SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS OF THE KNOLLS MASTER ASSOCIATION

This Second Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association ("Declaration") is made, adopted and declared as of the date of execution hereof below by The Knolls Master Association, Inc., a Colorado nonprofit corporation ("Association"), acting by and through its Board of Directors, pursuant to the affirmative vote of the Owners of at least sixty-seven percent (67%) of the voting interests / Lots within The Knolls common interest community.

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RECITALS

A. The Knolls is a common interest community consisting of property that is more particularly described in the attached Exhibit A ("The Property") and which property is subject to this Second Amended and Restated Declaration, including without limitation by virtue of the following recorded instruments:

- **First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association**, recorded under Reception No. 1832032 on 02/10/1998 in the land records of Mesa County, Colorado;
- **First Supplemental Declaration to the First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association**, recorded under Reception No. 1887598 on 02/08/1999 in the land records of Mesa County, Colorado;
- **Second Supplemental Declaration to the First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association**, recorded under Reception No. 1983115 on 02/08/2001 in the land records of Mesa County, Colorado;
- **Third Supplemental Declaration to the First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association**, recorded under Reception No. 1996694 on 5/17/2001 in the land records of Mesa County, Colorado;
- **Fourth Supplemental Declaration to the First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association**, recorded under Reception No. 2006595 on 7/20/2001 in the land records of Mesa County, Colorado;
- **Fifth Supplemental Declaration to the First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association**, recorded under Reception No. 2006594 on 7/20/2001 in the land records of Mesa County, Colorado;
- **Fifth Supplemental Declaration to the First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association**, recorded under Reception No. 2205619 on 7/30/2004 in the land records of Mesa County, Colorado (note that the title is duplicated, but the Reception No. and date are different);
- **Amendments to First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association**, recorded under Reception No. 2251973 and 2251974 on 5/4/2005 in the land records of Mesa County, Colorado;
- **Amendment to First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association**, recorded under Reception No. 2643160 on 2/4/2013 in the land records of Mesa County, Colorado;

- **2023 Amendment to First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association**, recorded under Reception No. 3090943 on 4/19/2024 in the land records of Mesa County, Colorado.

The foregoing shall be referred to as the Original Declaration.

B. The Knolls is governed by the Association in accordance with this Declaration, as amended and supplemented.

C. The Members have approved, by vote of at least sixty-seven percent (67%) of the voting interests, to amend and restate the Declaration as set forth in this Second Amended and Restated Declaration. All prior declarations and amendments thereto are amended and replaced with this Second Amended and Restated Declaration, effective upon recordation hereof with the Mesa County Clerk and Recorder.

NOW THEREFORE, the Property shall be held, sold, conveyed, used, encumbered, and hypothecated subject to the following covenants, conditions, restrictions, easements, obligations, and servitudes, all of which are for the protection of the value of the Property and the Community and for the benefit of any persons having any right, title or interest in the Property or any part thereof, which shall be deemed to run with the Property and shall be a burden and benefit on and to any persons acquiring such interest, their grantees, heirs, legal representatives, successors and assigns.

ARTICLE ONE: DEFINITIONS

As used in this Declaration, unless the context otherwise requires, the terms hereinafter set forth shall have the following meanings:

1.1 **ACC** means Architectural Control Committee of the Association appointed by the Board.

1.2 **Accessory Dwelling Unit (ADU)** means an internal, attached, or detached dwelling unit that provides independent living facilities for one or more individuals, is located on the same Lot as the primary residence, and includes facilities for living, sleeping, eating, cooking, and sanitation.

1.3 **Act** means the Colorado Common Interest Ownership Act (CCIOA), C.R.S. §§38-33.3-101, *et seq* as it may be amended from time to time.

1.4 **Agencies** means and collectively refers to the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD/FHA), the Veterans Administration (VA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities.

1.5 **Articles** means the Articles of Incorporation of the Association as they may be amended from time to time.

1.6 **Assessments** means the (a) Common Expense Assessment, (b) Special Assessment, (c) Individual Assessment, and (d) Fines levied pursuant to this Declaration.

1.7 **Assessment Lien** or **Lien** means the statutory lien on a Lot for any Assessment levied against that Lot together with all Costs of Enforcement as herein defined. All Costs of Enforcement are enforceable as Assessments. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due. The recording of this Declaration constitutes record notice and perfection of the lien. No further recordation or claim of lien for the Assessment is required.

1.8 **Association** means THE KNOLLS MASTER ASSOCIATION, a Colorado Corporation, not-for-profit, organized pursuant to §38-33.3-301 of the Act, its successors and assigns, the Articles of Incorporation and Bylaws of which, as herein defined, along with this Declaration, shall govern the administration of the Property, the Members of which shall be all of the Owners of the Lots within the Property.

1.9 **Board of Directors** or **Board** means the Board of Directors of the Association duly elected pursuant to the Bylaws of the Association. The Board of Directors is the governing body of the Association and shall act on behalf of the Association.

1.10 **Building** means any building improvements constructed on the common areas by the Association.

1.11 **Bylaws** means the Bylaws which are adopted by the Board of Directors for the regulation and management of the Association, as they may be amended from time to time.

1.12 **Common Area** means all the real property and improvements thereon, if any, in which the Association owns an interest for the common use and enjoyment of all of the Owners on a non-exclusive basis. Such interest may include, without limitation, estates in fee, for terms of years, or easements.

1.13 **Common Expense Assessments** means those assessments defined in Section 6.2 hereof.

1.14 **Common Expense Assessment Liability** means the liability for the Common Expense Assessment allocated to each Lot.

1.15 **Common Expenses** means expenditures made by or liabilities incurred by or on behalf of the Association, together with allocations to reserves.

1.16 **Costs of Enforcement** means all fees, late charges, interest, expenses, including receiver's fees, and reasonable attorneys' fees and costs incurred by the Association (a) in connection with the collection of the Assessments and Fines or (b) in connection with the enforcement of the terms, conditions and obligations of the Declaration, Articles of Incorporation, Policies and Procedures, Bylaws, and Plats of the Association.

1.17 **Declaration** means this Second Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of the Knolls Master Association, as may be amended from time to time, together with any and all Supplemental Declarations that may be recorded from time to time, also including but not limited to plats and maps.

1.18 **Eligible Mortgagee** means a holder, insurer, or guarantor of a First Security Interest who has delivered a written request to the Association containing its name, address, and the legal description of property in which it is interested, requesting that the Association notify them on any proposed action requiring the consent of a specified percentage of Eligible Mortgagees.

1.19 **First Mortgagee** means any Person which owns, holds, insures or is a governmental guarantor of a Security Interest as herein defined, which is a First Security Interest encumbering a Lot within the Property. A First Mortgagee shall also include the holder of executory land sales contracts wherein the Administrator of Veterans Affairs (Veterans Administration) is the Seller, whether such contract is recorded or not.

1.20 **First Security Interest** means a Security Interest (as hereinafter defined) that has priority of record over all other recorded liens except those liens made superior by statute (such as general ad valorem tax liens and special assessments).

1.21 **Guest** means (a) any person who resides with an Owner within the Property; (b) a guest or invitee of an Owner; (c) an occupant or tenant of a Lot within the Property, and any members of his or her household, invitee, or cohabitant of any such person; or (d) a contract purchaser.

1.22 **Lot** means the plots of land subject to this Declaration and designated as a "Lot" on any subdivision plat or drawing of the Property recorded with the Clerk and Recorder of Mesa County, Colorado, together with all appurtenances and improvements now or in the future on the Lot, including a Residence. The term "Lot" shall, to the fullest extent possible, be synonymous with the term "Lot" in C.R.S. §38-33.3-103(30).

1.23 **Managing Agent** means any one or more persons employed by the Association who is engaged to perform any of the duties or functions of the Association.

1.24 **Member** means each Owner, as set forth in Section 1.26 hereof.

1.25 **Notice and Hearing** means a written notice and an opportunity for a hearing before the Board of Directors in the manner provided in the Bylaws.

1.26 **Owner** means the owner of record of the fee simple title to any Lot which is subject to this Declaration, whether one or more persons or entities, excluding, however, those having an interest merely as security for the performance of any obligation.

1.27 **Person** means a natural person, a corporation, a partnership, an association, a trustee, a limited liability company, a joint venture, or any other entity recognized as being capable of owning real property under Colorado law.

1.28 **Property** means and refers to that certain real property described on Exhibit A attached to this Declaration. The Property (as the term is defined in C.R.S. §38-33.3-103(30)) is also described on those plats of the Property recorded with the Clerk and Recorder of Mesa County, Colorado.

1.29 **Residence** means the single or multifamily dwelling constructed on any one Lot.

1.30 **Rules and Regulations** means any instruments, including but not limited to policies, procedures, rules, and regulations, however denominated, that are duly adopted by the Board of Directors for the regulation and management of the Property, Association, and water system (which may include watering restrictions) as amended from time to time.

1.31 **Security Interest** means an interest in real estate or personal property created by contract or conveyance which secures payment or performance of any obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of leases or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation.

1.32 **Special Assessment** means those Assessments defined in Section 6.4 hereof.

1.33 **Supplemental Declaration** means a written instrument containing covenants, conditions, restrictions, reservations, easements and other provisions, or any combination thereof, which is recorded.

1.34 **VA and/or FHA Approval** means that the Property has been approved by the Veterans Administration and/or the Federal Housing Administration so that such agencies will insure or guarantee loans made upon the Lots within the Property.

1.35 **Xeriscape** means the combined application of the seven principles of landscape planning and design, soil analysis and improvement, hydro zoning of plants, use of practical turf areas, uses of mulches, irrigation efficiency, and appropriate maintenance.

ARTICLE TWO: COMPLIANCE

2.1 **Compliance with Provisions of Declarations, Articles, Bylaws, and Policies and Procedures of the Association.** Each Owner shall comply strictly with and shall cause each of his or her Guests to comply strictly with all of the provisions of this Declaration and the Articles and Bylaws of the Association, and the decisions, rules, regulations and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. Each Owner shall be responsible for the compliance by his or her Guests. Failure to comply with any of the same may be grounds for an action to recover sums due and for damages or injunctive relief or both, along with costs of suit and reasonable attorneys' fees, maintainable by the Board of Directors in the name of the Association on behalf of the Owners, or, in a proper case, by any aggrieved Owner.

2.2 **Restrictions on Sale of a Lot.** The right of an Owner to sell, transfer or otherwise convey his or her Lot shall not be subject to any right of first refusal or similar restriction, and such Lot may be sold free of any such restrictions.

2.3 **Restrictions on Mortgaging Lots.** There are no restrictions on the right of an Owner to mortgage or otherwise encumber his or her Lot. There is no requirement for the use of a specific lending institution or particular type lender.

ARTICLE THREE: VARIOUS RIGHTS AND EASEMENTS

3.1 **Owner's Rights in the Common Areas.** Every Owner and such Owner's Guests shall have the right and easement of use and enjoyment in and to the Common Areas, subject to the following rights of the Board of Directors:

a. To borrow money to improve the Common Areas and to mortgage said Common Areas as security for any such loan; provided, however, that the Association may not subject any portion of the Common Areas to a security interest unless such is approved by Owners to which at least eighty percent (80%) of the votes in the Association are allocated.

b. To convey or dedicate all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners entitled to cast at least eighty percent (80%) of the votes allocated to Lots. The granting of permits, licenses and easements shall not be deemed a conveyance or encumbrance within the meaning of this Article as more fully set forth in §38-33.3-312 of the Act.

c. To promulgate and adopt Policies and Procedures with which each Owner and their Guests shall strictly comply.

d. To suspend the voting rights of a Member for any period during which any Assessment remains unpaid and, for a period not to exceed sixty days, for any infraction of the Declaration, Bylaws or Policies and Procedures.

e. To take such steps as are reasonably necessary to protect the Common Areas against foreclosure.

f. To enter into, make, perform or enforce any contracts, leases, agreements, licenses, easements and rights-of-way, for the use of Common Areas or other property by Owners and Guests for any purpose the Board may deem to be useful, beneficial or otherwise appropriate.

g. To close or limit the use of the Common Areas temporarily while maintaining, repairing or making replacements in the Common Areas, or permanently if approved by Members to which at least sixty-seven percent (67%) of the votes in the Association are allocated, unless required to be open by the City of Grand Junction.

h. To make such use of the Common Areas as may be necessary or appropriate for the performance of the duties and functions which it is obligated or permitted to perform under this Declaration.

i. The rights granted to the Board of Directors in Section 4.11 hereof.

3.2 **Delegation of Use.** Any Owner may delegate his or her right of enjoyment to the Common Areas and facilities to their Guests.

3.3 **Easements for Encroachments.** If any part of the Common Areas encroaches or shall hereafter encroach upon a Lot, an easement for such encroachment and for the maintenance of the same shall and does exist. The easement shall extend for whatever period the encroachment exists. Such easements for encroachments shall not be considered to be encumbrances either on the Common Areas or on a Lot. Encroachments referred to herein include, but are not limited to, encroachments caused by survey errors.

3.4 **Emergency Easements.** A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Property, to enter upon all driveways located in the Property, in the performance of their duties.

3.5 **Utility Easements.** The Board of Directors has the right to grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property.

3.6 **Owner's Easement for Access.** Each Owner shall have a nonexclusive easement for access between his or her Lot and the streets within the Property. There shall be no restrictions upon any Owner's right of ingress and egress to or from such Owner's Lot. Such easement shall extend for whatever period of time the need for access shall exist.

3.7 **Easements Deemed Appurtenant.** The easements, uses and rights herein created for an Owner shall be perpetual and appurtenant to the Lots owned by such Owner. All conveyances or any other instruments affecting title to a Lot shall be deemed to grant and reserve the easements, uses and rights as provided for herein, as though set forth in said document in full, even though no specific reference to such easements, uses or rights appear in such conveyance.

ARTICLE FOUR: THE ASSOCIATION

4.1 **Name.** The name of the Association is THE KNOLLS MASTER ASSOCIATION. Note that, pursuant to the Shared Cost Agreement between The Knolls Master Association, Inc. and Ravenna Hills Homeowners Association, Inc., recorded under Reception No. 3135946 on 09/02/2025 in the land records of Mesa County, Colorado, the Ravenna Hills Homeowners Association is not a sub-association of The Knolls.

4.2 **Purposes and Powers.** The Association, through its Board of Directors, shall manage, operate, care for, insure, maintain, repair, and reconstruct all of the Common Areas and keep the same in a safe, attractive, and desirable condition for the use and enjoyment of all of the Owners and the residents of the Property. Any purchaser of a Lot shall be deemed to have assented to, ratified, and approved such designations and management. The Association shall have all the power necessary or desirable to effectuate such purposes. The Board of Directors shall have all of the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and Affairs of the Association.

4.3 **Board of Directors.** The Affairs of the Association shall be managed by a Board of Directors which may by resolution delegate authority to a Managing Agent for the Association as more fully provided for in the Bylaws, provided no such delegation shall relieve the Board of final responsibility.

4.4 **Articles and Bylaws.** The purposes and powers of the Association and the rights and obligations with respect to Members set forth in this Declaration may and shall be amplified by provisions of the Articles of Incorporation and Bylaws of the Association. In the event either the Articles or Bylaws conflict with the Declaration, the Declaration shall control. In the event the Articles conflict with the Bylaws, the Articles shall control.

4.5 **Membership.** Members of the Association shall be every record owner of a Lot subject to this Declaration. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for such membership. Where more than one person holds interest in any Lot, all such persons shall be Members.

4.6 **Voting Rights.** The Association shall have one class of voting membership. Owners shall be entitled to one vote for each Lot owned; each Lot shall have one vote. The vote for such Lot, the ownership of which is held by more than one Owner, may be exercised by any one of them unless an objection or protest by any other holder of an interest of the Lot is made prior to the completion of the vote, in which case the vote for such Lot shall be exercised as the persons holding such interest shall determine between themselves. Should the joint owners of a Lot be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such shall be lost. The total number of votes which may be cast in connection with any matter shall be equal to the total number of Lots then existing within the Property.

4.7 **Election by Owners.** Members of the Board of Directors must be elected by the Owners. Owners elected to the Board of Directors shall take office upon election. Members of the Board of Directors shall elect the Officers.

4.8 **Budget.**

a. The Board of Directors shall cause to be prepared, at least sixty days prior to the commencement of each calendar year, a Budget for such calendar year. Within thirty days after the adoption of any Budget by the Board, the Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Budget to each Owner and shall set a date for a meeting of the Owners to consider ratification of the Budget not less than fourteen days nor more than sixty days after delivery of the summary. Unless at that meeting Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated reject the Budget, the Budget shall be deemed ratified whether or not a quorum is present. In the event the Budget is rejected, the Budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent Budget adopted by the Board of Directors.

b. If the Board of Directors deems it necessary or advisable to amend a Budget that has been ratified by the Owners pursuant to Subsection 4.8.a. above, the Board may adopt a proposed amendment to the Budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than fourteen days, nor more than sixty days, after the delivery of the summary of the proposed amendment. Unless at that meeting the Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated reject the proposed budget amendment, the proposed budget amendment shall be deemed ratified whether or not a quorum is present.

4.9 **Association Agreements.** Any agreement for professional management of the Property or any contract purporting to bind the Association must provide for termination by either party.

4.10 **Indemnification.** Each Officer, Director and committee member of the Association shall be indemnified by the Association against all expenses and liabilities including attorney fees, reasonably incurred by or imposed upon him or her in any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of him or her being or having been an Officer, Director or committee member of the Association, or any settlements thereof, whether or not he or she is an Officer, Director or committee member of the Association at the time such expenses are incurred, to the full extent permitted by Colorado law. The power to collect money through liens shall be available to pay for this indemnification.

4.11 **Certain Rights and Obligations of the Association.**

a. **Attorney-in-Fact.** This Declaration does hereby make mandatory the irrevocable appointment of an Attorney-in-Fact to deal with the Property upon its damage, destruction, condemnation, and obsolescence. The Board of Directors is hereby irrevocably appointed attorney-in-fact for the Owners, and each of them, to manage, control, and deal with the interest of such Owners in the Common Areas so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, to deal with the Property upon its destruction, condemnation or obsolescence as hereinafter provided. The acceptance by any person of any interest in any Lot shall constitute an appointment of the Board of Directors as attorney-in-fact as provided above and hereinafter. The Board of Directors shall be granted all of the powers necessary to govern, manage, maintain, repair, administer and regulate the Property and to perform all of the duties required of it.

b. **Contracts, Easements and Other Agreements.** Subject to the rights and requirements of the City of Grand Junction, the Board of Directors shall have the right to enter into, grant, perform, enforce, cancel, and vacate: contracts, easements, licenses, leases, agreements, and/or rights-of-way, for the use by Owners, their Guests, and other persons, concerning the Common Areas. Any of such contracts, licenses, leases, agreements, easements and/or rights-of-way, shall be upon such terms and conditions as may be agreed to from time to time by the Board of Directors, without the necessity of the consent thereto, or joinder therein, by the Owners or First Mortgagees.

c. **Other Association Functions.** The Association may undertake any activity, function or service for the benefit of or to further the interests of all, some or any Members on a self-supporting Special Assessment or Common Expense Assessment basis.

d. **Implied Rights.** The Board of Directors shall have and may exercise any right or privilege given to it expressly by this Declaration, or reasonably to be implied from the provisions of this Declaration, or given or implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

ARTICLE FIVE: COMMON AREA

5.1 **Maintenance of Common Area.** The Association shall maintain and keep the Common Area in good repair, and the cost of such maintenance shall be funded with assessments as provided in Article Six. This maintenance shall include, but shall not be limited to, upkeep, repair, and replacement, subject to any insurance then in effect, of all landscaping and improvements on the Common Areas. The Association shall further maintain a water supply system and deliver water to each Lot on the Property. The cost for such water shall be funded by the Assessments as provided in Article Six.

ARTICLE SIX: ASSESSMENTS

6.1 **Obligation.** Each Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees and shall be personally obligated to pay to the Association (a) Common Expense Assessments, (b) Special Assessments, (c) Fines, (d) Individual Assessments, and (e) Costs of Enforcement, which shall be a continuing lien upon the Lot against which each such Assessment is levied.

The obligation for such payments by each Owner to the Association is an independent personal covenant with all amounts due, from time to time, payable in full when due without notice or demand and without set off or deduction. All Owners of each Lot shall be jointly and personally liable to the Association for the payment of all Assessments and Costs of Enforcement attributable to their Lot.

The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them.

6.2 **Purpose of the Assessments.** The Common Expense Assessment shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents of the Property and the Members of the Association. Such purposes shall include but not be limited to the improvement, repair, maintenance, reconstruction and insuring of the Common Areas, maintenance of a water supply system and pressurized irrigation system, and delivery of water to each Lot on the Property. Upon approval of Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated, each Owner may be required to install individual water meters and thereafter pay for water based on actual usage at a rate determined by the Board.

Such Assessment shall include the establishment and maintenance of a reserve fund for the improvement, maintenance, reconstruction, and repair of the Common Areas on a periodic basis.

6.3 **Date of Commencement of the Common Expense Assessment.** The Common Expense Assessment shall commence as to all Lots on the first day of the month following the effective date of the first budget of the Association.

6.4 **Special Assessments.** In addition to the other Assessments authorized herein, the Board of Directors, subject to the limitations set forth below, may levy a Special Assessment for the purpose of defraying, in whole or in part, any unexpected expense to include but not be limited to the cost of any construction, reconstruction, improvement, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property relating thereto, or for the funding of any operating deficit incurred by the Association provided that any such assessment shall have the approval of Owners to whom at least fifty-one percent (51%) of the votes in the Association are allocated, who are voting in person or by proxy at a meeting duly called for this purpose.

Any such Special Assessment shall be levied against each Lot in accordance with that Lot's Common Expense Liability determined in accordance herewith.

Written notice of any meeting called for the purpose of making a Special Assessment shall be sent to all Owners not less than fifteen days nor more than thirty days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies to whom at least sixty percent (60%) of the votes in the Association are allocated shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

6.5 **Fines.** The Board of Directors of the Association shall have the right to levy a Fine against an Owner or Owners for each violation of this Declaration, the Bylaws, the Articles and the Policies and Procedures of the Association. No such Fine shall be levied until such Owner or Owners have been given a Notice and Hearing as provided for in the Bylaws of the Association.

Fines may be levied in a reasonable amount as determined from time to time by the Board of Directors in its discretion and uniformly applied. Fines shall be collected as part of the Costs of Enforcement.

6.6 **Individual Assessments.** The Board of Directors shall have the right to levy Individual Assessment amounts on any Owner or Owners as provided for by this Declaration, to include but not be limited to charges levied under Sections 6.3, 6.4, 6.5 and 6.10 hereof. No Individual Assessment shall be levied until the Owner or Owners to be charged has been given a Notice and Hearing as provided for in the Bylaws of the Association. Individual Assessments shall be collected as part of the Costs of Enforcement.

6.7 **Levy of Assessments.** Common Expense Assessments shall be levied on all Lots based upon a budget of the Association's cash requirements to accomplish the purposes set forth in Section 6.2 hereof. The Common Expense Liability shall be prorated among the Lots. The omission or failure to the Board of Directors to levy the Common Expense Assessment for any period shall not be deemed a waiver, modification, or a release of the Owners from their obligation to pay in the future. Special Assessments shall be levied in accordance with Section 6.4 hereof. Fines and Individual Assessments may be levied at any time as required. Both assessments are exempt from any voting requirements by the membership required for other assessments called for under the Declaration. No Owner may waive or otherwise escape liability for the Common Expense Assessment provided for herein by the non-use of the Common Areas or the abandonment of his or her Lot.

6.8 **Due Date.** Fines and Individual Assessments shall be due and payable as established by the Board of Directors. Common Expense Assessments shall be levied on an annual basis and shall be due and payable in full. Any Owner purchasing a Lot between annual due dates shall pay a prorated share. Special Assessments shall be due and payable as established by the Board but may be payable on an installment basis as determined by the Board. Written notice of all Assessments shall be sent to each Owner subject thereto specifying the type of Assessment, the amount, and the date such Assessment is due.

6.9 **Remedies for Nonpayment of Assessment.** The Board shall adopt a Policy and Procedure governing collection of unpaid assessments, which Policy and Procedure shall comply with the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101 *et seq*. If any Assessment (to include Costs of Enforcement) is not fully paid when and as due, then the Board may in accordance with the duly adopted Policy and Procedure governing collection of unpaid assessments:

a. Charge interest and impose late fees; and/or

b. Bring an action at law against any Owner personally obligated to pay the Assessment and obtain a judgment for the amounts due; and/or

c. Impose a lien on the Lot owned by the delinquent member; and/or

d. Foreclose its lien against the Lot pursuant to the power of sale granted to the Association by this Declaration in the manner and form provided by Colorado law for foreclosure of real estate mortgages; and/or

e. Bring an action at law or in equity by the Association against the Owner to recover a judgment for unpaid Assessments.

The foregoing remedies are cumulative and not mutually exclusive.

6.10 **Assessment Lien.** Each Owner of any Lot, by acceptance of a Conveyance for that Lot, whether or not it shall be so expressed in that instrument, is deemed to covenant and agree to pay to the Association: (a) all Assessments and charges levied against that Lot; and (b) all fees, charges, late charges, attorney fees, fines, collection costs, interest and other sums charged pursuant to this Declaration or as allowed by C.R.S. § 38-33.3-316(1) or any other provision of CCIOA or by any other applicable law. The

Association shall have the right, independent of CCIOA, to impose reasonable charges for late payment of Assessments, recover reasonable attorney fees and other legal costs for collection of Assessments and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated, and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, the Bylaws, or the Policies and Procedures of the Association.

Any charge set forth in this Article Six, from the time such charge becomes due, shall be a charge on and covenant running with the land, and shall be a continuing lien on the Lot against which each such item is assessed. If an Assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations. A valid acceleration of installment Assessment obligations may be made by the Board at any time any Assessment or Assessment installment is at least thirty (30) days overdue. Each such charge, together with interest, costs, and reasonable attorney fees, shall also be the joint and several personal obligation of each person and entity who was the Owner of the Lot at the time when the item became due, provided that this personal obligation shall not pass to an Owner's successors-in-interest unless expressly assumed by them.

The Association is hereby granted an Assessment Lien against each Lot for any Assessment levied by the Board of Directors, plus Costs of Enforcement, when the Lot Owner fails to pay as required herein. All Costs of enforcement incurred pursuant to this Declaration, or pursuant to any duly adopted policy of the Board, are enforceable as Assessments. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due. The Association's lien on a Lot for Assessments shall have the priority specified in CCIOA, C.R.S. § 38-33.3-316(2), or other applicable law. The Association's lien on a Lot for Assessments shall be superior to any homestead exemption now or later provided by the laws of the State of Colorado or any exemption now or later provided by the laws of the United States. The acceptance of a Conveyance to a Lot subject to this Declaration shall constitute a waiver of the homestead and any other such exemption as against such Assessment lien.

Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for Assessments under this Article is required. However, the Board of Directors may record a notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot, and a description of the Lot. The recordation cost thereof shall be considered a Cost of Enforcement.

Sale or transfer of any Lot shall not affect the lien for any Assessments except that sale or transfer of any Lot pursuant to foreclosure of any first mortgage, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall extinguish the Assessment Lien only to the extent provided by Colorado law. No such sale, deed in lieu of foreclosure, cancellation or forfeiture shall relieve any Owner from continuing personal liability for any Assessment thereafter becoming due, nor from the lien thereof. Any First Mortgagee who acquires title to a Lot by virtue of foreclosing a first mortgage or by virtue of a deed in lieu of foreclosure will take the Lot free of any claims for unpaid Assessments and Costs of Enforcement against that Lot which have accrued prior to the time such First Mortgagee acquires title to the Lot, except to the extent the Act grants lien priority for Assessments of the Association.

In any action by the Association to collect Assessments and Costs of Enforcement or to foreclose a lien for unpaid Assessments, the court may appoint a receiver for the Owner to collect all sums alleged to be due from the Owner prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Common Expense Assessments and Costs of Enforcement. The rights of the Association shall be expressly subordinate to the rights of any First Mortgagee of a Lot under any assignment of rents given in connection with a first deed of trust.

The Association's lien on a Lot for Assessment and Costs of Enforcement shall be superior to any homestead exemption now or hereafter provided by the Laws of the State of Colorado or any exemption now or hereafter provided by the Laws of the United States. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said Assessment lien.

6.11 **Surplus Funds.** Any surplus funds of the Association remaining after payment of or provision for its expenses and any prepayment of or provision for reserves shall be retained by the Association as unrestricted funds and need not be credited to the Owners in proportion to their Allocated Interests or credited to them to reduce their future Assessments.

6.12 **Working Capital Fund.** Each Owner, at the time the Owner acquires his or her Lot, shall make a non-refundable contribution to the Working Capital Fund of the Association in the amount equal to at least two months installment of the Common Expense Assessment for such Lot. Such sum shall be deposited to the Working Capital account. Such payment shall not be considered as an advance payment of the regular Common Expense Assessment or relieve an Owner from making the regular annual payment of the Common Expense Assessment as the same becomes due.

6.13 **Certificate of Assessment Status.** The Association shall furnish to an Owner or such Owner's First Mortgagee upon written request delivered personally or by certified mail, return receipt requested, to the Association's Registered Agent, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Lot. The statement shall be furnished within fourteen business days after receipt of the request and is binding upon the Association, the Board of Directors, and every Owner. If no statement is timely furnished to the Owner or First Mortgagee, then the Association shall have no right to assert a priority lien upon the Lot for unpaid Assessments which were due as of the date of the request.

6.14 **No Offsets.** All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration.

ARTICLE SEVEN: RESTRICTIVE COVENANTS AND OBLIGATIONS

7.1 **Use and Occupancy of the Lots.** Each Owner shall be entitled to the exclusive ownership and possession of his or her Lot. No Lot within the Property shall be used for any purpose other than single-family residential purposes as generally defined or for a home occupation so long as (a) such occupation is allowed by applicable Zoning Codes, (b) employs no outside employees, and (c) requires no signage or parking, provided, however, that uses described as "day care" or "child care" facilities (licensed or unlicensed) are expressly prohibited unless approved by the Board of Directors.

a. **Short-Term Rentals.** Short-term rental is prohibited by this Declaration. Short-term rental (also known as vacation rental) is defined for purposes of this Declaration as the sale of temporary lodging in, upon or of any Lot or part thereof, or the renting or leasing of any residence or structure or part thereof upon any Lot, for a period of fewer than one-hundred eighty (180) consecutive days. No Lot, or any part thereof, or structure thereon, shall be let, rented, sold, or leased as a short-term rental. No use or occupancy of any Lot or any part thereof or structure thereon shall be marketed, leased, rented, advertised, or sold as or for short-term rental, as defined in this subsection. No Owner or Tenant of any Lot shall list or advertise, or cause or permit another to list or advertise, his or her residence or Lot, or any part thereof, on a home-exchange, short term rental, or vacation rental website, database, or other forum, such as, but without limitation, VRBO, Airbnb, HomeToGo, Holidayhomes.com, or any other.

b. **Residential Leases and Residential Rentals.** Owners may lease their Lot for residential use, but only in accordance and in compliance with the restrictions set forth in Section 7.11 of this Declaration.

7.2 **Use of the Common Areas.** Each Owner and his or her Guests may use the appurtenant Common Areas in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners. The Board of Directors may adopt Policies and Procedures governing the use of the Common Areas, but such Policies and Procedures shall be uniform and non-discriminatory. Each Owner, by the acceptance of his or her deed or other instrument of conveyance or assignment and such Owner's Guests agree to be bound by any such adopted Policies and Procedures.

There shall be no obstruction of the Common Areas, nor shall anything be stored on any part of the Common Areas without the prior written consent of the Board of Directors. Nothing shall be altered, constructed on, or removed from the Common Areas except upon the prior written consent of the Board of Directors of the Association.

7.3 **Pets within the Property.** No animals, livestock, birds, poultry, reptiles or insects of any kind, shall be raised, bred, kept or boarded in or on any portion of the Property; except that dogs, cats or other household animals may be allowed so long as they are not raised, bred or maintained for any commercial purpose, and are not kept in such number or in such manner as to create a nuisance or inconvenience to any residents of the Property.

The Board of Directors shall have the right and authority to determine in its sole discretion that dogs, cats or other household pets are being kept for commercial purposes or that an Owner is otherwise in violation of the provisions of this Section 7.3. The Board shall take such action or actions as it deems reasonably necessary to correct the violation to include after Notice and Hearing, directing permanent removal of the pet or pets from the Property.

To report a barking dog, contact the City of Grand Junction, not the Board of Directors. For more information and the online form, go to www.gjcity.org and search for "Animals."

Household pets shall not be allowed to run at large within the Property but shall at all times be under the control of such pet's Owner and such pets shall not be allowed to litter the Common Areas. Dogs shall be on a leash while on the Common Areas.

Reimbursement for damages caused by such pets and costs incurred by the Association, to include attorneys' fees and costs, in the removal of a pet or pets from the Property or incurred by the Association in cleanup after such pets may be levied after Notice and Hearing against such pet's Owner as an Individual Assessment in accordance with Section 6.6 hereof.

The provisions of Section 12.2 notwithstanding, the Board of Directors may amend this Section 7.3 from time to time to better serve the needs of the Property without the consent of the Owners or First Mortgagees.

7.4 **Nuisances.** No noxious or offensive activity shall be carried on within the Property, nor shall anything be done or maintained thereon which may be or become an annoyance or nuisance to the neighborhood or detract from its value as an attractive residential community. Decks, patios and balconies shall not be used for storage. No activity shall be conducted on any part of the Property which is or might be unsafe or hazardous to any person. All rubbish, trash or garbage shall be regularly removed from the Lots and Property and shall not be allowed to accumulate thereon.

7.5 **Vehicular Parking, Storage and Maintenance.**

a. Any house trailer, camping trailer, boat trailer, hauling trailer, running gear, boat, or accessories thereto, motor-driven cycle, self-contained motorized recreational vehicle, or other type of recreational vehicle or equipment may be parked or stored on or within the Property only if such parking or storage is done wholly within the enclosed garage located on a Lot. Any such vehicle may be parked as a temporary expedience for loading, delivery, or emergency. This restriction, however, shall not restrict the temporary parking of trucks or other commercial vehicles within the Property which are necessary for construction or for the maintenance of the Common Area, Lots or any improvements located thereon, during construction.

b. Except as hereinabove provided, no abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked on or within the Property. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, boat, trailer, camper, house trailer, self-contained motorized recreational vehicle, or other similar vehicle, which has not been driven under its own propulsion for a period of two (2) weeks or longer, or which does not have an operable propulsion system installed therein; provided, however, that otherwise permitted vehicles parked by Owners while on vacation or during a period of illness shall not constitute abandoned or inoperable vehicles. In the event the Association shall determine that a vehicle is an abandoned or inoperable vehicle, then a written notice describing said vehicle shall be personally delivered to the Owner thereof (if such owner thereof can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the abandoned or inoperable vehicle is not removed within 72 hours thereafter, the Association shall have the right to remove the vehicle at the sole expense of the Owner thereof. Said expenses to be levied against the Owner of the vehicle will be as an Individual Assessment in accordance with Section 6.6 hereof.

c. No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicles, trailers, or boats, may be performed or conducted on or within the Property, unless it is done within a 24-hour time period or within completely enclosed structure(s) which screen the sight and sound of the activity from the street and from adjoining property. The foregoing restrictions shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, or motor-driven cycle, together with those activities normally incident and necessary to such washing and polishing.

d. Nothing in this Section 7.5 shall be construed to prohibit, limit, or otherwise regulate use of any public street.

7.6 **No Unsightliness.** No activity shall be conducted on any part of the Property which is or might be unsafe, unsightly, unhealthy or hazardous to any person. No Owner shall modify, alter, repair, decorate, redecorate, or improve the exterior of any Lot or Improvement thereon or any of the Common Areas without the express written approval of the ACC.

7.7 **Prohibition of Certain Activities.** Nothing shall be done or kept in the Common Areas or any part thereof which would result in the cancellation of the insurance on the Common Area or increase the rate of the insurance on the Common Area over what the Association, but for such activity, would pay, without the prior written consent of the Board of Directors.

Nothing shall be done or kept in any Lot or improvement thereon or in the Common Areas which would be in violation of any statute, ordinance, regulation, or other validly imposed requirement of any governmental body. No noxious, destructive, or offensive activity shall be carried on in any Lot or in the Common Areas, nor shall anything be done therein which may be or may become an annoyance or nuisance to others. No sound shall be emitted on any part of the Property which is unreasonably loud or annoying.

7.8 **Antennas / Swamp Coolers.** Except as may be otherwise permitted by the Architectural Control Committee, all antennae shall be installed inside any residence; provided, however, that 18” satellite receivers may be installed on the exterior provided the placement is approved by the Architectural Control Committee.

Swamp coolers shall be located below the ridge line of the house and approved by the Architectural Control Committee.

7.9 **Restrictions on Flags and Common Area Signs.**

a. No signs or advertising of any nature shall be erected or maintained on any part of the Common Areas without prior written consent of the Board of Directors. The Board shall permit the placing of at least one sign of reasonable size and dignified form to identify the Property and the Lots therein.

b. No more than one flag shall be displayed on any Lot, and such flag shall not exceed three feet by five feet (3’ by 5’) in size. Flag poles of greater than twelve feet (12’) in height are prohibited.

7.10 **Owner-Caused Damage.** If, due to the act or neglect of an Owner or such Owner's Guests, loss or damage shall be caused to any person or property within the Common Areas, such Owner shall be liable and responsible for the payment of same. The amount of such loss or damage, together with costs of collection and reasonable attorneys' fees and costs, if necessary, may be collected by the Board of Directors from such Owner as an Individual Assessment against such Owner in accordance with Section 6.6 hereof. Determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this Section 7.10 shall be made by the Board of Directors and shall be final.

7.11 **Lease of a Lot.** With the exception of a First Mortgagee who has acquired title to a Lot by virtue of foreclosing a first mortgage or by virtue of a deed in lieu of foreclosure, an Owner shall have the right to lease his or her Lot upon such terms and conditions as the Owner may deem advisable, subject to the following:

a. The term of the lease must be one year or longer.

b. Any lease or rental agreement must be in writing and shall be expressly made subject to the terms of this Declaration and the Bylaws, Articles of Incorporation and the Policies and Procedures of the Association (“Association Documents”), and shall contain the following express provisions:

   i. Tenant has received and read the Association Documents;

   ii. Tenant is obligated to comply with all provisions of the Association Documents;

   iii. Tenant is subject to enforcement of the Association Documents by the Association.

c. The failure of the lessee or renter to comply with the terms of the Declaration or Bylaws of the Association, Articles of Incorporation or the Policies and Procedures of the Association shall constitute a default and such default shall be enforceable by either the Board of Directors or the lessor, or by both of them.

d. Each Owner who is leasing his/her/its Lot or Residence shall provide a copy of the written lease to the Board within thirty (30) days of the earlier of (1) the execution of the lease by the landlord and tenant or (2) commencement of the lease term. If any addendum, amendment, extension, or renewal of the lease is entered into, Owner shall provide a copy of such addendum, amendment, extension or renewal to the Board within thirty (30) days of the execution thereof.

e. A Lot may only be leased to a single Tenant or a single family. For purposes of this Restriction, “single family” shall mean a group of persons no more than three of whom are unrelated by blood or marriage or guardianship, which shall include without limitation foster parenting.

f. Owners are strongly encouraged to conduct full background checks, including credit and criminal reports, in accordance with state and federal law, for each tenant applicant.

g. Prior to leasing the Lot, the Owner must have owned and occupied the Lot as the Owner’s residence for a minimum of one year. For purposes of this one-year owner-occupancy requirement, where the lot is owned by a trust, the owner shall name and include a trustee, a settlor of the trust, or a trust beneficiary, and where the Lot is owned by a limited liability company or partnership, the Owner shall mean and include a member or partner, and where the Lot is owned by a corporation, the Owner shall mean and include any majority shareholder.

The Board of Directors is hereby authorized to adopt such additional Policies and Procedures as it deems reasonably necessary to implement, administer, and ensure or gain compliance with this Section 7.11 including, without limitation, the establishment, imposition, and collection of reasonable fees, fines, and penalties related to such implementation, administration and enforcement.

7.12 **No Temporary Structures.** No structure of a temporary nature, such as a tent, garage, trailer house, barn, or other outbuilding or basement shall be used on any Lot at any time as a residence, either temporarily or permanently. All structures shall be of new construction.

7.13 **No Subdivision.** No Lot may be re-subdivided.

7.14 **No Dumping.** No Lot shall be used or maintained as a dumping ground for rubbish or storage area for junk. Trash, garbage or other waste must be kept in sanitary containers. All equipment for the storage or disposal of refuse shall be kept in a clean and sanitary condition. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done or placed on any of the Property which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others, or which may constitute a health hazard.

All containers for trash, garbage, and recycling must be stored within the fully enclosed garage or behind a privacy fence out of street view.

7.15 **Signage.** With the exception of one "for sale" or "for rent" sign per Lot, which shall not be larger than 18 by 24 inches, no commercial signs, advertising devices or billboards shall be displayed within the Property. Non-commercial signs are permitted on Lots and are further regulated by the Association's Policies and Procedures document regarding, but not limited to, sign quantity, size, height, location, and illumination.

7.16 **Screening.** All wood piles or storage areas of any kind shall be kept screened by adequate vegetation to conceal them from view as much as possible.

7.17 **Residence Exteriors.** The Architectural Control Committee must approve all exterior residence colors, other than the original colors for the residence, prior to any painting. The ACC shall consider the following guidelines, at a minimum, when reviewing residential exteriors:

a. Each house shall have its total exterior wall area (excluding windows, doors, soffits and facias) comprised of brick, stone, stucco or a combination thereof;

b. Compatibility of the proposed warm earth tone colors in accordance with the ACC-approved color palette;

c. Roofing materials compatible with the "look and feel" of the neighborhood;

d. Location and screening of any accessory structure or satellite dish;

e. All fences shall be six-foot tall cedar and colored with the same pigments as selected by the Architectural Control Committee.

The control of the Committee with regard to color, exterior materials, placement of accessory structures, patio covers, screening requirements and approval of landscaping plans and exterior lighting shall be absolute.

7.18 **Tanks.** No tanks of any kind, above or below ground, shall be permitted.

7.19 **Lights.** All exterior lights and light standards, other than ordinary low intensity lights, shall be subject to approval by the Architectural Control Committee for harmonious development and prevention of lighting nuisances.

No exterior lighting, including but not limited to scallop-designed lighting that outlines the front of the house, soffits, windows, porch, garages, and/or roof line, shall be installed or maintained, except that such lighting shall be permitted to be temporarily installed and illuminated for three (3) weeks maximum prior to and one (1) week maximum following a holiday, for up to three (3) times (i.e., three (3) holidays) per calendar year.

All motion-sensor spot or flood security lights must be set to turn 'off' after a few minutes beyond sensing motion. No such lights are permitted to stay 'on' all the time. Such lights shall also be directed downward and not toward another property or the streets.

7.20 **Hazardous Activity.** No activities shall be conducted within the Property and no improvements constructed within the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged within the Property; and no open fires shall be lighted or permitted within the Property (including burning of trash or rubbish) except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

7.21 **Utility Lines.** All gas lines, electric lines, telephone lines and television cable shall be buried underground from their primary source at the Lot line at the Owner's sole expense.

7.22 **Drainage**.

a. **Proposed Drainage Alterations.** No alterations to or interference with established drainage upon any Lot or Common Area shall be made except pursuant to a stamped engineering drainage plan that takes into account the full subdivision drainage and existing conditions. Any proposed alterations to or interference with established drainage shall be submitted to the Architectural Control Committee for review prior to commencement of work upon a Lot, including excavation, importing of soil, changes to landscaping or commencement of construction or addition to structures. The ACC may retain an expert to review proposed changes to the established drainage, and the costs thereof shall be the responsibility of the Member applicant. The ACC shall be permitted to inspect all work to ensure that alterations to drainage comply with approved engineered plans and may require corrective action to ensure such compliance.

b. **Easements for Ingress and Egress.** All irrigation and drainage pipelines and easements dedicated to the Knolls Master Association shall be operated and maintained by the Knolls Master Association. Each Owner grants to the Knolls Master Association reasonable ingress and egress over, under, and across all drainage or water delivery easements shown on any recorded plat of any portion of the Property for the purpose of operating, repairing, or maintaining irrigation facilities, pipelines of irrigation, and drainage easements. No Owner shall construct, erect, or maintain any improvement or structure which shall interfere with the Knolls Master Association's operations and maintenance of the irrigation delivery system and drainage easements. The Knolls Master Association shall have the authority to remove or alter any structure, vegetation, or improvement which shall interfere with water delivery system or irrigation drainage. The costs of such removal will borne by the Owner of the interfering vegetation, improvement, or structure.

c. **Xeriscape.** The use of xeriscape, nonvegetative turf grass, drought-tolerant vegetative landscaping as ground covering, or vegetable gardens shall be permitted only in accordance with the following:

i. Except as otherwise required by applicable law, such use shall comply with all design and aesthetic guidelines or rules, including the Policies and Procedures, adopted by the Association, acting by and through the Board or the ACC; and

ii. The design for any such plantings or installation, including those for pre-approved designs, shall be submitted for review by the Association in accordance with the rules adopted by the Association for such submittal and review, and shall be installed only as approved by the Association; and

iii. Nonvegetative turf grass shall be allowed in the rear yard only; and

iv. "Vegetable garden" shall mean a plot of ground or an elevated soil bed in which pollinator plants, flowers, or vegetables or herbs, fruits, leafy greens or other edible plants are cultivated; and

v. For purposes of this Subsection 7.22.c., any landscape design that meets one of the three preplanned water-wise garden designs adopted by the Board and that has been submitted to the Architectural Control Committee, prior to installation, for review and recording, shall be considered preapproved for installation in the front yard; and

vi. No changes shall be made to existing grading, drainage or structural elements in the Property; and

vii. All drought-tolerant or xeriscape vegetation or nonvegetative turf grass shall be maintained at all times by the Owner in a neat and good condition, free of weeds and noxious plants.

7.23 **Fences.** No hedges or fences shall be permitted within the subdivision which are higher than six feet, unless specific written permission is given therefor by the ACC. In determining whether such permission should be given, the ACC shall consider the topography and desires of the neighborhood.

7.24 **No Mining.** No property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, unless by written approval of the ACC.

7.25 **Accessory Dwelling Units.** Pursuant to Colorado State House Bill 24-1152 and City of Grand Junction, Colorado Ordinance No. 5136, one Accessory Dwelling Unit (ADU) shall be allowed per Lot, based on the following:

a. **Approval Process.** No Accessory Dwelling Unit shall be constructed, converted, or altered on any Lot without the prior written approval of the Architectural Control Committee. All ADU applications must first demonstrate full compliance with the City of Grand Junction's ADU program requirements, zoning, and building codes.

b. **Design Standards.** The design of any ADU must be aesthetically subordinate to and architecturally consistent with the primary dwelling on the Lot and the overall character of the community. Key design elements, including, but not limited to, exterior materials, color, trim, and roofing, must be approved by the Architectural Control Committee.

c. **ADU Size and Location.** The ADU must adhere to the dimensional and size requirements outlined by the City of Grand Junction. An ADU must not exceed the maximum allowable square footage and must comply with the setback requirements of the principal structure.

d. **Rental Restrictions.** The HOA has established regulations regarding restriction of short-term rentals and conditions for long-term leases of residences, including ADUs. (see Section 7.1 – Use and Occupancy of the Lots)

e. **Owner Occupancy.** The HOA shall not require the Owner to occupy the primary dwelling or the ADU, consistent with state law.

f. **Parking.** All ADU construction or conversion must demonstrate that adequate off-street parking is available on the property, in accordance with applicable City of Grand Junction and state regulations.

7.26 **Other Non-Dwelling Buildings.** A detached accessory building that is not to be used as a dwelling shall not be constructed except upon prior Architectural Control Committee approval. Buildings shall not exceed seven (7) feet in height, with roof materials and colors being the same as the residence. A maximum of one (1) non-dwelling accessory building and one (1) accessory dwelling unit, each subject to approval by the ACC, shall be permitted per Lot.

7.27 **Weed, Infectious Plant Disease and Insects.** No Owner shall permit any thing or condition to exist upon his Lot which shall induce, breed or harbor infectious plant diseases, weeds or noxious insects.

7.28 **Permanent Backup Generators.** Installation of any external permanent backup generator for home use must be submitted to the Architectural Control Committee for approval and subsequently be approved prior to installation of the generator. Characteristics to be considered will include, but not be limited to, generator size, placement, screening, sound disturbance and decibel levels, and fuel type.

The Association, acting through its Board of Directors, shall have the standing and power to enforce all of the above Restrictive Covenants and Obligations.

ARTICLE EIGHT: EXTERIOR MAINTENANCE AREA AND SPECIAL EASEMENT

8.1 **Owner Maintenance Area.** Each Owner shall maintain the patio, lawn and garden area within his or her Lot and adjacent to his or her Residence in a neat and tidy fashion and keep said areas in good repair. The Association shall have the right to promulgate reasonable Policies and Procedures regarding such maintenance.

8.2 **Special Easement.** Easements reserved by Declarant for, and conveyed by Declarant to, the Association in the Original Declaration are hereby reaffirmed, including without limitation the nonexclusive easement in favor of the Association, its agents, officers, directors, employees, contractors, designees, and assigns, to enter upon and use each Lot as may be necessary or appropriate to perform the duties and functions which they may be obligated or permitted to perform pursuant to these Declarations.

8.3 **Maintenance Contract.** The Association or Board of Directors may employ or contract for the services of an individual or maintenance company to perform certain delegated powers, functions, or duties of the Association for maintenance. The employed individual or maintenance company shall have the authority to make expenditures upon prior approval and direction of the Board. The Board shall not be liable for any omission or improper exercise by the employed individual or management company of any duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

8.4 **Owner's Failure to Maintain or Repair.** In the event that a Lot and the improvements thereupon are not properly maintained and repaired, or in the event that the improvements on the Lot are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after notice to the Owner and with the approval of the Board, shall have the right to enter upon the Lot to perform such work as is reasonably required to restore the Lot and the buildings and other improvements thereon. The costs of such maintenance or repair by the Association shall be assessed against the Owner as an Individual Assessment.

ARTICLE NINE: INSURANCE / CONDEMNATION

9.1 **Authority to Purchase/General Requirements.** Except as provided below, all insurance policies relating to the Common Areas shall be purchased by the Board of Directors. The Board of Directors shall promptly furnish to each Owner and/or such Owner's First Mortgagee requesting same, written notice of the procurement of, subsequent changes in, or termination of, insurance coverages obtained on behalf of the Association. The Owner of a Lot shall be responsible for insurance for his or her Lot and the improvements thereon.

THE ASSOCIATION WILL NOT PROVIDE SUCH INDIVIDUAL LOT COVERAGES IN ITS MASTER POLICIES.

The Board of Directors shall not obtain any policy where (a) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against the Association, Owner or first Mortgagee; or (b) by the terms of carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's Board of Directors, policyholders or members; or (c) the policy includes any limited clauses (other than insurance conditions) which could prevent Owners or First Mortgagees from collecting insurance proceeds.

Each such policy shall provide that:

a. The insurer to the extent possible waives any right to claim by way of subrogation against the Association, the Board of Directors, the Managing Agent or the Owners, and their respective agents, employees, Guests and, in the case of the Owners, the members of their households;

b. Such policy shall not be canceled, invalidated or suspended due to the conduct of any Owner or his or her guests or of any Member, officer or employee of the Board of Directors or the Managing Agent without a prior demand in writing that the Board cure the defect and such defect is not cured within forty-five days after such demand;

c. Such policy, including any fidelity insurance of the Association referred to in Section 9.3 hereof may not be canceled, substantially modified or not renewed (including cancellation for nonpayment of premium) without at least thirty days' prior written notice to the Board of Directors and each Owner and First Mortgagee to whom a certificate of insurance has been issued, at their last known address;

d. Such policy must provide that no assessment may be made against a First Mortgagee and that any assessment made against others shall not become a lien on a Lot superior to the lien of a First Mortgagee except as provided for in the Act.

All policies of insurance shall be written by reputable companies duly authorized and licensed to do business in the State of Colorado with an A.M. Best's rating of “A" or better.

All insurance policies shall contain the standard mortgagee clause or equivalent endorsement (without contribution) in which it appropriately names the First Mortgagee in the policy its beneficiary.

The Board of Directors shall review at least annually all of its insurance policies in order to ensure that the coverages contained in the policies are sufficient. The Board of Directors shall be consistent with good business practices, and at reasonable intervals obtain a written appraisal for insurance purposes, showing that the insurance represents one hundred percent of the current replacement cost as defined above.

Such policies shall also provide:

That any "no other insurance" clause expressly exclude individual Owners' policies from its operation so that the property insurance policy purchased by the Board of Directors shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Owners or their First Mortgagees, unless otherwise required by law.

A certificate, together with proof of payment of premiums, shall be delivered by the insured to any Owner or First Mortgagees requesting the same, at least thirty days prior to expiration of the then current policy.

The insurance shall be carried naming the Association as the owner and beneficiary thereof for the use and benefit of the individual Owners and shall provide a standard noncontributory mortgage clause in favor of each First Mortgagee. Any loss covered by the policies carried under this Article shall be adjusted exclusively by the Board of Directors and provide that all claims are to be settled on a replacement cost basis.

The deductible, if any, on such insurance policy shall be as the Directors determine to be consistent with good business practice and which shall be consistent with the requirements of the First Mortgagees, not to exceed, however, Five Thousand dollars or one percent of the face amount of the policy whichever is less. Any loss falling within the deductible portion of a policy shall be paid by the Association. Funds to cover the deductible amounts shall be included in the Association's Reserve Funds and be so designated. The Board shall have the authority to levy, after Notice and Hearing, against Owners causing such loss for the reimbursement of all deductibles paid by the Association as an Individual Assessment in accordance with Section 6.6 hereof.

9.2 **Liability Insurance.** The Board of Directors shall obtain and maintain comprehensive general liability insurance including eviction, libel, slander, false arrest and invasion of privacy and property damage insurance covering all of the Common Areas.

Such coverage under this policy shall include, without limitation, the legal liability of the insured for property damage, bodily injuries and deaths of persons that result from the operation, maintenance or use of the Common Areas and the legal liability arising out of lawsuits relating to employment contracts in which the Association is a party.

Such insurance shall be issued on a comprehensive liability basis. Additional coverages may be required to include protection against such other risks as are customarily covered with respect to Property similar in construction, location and use, including, but not limited to, Host Liquor Liability coverage with respect to events sponsored by the Association, Workmen's Compensation and Employer's Liability Insurance, Comprehensive Automobile Liability Insurance, Severability of Interest Endorsement.

IN THE EVENT THE ASSOCIATION HOSTS A FUNCTION AND CHARGES FOR FOOD OR DRINK AND LIQUOR IS SERVED, THERE WILL BE NO HOST LIQUOR LIABILITY COVERAGE FOR THE ASSOCIATION. IF MONEY IS CHARGED, A LIQUOR LIABILITY POLICY WOULD BE NEEDED TO GIVE COVERAGE TO THE ASSOCIATION.

The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained.

9.3 **Fidelity Insurance.** The Association shall obtain and maintain, to the extent reasonably available, fidelity insurance coverage for any Owner or Association employee who either handles or is responsible for funds held or administered by the Association. The insurance shall name the Association as insured and shall contain waivers of any defense based upon the exclusion of persons who were without compensation from any definition of "employee" or similar expression.

The fidelity insurance policy should cover the maximum funds (including Reserve Funds) that will be in the custody of the Association or its management agent at any time while the policy is in force.

The policy must include a provision that calls for ten days' written notice to the Association before the policy can be canceled or substantially modified for any reason. The same notice must also be given to each service that services a Fannie Mae-owned or securitized mortgage in the Property. A management agent that handles funds for the Association should be covered by its own fidelity insurance policy which must provide the same coverage required of the Association.

9.4 **Additional Insurance.**

a. If the area where the Property is located has been identified by the Secretary of Housing and Urban Development (HUD) or the Director of the Federal Emergency Management Agency (FEMA) as a Special Flood Hazard Area, flood insurance for the Property shall be maintained providing coverage equivalent to that provided under the National Flood Insurance Program in an amount of one hundred percent of the Property's current replacement cost or the maximum amount available.

   The Association must also maintain coverage for all Common Areas for one hundred percent of their replacement cost as defined above. A separate Association endorsement is required if not already a part of the policy.

   Deductibles may not exceed the lower of Five Thousand Dollars or one percent of the face amount of the coverage. Funds for such deductibles must be included in the Association's Reserve and be so designated.

   If the Property at the time of the recording of this Declaration is not identified as a Special Flood Hazard Area but becomes reclassified at a later date as such, the Board of Directors shall obtain flood insurance for the Property in accordance with the above. Conversely, flood insurance may be discontinued if the Property is "removed" from the "Flood Plain."

b. Adequate Directors and Officers liability insurance, if available, and if deemed consistent with good business practices, for errors and omissions on all Directors and Officers to be written in an amount which the Board of Directors deems adequate;

c. Workmen's Compensation and Employer's Liability Insurance and all other similar insurance with respect to employees of the Association in the amount and in the forms now or hereafter acquired by law;

d. Such other insurance of a similar or dissimilar nature, as the Board of Directors shall deem appropriate with respect to the Property;

e. If it is determined by a First Mortgagee that the existing coverages do not adequately protect the Property, the Board of Directors shall obtain such additional coverages.

9.5 **Premiums.** Insurance premiums for insurance carried by the Association shall be paid for by the Association as a Common Expense.

In the event there are not sufficient funds generated from the Common Expense Assessment to cover the cost of the insurance provided for the above, then the deficiency shall be chargeable to each Owner by an Individual Assessment in accordance with Section

6.6 hereof and such assessment shall be exempt from any special voting requirements of the Membership. Such assessment shall be prorated among Owners in the same proportion as the Common Expense Assessment.

9.6 **Separate Insurance.** No owner shall be entitled to exercise his or her right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any insurance policy maintained by the Board or to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by an Owner. All such policies shall contain waivers of subrogation. No Owner shall obtain separate insurance policies except as provided in this Section 9.6.

9.7 **Damage to Property.** Any portion of the Property for which insurance is required under §38-33.3-313 of the Act or for which insurance carried by the Association is in effect that is damaged or destroyed, shall be repaired or reconstructed by the Association.

9.8 **Condemnation.** If all or part of the Property is taken by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with the provisions on eminent domain in the Act.

ARTICLE TEN: MAINTENANCE, REPAIR, AND RECONSTRUCTION

10.1 **By the Association.** The Association shall be responsible for the maintenance, repair and reconstruction of all of the Common Areas in accordance with this Declaration.

10.2 **By the Owner.** Each Owner shall keep his or her Lot, together with improvements and appurtenances in good order, condition and repair and in a clean and neat condition.

ARTICLE ELEVEN: ELIGIBLE MORTGAGEE RIGHTS

11.1 **Special Federal Home Loan Mortgage Corporation (FHLMC) Provisions.** Except as provided by statute in the case of a condemnation or a substantial loss to the Lots and/or Common Areas, unless at least two-thirds of the Eligible Mortgagees (based on one vote for each first mortgage owned) or Owners have given their prior written approval, the Association may not:

a. Change the method of determining the obligation, assessments, dues or other charges which may be levied against an Owner;

b. Partition or subdivide any Lot;

c. Seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas by act or omission.

The granting of easements for public utilities or other public purposes consistent with the intended use of the Common Areas is not a transfer within the meaning of this Subsection 11.1.c.

d. Use hazard insurance proceeds for losses to any property (whether Lots or Common Areas) for other than the repair, replacement or reconstruction of the property.

11.2 **Implied Approval.** Implied approval by an Eligible Mortgagee shall be assumed when an Eligible Mortgagee fails to submit a response to any written proposal for an amendment within thirty days after said Eligible Mortgagee receives proper notice of the proposal, provided this notice was delivered by certified or registered mail with return receipt requested.

11.3 **Books and Records.** Owners and their mortgagees shall have the right to examine the books and records of the Association at the office of the Association in accordance with the procedure set forth in the Association's Bylaws.

ARTICLE TWELVE: DURATION, AMENDMENT, AND TERMINATION OF THE DECLARATION

12.1 **Duration.** The covenants, restrictions and obligations of this Declaration shall run with and bind the land in perpetuity until this Declaration is terminated in accordance with Section 12.5 below.

12.2 **Amendments by Owners.** This Declaration may be amended by affirmative vote of the Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated. Any such amendment shall be effective upon the recording of the amendment together with a notarized Certificate by a member of the Board of Directors, certifying that the requisite number of Owners and Eligible Mortgagees, if required, have given their written consent to the amendment. Each Amendment to the Declaration shall be recorded with the Mesa County Clerk and Recorder in accordance with §38-33.3-217(3) of the Act.

12.3 **Limitations Period for Challenge to Amendments.** No action shall be commenced or maintained to challenge the validity of any aspect of any amendment of the Association's Declaration, Articles of Incorporation, or Bylaws unless it is commenced within one year from the date of recordation of said amendment, unless fraud or willful negligence is asserted and proven.

12.4 **Expenses.** All expenses associated with preparing and recording an amendment shall be allocated in accordance with §38-33.3-217(6) of the Act.

12.5 **Termination.** Except in the case of a taking of all of the Lots by condemnation, the Declaration may be terminated only by approval by vote of Owners to which at least eighty percent (80%) of the votes in the Association are allocated, and the written consent of Eligible Mortgagees representing at least eighty percent (80%) of all of the Eligible Mortgagees within the Property (based on one vote per mortgage owned), by an instrument(s) duly certified in accordance with Section 12.2 above and duly executed by consenting Eligible Mortgagees and recorded with the Mesa County Clerk and Recorder.

ARTICLE THIRTEEN: ARCHITECTURAL CONTROL

13.1 **No Construction Without Approval.** No buildings or exterior improvements of any kind, including (without limitation) driveways leading to the various structures within the Lots, shall be constructed, remodeled or altered in any fashion on any Lot nor may any vegetation be altered or destroyed, nor any landscaping performed unless one complete set of paper detailed plans and specifications (when paint colors are involved) or digital submission of detailed plans and specifications (when no paint colors are involved) for such construction or alteration or landscaping are submitted to and approved by the Board, or, if the Board appoints an Architectural Control Committee (ACC), the ACC, prior to the commencement of such work. All applications shall be submitted to the Board, and all decisions of the Board and ACC shall be given in writing. In the event the Board or ACC fails to take any action within thirty (30) days after complete architectural plans and specifications for such work have been submitted to it, then all of such submitted plans and specifications shall be deemed to be approved; provided, however, that the Board or the ACC may extend this deadline, with or without cause, for a period not exceeding an additional thirty (30) days, by mailing a written notice to the applying Owner within the initial thirty (30) day period. The Board and/or the ACC may adopt Policies and Procedures for processing of such applications which shall, upon adoption, be binding upon all subsequent applications. The number and qualifications of members of the ACC, if one is appointed, shall be as determined by resolution of the Board.

13.2 **Plans.** Plans and specifications submitted hereunder shall show the nature, kind, shape, height, materials, floor plans, location, exterior color scheme, alterations, grading, drainage, erosion control and all other matters necessary for the proper consideration and determination thereon. The Board or ACC shall disapprove any plans and specifications submitted to it which are not sufficient for it to exercise the judgment required of it by this Declaration.

13.3 **Variances.** Where circumstances such as topography, location of trees, brush, rock outcroppings, area aesthetic considerations, or other matters require or allow, the Board may, by two-thirds vote, allow reasonable variances as to any of these covenants, including required sizes of structures, setback or side yard requirements, on such terms and conditions as it shall require. Opinions of all adjoining property owners shall be considered in any such decisions.

13.4 **Conformity.** The Board and ACC shall exercise their best judgment to see that all improvements, structures, landscaping and all alterations on the Lot conform and harmonize with the natural surroundings and with existing structures as to external design, materials, color, siding, height, topography, grade, drainage, erosion control and finished ground elevations.

13.5 **Diligence.** After approval of any plan in accordance with this Article, the same shall be completed with due diligence in conformity with conditions of approval, if any. Failure to adhere to any term of approval shall operate automatically to revoke the approval, and the Board and ACC may require the property to be restored as nearly as possible to its previous state. The time for completion of any such work may be extended by the ACC.

13.6 **No Liability.** The Board, the ACC, or any Owner shall not be liable in damages to any person, corporation or association submitting any plans and specifications or to any Owner by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove any such plans and specifications. Any Owner submitting or causing to be submitted any plans and specifications to the ACC agrees and covenants that he will not bring any such action or suit to recover damages against the Board or the ACC, or any Owner, individually or collectively, or its members, advisors, employees or agents.

ARTICLE FOURTEEN: GENERAL PROVISIONS

14.1 **Right of Action.** The Association and any aggrieved Owner shall have an appropriate right of action against Owners for failure to comply with the Declaration, Bylaws of the Association, Articles of Incorporation and Policies and Procedures of the Association or with decisions of the Board of Directors of the Association which are made pursuant thereto. Owners shall have a similar right of action against the Association.

14.2 **Successors and Assigns.** This Declaration shall be binding upon and shall inure to the benefit of the Association and each Owner, and the heirs, personal representatives, successors and assigns of each of them.

14.3 **Severability.** Any portion of this Declaration invalidated in any manner whatsoever shall not be deemed to affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision has never been included herein.

14.4 **No Waiver.** No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

14.5 **Registration by Owner of Mailing Address.** Each Owner shall register his or her mailing address with the Association, and except for monthly statements and other routine notices, which shall be sent by regular mail, all other notices or demands intended to be served upon an Owner shall sent by either registered or certified mail, postage prepaid, addressed, in the name of the Owner at such registered mailing address. All demands or other notices intended to be served upon the Board of Directors of the Association or the Association shall be sent by certified mail, postage prepaid, to the current Registered Agent as recorded with the Colorado Secretary of State.

14.6 **Conflict.** The Documents are intended to comply with the requirements of the Act and the Colorado Nonprofit Corporation Act. If there is any conflict between the Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

14.7 **Mergers.** The Property may be merged or consolidated with another Property of the same form of ownership by complying with §38-33.3-221 of the Act.

14.8 **Arbitration / Attorney's Fees.** All matters regarding the interpretation, application and enforcement of this Declaration shall be submitted to binding arbitration before the American Arbitration Association or such other forum as may be agreed upon by the parties. The arbitrator shall have authority, in the sound exercise of discretion, to award the party whose position is substantially favored, such party's costs and expenses, including reasonable attorney's fees.

14.9 **Captions.** The captions and headings in this Declaration are for convenience only and shall not be considered in construing any provision of this Declaration.

14.10 **Numbers and Genders.** Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, plural the singular, and the use of any gender shall include all genders.

EXECUTED AS OF THE DATE SPECIFIED BELOW

Certification. By signing below, I certify that the foregoing Second Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association constitute, combine, contain and set forth the First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of the Knolls Master Association together with all the subsequently and duly adopted amends thereto.

THE KNOLLS MASTER ASSOCIATION

Date: ______________________________

By: ____________________________________

Printed Name: ___________________________ **Title:** ______________________________

STATE OF COLORADO)

) ss

COUNTY OF MESA)

The foregoing was acknowledged by me this _____ day of _______________, 2025 by ____ for The Knolls Master Association.

Witness my hand and official seal.

My commission expires: _______________

____

Notary Public

EXHIBIT A

The Property

Lots 1 through 9, inclusive Block 2, Final Plat of the Knolls Subdivision, Filing 1, Mesa County, Colorado, per the plat thereof recorded under Reception No. 1785315, on 01/17/1997 with the Mesa County Clerk and Recorder;

Lots 1 through 4, inclusive, Block 4, and Lots 1 through 5, inclusive, Block 3, and Lot 1, Block 1, and Lots 1 and 2, Block 2, Final Plat of the Knolls Subdivision, Filing 2, Mesa County, Colorado, per the plat thereof recorded under Reception No. 1832031 on 02/10/1998 with the Mesa County Clerk and Recorder;

Lots 1 through 13, inclusive, Block 1, and Lots 1 through 6, inclusive, Block 2, Final Plat of the Knolls Subdivision, Filing 3, Mesa County, Colorado, per the plat thereof recorded under Reception No. 1887596 on 02/08/1999 with the Mesa County Clerk and Recorder;

Lots 1 through 7, inclusive, Block 1, and Lots 1 through 8, inclusive, Block 2, and Lots 1 through 4, inclusive, Block 3, and Lots 1 through 5, inclusive, Block 4, and Tracts A, B, C, and D of Knolls Subdivision, Filing 4, Mesa County, Colorado, per the plat thereof recorded under Reception No. 1983121 on 02/08/2001 with the Mesa County Clerk and Recorder;

Lots 1 and 2, Block 1, and Lots 1 through 5, inclusive, Block 2, and Lots 1 through 6, inclusive, Block 3, and Lots 1 through 6, inclusive, Block 4, and Tract A of Knolls Subdivision, Filing 6, Mesa County, Colorado, per the plat thereof recorded under Reception No. 2177345 on 02/18/2004 with the Mesa County Clerk and Recorder;

Lots 1 through 15, inclusive, Block 1, and Lots 1 and 2, Block 2, and Lots 1 through 4, inclusive, Block 3, of Knolls Subdivision, Filing 7, Mesa County, Colorado, per the plat thereof recorded under Reception No. 2257453 on 06/06/2005 with the Mesa County Clerk and Recorder.

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