonable registration method adopted by the Association.

All contacts intended to be made by the Association to comply with C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act, will be made using the registered Cellular Number, telephone number, and E-Mail Address provided by the Owner or their Designated Contact.

If the Association attempts to contact the Owner or their Designated Contact by telephone but is unable to do so, the Association shall, if possible, leave a voice message for the Owner or Designated Contact.

4. Update of Contact Information. It is the responsibility of the Owner and their Designated Contact, if applicable, to keep their Cellular Number, telephone number, and E-Mail Address current with the Association using the registration method adopted by the Association.

Further, should the Association receive a response indicating an invalid number, blocked recipient, disconnected phone, etc., the Association shall not be required to seek any new valid information from the Owner or their Designated Contact. In such case, the Owner acknowledges that the Association is unable to provide the notice required pursuant to C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act.

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 November 6th 2021 and in witness thereof, the undersigned has subscribed their name.

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

By:



Its:

President

RECORD OF PROCEEDINGS

Two Rivers Homeowners Association Board of Directors Meeting March 6, 2024

MINUTES OF THE BOARD OF DIRECTORS MEETING TWO RIVERS HOMEOWNERS ASSOCIATION, INC. MARCH 6, 2024

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:**

- Tom Behrens
- Nancy Andresen

Absent and excused:

- Chris Delsordo

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver
- Magdalena Gembal, Recording Secretary for the Meeting
- Craig Plizga, Community Operations Manager
- Sarah Staton, Resident
- Chris and Teri Blackstock, Residents
- Nick and Dayana Herr, Residents
- Karen and Glen Tripp, Residents
- Carolyn Deramo, Resident
- Israel Hernandez, Resident
- Zyanya Rodriguez, Resident

Call to Order The meeting of the Executive Board of the Two Rivers Homeowners Association was called to order on March 6, 2024 at 6:04 p.m., noting a quorum was present.

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

Election of Officers The floor was opened to nominations, during which Director Behrens nominated Director Andresen for the role of President, Director Delsordo for Vice President, and himself for Treasurer and Secretary. Upon motion duly made and seconded, it was unanimously

RECORD OF PROCEEDINGS

Two Rivers Homeowners Association Board of Directors Meeting March 6, 2024

RESOLVED to elect Director Andresen as the President, Director Delsordo as Vice President and Director Berens as Treasurer and Secretary.

Board Vacancies

Glen Tripp, a resident of 46 Cut Throat Loop, was put forth as a nominee to join the Board. He shared his background serving on previous HOA boards. Additionally, Chris Blackstock, residing at 420 Buffalo Boulevard, was nominated for the Board and also highlighted his experience on previous HOA boards. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Mr. Tripp as a Board member with a board seat term expiring at the end of 2026, and Mr. Blackstock as a Board member with a Board seat term expiring at the end of 2025.

Minutes

The Board reviewed the October 26, 2023 minutes included in the packet, and upon motion duly made and seconded, with Director Tripp and Director Blackstock abstaining and all other directors voting aye, it was

RESOLVED to approve the October 26, 2023 Minutes of the Board of Directors as presented.

Operations Manager Report

Craig Plizga presented his Operations Manager Report:

- Prima Painting completed painting the locker room and gym walls.
- Parking violations for yard parking are being issued, with a focus on improving yard aesthetics once parking issues are resolved.
- Gym memberships have surged, resulting in heavy foot traffic, and all room rentals are fully booked until June.
- Rocky Mountain Custom Landscapes will re-establish the irrigation line along Buffalo Blvd, allowing for new trees and irrigation. There are plans to connect Kokanee Lake to the irrigation system, potentially replacing well water with lake water for irrigation, and streetlights might be replaced for better safety.
- Regular community events such as Mira Bus and Eagle Market continue, and additional tables and chairs are being acquired.

RECORD OF PROCEEDINGS

Two Rivers Homeowners Association Board of Directors Meeting March 6, 2024

- Plans for Buffalo Park include hedge installations around the lift station and the parking spots.
- Non-resident fishing during winter was unsatisfactory.
- Pool start-up may be delayed due to conflicting events in May.

The Board, Mr. Plizga, and residents discussed strategies to regulate non-resident fishing, such as implementing fees, increasing signage, or introducing lottery passes. However, no definitive conclusions were reached at this stage. Additionally, resident Karen Tripp requested that the pool temperature be raised for 2024. The Board discussed the pros and cons of higher versus lower pool temperature noting that different users have different preferences for pool temperature.

Accounts Payable

The Board reviewed the November 2023 through February 2024 accounts payable lists and by motion duly made and seconded it was unanimously

RESOLVED to ratify the November 2023 through December 2023 accounts payable lists and approve the January 2024 to February 2024 accounts payable lists as presented.

2024 Fresh Lawns Landscaping Bid

The Board reviewed the proposal for 2024 landscape maintenance submitted by Fresh Lawns Landscaping, noting an increase in the hourly rate. After a brief discussion with the residents presented regarding irrigation and aeration, by motion duly made and seconded, it was unanimously

RESOLVED to approve the 2024 Fresh Lawns Landscaping bid as presented.

Federal Corporate Transparency Act – Beneficial Ownership Interest

Mr. Marchetti briefed the Board on the Federal Corporate Transparency Act, a new federal law, which mandates reporting of beneficial ownership interests and noting that Board members of HOAs are considered by this law to be the “beneficial owners” of the HOA which will require Board members to provide identification information such as driver’s license numbers and copies. There have been legal challenges to this new

RECORD OF PROCEEDINGS

Two Rivers Homeowners Association Board of Directors Meeting March 6, 2024

legislation which have not been resolved at this time and the national HOA organization is seeking exclusion for HOAs from the Act. Beneficial ownership reports are not due until the end of 2024 so no immediate action is required. Further details will be provided as the reporting deadline approaches.

Other

Director Behrens proposed the creation of a street representation system, where a designated representative from each street would disseminate community updates and information to their neighbors, aiming to enhance community cohesion. He requested residents' email addresses to organize meetings in the coming weeks for planning purposes. Additionally, this initiative aims to increase participation in annual member meetings to ensure a quorum.

Board Member Discussion

The primary focus of Board member discussion revolved around short-term rentals. Following an email sent by the Community Manager to residents utilizing their homes for short term rentals, a response email was received seeking clarification as the Association's governing documents were somewhat vague on this issue. After hearing both support and opposition from residents and Board members, it was agreed to seek legal advice to obtain clarity on the Declaration and HOA rules and regulations. Mr. Marchetti recommended Altitude Law, a firm based in Denver that specializes in HOA law, and an engagement letter will be requested to proceed with this matter.

Financial Statements

Mr. Marchetti presented the financial statements as of December 31, 2023, highlighting an ending fund balance of \$171,857.

Regarding the financial statements as of February 29, 2024, it was noted that there hasn't been much activity in 2024 yet. However, preliminary work on the 2025 budget has begun, indicating a need for monthly assessments to be raised to prevent a larger deficit for the current and upcoming year.

Residents engaged in discussions regarding the construction of new townhomes adjacent to Two Rivers Village and the establishment of a sub-HOA for the new development.

RECORD OF PROCEEDINGS

Two Rivers Homeowners Association Board of Directors Meeting March 6, 2024

Accounts

Receivables

Mrs. Gembal mentioned ongoing efforts to address delinquent accounts, as the Association has implemented a new collection policy in accordance with HB22-1137. Additionally, she sought approval for proposed payment plans from owners, along with requesting forgiveness of late fees, both of which the Board approved. Furthermore, she inquired about the possibility of sending delinquent accounts, which had received demand letters in January, to collections, a request to which Director Behrens agreed.

Adjournment

There being no further matters for discussion, the meeting was adjourned by Director Behrens at 7:55 p.m.

Respectfully submitted,

Magdalena Gembal
Recording Secretary for the Meeting

RECORD OF PROCEEDINGS

Two Rivers Homeowners Association Board of Directors Meeting June 5, 2024

MINUTES OF THE BOARD OF DIRECTORS MEETING TWO RIVERS HOMEOWNERS ASSOCIATION, INC. JUNE 5, 2024

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:

- Nancy Andresen
- Chris Delsordo
- Chris Blackstock
- Glen Tripp

Absent and excused:

- Tom Behrens

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver
- Magdalena Gembal, Recording Secretary for the Meeting
- Craig Plizga, Community Operations Manager
- Tammy Behrens, Resident
- George Maddalone, Resident
- Kelli Adrian, Resident
- Adelaida Gonzalex, Resident
- Yazmin Almanza, Resident
- Zyanya Rodriguez, Resident
- Ms. Harrison, Resident

Call to Order

The meeting of the Executive Board of the Two Rivers Homeowners Association was called to order on June 5, 2024 at 6:04 p.m., noting a quorum was present.

Consideration of the Agenda

Director Tripp expressed interest in adding an agenda item for “Relationship with Developer regarding the New Development” under business items.

RECORD OF PROCEEDINGS

Two Rivers Homeowners Association Board of Directors Meeting June 5, 2024

Resident George Maddalone requested to add an agenda item to discuss sinkholes that have appeared between his house and the neighboring one, also under business items.

Resident Yazmin Hernandez proposed adding agenda items for covenant enforcement regarding parking and landscaping issues. Mr. Plizga noted that these topics will be covered in his report.

Minutes

The Board reviewed the March 6, 2024 minutes included in the packet, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the March 6, 2024 Minutes of the Board of Directors as presented.

Operations Manager Report

Craig Plizga presented his Operations Manager Report:

- The irrigation line along Buffalo has been patched and replaced by Rocky Mountain Custom Landscapes, ensuring water from the entrance to and around the cul-de-sac.
- This year's irrigation start-up process has been inconsistent. Unlike previous years, water has been turned on by request or when noticed, leading to confusion. Residents are to be informed to email if they want their water turned on. A fixed start-up date will be reinstated next year.
- Three trees were added behind the pool for shade, and the remaining dead trees along the entrance were replaced.
- Plans to plant hedges around key areas at Bass Park are underway. Dead trees have been removed, and irrigation will be set up to support the new hedges.
- The Eagle County Sheriff hosted the Chats and Churros event on April 18th.
- Community clean-up will be managed by Trinity from July 8th to the 12th, with five roll-offs over five days.
- A new authorized entrance to the eastern lake has been introduced, and residents have started fishing with drift boats, creating a put-in on the north shore. Improving the current put-in is being considered to prevent the new one from becoming permanent.
- The Division of Parks and Wildlife conducted a Smallmouth Bass/Pike kill on the westernmost lake (Kokanee) last month to reduce predatory fish entering the river. Next spring, a survey

RECORD OF PROCEEDINGS

Two Rivers Homeowners Association Board of Directors Meeting June 5, 2024

will be conducted to see the results. It was also recommended by the agency to remove the tires located at the bottom of the lakes.

- The neighborhood 4-H group's use of the community center will conclude this month. Mira visits on the third Thursday, and the food market is held every Thursday from 4 to 6 pm.
- Room rentals are busy, with most Saturdays booked through July.
- The parking policy was previously unenforced by past boards. Under HB22-1137, violations must now be resolved within 60 days, with a maximum fine of \$500. The association limits driveways to no more than three vehicles. The Board and residents discussed solutions such as introducing a parking permit system and increasing visits from the booting company. By motion duly made and seconded it was unanimously

RESOLVED to approve increasing visits from the booting company and initiating earlier enforcement of the current parking policy at night.

- Landscaping fees may now include charges to the association for sprinkler heads and minor fixes (start-up), and to homeowners for dog feces cleanup (\$45 after the first warning notice).
- An inquiry from a homeowner regarding a design review application for house modifications or additions prompted research and inquiry, as it was not explicitly addressed in the association's governing documents. Both Director Blackstock and Tripp expressed skepticism about approving such requests based on the project details.

Other Business

Director Tripp inquired about the future relationship between the new development adjacent to Two Rivers Village and within the Two Rivers Metropolitan District (TRMD), known as Confluence at Two Rivers. It was mentioned that construction is pending permits and the lots will be leased. Mr. Marchetti suggested that this matter could be addressed at the upcoming TRMD Board meeting on June 11th and encouraged Board members to attend.

Resident George Maddalone asked about the next steps to repair a sinkhole that has appeared on his lot. Mr. Plizga noted that the warranty with the

RECORD OF PROCEEDINGS

Two Rivers Homeowners Association Board of Directors Meeting June 5, 2024

developer has expired and suggested looking into his insurance for further assistance.

Accounts Payable

The Board reviewed the March 2024 through May 2024 accounts payable lists and by motion duly made and seconded it was unanimously

RESOLVED to ratify the March 2024 through May 2024 accounts payable lists as presented.

Board Member Discussion

The Board members primarily discussed the consultation with legal counsel regarding the restriction of short-term rentals, which would necessitate amending the declaration. Mr. Marchetti reported that amending the declaration to implement such restrictions would be challenging, requiring approval from 50% of the units.

Financial Statements

Mr. Marchetti commented on the preliminary financial statements as of April 30th. He highlighted significant expenses, particularly in landscaping. He mentioned that the preliminary budget for 2025 has been drafted, recommending an increase in monthly dues from \$75 to \$80. This proposal was also suggested last year but was opposed by the Board due to rising property taxes. However, if approved, it is anticipated that 2025 would still end with an annual operating deficit due to increased costs driven by inflation. It is expected that 2024 will also close with deficit figures, but reserves are available to cover deficits.

Accounts Receivable

Mrs. Gembal reported on the accounts receivable, noting that all payment plans are active and current. She also mentioned that one of the two largest outstanding accounts has been settled. Another is being considered for turn-over to legal counsel for collection as discussed following.

Resolution to Collection Turnover

Mrs. Gembal commented that the other largest outstanding account for 90 Brook Trout Loop as it has not attempted to settle the account despite receiving a demand letter in accordance with the collection policy. She requested the Board to proceed with turning the account over to legal

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counsel for collection. By motion duly made and seconded it was unanimously

RESOLVED to turn the 90 Brook Trout Loop account over to legal counsel for collection.

A final courtesy notice should be issued before referring the account to legal counsel.

Adjournment

There being no further matters for discussion, the meeting was adjourned by Director Blackstock at 7:22 p.m.

Respectfully submitted,

Magdalena Gembal
Recording Secretary for the Meeting

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Two Rivers Homeowners Association Board of Directors Meeting November 6, 2024

MINUTES OF THE BOARD OF DIRECTORS MEETING TWO RIVERS HOMEOWNERS ASSOCIATION, INC. NOVEMBER 6, 2024

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:

- Nancy Andresen
- Chris Blackstock
- Glen Tripp

Absent and excused:

- Tom Behrens
- Chris Delsordo

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver
- Magdalena Gembal, Recording Secretary for the Meeting
- 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 November 6, 2024 at 6:04 p.m., noting a quorum was present.

Consideration of the Agenda

None.

Minutes

The Board reviewed the June 5, 2024, minutes included in the packet and inquired about the status of several action items from the previous meeting. They specifically asked Mr. Plizga for updates on items such as the tires in the lakes, permit parking, and the entrance to the eastern lake. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the June 5, 2024 Minutes of the Board of Directors as presented.

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Operations Manager Report

Craig Plizga presented his Operations Manager Report:

- This year's road sealing faced challenges due to unannounced high-speed internet installation and a seal coating machine breakdown, leading to delays and spot sealing.
- High-speed internet installation on the north side was initiated without prior notice, causing a gas leak, power outages, and damage to sprinkler systems. No further complaints from residents have been reported, indicating that issues may have been resolved.
- New bulbs and photocells were installed along Buffalo Blvd, with inspections and replacements of connections conducted by the electrician.
- An estimate for landscaping the cul-de-sac next spring/summer has been received Rocky Mountain Custom Landscapes but there is interest from Fresh Mountain Lawns in bidding. Additionally, a new bid from Fresh Mountain Lawns has been received for the installation of hedges near the Buffalo Blvd lift station.
- Room rentals remain consistent, with the gym staying busy, Mira's monthly class on Thursdays, the food bank each Thursday, and ballet classes finishing in two weeks.
- The Eagle River Coalition is assisting in securing a grant for replacing Russian Olives along the soccer field, with neighborhood volunteers expected to help with the project.
- Rocky Mountain Custom Landscapes will again provide snow plowing services this year.
- Sprinkler blowouts were completed by October 29th, with 90% finished by October 25th, using pink ribbons for identification.

Accounts Payable

The Board reviewed the June 2024 through October 2024 accounts payable lists and by motion duly made and seconded it was unanimously

RESOLVED to ratify the June 2024 through October 2024 accounts payable lists as presented.

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Approval of New Policy for Collections and for Registration of Emails and Phone Numbers

Mrs. Gembal provided an update on the proposed new collection policy pursuant to new legislation, HB24-1233, which, along with HB24-1337, amends sections of CCIOA regarding the collection and foreclosure of delinquent assessments. The Collection Policy must be updated to align with new notice and communication requirements effective August 7, 2024. Key changes include removing the requirement to post notices on the owner's door; updating delivery methods to require certified mail with return receipt to the owner's mailing address, along with two additional methods (phone call, text, or email to the owner or their designated contact); and permitting associations to charge back the actual costs of certified mail.

Mrs. Gembal also reported that associations must adopt a compliant policy before initiating any collection action. She also noted that Altitude Community Law had been contacted to draft a new Collection Policy for a fixed fee of \$235, which will include a free Registration of Email/Phone Number Policy to support compliance with the new requirements. The Board reviewed both policies and by motion duly made and seconded it was unanimously

RESOLVED to approve the new collection policy pursuant to HB24-1233 and HB24-1337 and regarding registration of phone numbers and email addresses, as presented.

Approval of 2025 Proposed Meeting Calendar

The proposed 2025 Board meeting and Annual Meeting schedule was presented and following discussion the calendar was changed to move the meetings to the first Monday of the second month of each quarter and the Annual Meeting to the first Monday of December. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2025 meeting calendar to hold meetings on the first Monday of the second month of each quarter and the Annual Meeting to the first Monday of December.

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Two Rivers Homeowners Association Board of Directors Meeting November 6, 2024

Approval of Fresh Mountains Lawns 2025 Proposal

The Board reviewed the 2025 landscape maintenance contract proposal from Fresh Mountain Lawns. Mr. Plizga praised the contractor and their team for their excellent work. It was noted that the proposed contract includes a 5% increase compared to the current year. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2025 Fresh Mountain Lawns proposal as presented.

Annual Member Meeting

The Board was reminded of the upcoming Annual Member Meeting on December 4, 2024, and asked if there were any items to add to the agenda. They requested the addition of a discussion on security for the next 4th of July, as many residents are using fireworks despite them being prohibited. It was also noted that outreach will be conducted via mail and the newsletter to engage the community. Lastly, the Board was reminded that two seats are up for nomination: Director Andresen and Director Behrens.

Preliminary 2025 Budget & Financial Statements

Mr. Marchetti commented on the preliminary financial statements as of September 30, 2024, as well as the 2025 budget. Regarding the 2025 budget, the proposed budget lowers the monthly assessments from \$75 to \$72 due to the upcoming Confluence at Two Rivers development and restructuring the allocation from the HOA to the Two Rivers Metropolitan District (TRMD), including the infrastructure and recreation fee. The reasoning is that the Confluence at Two Rivers is not in this Association and the restructured allocation will more equitably share costs within the overall Two Rivers community. Most of the Association's expenses are expected to remain steady, with adjustments for inflation, and the budget is projected to break even.

Following the previous discussion on security for the 4th of July, the Board directed the allocation of funds for additional security on the 4th of July. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the 2025 proposed budget as presented, including the allocation of additional funds for security on the 4th of July.

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**Updated Cost Sharing
Agreement with
Two Rivers MD**

As a result of the new Confluence development, both the HOA and TRMD are being presented with an updated cost-sharing agreement after legal review. The main change involves adjusting the allocation of related expenses from 50% to 20%. These items include Mr. Plizga's salary and benefits, utilities for the community center and pool, pool maintenance, the community park, and any other improvements related to infrastructure and the recreational fund on the TRMD side. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the updated cost sharing agreement with Two Rivers Metropolitan District as presented.

**Accounts
Receivable**

Mrs. Gembal provided an update on accounts receivable, noting that while most payment plans are active, some have experienced delays, requiring her to frequently reach out for payments. With the adoption of the new collection policy, she believes further improvements can be made. She emphasized the significant progress already achieved, pointing out that there has been a notable reduction in outstanding receivables compared to last year, with funds successfully collected.

Adjournment

There being no further matters for discussion, the meeting was adjourned at 7:42 p.m.

Respectfully submitted,

Magdalena Gembal
Recording Secretary for the Meeting

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ANNUAL MEMBER MEETING OF TWO RIVERS HOMEOWNERS ASSOCIATION, INC.

December 4, 2024

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:

- Nancy Andresen - President
- Thomas Behrens - Treasurer
- Chris Blackstock - Director
- Glen Tripp - Director
- Abby Torres – Resident
- Leo Jimenez & Crisie Bateman – Residents
- Israel Hernandez & Zyanya Rodriguez – Residents
- Duncan & Kristen Hamilton – Residents
- Adam Montgomery – Resident
- George Maddalone – Resident
- Michele Sanders- Resident
- Claudia Gallegos – Resident
- Brandi Ward & Charlie Brewer – Residents
- Matt Baron – Resident
- Tammy Behrens – Resident
- Janice Reed – Resident
- Adelaida Gonzalez – Resident
- Will Brown – Resident
- Sean Parsons - Resident
- Katherine Bazan – Resident
- Josh Wolf – Resident
- Lee & Aby Lovelace – Residents
- Dayana & Nick Herr- Residents
- Carolyn DeRamo – Resident
- Drew Stone – Resident
- Laura Fierro – Resident
- Cesar Corral - Resident

Also in attendance were:

- Ken Marchetti, C.P.A.
- Magdalena Gembal, Recording Secretary for the meeting
- Craig Plizga, Community Operations Manager

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Call to Order	<p>The member meeting of the Two Rivers Homeowners Association was called to order on December 4, 2024 at 6:07 p.m., noting a quorum was <u>not</u> present. It was reported for the record by Marchetti & Weaver, LLC that proper notice as required by the Associations bylaws had been duly sent on November 20th, to all members of the Association.</p>
Declaration of Quorum	<p>Mr. Marchetti 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 the meeting. In the absence of a quorum, no official action can be taken at the meeting, but discussion was held and this record of items discussed was maintained for documentation purposes.</p>
Changes to Agenda	<p>None.</p>
Minutes	<p>The Board reviewed the December 6, 2023 Annual Member Meeting Minutes. Those present agreed the minutes accurately reflected the results of the meetings.</p>
2024 Financials/ 2025 Budget	<p>Mr. Marchetti presented the financial statements, including the 2024 interim statements through September 30, 2024, and the 2025 budget. Among the key points discussed, he highlighted a reduction in accounts receivable, achieved through increased focus on collections this year.</p> <p>A significant announcement was the reduction of HOA monthly dues from \$75 to \$72. However, on the Two Rivers Metropolitan District side, residents will experience a \$7 increase in the infrastructure and recreation fee, resulting in a net overall increase of \$4.</p> <p>Regarding expenses, they are projected to remain consistent with prior years in areas such as general administration, assessment billing, and landscaping—landscaping being the largest expense as the HOA manages residents' lawns.</p> <p>Additionally, the cost-sharing agreement between the Two Rivers HOA and the Metro District for shared expenses, such as Mr. Plizga's salary, will decrease from 50% to 20% in 2025. This change is primarily due to the Confluence development, which will provide funding to the District,</p>

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allowing for a reduction in the reimbursement required from the Two Rivers HOA.

Finally, it was noted that the Two Rivers HOA Board formally adopted the 2025 budget at their November Board meeting.

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.

On the day of the meeting, Director Chris Delsordo announced his resignation, creating a vacancy for a one-year term. Both Nancy Andresen and Thomas Behrens had their board seats up for election, and both decided to continue serving, nominating themselves for two 3-year terms.

Resident Matt Baron, of 46 Brook Trout Loop, expressed interest in joining the Board and submitted his self-nomination. He shared his extensive experience in the Vail Valley and his background in HOA management with the Board and the audience.

No other residents expressed interest in serving on the Board. Following the nominations, a motion was made and seconded, and it was unanimously

RESOLVED to elect Nancy Andresen and Thomas Behrens to three-year terms and Matt Baron to a one-year term by acclamation.

For recording purposes, the current term limits of the Board are as follows:

Matt Baron	Term Expiring 2025
Chris Blackstock	Term Expiring 2025
Glen Tripp	Term Expiring 2026
Thomas Behrens	Term Expiring 2027
Nancy Andresen	Term Expiring 2027

Community Update

Craig Plizga, operations manager of the community, informed on facility updates and maintenance activities in Two Rivers Village, which included:

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- The irrigation line along Buffalo Blvd. was reconnected by Rocky Mountain Custom Landscape, enabling landscaping of the cul-de-sac and plans to fill gaps where trees have fallen or died.
- Pool systems functioned as expected, with minimal incidents apart from minor vandalism in the boys' locker room and varying cleanliness of the deck.
- Fresh Mountain Lawns had an efficient crew this summer, though some tasks were delegated, slightly impacting quality. The same team is expected to return next year with improvements anticipated.
- Additional trees were planted at the entrance and behind the pool to fill gaps and provide future shade.
- Startups proceeded normally, though aging systems resulted in more breakage of plastic parts. Blowouts in October were successfully managed despite weather-related delays.
- Cleanup followed plans closely, with Trinity requiring minimal post-cleanup. Only 3.5 roll-offs were needed, down from five in 2023.
- Annual crack sealing and partial seal coating were completed despite delays caused by equipment failure and weather disruptions.
- High-speed fiber was installed on the neighborhood's northern side, though poor communication from the installer caused significant disruptions, including power loss, gas leaks, and sprinkler damage. Most fixes were completed by mid-November.
- Enforcement was minimal due to new legal challenges, staffing issues, and time constraints caused by infrastructure projects. Enforcement efforts are planned to resume in 2025.
- Vail Church hosted Summer Jam activities, including art sessions and evening sports, coordinated by Judith Medina.
- The community center was rented 44 times and hosted events like 4-H meetings, dance classes, food markets, county meetings, and vaccination clinics.
- Plans are in place to hire two security officers for the upcoming Fourth of July to enforce the prohibition of fireworks.

Metro District 2024 Financials

Mr. Marchetti provided a high-level overview of Two Rivers Metropolitan District's financial status for the interim period ending October 31, 2024, along with the 2025 budget. He focused on the repayment of a \$5 million debt owed to the original developer. Thanks to the efforts of Metro District

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President Mike Pearson, an agreement was reached to settle the debt for \$1.3 million, as the District lacked the capacity to pay the full amount. To facilitate this repayment and fund capital projects related to the wastewater plant, a \$2 million bond loan was secured this year.

Additionally, Mr. Marchetti noted that the mill levy would remain unchanged at 20.000 mills. He also highlighted a \$2 increase in both the water and sewer base fees, consistent with prior years' adjustments, and a \$7 increase in the recreation and infrastructure fee.

Owner Education – Confluence Development Update

Mr. Bill Holm, a sales representative for Fortius, the developer of Confluence at Two Rivers, provided an overview of the project, highlighting its various phases, the number of units and their specifications, and the common areas. Residents in attendance raised questions about several topics, including the now-discontinued land lease option, the open space adjacent to the project, the start date for construction, and the addition of mailboxes, among other matters.

Public Input

A resident asked about short-term rentals at Two Rivers Village, prompting Mrs. Gembal to address the matter. She explained that consultation with legal counsel had been conducted regarding potential restrictions on short-term rentals. Legal counsel advised that implementing such restrictions would require an amendment to the declaration, a process deemed challenging as it would necessitate approval from 50% of the units.

Adjournment

There being no further matters for discussion, the meeting was adjourned at 7:24 p.m.

Respectfully submitted,

Magdalena Gembal
Recording Secretary for the Meeting