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SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ERIE HIGHLANDS CARRIAGE HOUSE (Filing No. 16)

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ERIE HIGHLANDS CARRIAGE HOUSE (Filing No. 16) (the "**Supplemental Declaration**"), dated for reference purposes as of this 16th day of February, 2022 is made by CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation (the "**Declarant**"). Unless otherwise defined in this Supplemental Declaration, initially capitalized phrases, terms, and words in this Supplemental Declaration have the meanings set forth in Section 2.1 below.

RECITALS:

A. The Master Declaration establishes and sets forth certain conditions, covenants, reservations, and restrictions affecting the Master Community. The Supplemental Community Area is located within the Master Community and is subject to the conditions, covenants, reservations, and restrictions established by and set forth in the Master Declaration.

B. The Declarant is the Owner of the Supplemental Community Area. The Declarant has decided that it will (1) establish and impose additional conditions, covenants, reservations, and restrictions that will affect the Supplemental Community and (2) designate the Operating District as the entity responsible for the enforcement of the conditions, covenants, reservations, and restrictions set forth herein with respect to the Supplemental Community. This Supplemental Declaration imposes such additional conditions, covenants, reservations, and restrictions and designates the Operating District as the entity responsible for the enforcement of such additional conditions, covenants, reservations, and restrictions as permitted by law.

COVENANTS, CONDITIONS, AND RESTRICTIONS:

THE DECLARANT declares that the Supplemental Community Area shall be conveyed, held, and sold subject to the supplemental conditions, covenants, liabilities, obligations, and restrictions set forth herein in furtherance of a common and general plan for the Supplemental Community Area to (a) enhance and protect the aesthetic nature, attractiveness, desirability, quality, and value of the Supplemental Community Area, (b) provide a mechanism for the enforcement of the provisions hereof, and (c) define certain duties, powers, and rights of Owners of Lots within the Supplemental Community Area.

ARTICLE 1
General

1.1 Supplemental Community Area.

(a) The Declarant intends to develop the property located in the Supplemental Community Area as a planned community (the "**Supplemental Community**"). The Declarant hereby declares that Lots located in the Supplemental Community Area shall be conveyed, held,

leased, occupied, owned, rented, sold, and transferred subject to the conditions, covenants, equitable servitudes, limitations, reservations, and restrictions set forth in this Supplemental Declaration.

(b) The Declarant further declares that conditions, covenants, equitable servitudes, limitations, reservations, restrictions, and other matters set forth in this Supplemental Declaration are part of, pursuant to, and in furtherance of a common and general plan of development, improvement, enhancement, and protection of the Supplemental Community Area.

(c) The provisions hereof are intended to and shall run with the land and, until their expiration in accordance with the terms hereof, shall bind, be a charge upon, and inure to the mutual benefit of (i) all of the real property that is now or becomes part of the Supplemental Community Area and each part or parcel thereof, (ii) the Declarant, all Principal Builders, the Operating District, and their respective successors and assigns, and (iii) all Persons having or acquiring any right, title, or interest in any property which becomes part of the Supplemental Community Area or any part or parcel thereof or any improvements now or hereafter located thereon and their respective assigns, heirs, personal representatives, and successors.

1.2 Master Declaration. It is the intent of the Declarant that the conditions, covenants, reservations, and restrictions contained in this Supplemental Declaration are (a) in addition and a supplement to the conditions, covenants, reservations, and restrictions contained in the Master Declaration and (b) not an amendment of the Master Declaration. If there is a conflict between the conditions, covenants, reservations, and restrictions set forth herein and those set forth in the Master Declaration, the conditions, covenants, reservations, and restrictions of the Master Declaration shall control. All Lots subject to this Supplemental Declaration are subject to the provisions of the Master Declaration and this Supplemental Declaration without further reference to this Master Declaration in any deed, notice, Supplemental Declaration, or other instrument.

1.3 Applicability of Colorado Common Interest Ownership Act. The Supplemental Community is not a Common Interest Community, as that term is defined in C.R.S. § 38-33.3-103(8) of the Act. This Supplemental Declaration does not impose any liability on any Residence, Lot, or portion of the Supplemental Community Area for the payment of common expenses. Accordingly, this Supplemental Declaration shall not be governed by the Act.

ARTICLE 2
Definitions

2.1 Defined Terms. Unless otherwise expressly provided herein, the following words and phrases when used in this Supplemental Declaration have the meanings hereinafter specified.

"**Access Easements**" has the meaning set forth in Section 5.5.

"**Act**" means the Colorado Common Interest Ownership Act as provided in C.R.S. §§ 38-33.3-101, *et seq.,* as amended from time to time.

"**Additional Easements**" has the meaning set forth in Section 5.4(a).

"**Advisory Board**" has the meaning set forth in Section 6.4.

"**Applicable Laws**" means all decrees, edicts, laws, orders, ordinances, promulgations, regulations, rules, and statutes of all federal, local, or state governments and their respective agencies, departments, divisions, or parts thereof that have or from time to time exercise jurisdiction over the Supplemental Community.

"**Approval**" means with respect to an action requiring the approval of, or consent to, an action by a Person, such Person has given such approval or consent in writing and conveyed such approval or consent by Notice to the other Party.

"**Arbitration**" has the meaning set forth in Section 7.3(c).

"**Arbitrator**" means (a) the American Arbitration Association or (b) such other Arbitrator as the Bound Parties may agree in writing.

"**Attachments**" has the meaning set forth in Section 2.3.

"**Auto Court**" has the meaning set forth in Section 5.2(a).

"**Auto Court Tract**" means a tract designated on the Final Plat as a public access roadway that the Operating District will own and maintain, including Tracts A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, Y, Z, AA, BB, CC, EE, FF, GG, HH, II, JJ, KK, LL, NN, OO, and PP.

"**Benefited Parties**" means Declarant, the District Parties, and their respective affiliates, agents, assigns, directors, employees, heirs, members, managers, partners, representatives, shareholders, and successors.

"**Benefited Lots**" means a Lot that is identified in Attachment 4 as a Benefited Lot.

"**Bound Parties**" means the following: (a) any Builder, together with their respective officers, directors, employees, and agents, (b) any Owner or Occupant, (c) the Declarant, (d) the Operating District, a District, or a Subdistrict, (e) any Person not otherwise subject to this Supplemental Declaration who agrees to submit to the alternative dispute resolution procedures set forth in this Article 7, and (f) any Person asserting a Claim by, through, or under any of such Persons, and "**Bound Party**" means one of the Bound Parties.

"**Builder**" means each Principal Builder or other party constructing a Residence in the Supplemental Community.

"**Burdened Lots**" means the Lots identified in Attachment 4 as a Lot burdened by the Use Easement.

"**Claim**" means, except as exempted by the terms of Article 7 below, any claim, grievance, or dispute between one Bound Party and another, regardless of how the same may have arisen or on what it might be based, including those arising out of or related to (a) the interpretation, application or enforcement of any of the Governing Documents or the rights, obligations, and duties of any Bound Party under any of the Governing Documents, (b) the design or construction of any Common Area Facility, Improvement, or Residence, (c) any statements, representations,

promises, warranties, or other communications made by or on behalf of any Bound Party, and (d) the Common Area Facilities Risks.

"**Claimant**" has the meaning set forth in Section 7.3(b)..

"**Claim Notice**" has the meaning set forth in Section 7.3(b).

"**Common Area**" has the meaning set forth in Section 1.1 of the Master Declaration.

"**Common Area Facilities**" has the meaning set forth in Section 1.1 of the Master Declaration and includes the Auto Courts and other public facilities in the Supplemental Community Area that are (a) constructed, operated, or owned by the Town, a District, or other public entity, (b) intended to be used by members of the general public and Occupants and Owners in the Supplemental Community Area, and (c) located on Public Rights-of-Way or tracts owned by the Town, a District, or other public entity.

"**Common Area Facilities Risks**" has the meaning set forth in Section 1.1 of the Master Declaration and includes and means all risks attendant to, or associated with, common areas and public facilities similar to the Common Area Facilities including Claims for, or risks of, injury to person or property or both arising out of, or resulting from (a) the construction, design, maintenance, operation, repair, replacement, striping and restriping, and use of the Auto Courts and the activities associated therewith (including inconvenience in accessing or entering the Supplemental Community resulting from such activities or weather-related problems in snow removal) and (b) trespass, acts, or omissions of Occupants, Owners, Permittees, and other Persons employed in connection with, using, or otherwise present on or about the Auto Courts, the Common Area, and other Common Area Facilities, and (c) the fact that the Common Area Facilities may constitute, or be considered, an "attractive nuisance."

"**Declarant**" means CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation, together with its assigns, representatives, and successors; provided, however, that a Person shall be an assign or a successor of the Declarant only (a) if specifically designated in a Recorded instrument as an assign or a successor of the Declarant and (b) as to the interests or rights specifically designated in such Recorded instrument.

"**Declarant Parties**" means Declarant and its respective affiliates, agents, consultants, directors, officers, owners, property managers, representatives, shareholders, and successors.

"**Declarant's Rights**" has the meaning set forth in Section 6.1.

"**Declarant's Rights Period**" has the meaning set forth in Section 7.1 of the Master Declaration during which Declarant shall have the right to exercise the Declarant's Rights.

"**Design Standards**" has the meaning set forth in Section 4.2(f).

"**District**" means one of (a) the Operating District, (b) the Subdistrict, and/or (b) any other metropolitan or other type of special district organized as quasi-public corporations under the laws of the State of Colorado and includes within its boundaries or service area any portion of the Supplemental Community Area.

"**District Parties**" means each District and its respective agents, assigns consultants, directors, officers, property managers, representatives, and successors.

"**Easements**" has the meaning set forth in Section 4.2(a).

"**Final Plat**" means the Recorded plat for Lots located in the Supplemental Community Area.

"**First Mortgage**" means a mortgage or deed of trust or other such instrument encumbering a Lot that (a) is given voluntarily by a Mortgagor to secure the performance of an obligation or the payment of a debt and which is required to be released upon performance of the obligation or payment of the debt and (b) has priority over all other security interests in a Lot, other than statutory liens for taxes and special assessments. The term "**First Mortgage**" includes an executory land sales contract wherein the Administrator of Veterans Affairs ("**VA**")is the seller, whether such contract is owned by the VA or its assigns, and whether Recorded or not.

"**First Mortgagee**" means any Person named as the mortgagee or beneficiary under any First Mortgage, or any insurer or guarantor of a First Mortgage, including the VA.

"**Front-Yard Landscape Plan**" has the meaning set forth in Section 5.2(c)(i).

"**Front-Yard Landscaping**" has the meaning set forth in Section 5.2(c).

"**Governing Documents**" means the Master Declaration, this Supplemental Declaration, the Design Standards issued from time to time by the Operating District, the Site Plan, the Final Plat, and the Regulations and Rules.

"**Government Mortgage Agency**" means one of (a) the Federal Housing Administration of the United States Department of Housing and Urban Development ("**FHA**"), (b) the Federal Home Loan Mortgage Corporation or The Mortgage Corporation ("**Freddie Mac**") created by Title III of the Emergency Home Finance Act of 1970, including any successors thereto; (c) Federal National Mortgage Association ("**Fannie Mae**"), a government-sponsored private corporation established as such pursuant to Title VIII of the Housing and Urban Development Act of 1969, including any successor thereto; (d) the Government National Mortgage Association ("**GNMA**") administered by the United States Department of Housing and Urban Development, including any successor thereto, (e) the United States Department of Housing and Urban Development ("**HUD**"), (f) the Veterans Administration of the United States of America, including such department or agency of the United States government as shall succeed to the VA in its present function of issuing guarantees with respect to notes secured by Mortgages on Lots (the "**VA**"), (g) any agency, corporation, department, or entity that succeeds to FHA, Fannie Mae, Freddie Mac, GNMA, and VA, and (h) any similar entity, public or private, approved, authorized, or sponsored by any governmental agency to guarantee, insure, make or purchase Mortgage loans.

"**Improvements**" means all structures and any appurtenances thereto and equipment of every type or kind, including additions or alterations to the exterior of a Residence, awnings, basketball poles and/or backboards, buildings, clotheslines, decks, driveways, elevated or raised gardens, exterior air conditioning, exterior antennae, exterior water softener, fences (including the Interior Fences and the Perimeter Fences), exterior stairs, exterior tanks, fixtures, flagpoles,

garages, hedges, outbuildings, Front-Yard Landscaping (both organic and non-organic), outdoor flower or garden boxes, outdoor sculptures or artwork, painting of any exterior surfaces of any visible structure, patio or exterior window covers, plantings, planted trees and shrubs, playground equipment, poles, satellite dishes, screening walls, signs, solar equipment, sprinkler pipes, retaining walls, walkways, and windbreaks.

"**Included Property**" means the Lots described in a Notice of Inclusion added to, and made a part of, the Supplemental Community Area pursuant to the provisions of Article 3 below.

"**Includible Area**" means the real property in the Supplemental Project Area that an Including Party may add to the Supplemental Community Area pursuant to Article 3 hereof. As of the Recording of this Supplemental Declaration and subject to the right of Declarant to contract or expand the Includible Area as set forth in Section 3.5 below, the Includible Area is the real property described in Attachment 2 to this Supplemental Declaration.

"**Including Party**" means Declarant, a Principal Builder, and/or any other Person having the ability to include property into the Supplemental Community Area pursuant to the provisions of Article 3 below.

"**Interior Fence**" has the meaning set forth in Section 5.2(b).

"**Lot**" means any lot or parcel of land (a) described on, and established by, a Final Plat, (b) located within the Supplemental Community Area, and (c) upon which a builder may construct a Residence in accordance with Applicable Law.

"**Master Community**" means the planned community established by the Master Declaration and commonly known as "Erie Highlands."

"**Master Declarant**" means CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation, which is the successor in interest to the Declarant, Oakwood Homes LLC, a Colorado limited liability company, pursuant to that certain Assignment of Declarant Rights recorded July 5, 2017 at Reception No. 4315578 in the real estate records of Weld County, Colorado.

"**Master Declaration**" means that certain Declaration of Covenants, Conditions and Restrictions for Erie Highlands recorded July 21, 2014 at Reception No. 4032135 in the real estate records of Weld County, Colorado, as amended by that certain First Amendment to Declaration of Covenants, Conditions, and Restrictions for Erie Highlands recorded April 3, 2015 at Reception No. 4095671 in the real estate records of Weld County, Colorado.

"**Mediation**," "**Mediation Period**," "**Mediation Request**," and "**Mediator**" have the meanings set forth in Section 7.3(a).

"**Mortgage**" means any Recorded deed of trust, mortgage, or other security instrument given voluntarily by an Owner of a Lot that encumbers a Lot to secure the performance of an obligation or the payment of a debt.

"**Mortgagee**" means a beneficiary of, or mortgagee under, a Mortgage and includes (a) the assignees of such mortgagee, (b) any Person named as the mortgagee or beneficiary under any First Mortgage, or (c) any insurer or guarantor of a First Mortgage, including the VA.

"**Mortgagor**" means the maker or grantor of a deed of trust or mortgage.

"**Notice**" has the meaning set forth in Section 9.3.

"**Notice of Inclusion**" means a Recorded Notice that includes Included Property into the Supplemental Community Area, as more particularly set forth in Section 3.3(c).

"**Notice of Withdrawal**" means a Notice Recorded for the withdrawal of property from the Supplemental Community Area, as more particularly set forth in Section 3.4.

"**Occupant**" means each Person occupying a Lot and includes, but is not necessarily limited to, each Owner, guest, invitee, licensee, tenant, or other occupant of a Residence.

"**Operating District**" has the meaning set forth in Section 1.1 of the Master Declaration.

"**Open Space Use**" has the meaning set forth in Section 5.3(c).

"**Owner**" means a Person or Persons, including the Declarant, who hold fee simple title of Record to a Lot, including sellers under executory contracts of sale, but excluding buyers thereunder.

"**Owner Party**" means an (a) an Owner, (b) an agent, assign, contractor, family member, guest, heir, invitee, licensee, or representative of an Owner, (c) an Occupant residing in the Residence of an Owner, (d) an agent, assign, contractor, family member, guest, heir, invitee, licensee, or representative of an Occupant, or (d) a Utility Provider (including an employee or representative of a Utility Provider) present in the Supplemental Community Area at the invitation or request of an Owner.

"**Paired Benefited Lot**" means, with respect to each Burdened Lot, the Benefited Lot (a) paired with such Burdened Lot, as set forth on Attachment 4 hereto, and (b) having the benefit, right, and use of the Use Easement Premises located on such Burdened Lot.

"**Paired Burdened Lot**" means, with respect to each Benefited Lot, the Burdened Lot (a) paired with such Benefited Lot, as set forth on Attachment 4 hereto, and (b) subject to the Use Easement in favor of such Benefited Lot.

"**Perimeter Fence**" has the meaning set forth in Section 5.2(b).

"**Person**" means a natural person, a corporation, a partnership, a joint venture, a limited liability company, or any other entity.

"**Principal Builder**" means an Owner that acquires one or more vacant Lots for the construction of a Residence thereon for resale to the ultimate purchaser thereof and is designated a "**Principal Builder**" in a writing Recorded by the Declarant pursuant to this Supplemental

Declaration The term "**Principal Builder**" includes the Declarant, Clayton Properties Group II, Inc., a Colorado corporation.

"**Public Rights-of-Way**" means (a) Highlands Drive, a publicly dedicated drive and right-of-way, (b) Glacier Drive, a publicly dedicated drive and right-of-way, (c) Sugarloaf Lane, a publicly dedicated drive and right-of-way, (d) North Vista Drive, a publicly dedicated drive and right-of-way, (e) Highview Drive, a publicly dedicated drive and right-of-way, (f) Highlands Circle, a publicly dedicated drive and right-of-way, and any other public boulevard, drive, right-of-way road, or street dedicated to, and accepted by, the Town.

"**Record**," "**Recordation**," "**Recorded**," or "**Recording**" means the filing for record of any document in the office of the Clerk and Recorder of the County of Weld, Colorado.

"**Regulations and Rules**" has the meaning set forth in Section 4.2(a).

"**Reserved Rights**" has the meaning set forth in Section 6.2.

"**Residence**" means a single-family residence and related Improvements constructed on a Lot in the Supplemental Community Area.

"**Residential Clusters**" means each of the clusters of Lots set forth in Attachment 3 to this Supplemental Declaration.

"**Respondent**" has the meaning set forth in Section 7.3(b).

"**Site Plan**" means the plan of the Supplemental Community Area set forth on Attachment 5 to this Supplemental Declaration.

"**Special District Act**" means C.R.S. § 32-1-101, *et seq.*, as amended from time to time.

"**Subdistrict**" has the meaning set forth in Section 1.1 of the Master Declaration.

"**Successor Declarant**" means any Person that (a) owns one or more Lots and (b) the Declarant specifically designates as a Successor Declarant in a Recorded instrument as a Successor Declarant as set forth in Section 6.3. A Successor Declarant succeeds only to the interests or rights specifically designated in such Recorded instrument.

"**Supplemental Community**" has the meaning set forth in Section 1.1(a).

"**Supplemental Community Area**" means the Lots described and listed in Attachment 1 hereto ***plus*** Lots described in a Notice of Inclusion and added to the Supplemental Community Area in the manner set forth in Section 3.3 and ***less*** Lots described in a Notice of Withdrawal and withdrawn from the Supplemental Community Area in the manner set forth in Section 3.4.

"**Supplemental Covenants**" has the meaning set forth in Section 5.2.

"**Supplemental Covenants and Easements**" has the meaning set forth in Article 5.

"**Supplemental Project Area**" means the aggregate of (a) the Supplemental Community Area subject to this Supplemental Declaration at any point in time and (b) the Includible Area that an Including Party may include in the Supplemental Community Area.

"**Supplemental Services**" has the meaning set forth in Section 4.2(c).

"**Term**" has the meaning set forth in Section 8.1.

"**Termination Agreement**" has the meaning set forth in Section 8.1.

"**Town**" means the Town of Erie, County of Weld, Colorado.

"**Use Easement**" has the meaning set forth in Section 5.3.

"**Use Easement Premises**" means the five-foot strip of each a Burdened Lot lying along the boundary line between a Burdened Lot and the Benefited Lot paired with such Burdened Lot, as set forth on Attachment 2 and depicted on the Site Plan.

"**Use Easement Restrictions**" has the meaning set forth in Subsection 5.3(d) below.

"**Utilities**" means all utility services necessary for the convenient use and enjoyment of the Lots and Residences and including electric, gas, water, and sewer service and telecommunication facilities).

"**Utility Provider**" means the Town Utilities or any other provider of Utilities to the Supplemental Community Area, as the context may require.

"**Vehicle**" means any automobile, boat, camper (on or off supporting vehicle), disabled or inoperative vehicle, motor home, motorcycle, recreational vehicle, snowmobile, towed trailer unit, tractor, trailer, truck, or other vehicle of any description, kind, or type.

"**Water Utility Line**" has the meaning set forth in Subsection 5.2(e) below.

2.2 Construction of Terms. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms. Builders, Declarant, Occupants, Owners, and/or other Persons construing, enforcing, or interpreting this Supplemental Declaration shall construe, deem, and interpret (a) the words *include*, *includes*, and *including* as being followed by the phrase *without limitation*, (b) the word *will* as having the same meaning and effect as the word *shall*, (c) any definition of or reference to any agreement, instrument or other document (including any organization document) as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (d) any reference herein to any Person including such Person's successors and assigns, (e) the words *herein*, *hereof*, and *hereunder*, and words of similar import when used in this Supplemental Declaration as referring to this Supplemental Declaration in its entirety and not to any particular provision thereof, (f) references in this Supplemental Declaration to sections, subsections, and attachments as references to the sections and subsections of, and attachments to, this Supplemental

Declaration, (g) references in this Supplemental Declaration to any Attachment as referring to such Attachment amended, modified, or supplemented from time to time by a Recorded instrument or Notice (including any Notice of Inclusion or Notice of Withdrawal) in accordance with the terms hereof, (h) references to any law as references to all statutory and regulatory provisions amending, consolidating, interpreting, replacing, or supplementing such law and any reference to any law or regulation, unless otherwise specified, as referring to such law or regulation as amended, modified or supplemented from time to time, and (i) section headings as being for convenience of reference only and not affecting the interpretation of this Supplemental Declaration.

2.3 Attachments. The Declarant (a) attaches the following attachments (the "**Attachments**") to this Supplemental Declaration, (b) incorporates and makes the Attachments a part of this Supplemental Declaration by this reference, and (c) states that all references in this Supplemental Declaration to *Attachments* are to the following:

Attachment 1	Description of Supplemental Community Area
Attachment 2	Description of Includible Area
Attachment 3	Residential Clusters
Attachment 4	List of Paired Lots
Attachment 5	Site Plan

ARTICLE 3
Property Subject to Supplemental Declaration

3.1 Property Hereby Made Subject. The Declarant hereby declares that the Supplemental Community Area is subject to the conditions, covenants, reservations, and restrictions set forth herein. In the manner set forth in this Article 3, Declarant and other Including Parties may (a) exclude and include land in the Supplemental Community Area and (b) subject land to, and withdraw land from, the conditions, provisions, and terms of this Supplemental Declaration.

3.2 Development of Supplemental Community in Phases. Declarant shall have, and Declarant hereby reserves, the right, but not the obligation, to develop the Supplemental Project Area in phases. As a part of such phased development, Declarant reserves the right to add to the Supplemental Community Area part or all of the Includible Area (as the boundaries of such area may exist from time to time as set forth in Section 3.5 below) in phases so long as such Including Party owns any part of the Supplemental Project Area. Inclusion of Lots as a part of such phased development shall be accomplished in accordance with a general development plan to be accomplished by Declarant, any Principal Builder, or any Successor Declarant, which plan may be filed, if applicable, with the Town and/or HUD and/or the VA before any such inclusion, if Declarant, a Principal Builder, or a Successor Declarant have previously obtained Approval of all or part of the Supplemental Community from FHA, HUD, or VA. If Declarant has previously obtained Approval of all or part of the Supplemental Community from FHA, HUD, or VA, then FHA, HUD, or VA, as the case may be, must also Approve the addition of Included Property containing Lots intended for the construction of Residences. Within the context of and in accordance with Declarant's general development plan, Residences on Lots included into the Supplemental Community Area shall be either substantially the same cost, quality, size, and style

as Residences previously constructed in the same portion of the Supplemental Community Area or such other cost, quality, size, and style as may be Approved by Declarant.

3.3 Manner of Inclusion.

(a) Inclusion by Declarant. Declarant may add real property to the Supplemental Community Area as Included Property provided that the proposed Included Property is within the Includible Area. By acceptance of title to such property, any Person acquiring any interest in any land comprising part of the Includible Area hereby acknowledges and agrees that Declarant shall have the right to include such land into the Supplemental Community Area without the consent of such owners who shall be deemed to have designated the Declarant as their attorney-in-fact with full, irrevocable power to accomplish the inclusion of such land into the Supplemental Community Area. Declarant shall add real property as Included Property to the Supplemental Community Area by Recording a Notice of Inclusion complying with Section 3.3(c) below.

(b) Inclusion by Other Persons; Notice of Inclusion. With the prior Approval of Declarant, all other Including Parties may add additional real property as Included Property provided that (i) such Including Party (A) owns the proposed Included Property or (B) has the prior Approval of the owner of the proposed Included Property, (ii) the proposed Included Property is within the Includible Area, and (iii) the Including Party executes and Records a Notice of Inclusion complying with Section 3.3(c) below.

(c) Contents of Notice of Inclusion. Any deed, Notice, or other instrument adding Included Property into the Supplemental Community Area (a "**Notice of Inclusion**") shall (i) be Recorded, (ii) if the Approval of Declarant is required pursuant to Section 3.3(b) above, contain the Approval of Declarant, (iii) describe the Included Property, (iv) refer to this Supplemental Declaration, including the date and reception number for the Recordation of this Supplemental Declaration, (v) contain a supplement that identifies the Benefited Lots, the Burdened Lots, the Paired Benefited Lots, and the Paired Burdened Lots in the Included Property, and (vi) contain a Site Plan that shows in reasonable detail the Use Easement Premises in the Included Property.

(d) Effect of Inclusion of Property. From and after the Recording of a Notice of Inclusion, the Included Property described in such Notice of Inclusion shall be part of the Supplemental Community Area and subject to the conditions, covenants, equitable servitudes, provisions, restrictions, and terms of this Supplemental Declaration.

(e) Consent of Owners. By acceptance of title to property in the Supplemental Community Area, each Owner acknowledges and agrees that Declarant and Including Parties shall have the right to add Included Property into the Supplemental Community Area and to Record such Notices of Inclusion as Declarant may determine without the prior Approval of such Owners who, by acceptance of title to such property, hereby designate Declarant as their attorney-in-fact with full and irrevocable power to accomplish the inclusion of such land into the Supplemental Community Area and to record such Notices of Inclusion as Declarant may determine.

3.4 Withdrawal of Lots by the Declarant. Declarant may withdraw Lots that it owns from the Supplemental Community, the Supplemental Community Area, and from this

Supplemental Declaration by the execution, acknowledgment, and Recordation of a notice (a "**Notice of Withdrawal**") of such withdrawal. The Notice of Withdrawal shall (a) be executed and acknowledged by the Declarant, (b) contain an adequate legal description of Lots being withdrawn from the Supplemental Community Area, (c) contain a reference to this Supplemental Declaration, which reference shall state the date thereof, the date Recorded, and the reception number or other Recording information of this Supplemental Declaration, and (d) contain a statement and declaration that such Lots are being withdrawn from the Supplemental Community and shall not be thereafter subject to this Supplemental Declaration. The withdrawal shall be effective upon Recording of the Notice of Withdrawal and, upon Recording of the Notice of Withdrawal, the Lots described therein shall no longer be part of the Supplemental Community Area or subject to this Supplemental Declaration.

3.5 Expansion or Contraction of Includible Area. During the Declarant's Rights Period, Declarant may add to, expand, delete from, or remove all or part of the Includible Area by Recording an instrument that (a) is executed by the owner thereof (if Declarant is not then the owner of the real property being affected) and Declarant, (b) describes such real property, and (c) states that, after the Recording of such instrument, such real property shall thereafter be added to, or deleted from, the Includible Area.

ARTICLE 4
Authority and Powers of Operating District

4.1 Delegation of Authority to Operating District. The Declarant, for itself and its successors (including all Owners of Lots and Residences in the Supplemental Community) hereby assigns and delegates to the Operating District the authority and power to (a) enforce the conditions, covenants, easements, provisions, and terms of this Supplemental Declaration, (b) perform the duties and obligations of the Operating District, as set forth herein, with respect to the Supplemental Community and the Owners of Lots and Residences, and (c) pursuant to C.R.S. § 32-1-1004(8)(a)(II), designate the Operating District as the entity responsible for enforcement of the Supplemental Covenants and Easements established by this Supplemental Declaration.

4.2 Authority and Powers of Operating District. In accordance with and subject to Applicable Law, the Operating District shall have the following authority and powers:

(a) Adoption of Regulations and Rules. In accordance with and subject to Applicable Law, the Operating District shall adopt, establish, and promulgate appropriate policies, procedures, regulations, and rules (the "**Regulations and Rules**") as the Operating District deems appropriate, desirable, or necessary regarding (i) the enforcement of the Supplemental Covenants and Easements, (ii) maintenance of, and repair of damage to, the easements set forth in this Supplemental Declaration (the "**Easements**"), (iii) use, maintenance, repair, and replacement, as necessary, of the Perimeter Fences and the Auto Courts, (iv) maintenance, repair, and replacement, as necessary, of the Front-Yard Landscaping, and (v) maintenance, repair, and replacement, as necessary, of the Water Utility Lines.

(b) Enforcement of Supplemental Covenants and Easements. Subject to Applicable Law and in its discretion, the Operating District shall have the authority, duty, power,

and right to enforce this Supplemental Declaration, including the following with respect to the Regulations and Rules and Supplemental Covenants and Easements:

(i) Fines. Establish and levy fines against Owners who do not comply with (A) this Supplemental Declaration, (B) the Supplemental Covenants and Easements, and (C) the Regulations and Rules established by the District pursuant to this Supplemental Declaration; and

(ii) Remedies Pursuant to Special District Act. Enforce the Supplemental Covenants and Easements by such remedies as may be available to special districts established pursuant to the Special District Act, including the following:

(A) The commencement of civil actions against Owners to collect such fines and specifically enforce this Supplemental Declaration, the Supplemental Covenants and Easements, and the Regulations and Rules against such Owners by injunction or otherwise;

(B) The recordation and enforcement by foreclosure of liens against the Lots and Residences of Owners who fail to comply with this Supplemental Declaration, the Supplemental Covenants and Easements, and the Regulations and Rules;

(C) The recordation of a notice of violation against the Lot on which the violation exists; and

(D) After reasonable prior Notice to the Occupant and/or Owner of a Lot, enter upon a Lot for the purpose of maintaining, repairing, and replacing the following: (1) damage to Perimeter Fences, as set forth in Section 5.2(b) below and (2) damage to Use Easement Premises, as set forth in Section 5.3 below.

(c) Right to Contract for Supplemental Services. Subject to Applicable Law, the Operating District shall have the authority and power, but not the obligation, to contract with one or more contractors to supplement the following services to the extent they are not provided by the Town ("**Supplemental Services**"): (i) snow removal from the Auto Courts and sidewalks, (ii) maintenance and repair of paving and pavers in the Auto Courts, (iii) the maintenance and repair of sidewalks in the Supplemental Community, (iv) and landscaping maintenance in the Supplemental Community. If the Operating District contracts with a contractor to provide the Supplemental Services, then the Operating District shall determine, in its discretion, the conditions and terms of such contracts, the nature and type of the Supplemental Services needed, and the extent, manner, and times at which such contractors will provide such Supplemental Services.

(d) Right to Contract with Management Company. The Operating District shall have the authority and power, but not the obligation, to contract with a professional management company to perform some or all of its duties hereunder and to provide the Supplemental Services.

(e) Right to Contract with Other Districts. The Operating District shall have the authority to enter into agreements with another District to (i) enforce all or part of the Supplemental Covenants and Easements, (ii) maintain, and repair damage to, the Easements, (iii)

maintain, repair, and replace, as necessary, the Perimeter Fences and the Auto Courts, and (iv) to provide any other services or perform any other functions of the Operating District as set forth in this Supplemental Declaration.

(f) Right to Supplement Design Standards. From time to time and in its discretion, the Operating District may establish additional design standards ("**Design Standards**") for Improvements in the Supplemental Community that will supplement the design standards in the Master Declaration or any promulgated thereunder. Before commencing work on any proposed Improvements to a Residence, an Owner will comply with the procedures set forth in Article 6 of the Master Declaration.

(g) Right to Use Easements. The Operating District shall have the benefit and use of all of the easements, rights, and rights of way established and reserved by the Declarant in the Master Declaration (including those specified in Article 5 of the Master Declaration) with respect to the Supplemental Community Area.

4.3 License to Enter Lot and Supplemental Covenants Easement. By accepting title to a Lot or occupying a Residence, each Owner and Occupant (a) grants the Operating District, together with its agents, assigns, contractors, employees, licensees, representatives, and subcontractors (for this purpose, collectively, the "**Operating District**"), the authority and irrevocable license to enter upon a Lot, during business hours and upon reasonable notice (including scheduled landscape maintenance) or at any time for emergency purposes in the Operating District's sole discretion, for the purpose of exercising its rights and performing its duties regarding the Supplemental Covenants and Easements, as more particularly set forth in this Article 4 and Article 5 below and (b) releases the Operating District from all claims, damages, liabilities, and losses arising under or relating to such entry, exercise of its rights, and performance of its duties hereunder. Declarant hereby declares, establishes, grants, and reserves to itself, Declarant Parties, the Districts, and the District Parties, a nonexclusive Additional Easement over the Lots for the purpose of exercising its rights and performing its duties regarding the Supplemental Covenants, as more particularly set forth in Article 5 below.

4.4 Operating District Designation. By accepting title to a Lot or occupying a Residence, each Owner and Occupant (a) accepts the designation by the Declarant of the Operating District as the entity responsible for enforcement of the Supplemental Covenants and Easements, (b) accepts the authority and powers granted to the Operating District in this Supplemental Declaration, and (c) agrees to comply with (i) the Supplemental Covenants and Easements and (ii) the policies, procedures, regulations, and rules that the Operating District adopts, Approves, establishes, and promulgates from time to time regarding the Supplemental Covenants and Easements, including the Regulations and Rules.

ARTICLE 5
Supplemental Covenants and Easements

5.1 Master Declaration Covenants and Easements. The Supplemental Community Area is subject to all of the conditions, provisions, and terms of the Master Declaration, including (a) the rights granted to the Districts and the covenants, limitations, and restrictions on the Common Area set forth in Section 4 of the Master Declaration, (b) the easements and disclosures

set forth in Section 5 of the Master Declaration, (c) the architectural approval process set forth in Section 6 of the Master Declaration, and (d) the Declarant's rights and reservations set forth in Section 7 of the Master Declaration. The Declarant and the Operating District shall have the benefit and use of all of the easements, rights, and rights of way established and reserved by the Declarant in the Master Declaration (including those specified in Article 5 of the Master Declaration) with respect to the Supplemental Community Area.

5.2 Supplemental Covenants. Subject to Section 5.1 above, the Declarant hereby declares, establishes, and imposes upon the Supplemental Community Area the covenants, equitable servitudes, limitations, reservations, and restrictions set forth in this Section 5.2 (collectively, the "**Supplemental Covenants**"):

(a) Auto Courts. As set forth on the Final Plat and as generally depicted on the Site Plan, each Residence in a Residential Cluster shares a public automobile court and an Auto Court Tract (automobile court abutting the respective Auto Court Tract collectively referred to herein as the "**Auto Court**") with the other Residences in such Residential Cluster. The Final Plat dedicates and grants for general public use an easement for access and Utilities across, on, and over the Auto Court in each Residential Cluster from each Residence to a Public Right-of-Way, avenue, place, street, or way dedicated for public use. With respect to the Auto Court, an Owner and Occupant shall not (i) conduct any activity in the Auto Court that would constitute a nuisance or noxious activity or unreasonably interfere with the full enjoyment and use of an Auto Court for access by Occupants of Residences adjoining such Auto Court, (ii) barricade, block, hinder, interfere with the use of, or otherwise materially obstruct the full enjoyment and use of an Auto Court for access by Occupants of Residences adjoining such Auto Court, (iii) keep, park, or store any Vehicles, except to the extent that the Site Plan provides for private driveway, off-street parking of Vehicles in a particular Auto Court and in a specific location, (iv) dismantle, maintain, paint or repaint, repair, service, or perform other work on a Vehicle in the Auto Court, or (v) store any container, receptacle, or other object in the Auto Court. Declarant and the District reserve the right to amend this Supplemental Declaration if necessary to correct any discrepancies or errors in the designation of Residential Clusters, or if necessary, to reflect any amendments, corrections, or revisions of the Residential Clusters based on amendments of the Final Plat made after the Recording of this Supplemental Declaration.

(b) Condition of Improvements. Each Owner shall maintain its Lot and the Residence located thereon in an attractive, clean, and safe condition, in good repair, and in strict compliance with Applicable Laws and the Governing Documents. The Operating District shall (i) determine whether an Owner is maintaining its Lot and Residence in the condition required by this Section 5.2(b), (ii) determine whether any condition on a Lot constitutes an Unsightly Condition, and (iii) maintain, operate, and repair the Common Area except as may otherwise be provided in this Declaration. Notwithstanding the foregoing right of the Operating District, it shall be the sole and exclusive duty and obligation of each Owner to maintain its Lot and Residence in the condition required by this Section 5.2(b), and the Operating District shall have no authority, duty, power, obligation, or right to maintain such Improvements.

(c) Fences. Upon its construction of a Residence on a Lot, a Builder shall construct interior fences (the "**Interior Fences**") on the interior Lot lines at the locations generally depicted on the Site Plan and construct fences around the perimeter of the Supplemental

Community at the locations generally depicted on the Site Plan (the "**Perimeter Fences**"). Owners and Operating District shall maintain, repair, and replace the Interior Fences and Perimeter Fences as follows:

(i) Interior Fences. Each Owner, for itself and its respective assigns, heirs, successors, and representatives (including all Occupants of an Owner's Residence) shall (A) at its cost and expense, maintain, repair, and replace the Interior Fence(s) bounding its Lot in a condition consistent with a first-class community and in a manner that will increase and maintain the value of Residences in the Supplemental Community and (B) not damage, injure, relocate, remove, or replace an Interior Fence or a Perimeter Fence.

(ii) Perimeter Fences. At its cost and expense, the Operating District shall maintain, repair, and replace the Perimeter Fences in a condition consistent with a first-class community and in a manner that will increase and maintain the value of Residences in the Supplemental Community provided that if an Occupant or an Owner damages a Perimeter Fence, then, upon the demand of the Operating District, the Owner shall reimburse the Operating District the cost and expense incurred by the Operating District in such maintenance, repair, or replacement, together with interest on such costs and expenses from the date of demand for payment until the date paid in full.

(d) Front-Yard Landscaping. Except for the Front-Yard Landscaping of front yards of Residences described in this Section 5.2(d), each Owner shall maintain landscaping on its Lot in accordance with the requirements of the Master Declaration. With respect to Front-Yard Landscaping (the "**Front-Yard Landscaping**"), each Builder, Owner, and Operating District shall comply with the following covenants:

(i) Front-Yard Landscape Plan. The Declarant shall establish a plan (a "**Front-Yard Landscape Plan**") for the front yard of each Residence that will generally depict the location and type of Front-Yard Landscaping for Residences in the Supplemental Community. From time to time, the Operating District shall have the right to change the Design Standards and/or plantings approved for the Supplemental Community, provided that the Operating District shall not require a Builder or an Owner to change Front-Yard Landscaping pursuant to a Front-Yard Landscape Plan Approved by the Operating District notwithstanding changes to the Design Standards taking effect after such Approval.

(ii) Installation of Front-Yard Landscaping. Upon its construction of a Residence on a Lot and at its cost and expense, a Builder shall (A) install the Front-Yard Landscaping in the front yard of such Residence pursuant to the Front-Yard Landscape Plan for such Lot and (B) be responsible for repair and replacement of Front-Yard Landscaping for a one-year warranty period beginning with the month of the initial installation of such Front-Yard Landscaping. Declarant hereby declares, establishes, grants, and reserves access easements across, on, over, or under each Lot, but not the interior of a Residence, for the benefit and use of the Builder for the purpose of maintaining, repairing, or replacing the Front-Yard Landscaping during the warranty period.

(iii) Maintenance of Front-Yard Landscaping. Upon the construction of a Residence on a Lot, at its cost and expense, the Operating District shall be responsible for

maintenance of the Front-Yard Landscaping. At its cost and expense, and only after inspection and acceptance by the Operating District, the Operating District shall be responsible for the repair and replacement of the Front-Yard Landscaping on the Lots. If an Occupant or an Owner damages the Front-Yard Landscaping or the irrigation system for such Front-Yard Landscaping, then, upon the demand of the Operating District, the Owner shall reimburse the Operating District the cost and expense incurred by the Operating District in such maintenance, repair, or replacement of the Front-Yard Landscaping and/or irrigation system, together with interest on such costs and expenses from the date of demand for payment until the date paid in full.

(iv) Water For Front-Yard Landscaping for Each Residential Cluster. The Owner shall be responsible for the irrigation of the Front-Yard Landscaping of the Lots. Each Owner shall promptly pay the water service provider directly for irrigation water attributable to a Residence for Front-Yard Landscaping for such water service.

(e) Water Utility Lines. The Operating District shall be responsible for the management of any maintenance, repair, and replacement of the water Utility line from the Public Right of Way to the foundation of each Residence ("**Water Utility Line**"), provided that if an Occupant or an Owner damages the Water Utility Line, then, upon the demand of the Operating District, the Owner shall reimburse the Operating District the cost and expense incurred by the Operating District in such maintenance, repair, or replacement of the Water Utility Line, together with interest on such costs and expenses from the date of demand for payment until the date paid in full.

(f) Short-Term Rentals of Residences. As it deems appropriate or desirable in its sole discretion, the Operating District shall have the right, but not the obligation, to impose (i) such limitations, Regulations and Rules, and other restrictions regarding and regulating the rental, subleasing, and use of Residences for bed-and-breakfast, hotel, transient, or vacation-type rentals, whether offered by Airbnb, HomeAway, VRBO, and similar online rental sites for short-term, temporary, or transient occupancy and use and (ii) such fines and penalties as the Operating District deems appropriate for violations of such limitations, Regulations and Rules, and other restrictions.

(g) Structures. In addition to the requirements set forth in the Master Declaration requiring Approval from the Operating District, no Builder or Owner shall build, construct, install, or maintain any accessory building, shed, structure, or Improvement on a Lot other than the Residence that exceeds six feet in height or that is within five feet of a Lot line.

5.3 Carriage House Easements. Subject to Section 5.1 above, the Declarant hereby creates, declares, establishes, and grants a non-exclusive, permanent, and separate easement ("**Use Easement**") across, on, and over the Use Easement Premises on each Burdened Lot in the Supplemental Community Area. The Use Easement is created, declared, established, and granted upon the following conditions and terms:

(a) Benefited Lot. Each Owner of a Benefited Lot shall have the benefit and use of the Use Easement Premises located on the Burdened Lot with which it is paired, as set forth on Attachment 4 and for the purposes, and subject to the conditions, restrictions, and scope of, such Use Easement as set forth in Section 5.3(b) below.

(b) Conditions and Scope of Use Easement. The Occupants and Owner of a Benefited Lot shall have the right to enjoy and use the Use Easement Premises on its respective Paired Burdened Lot for Open Space Uses (as set forth in Section 5.3(c) below) subject to (i) the Use Easement Restrictions (as set forth in Section 5.3(d) below) and (ii) compliance with the conditions and terms of this Supplemental Declaration, the Master Declaration, and regulations and rules established from time to time by the Operating District.

(c) Open Space Uses. With respect to the use of a Use Easement Premises by Occupants and Owners of a Benefited Lot, the term "**Open Space Uses**" *includes* planting of grass, flowers, and vegetables permitted by the Design Standards and general recreational, picnic, social, and garden area, but *excludes* the planting of bushes, shrubs, and trees on the Use Easement Premises; the installation of a fence on any part of the Use Easement Premises other than the Fence constructed by a Builder; the construction, location, and use of Improvements on the Use Easement Premises; and the location and use of chairs, dog houses, gazebos, hot tubs, patios, trellises, tables, barbecue grills, barbecue smokers, and similar items on the Use Easement Premises.

(d) Use Easement Restrictions. The Use Easement is subject to the following conditions, limitations, reservations, restrictions, and rights of entry (collectively, the "**Use Easement Restrictions**"):

(i) The Occupants and Owners of a Benefited Lot shall not (A) conduct any activity on or otherwise use the Use Easement Premises in any manner, at any time, that unreasonably disturbs the Occupants and Owners of its respective Paired Burdened Lot or (B) decorate, deface, paint, or attach any object to the exterior wall of the Residence located on said Paired Burdened Lot.

(ii) The Owner of a Burdened Lot shall have the right at all reasonable times to enter upon the Use Easement Premises, including the right to reasonably cross over the Benefited Lot that borders on the Use Easement Premises, for the purpose of performing work related to maintenance of the Residence located on the Burdened Lot.

(iii) A Burdened Lot shall have the right of drainage over, across, and upon the Use Easement Premises for normal precipitation upon and irrigation of the Burdened Lot, and the Owner of the Paired Benefited Lot adjacent to such Use Easement Premises shall not do or permit to be done any act which interferes with such drainage.

(iv) The Burdened Lot shall have the right of lateral and subjacent support for the Residence and all improvements now or hereafter constructed upon such Burdened Lot, and no use of the Use Easement Premises shall adversely affect such right of support.

(v) The Owner of the Benefited Lot shall be responsible for maintenance, repair, and replacement of the Use Easement Premises to the same extent as if the Use Easement Premises were a portion of such Benefited Lot and owned by the Owner of such Lot and Residence.

(vi) The Owner of the Benefited Lot shall not cover, obscure, or otherwise block the window of any Residence on its respective Paired Burdened Lot.

(e) Mutual Indemnification by Owners of Paired Benefited Lot and Paired Burdened Lot. The Owners of Paired Lots shall indemnify and hold each other harmless as follows:

(i) Indemnification by Owner of a Benefited Lot. The Owner of a Benefited Lot shall indemnify and hold the Owner of the Paired Burdened Lot harmless from damage to any Improvements now or hereafter constructed, erected, or located on the Burdened Lot and from any claims for personal injury arising from, based upon, caused by, or resulting from use of the Use Easement Premises by the Occupant or Owner of such Benefited Lot. The Owner of the Benefited Lot shall acquire and keep in force adequate hazard and liability insurance covering the Use Easement Premises.

(ii) Indemnification by Owner of a Burdened Lot. The Owner of a Burdened Lot shall indemnify and hold the Owner of its Paired Benefited Lot harmless from damage to any Improvements on the Burdened Lot and from any claims for personal injury arising from, based upon, caused by, or resulting from the exercise by the Owner of a Burdened Lot of its right to enter the Use Easement Premises. The Owner of a Burdened Lot shall acquire and keep in force adequate hazard and liability insurance covering its entry onto the Use Easement Premises of a Burdened Lot.

5.4 Additional Easements; Benefited Parties.

(a) Subject to Section 1.2 above and in addition to the Easements and any other easements granted or reserved elsewhere in this Supplemental Declaration or in the Master Declaration, Declarant hereby declares, establishes, and imposes upon the Supplemental Community Area the (a) additional covenants, easements, limitations, and restrictions (collectively, the "**Additional Easements**") more particularly specified in this Article 5, (b) the Common Area Facilities Risks set forth in Section 5.4(b), and (c) limitations on the Additional Easements and other matters to which the Supplemental Community Area is, or may be, subject as set forth in Section 5.4(c). Unless otherwise specified in this Article 5, the Additional Easements are for the use and benefit of Builders, Builder Parties, Declarant, Declarant Parties, Districts, District Parties, Government Agencies, Owners and Owner Parties, and Utility Providers.

(b) Common Area Facilities Risks. Declarant hereby discloses that portions of the Supplemental Community Area and the Includible Area adjoin, are adjacent to, border, or are otherwise near the Common Area Facilities and are subject to the Common Area Facilities Risks. Each Owner, by acceptance of a deed conveying title to a Lot, and each Owner Party, by occupying a Residence in the Supplemental Community Area, (i) assumes, and agrees to accept, the Common Area Facilities Risks, (ii) acknowledges that portions of the Supplemental Community Area adjoin, are adjacent to, are affected by, border, or are otherwise in the vicinity of the Common Area Facilities and are subject to the Common Area Facilities Risks, (iii) discharges and releases Declarant, the Declarant Parties, the Districts, and the District Parties from, and waives, all Claims arising from, based upon, relating to, or resulting from the Common Area Facilities Risks, and (iv) covenants and agrees that it will not assert, institute, maintain, or prosecute any action, Arbitration, civil action, or other proceeding against Declarant, the Declarant Parties, the Districts, and the District Parties for a Claim arising from, based upon, relating to, or resulting from the Common

Area Facilities Risks.

(c) Additional Easements. Notwithstanding anything to the contrary contained herein, the Additional Easements declared, established, granted, and reserved in this Article 5 (i) shall in no way affect, avoid, extinguish, or modify any other Recorded covenants, easements, limitations, reservations, or restrictions affecting all or part of the Supplemental Community Area (including those created by the Master Declaration), (ii) may be amended, limited, modified, restricted, or terminated by Declarant by means of a Recorded instrument, and (iii) shall not be interpreted or construed as interfering with, preventing, or precluding the construction, operation, and use of any structure or use on any Lot which is otherwise permitted by the terms of this Supplemental Declaration or which is otherwise Approved by the Operating District. In addition to all easements and rights-of-way of Record at or before Recordation of this Supplemental Declaration, the Supplemental Community Area, and all portions thereof, are subject to the easements shown on the Final Plat and created by the Master Declaration.

5.5 Access Easements. In addition to the Easements for access granted and reserved over each Lot in Section 4.1 of the Master Declaration, Declarant establishes the following Additional Easements for access (the "**Access Easements**"):

(a) Auto Court Tracts Access Easement. Declarant hereby declares, establishes, grants, and reserves the following access easements for access, egress, and ingress across and over the Auto Court Tracts: (A) *from* the Common Areas and each Residence in the Supplemental Community Area *to* the Public Rights-of-Way that abut or adjoin the Supplemental Community Area and (B) *from* Public Rights-of-Way that abut or adjoin the Supplemental Community Area *to* each Residence and Common Areas in the Supplemental Community Area.

(b) Limitations on Auto Court Tract Access. The establishment, grant, and reservation of the Access Easements pursuant to this Section 5.5, and the right of use of the Auto Court Tract Access Easement, are subject to the right of the Operating District to (A) establish and impose such Regulations and Rules as the Operating District, in its discretion and judgment, deems desirable or necessary to (1) maintain, operate, repair, and replace the Auto Court Tracts and related road and street improvements and (2) preserve, promote, and protect the safe operation and use of the Auto Court Tracts, (B) install crosswalks, safety devices, signs, and similar devices subject to, and as permitted or required by, Applicable Law and Government Agencies, and (C) maintain, repair, replace, stripe and restripe the Auto Court Tracts (including, if necessary, closure of Auto Court Tracts from time to time as desirable or necessary to perform such maintenance, repair, and replacement).

5.6 Common Area Facilities Easement. Declarant hereby declares, establishes, grants, and reserves to itself, Declarant Parties, the Districts, and the District Parties, a nonexclusive Additional Easement over the Supplemental Community Area for (a) performing every act necessary and proper for the operation and use of the Common Area Facilities and (b) the effect on a Lot of one or more of the risks disclosed as a Common Area Facilities Risks and including light, noise, odors, sound, and vibrations emanating from the operation and use of the Common Area Facilities for their intended uses and purposes.

5.7 Recorded Easements. In addition to all easements and rights-of-way of Record at or before Recordation of this Supplemental Declaration, the Supplemental Community Area, and all portions thereof, are subject to the easements shown on the Final Plat.

5.8 Modification or Waiver of Supplemental Covenants and Easements. The strict application of the Supplemental Covenants and Easements may be modified or waived, in whole or in part, by the Operating District if such strict application would be unreasonably or unduly harsh under the circumstances and such modification or waiver is in writing or is contained in written guidelines or rules promulgated by the Operating District.

ARTICLE 6
Reservations and Rights

6.1 Declarant's Reservation of Rights. During the Declarant's Rights Period, the Declarant shall have, retain, and reserve the rights set forth in this Article 6 with respect to the Lots ("**Declarant's Rights**").

6.2 Reserved Rights. The rights reserved by Declarant are as follows:

(a) Assignment of Rights. Provided that any such assignment shall be in writing, shall be accepted by the assignee, and shall be effective only upon Recording, the Declarant reserves the right to (i) assign and convey any of the easements, reservations, rights, and other benefits hereunder to a Successor Declarant or a Principal Builder (as set forth in Section 6.3 below) and (ii) collaterally assign its rights as a declarant to a lender of Declarant.

(b) Completion of Development and Sale of Residences. Declarant reserves the right to (i) complete development of property within the boundaries of the Supplemental Community Area or elect not to complete development of any part of the Supplemental Community Area, (ii) construct or alter Improvements on any property owned by the Declarant within the Supplemental Community Area, (iii) excavate, cut, fill, or grade any property owned by the Declarant within the Supplemental Community Area, (iv) maintain construction offices, construction storage yards, construction staging areas, model Residences, parking areas, sales offices, and similar facilities on any property owned by Declarant on any portion of the Supplemental Community Area, (v) post signs or do any other act or thing incidental to development, construction, marketing, offer, promotion, or sales of property within the boundaries of the Supplemental Community Area, and (vi) store construction materials, equipment, supplies, tools, waste, or other items on property within the Supplemental Community Area owned by the Declarant.

(c) Deed Reservations. The Declarant reserves (i) the benefit and use of reservations and rights as reserved and excepted from each deed or other instrument by which Declarant conveys any property within the Supplemental Community Area and regardless of whether such reservation is specifically stated therein and (ii) the right to exercise the rights, reservations, and easements reserved and retained in such deeds and hereunder with respect to all parts of the Supplemental Community Area. The foregoing reservation shall be prior and superior to any other provisions of this Supplemental Declaration and may not, without the Declarant's prior written and Recorded consent, be amended, affected, modified, rescinded, or terminated by

any amendment of this Supplemental Declaration. The Declarant's consent to one such amendment shall not be consent to any other subsequent amendment.

(d) Development Rights. The Declarant reserves the right to exercise any development right and to develop such number of Lots and other types of Lots as may be designated by the Declarant hereunder and as the Town may approve within the Supplemental Community Area.

(e) Easements. Declarant reserves the following with respect to easements across, on, and over the Supplemental Community Area:

(i) Right to Grant Easements. The right to grant or create temporary or permanent easements for access, drainage, utility services necessary for the convenient use and enjoyment of the Lots (including electric, gas, sewer and water service, and telecommunication facilities), and other purposes incident to development and sale of the Supplemental Community Area located in, on, under, over, and across Lots owned by the Declarant or a Principal Builder.

(ii) Right to Use Easements. In order to develop the Lots, construct Residences thereon, and market and sell Residences, the Declarant reserves (A) the benefit and use of the Supplemental Covenants and Easements and (B) the rights of the Declarant specified in the Master Declaration (including those specified in Article 5 of the Master Declaration) with respect to the Supplemental Community Area.

(f) Reasonable Use. The Declarant reserves the right to the reasonable use of the Lots owned by the Declarant or a Principal Builder in connection with the promotion and marketing of the Supplemental Community Area. Without limiting the generality of the foregoing, the Declarant and, with the Declarant's written consent, a Principal Builder, may (i) erect and maintain on any part of the Lots owned by the Declarant or a Principal Builder such signs, temporary buildings, and other structures as the Declarant or such Principal Builder may reasonably deem necessary or proper in connection with the promotion, development, and marketing and sales of real property within the Supplemental Community Area, (ii) use Vehicles and equipment on Lots owned by the Declarant or a Principal Builder for promotional purposes, (iii) permit prospective purchasers of property within the boundaries of the Supplemental Community Area who are not Owners to use model Residences constructed on Lots owned by the Declarant or a Principal Builder, and (iv) refer to the Supplemental Community Area in connection with the development, promotion, and marketing of property within the boundaries of the Supplemental Community Area.

(g) Construction of Common Area. Declarant and the Operating District shall have, and hereby reserve, the right, but not the obligation, to construct additional Improvements on the Common Area at any time and from time to time in accordance with this Supplemental Declaration for the improvement and enhancement thereof and for the benefit of the Owners.

6.3 Successor Declarant. The Declarant may designate as a Successor Declarant any Person that acquires some or all of the then remaining interest of the Declarant in the Supplemental Community Area by Recordable instrument. Upon execution and delivery of such instrument by the Declarant, the Person designated as Successor Declarant therein shall accede to all of the rights

and obligations of the Declarant under this Supplemental Declaration with respect to the property acquired by such Successor Declarant and all references to the Declarant contained herein shall refer to such Successor Declarant.

6.4 Advisory Board. The Operating District may (a) create an advisory board (the "**Advisory Board**") composed of Owners of Residences to advise it with respect to the Supplemental Community Area, (b) determine the manner of selecting and the number of members of such board, (c) determine the scope of the Advisory Board's authority, duties, and powers, and (d) establish procedures for the conduct of meetings.

6.5 Amendment. Notwithstanding anything to the contrary contained in this Supplemental Declaration, for a period commencing on the date of the Recording of this Supplemental Declaration and ending on the expiration of the Declarant's Rights Period, any amendment of this Article 6 shall require the written consent of the Declarant and two-thirds of all Owners and First Mortgagees and otherwise comply with the requirements of Article 8.

ARTICLE 7
Alternative Dispute Resolution

7.1 Alternative Dispute Resolution. Declarant intends by this Article 7 to encourage the amicable resolution of all Claims without the emotional and financial costs of litigation.

7.2 Claims.

(a) Claim Resolution. Except as provided in this Section 7.2, Claims among or between Bound Parties arising under, based upon, in connection with, or otherwise regarding this Supplemental Declaration, the District, the Governing Documents, the Improvements, the Regulations and Rules, the Supplemental Covenants and Easements shall be subject to this Article 7 and the Bound Parties shall resolve such Claims in the manner specified in Section 7.3.

(b) Exception to Claim Resolution. Notwithstanding anything to the contrary in this Supplemental Declaration, unless all Bound Parties thereto otherwise agree, (i) a Claimant may assert a Claim or file a Claim Notice against only one Bound Party in a Claim, (ii) only one Claimant shall have the right to assert a Claim or file a Claim Notice against a Bound Party, (iii) other Bound Parties shall not have the right to join in, or seek recovery, in an Arbitration or other proceeding pending against a Bound Party unless all Bound Parties agree to their joinder, (iv) a Claimant cannot recover, or seek the recovery of, damages or relief on behalf of any Person other than such Claimant, and (v) a Claimant cannot claim, recover, or seek the recovery of, consequential, exemplary, or punitive damages.

(c) Exception for Claims by Districts. The District shall have the right to enforce the Master Declaration and the Operating District shall have the right to enforce the Supplemental Covenants and Easements without having to mediate or arbitrate such Claims pursuant to this Article 7. The District or the Operating District, as applicable, shall have the right to enforce the Regulations and Rules without having to mediate or arbitrate such Claims pursuant to this Article 7. Notwithstanding the foregoing, if the District exercises its remedies and rights as set forth in the Master Declaration and an Owner contests such action or asserts a counterclaim,

then, at its option, the District shall have the right to stay such proceeding pending resolution of the Claims asserted by an Owner by Arbitration or mediation pursuant to Section 7.3.

(d) Exception for Claims by Mortgagees. Notwithstanding anything to the contrary contained in this Article 7, Mortgagees enforcing rights pursuant to a Mortgage shall (i) not be Bound Parties, (ii) not be bound by the alternative dispute resolution procedures set forth in this Article 7, and (iii) have the right to enforce Mortgages, and resolve disputes regarding such Mortgages, as provided in such Mortgages and at such time, in such forums, and in such manner as permitted by Applicable Law (including the foreclosure of Mortgages and the appointment of a receiver).

7.3 Procedure. Subject to Section 7.3(a) below, each Bound Party covenants and agrees to submit Claims to binding Arbitration as specified in this Section 7.3. By acceptance of a deed for a Lot, each Owner agrees to abide by the terms of this Article 7, and by occupancy of a Residence, each Occupant, Owner, and Owner Party agrees to submit any Claims to the procedures specified in this Section 7.3. Any applicable statute of limitation shall apply to the alternative dispute resolution procedures specified in this Article 7.

(a) Amicable Resolution by Mediation. Before submitting a Claim Notice demanding resolution of a Claim by Arbitration, the Bound Parties shall make every reasonable effort to meet, confer, and resolve a Claim within forty-five days (the "**Mediation Period**") after a Bound Party initiates efforts to resolve a Claim by giving Notice (a "**Mediation Request**") requesting that the Bound Parties involved in such Claim mediate or otherwise meet to negotiate an amicable resolution (a "**Mediation**"). Following the making of a Mediation Request, the participants to the Mediation shall (i) agree in writing that (A) participation in a Mediation is not an admission of any fact or liability or waiver of any Claim or defense and (B) any statement made during the course of a Mediation shall not be admissible into evidence in any subsequent Arbitration or proceeding, (ii) identify a Person to conduct the Mediation (a "**Mediator**"), (iii) establish the procedures and rules that will govern such Mediation (including the manner in which the participants to the Mediation shall share its cost), and (iv) instruct the Mediator to reduce any successful resolution of a Claim to writing that the participants to the Mediation shall execute and thereafter perform. If the parties to the Mediation are unable to resolve a Claim amicably within the Mediation Period, then either participant in the Mediation may submit a Claim Notice, in which event the participants to the Mediation shall proceed as specified in Sections 7.3(b) and 7.3(c) below.

(b) Claim Notice. If the Bound Parties are unable to resolve a Claim by Mediation on or before the expiration of the Mediation Period, then the Bound Parties shall resolve such Claim through mandatory, binding Arbitration. Notwithstanding the foregoing, Bound Parties may not give a Claim Notice and initiate Arbitration unless one or both of the Bound Parties have made a Mediation Request and the Mediation Period has expired without resolution of the Claim. Following the making of a Mediation Request and the expiration of the Mediation Period without an amicable resolution of the Claim, either participant to the Mediation (a "**Claimant**") may initiate Arbitration by giving a Notice of a Claim (the "**Claim Notice**") to the other Bound Parties (each, a "**Respondent**") in which the Claimant demands binding Arbitration pursuant to the procedures specified in Section 7.3(c). The Claim Notice shall state plainly and concisely (i) the nature of the Claim, including all Persons involved and role of the Respondent in the Claim,

(ii) the factual and legal basis of the Claim (*i.e.*, the facts underlying the Claim and the specific legal authority supporting the Claim), and (iii) the relief or remedy requested.

(c) Procedure for Resolution of Claims. Each Bound Party shall submit all Claims to mandatory, binding arbitration ("**Arbitration**") conducted in accordance with the Colorado Uniform Arbitration Act, C.R.S. §§ 13-22-201, *et seq.*, or such other Applicable Law as the Bound Parties may mutually agree. The procedure for the Arbitration shall be as follows:

(i) Arbitration. Within a commercially reasonable period following the giving of a Claim Notice, either Bound Party may initiate Arbitration in accordance with the rules established by the Arbitrator for such Arbitration. Any court having jurisdiction over a Claim may enforce any judgment upon the award rendered by the Arbitrator. Unless otherwise agreed by the Parties in writing, there shall be one Arbitrator, who shall be a retired Colorado state court judge, a retired Federal judge, or an attorney licensed to practice law in the State of Colorado for at least ten years. To the extent feasible, the Arbitrator shall have expertise in the area of the Claim including legal expertise if legal issues are involved.

(ii) Arbitration Award. The Arbitrator shall not have the authority to make, and Claimant shall not be entitled to claim or receive, consequential, exemplary, or punitive damages. The Arbitrator shall make an award that shall include detailed written findings of fact and conclusions of law. Except as required by law or for confirmation of an award, neither a Bound Party nor an Arbitrator may disclose the existence, content, or results of Arbitration without the prior written consent of all Parties.

(iii) Arbitration Rules. The Colorado Rules of Civil Procedure shall govern disclosure, discovery, and other prehearing proceedings in the Arbitration, and the Colorado Rules of Evidence shall govern the admissibility of evidence at any Arbitration hearing. Subject to the foregoing, the Arbitrator shall conduct the Arbitration in accordance with (A) the Construction Industry Arbitration Rules of the American Arbitration Association Industry Arbitration Rules and the Procedures for Large, Complex Construction Claims of the American Arbitration Association then in effect, (B) if the Bound Parties select an Arbitrator other than the American Arbitration Association, then the rules selected by such Arbitrator, or (C) such other rules as the Bound Parties may agree in writing. The Arbitration shall be closed to the public, the decision of the Arbitrator shall not be published, and the decision by the Arbitrator shall not be cited as precedent in subsequent Claims between the Bound Parties participating in the Arbitration or in Claims involving other Bound Parties.

(iv) Decision of Arbitrator. The Arbitrator shall issue an award within thirty days of the completion of an Arbitration hearing or if post-hearing briefs are submitted, within thirty days of receipt of briefs or other post-hearing submittals by the Bound Parties. If the Bound Parties file post-hearing briefs, the Bound Parties shall submit such post-hearing briefs within twenty days of the completion of the hearing and the Arbitrator shall not grant any extensions of time for the filing of briefs. The Bound Parties shall comply with the award of the Arbitrator, and if a Bound Party does not comply with the award, then any court having jurisdiction over such matters in the City and County of Denver, Colorado may enter and enforce judgment upon an Arbitration award.

(v) Cost and Expense of Arbitration. The Bound Parties participating in an Arbitration shall share the costs of such Arbitration, and if the Arbitrator requires payment of costs and fees in advance fees, then the Bound Parties will pay those costs and fees equally. If one Bound Party pays more than its proportionate share of the costs and fees of the Arbitration, then the Arbitrator shall make such adjustments in the Arbitration award as necessary so that each Bound Party shall have paid its equal share of the costs and fees of Arbitration. Notwithstanding the foregoing, if a Bound Party unsuccessfully contests the validity or scope of Arbitration in a court of law or in an Arbitration, then the Arbitrator shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Bound Party. If a Bound Party incurs costs and attorney's fees in enforcing the award of an Arbitrator, such Bound Party shall be entitled to an additional award of its costs and reasonable attorneys' fees incurred in the enforcement of such an award.

7.4 Construction Defect Action Reform Act. Declarant does not intend that the provisions of this Supplemental Declaration be applied as an express waiver of, or limitation on, the legal rights, remedies, or damages of a property owner provided by (a) the Construction Defect Action Reform Act (C.R.S. §§ 13-20-801 *et seq.*), (b) the Colorado Consumer Protection Act as specified in C.R.S. § 13-20-806, (c) the ability of a homebuyer to enforce such legal rights, remedies, or damages within the time provided by applicable statutes of limitation or repose, or (d) other Applicable Law. Damages claimed or recovered by an Owner in connection with the Residence shall be limited as specified in the foregoing statutes and other Applicable Law.

7.5 Consent to Mandatory Binding Arbitration. By acceptance of title to a Residence, whether by a deed from Declarant or from a subsequent Owner, each Owner acknowledges, consents to, and agrees to (a) the resolution by binding, mandatory Arbitration of all disputes between Owners and between Owners and Bound Parties that arise in connection with, are based upon, or are otherwise related to the Benefited Parties, the Supplemental Community, the Common Area, Declarant, the Districts, the District Parties, the Lots, the Residences, and this Supplemental Declaration and (b) conduct such Arbitration pursuant to the Dispute Resolution Procedures set forth in this Article 7. This Supplemental Declaration shall not extend any rights or obligation under this Supplemental Declaration to any Occupant that is not also an Owner.

7.6 Amendment. This Article 7 runs in favor of the Declarant in relation to any claim in law or equity that may be brought against the Declarant and, notwithstanding Section 8.1, may not be removed or amended without the written consent of the Declarant for all claims in which it may be a party regardless of when brought and whether or not the Declarant owns any property in the Supplemental Community Area.

ARTICLE 8
Amendment; Rights of First Mortgagees; Term

8.1 Term of Supplemental Declaration. Unless amended as provided in this Supplemental Declaration, the term (as extended, the "**Term**") of this Supplemental Declaration shall begin on the date of its Recording and shall continue thereafter for (a) forty years after Recording and (b) thereafter for additional periods of ten years each unless, on or before the expiration of the then current extension of the Term, two-thirds of the Owners and two-thirds of First Mortgagees execute, deliver, and Record an instrument terminating the Supplemental

Declaration (a "**Termination Agreement**"). If the requisite Owners and First Mortgagees Approve such a termination, the Recorded instrument effecting such termination shall specify the effective date of such termination, which cannot be before the expiration of the then-current Term of the Supplemental Declaration.

8.2 Amendment, Modification, or Termination of Supplemental Declaration. This Supplemental Declaration may only be amended as follows:

(a) Approval Requirements. Owners may amend, modify, repeal, or terminate this Supplemental Declaration or any part or provision of this Supplemental Declaration by Recording a written instrument in the form set forth in Section 8.2(b) that has received the Approval or favorable vote of (i) two-thirds of the Owners, with the votes of Owners being based on one vote for each Lot, (ii) two-thirds of First Mortgagees, with the votes of First Mortgagees being based on one vote for each First Mortgage held, (iii) during the Declarant's Rights Period, the prior Approval of Declarant and any Builders who have received an assignment or partial assignment of Declarant's Rights, (iv) the Operating District, and (v) HUD or VA, as the case may be, if HUD or VA has VA has guaranteed or insured a Mortgage on any Lot at the time of such amendment. Approval by Declarant, First Mortgagees, HUD or VA, Operating District, Owners, and Builders of one amendment shall not constitute Approval of subsequent amendments, each of which subsequent amendments shall require a separate Approval satisfying the requirements of this Section 8.2. Owners may amend this Section 8.2(a) only if the Owners have received the Approvals set forth in clauses (i) through (v) of this Section 8.2(a).

(b) Manner of Amendment. An amendment or modification of this Supplemental Declaration shall be made in a Recorded instrument that has been executed and acknowledged by the Operating District in which the Operating District certifies that (i) the amendment or modification has received the requisite Approvals of Declarant, First Mortgagee, HUD or VA, Owners, and Builders set forth in Sections 8.2(a) and 8.3 and (ii) the Operating District has written evidence of such Approvals that are available for (A) inspection by Declarant, First Mortgagee, Owners, and title insurance companies during normal business hours and (B) copying upon payment of the costs and expenses incurred by the Operating District in copying or making such Approvals available for copying.

8.3 First Mortgagee Approval. Notwithstanding any other provisions of this Supplemental Declaration to the contrary and with respect to the abandonment, amendment, or termination of this Supplemental Declaration:

(a) Abandon, Terminate, or Amend Supplemental Declaration. Unless they have obtained the prior written consent of at least two-thirds of the Owners and the consent of two-thirds of the First Mortgagees of Lots (based on one vote for each First Mortgage held) and either the VA or HUD if either agency has insured or guaranteed a First Mortgage, the Owners shall not (i) seek to abandon or terminate the Supplemental Declaration, whether by act or omission or (ii) amend any provisions of this Supplemental Declaration that are for the express benefit of First Mortgagees; and

(b) Approval of First Mortgagee Deemed Given Unless Notice of Disapproval Given. Unless, within sixty days after receipt of Notice, a First Mortgagee or insurer or guarantor

of a First Mortgage notifies the Operating District of its disapproval of any of the matters requiring their approval as provided in this Supplemental Declaration, such First Mortgagee or insurer or guarantor of a First Mortgage shall be deemed to have given such approval.

8.4 Special Rights of First Mortgagees. Any First Mortgagee of a First Mortgage encumbering any Lot in the Supplemental Community Area which has filed written request with the Operating District to be notified of any proposed action requiring First Mortgagee consents, shall be entitled to (a) receive Notice from the Operating District of any default by the Mortgagor of such Lot in the performance of the Mortgagor's obligations under this Supplemental Declaration, which default is not cured within sixty days after the Operating District learns of such default; (b) examine the books and records of the Operating District during normal business hours; and (c) receive sixty days' prior Notice before the effective date of any proposed material amendment to this Supplemental Declaration requiring consent of a certain percentage of First Mortgagees.

8.5 Amendment. Notwithstanding anything to the contrary contained in this Supplemental Declaration, for a period commencing as of the Recording of this Supplemental Declaration and ending twenty years thereafter, all of the Owners must consent in advance in writing to an amendment of this Article 8.

ARTICLE 9
General Provisions

9.1 Award of Attorney's Fees. If the Operating District commences an action or arbitration proceeding to enforce any of the covenants or restrictions contained in this Supplemental Declaration and/or any Rules and Regulations, and the arbitrator or judge in such proceeding determines that the Operating District is the prevailing party, then, the Operating District shall have the authority, power, and right to (a) as a part of any award or judgment awarded by an arbitrator or judge, request such arbitrator or judge to award the Operating District its costs and reasonable attorneys' fees incurred by it in such proceeding and/or (b) assess an Owner for the costs and reasonable attorneys' fees incurred by it in enforcing any of the same.

9.2 Binding on Successors. The obligations and agreements of the Owners, and their successors and assigns, shall run with the Supplemental Community Area and all Lots located within the Supplemental Community Area and shall inure to the benefit of the Declarant, Principal Builders, Operating District, any Association, any District, and all of their respective successors and assigns, and such obligations and agreements of Owners, their successors and assigns shall be binding upon all successive owners or transferees of all or any portion of the Supplemental Community Area. If all or part of a Residence is leased to an Occupant, Owners, for themselves and their successors and assigns, further agree that the conditions, covenants, and restrictions contained herein shall be binding upon all Occupants of a Residence in the Supplemental Community Area.

9.3 Communications and Notices. Unless specified otherwise herein, any approval, consent, demand, notice, or other communication (collectively, a "**Notice**") that is permitted or required to be given under this Supplemental Declaration must be made in writing and may be given either (a) personally or (b) by email, mail, overnight delivery, or telephone. If the Notice is

given personally, it shall be deemed given the date and time when received by the recipient of the Notice. If the Notice is served by mail or overnight delivery, then it shall be sent postage or delivery charges prepaid, addressed to any Person at the address of the Residence owned by such Person (or such other address as the recipient may designate in advance for such purposes) and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the day after it is deposited with an overnight delivery service and the second day after it is deposited in a regular depository of the United States Postal Service. If the Notice is served by email, then it shall be sent to any email address designated in writing by the recipient of the Notice for such purpose and shall be deemed given the date that it is transmitted provided that a written copy is deposited the same day in a regular depository of the United States Postal Service sent postage or delivery charges prepaid, addressed to any Person at the address of the Lot owned by such Person (or such other address as the recipient may designate in advance for such purposes).

9.4 Governing Law. The laws of the State of Colorado shall govern the construction, enforcement, and interpretation of this Supplemental Declaration.

9.5 Liberal Interpretation. The provisions hereof shall be liberally construed as a whole to give effect to the purpose hereof.

9.6 Limitation on Liability. The Declarant, any District, any Principal Builders, the Operating District, and any agent, board of directors (including the individual directors on such board, employee, manager, member, member of an advisory board or member board, officer, owner, principal, representative, or shareholder of the Declarant, Successor Declarant, any District, any Principal Builder), and the Operating District shall not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice. Nothing contained in this Supplemental Declaration shall be a waiver by the Operating District of any covenant, provision, protection, or term of, or as a waiver of any immunity afforded by, the Colorado Governmental Immunity Act (C.R.S. §§ 24-10-101, *et seq.*).

9.7 No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by the Declarant, any Principal Builders, the Operating District, any District or their agents or employees in connection with any portion of the Supplemental Community Area, or any Improvement thereon, its or their physical condition, zoning, compliance with Applicable Laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes, or regulation thereof, unless and except as shall be specifically set forth in writing.

9.8 Remedies Cumulative. Each remedy provided under this Supplemental Declaration is cumulative and not exclusive.

9.9 Severability; Interpretation. Each of the provisions hereof shall be independent and severable. The invalidity or unenforceability (or the partial validity or enforceability) of the provisions or any portion of this Supplemental Declaration shall not affect the validity or enforceability of any other provision or portion of this Supplemental Declaration.

9.10 Violations of Law. Any violation of any Applicable Law pertaining to the

ownership, occupation, or use of any property within the Supplemental Community Area is hereby declared to be a violation hereof and shall be subject to any and all enforcement procedures set forth in this Supplemental Declaration.

[*Signature of the Declarant is on the next page*]

THE DECLARANT has executed and delivered this Supplemental Declaration of Covenants Conditions, Conditions, and Restrictions for Erie Highlands Carriage House (Filing No. 16) as of the date of its Recordation.

Declarant:

CLAYTON PROPERTIES GROUP II, INC.,
a Colorado corporation

By: _____

Name: Patrick H. Hamill

Title: V.P.

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 17 day of February, 2022, by Patrick H. Hamill, as _____ of CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation.

WITNESS my hand and official seal.

TERRI GROVES
Notary Public
State of Colorado
Notary ID # 20214002333
My Commission Expires 01-19-2025

_____
Notary Public
My commission expires: 01-19-2025

CONSENT OF OPERATING DISTRICT

The undersigned, Erie Highlands Metropolitan District No. 4, hereby consents to the aforesaid Supplement Declaration of Covenants, Conditions and Restrictions for Erie Highlands Carriage House (Filing No. 16). For purposes of § 32-1-1004(8)(a)(I), C.R.S. this Supplement Declaration of Covenants, Conditions and Restrictions for Erie Highlands Carriage House (Filing No. 16) constitutes the contract defining the duties and responsibilities of the Operating District and the Declarant.

IN WITNESS WHEREOF, the undersigned as hereto set its hand this 23 day of FEBRUARY, 2022.

ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4

By: _____

Title: BOARD DIRECTOR

STATE OF Colorado)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 23 day of February, 2022 by Brandon Wyszynski as Board Director of Erie Highlands Metropolitan District No. 4.

Witness my hand and official seal.

{S E A L}

TERRI GROVES
Notary Public
State of Colorado
Notary ID # 20214002333
My Commission Expires 01-19-2025

_____
Notary Public
My Commission expires: 01-19-2025

ATTACHMENT 1
(Supplemental Community Area)

The following described real property located in the County of Weld, State of Colorado:

Lots 1 through 38, inclusive, Block 1,
Lots 1 through 55, inclusive, Block 2,
Lots 1 through 32, inclusive, Block 3,
Lots 1 through 31, inclusive, Block 4,
Erie Highlands Filing No. 16,
according to the plat thereof recorded January 13, 2021, at Reception No. 4670781,
County of Weld, State of Colorado.

ATTACHMENT 2
(Includible Area)

None.

ATTACHMENT 3
(List of Residential Clusters)

Residential Clusters in Erie Highlands Filing No. 16	
Block 1	**Lots**
	Lots 1, 2, 3, and 4
	Lots 5, 6, 7, and 8
	Lots 9, 10, 11, and 12
	Lots 13, 14, 15, and 16
	Lots 17 and 18
	Lots 19, 20, 21, and 22
	Lots 23, 24, 25, and 26
	Lots 27, 28, 29, and 30
	Lots 31, 32, 33, and 34
	Lots 35, 36, 37, and 38
Block 2	Lots 1, 2, 3, and 4
	Lots 5 and 6
	Lots 7, 8, 9, and 10
	Lots 11, 12, 13, 14, 15, and 16
	Lots 17, 18, 19, 20, 21, and 22
	Lots 23, 24, 25, 26, 27, and 28
	Lots 29, 30, 31, 32, 33, and 34
	Lots 35, 36, 37, 38, 39, and 40
	Lots 41, 42, 43, and 44
	Lots 45 and 46
	Lots 47, 48, and 49
	Lots 50, 51, 52, and 53
	Lots 54 and 55
Block 3	Lots 1, 2, 3, and 4
	Lots 5, 6, 7, and 8
	Lots 9, 10, 11, and 12
	Lots 13, 14, 15, and 16
	Lots 17, 18, 19, and 20
	Lots 21, 22, 23, and 24
	Lots 25, 26, 27, and 28
	Lots 29, 30, 31, and 32
Block 4	Lots 1, 2, 3, and 4
	Lots 5, 6, 7, and 8
	Lots 9, 10, 11, and 12
	Lots 13, 14, 15, and 16
	Lots 17, 18, 19, and 20
	Lots 21, 22, 23, and 24
	Lots 25, 26, 27, and 28
	Lots 29, 30, and 31
	Lots 5, 6, 7, and 8

Notes:

1. The Final Plat and Site Plan generally depict the location of each Residence in a Residential Cluster and its relationship to its respective Auto Court and the other Residences in its Residential Cluster.

ATTACHMENT 4
(Paired Lots)

Paired Lots in Erie Highlands Filing No. 16		
Block	**Benefited Lot**	**Burdened Lot**
Block 1	1	2
	4	3
	5	7
	6	8
	9	11
	10	12
	13	15
	14	16
	17	18
	19	20
	21	22
	25	23
	26	24
	29	27
	30	28
	33	31
	34	32
	37	35
	38	36
Block 2	1	2
	3	4
	5	6
	7	8
	9	10
	11	13
	13	15
	12	14
	14	16
	19	17
	20	18
	21	19
	22	20
	23	25
	24	26
	25	27
	26	28
	31	29
	32	30
	33	31
	34	32

	35	37
	36	38
	37	40
	38	39
	43	41
	44	42
	45	46
	48	49
	52	50
	53	51
	55	54
Block 3	1	3
	2	4
	5	7
	6	8
	9	11
	10	12
	13	15
	14	16
	19	17
	20	18
	23	21
	24	22
	27	25
	28	26
	31	29
	32	30
Block 4	1	3
	2	4
	5	7
	6	8
	9	11
	10	12
	13	15
	14	16
	19	17
	20	18
	23	21
	24	22
	27	25
	28	26
	31	30

ATTACHMENT 5
(Site Plan)
Attached

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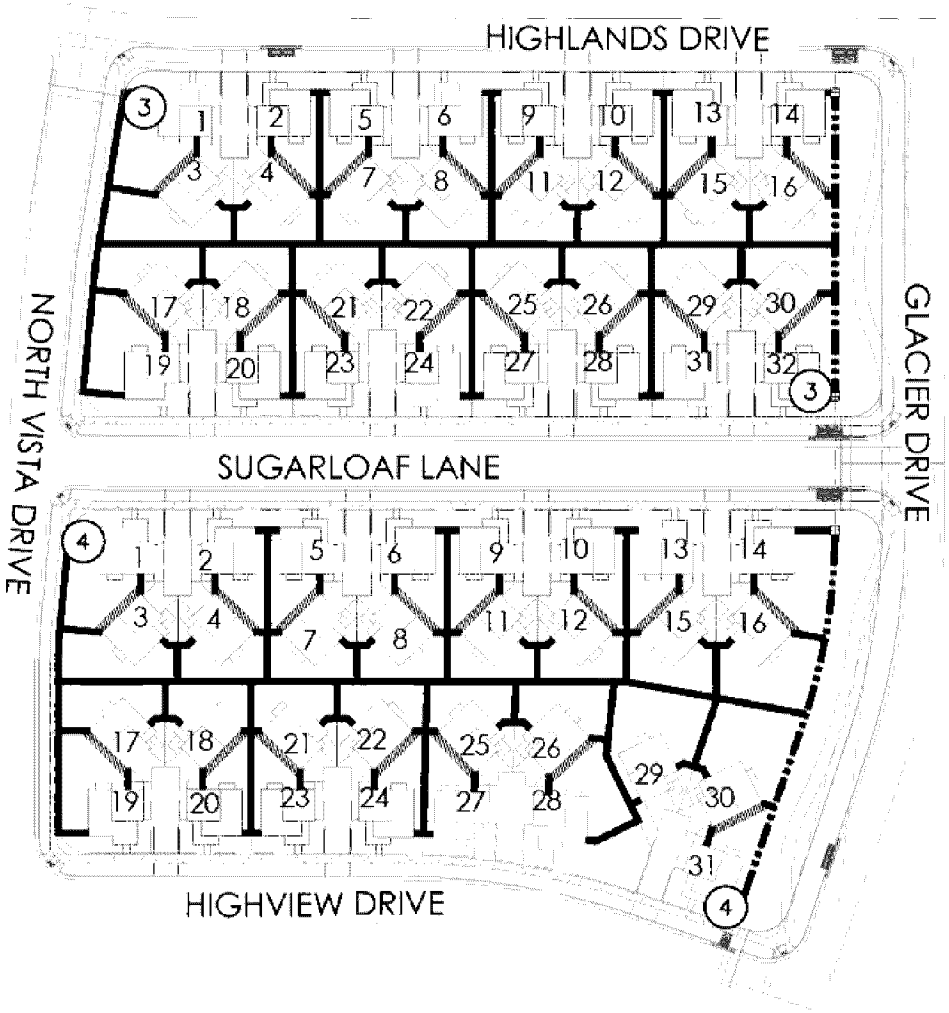
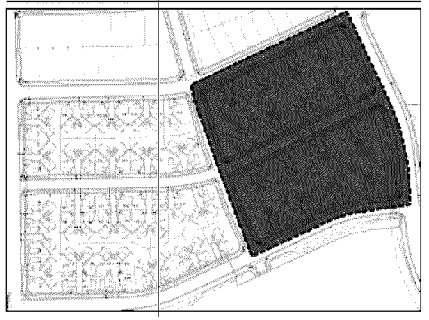


KEY MAP



LEGEND

EXTERIOR OPEN RAIL FENCE

INTERIOR PRIVACY FENCE

USE EASEMENT

Erie Highlands Filing 16

CC&R EXHIBIT - CARRIAGE HOUSE

terracina design
10200 E. Girard Ave, A-314
Denver, CO 80231
ph: 303.632.8867

Scale: 1"=100'

0 50 100 200

July 27, 2021