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Steve Moreno, Clerk and Recorder, Weld County, CO



AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
VALE VIEW
September 19, 2013

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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS OF
VALE VIEW

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is entered into as of SEPT. 19TH, 2013, by and between the Owners (as defined herein), Vale View Development Company, LLC, a Colorado limited liability company (Declarant - as defined herein), and the Eligible Mortgagees (as defined herein.)

WHEREAS, certain real property described on Exhibits A and B attached hereto (the "Property") has been submitted to the provisions of the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, et seq., as it may be amended from time to time (the "Act"), through the recording of the Declaration of Covenants, Conditions and Restrictions of Vale View (the "Declaration") on September 24, 1999, in the Office of the Clerk and Recorder of Weld County, Colorado, at Reception Number 2722637 and the Owners intend that the Property continue to be subject to the Act;

WHEREAS, the Association provided for in the Declaration was incorporated on or about October 21, 1999;

WHEREAS, since the recording of the Declaration, the Property has been subdivided in two different phases and significant amendments have been made to the Act;

WHEREAS, the Owners and the Eligible Mortgagees desire to amend and restate the Declaration in its entirety to address the changes which have occurred;

WHEREAS, the Declaration requires the approval of sixty-seven percent (67%) of the Owners and the consent of fifty-one percent (51%) of the Eligible Mortgagees for an amendment to the Declaration; and

WHEREAS, the Declaration sets forth the requirements for obtaining approval or consent to amendments from Eligible Mortgagees.

IN CONSIDERATION OF THE FOREGOING, the Owners and the Eligible Mortgagees amend and restate the Declaration in its entirety as set forth below.

ARTICLE I
DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

1.1 "Act" means the Colorado Common Interest Ownership Act, §38-33.3-101, et seq., C.R.S. as it may be amended from time to time.



1.2 "**Agencies**" means, collectively, 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 other governmental, quasi-governmental agency or other entity, public or private, that performs or in the future may perform functions similar to those currently performed by any of such entities.

1.3 "**Allocated Interests**" means the Common Expense Liability and the votes in the Association as allocated to each of the Lots as follows:

(a) The Common Expense Liability shall be assessed against each Lot on the basis of a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots then within the Planned Community. For purposes of this definition, Outlots E and J, or either of them, shall be counted as a Lot, if and when, the Owners thereof notify the Association of their decision to join the Association. All lot owners will be assessed an equal amount of funds from their annual dues to cover the expenses for watering the trees and plants on all common property. Phase I lot owners will be assessed an additional water fee annually to cover the expenses of the HOA in providing water to those lots for landscaping purposes, which was stipulated in the original purchase of all Phase I lots.

(b) Each Lot in the Planned Community shall have one (1) vote.

1.4 "**Architectural Design Standards**" or "**Standards**" means the Architectural Design Standards for Vale View, Phase I and Phase II, as amended and supplemented, described in Article VI.

1.5 "**Articles**" means the Articles of Incorporation of the Association.

1.6 "**Assessment**" means: (i) the Common Expense Assessment; (ii) an assessment for the benefit of the use of irrigation water; (iii) the Special Assessment; (v) an Individual Assessment; and (iv) Fines levied pursuant to this Declaration.

1.7 "**Assessment Lien**" means the statutory lien on a Lot for any Assessment levied against that Lot together with all Costs of Enforcement. 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 claim or recordation of lien for the Assessment is required.

1.8 "**Association**" means the Vale View Homeowners Association, Inc., its successors and assigns.

1.9 "**Board**" or "**Board of Directors**" means the Board of Directors of the Association. Either term is synonymous with the term Executive Board as used in the Act.

1.10 "**Bylaws**" means the Bylaws adopted by the Board for the regulation and management of the Association, as may be amended from time to time.

1.11 "**Common Areas**" means any real property described in Exhibit B (including all improvements) owned or leased by the Association, which is held for the common use and enjoyment of the Owners. The term "Common Areas" is synonymous with the term "Common Elements" as used in the Act.

1.12 "**Common Expense Assessment**" means the Assessments defined in Section 5.2.

1.13 "**Common Expense Liability**" means the liability for Common Expenses allocated to each Lot in accordance with Section 1.3.

1.14 "**Common Expenses**" means expenditures made by, or liabilities incurred by or on behalf of, the Association, including allocations to reserves.

1.15 "**Costs of Enforcement**" means all fees, late charges, interest, expenses, including receiver's fees, reasonable attorneys' fees and costs incurred by the Association in connection with: (i) the collection of the Assessments and Fines; or (ii) enforcement of the terms, conditions and obligations of the Project Documents.

1.16 "**Declarant**" means Vale View Development Company, LLC, a Colorado limited liability company, or its successor as defined in §38-33.3-103(12) of the Act.

1.17 "**Declaration**" means this Declaration of Covenants, Conditions and Restrictions of Vale View, as it may be amended from time to time, together with any and all Supplemental Declarations, including, without limitation, any and all plats and maps.

1.18 "**Design Review Committee**" or "**DRC**" means the Committee formed pursuant to Section 6.1 to review and approve, or disapprove, plans for Improvements.

1.19 "**Design Review Standards**" or "**Standards**" means the Design Review Standards for Vale View, as amended and supplemented, described in Article VI.

1.20 "**Development Rights**" means the rights defined in §38-33.3-103(14) of the Act.

1.21 "**Dwelling Unit**" means the residence constructed on each Lot within Vale View, including the patio, fence, deck, basement and garage, if applicable. Dwelling Unit shall also include the Lot upon which such Dwelling Unit is constructed.

1.22 "**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, the legal description and the address of the Lot encumbered by its First Security Interest.

1.23 "**Fines**" means those fines described in Section 5.5.

1.24 "**First Mortgagee**" means any Person who owns, holds, insures or is a guarantor of a First Security Interest encumbering a Lot within Vale View. A First Mortgagee shall also include the

holder of executory land sale contracts wherein the Administrator of Veterans Affairs (Veterans Administration) is the Seller, whether such contract is recorded or not.

1.25 **"First Security Interest"** means a Security Interest 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).

1.26 **"Guest"** means: (i) any person who resides with an Owner; (ii) a guest or invitee of an Owner; (iii) an occupant or tenant of a Dwelling Unit and any members of his or her household, or an invitee or cohabitant of any such person; or (iv) a contract purchaser of a Lot.

1.27 **"Improvements"** means: (i) all exterior improvements and structures, including any appurtenances or components of every type or kind; (ii) the demolition or destruction, by voluntary action, of any building, structure or other improvements; (iii) grading, excavation, filling or similar disturbance to the surface of the land; (iv) all landscaping features; and (v) any change, alteration, modification, expansion, or addition to any previously approved Improvement, including any change of exterior appearance, finish material, color or texture.

1.28 **"Individual Assessment"** means the Assessment defined in Section 5.6.

1.29 **"Lot"** means each platted lot shown upon the Plat (or any recorded replat of all or any part) of Vale View, except any Outlots, Parcels, Common Areas, public streets and all appurtenances and improvements now or hereafter located thereon. Lot shall include any Dwelling Unit constructed on a Lot. The term "Lot" is synonymous with the term "Unit" as used in the Act.

1.30 **"Lots That May Be Created"** means eighty-one (81) Lots and, subject to the notice requirement contained in Section 1.3(a), Outlots E and J, which shall be the maximum number of Lots that may be subject to this Declaration

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

1.32 **"Member"** means an Owner.

1.33 **"Owner"** means the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including the Declarant so long as any Lot remains unsold, including a contract seller but excluding a contract purchaser and excluding those having an interest as security for the performance of any obligation.

1.34 **"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.

1.35 **"Phase I"** means that portion of the Planned Community shown on the Final Plat of Vale View, recorded in the Office of the Clerk and Recorder of Weld County, Colorado, on May 5,



1999, at Reception Number 2691805 (the "Final Plat"), but not shown on the Final Plat of Vale View, Replat A (as defined herein) as identified on Exhibit A, hereto.

1.36 "**Phase II**" means that portion of the Planned Community shown on the Final Plat of Vale View, Replat A, recorded in the Office of the Clerk and Recorder of Weld County, Colorado, on April 14, 2005, at Reception Number 3277474 ("Replat A") as identified on Exhibit A, hereto.

1.37 "**The Planned Community**" means the real property and the Improvements located thereon described in Exhibit A and Exhibit B, attached hereto. The term "The Planned Community" is synonymous with the terms "Vale View" as used herein.

1.38 "**Plat**" means both the Final Plat and Replat A.

1.39 "**Project Documents**" means this Declaration, the Plat, the Articles of Incorporation, the Bylaws, the Design Review Standards, the Rules and Regulations, and the Policies and Procedures, if any, as any may be amended from time to time. Any exhibit, schedule or certification accompanying a Project Document is a part of that Document.

1.40 "**Rules**" mean the Rules and Regulations, if any, adopted by the Board for the regulation and management of Vale View.

1.41 "**Security Interest**" means an interest in real estate or personal property created by contract or conveyance which secures payment or performance of an 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 lease 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.

1.42 "**Special Assessments**" means those Assessments defined in Section 5.4.

1.43 "**Special Declarant Rights**" mean rights reserved for the benefit of the Declarant as described in Article IX.

ARTICLE II SCOPE OF DECLARATION

2.1 Property Subject to this Declaration. The Planned Community is subject to the provisions of this Declaration.

2.2 Conveyances Subject to this Declaration. All easements, restrictions, conditions, obligations, reservations, rights, benefits and privileges that are granted, created, reserved or declared by this Declaration shall be deemed to be covenants running with the land, and shall at all times inure to the benefit of and be binding on any person having at any time any interest or estate in Vale View, and their respective heirs, successors, representatives or assigns.

2.3 Number of Lots. The number of Lots within Vale View is eighty-one (81) and, subject to the notice requirements contained in Section 1.3(a), Outlots E & J.

2.4 Identification of Lots. The identification number of each Lot is shown on the Plat.

2.5 Lot Boundaries. The boundaries of each Lot are located as shown on the Plat.

2.6 Conflict Between Declaration and Act. Any conflict between a provision in this Declaration and a mandatory provision of the Act shall be resolved in favor of such mandatory provision of the Act.

ARTICLE III THE ASSOCIATION; MEMBERSHIP AND VOTING RIGHTS

3.1 Name. The name of the Association is the Vale View Homeowners Association, Inc.

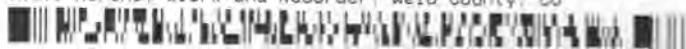
3.2 Purposes and Powers. The Association shall manage Vale View in accordance with this Declaration and shall manage, operate, care for, insure, maintain, repair and reconstruct all of the Common Areas and keep the same in a safe, attractive and desirable condition for the use and enjoyment of all of the Owners and the residents of Vale View. 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 shall have all of the powers, authority and duties permitted pursuant to the Act as are necessary to manage the affairs of the Association.

3.3 Board of Directors. The affairs of the Association shall be managed by a Board of Directors that 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.

The Board shall have at least three (3) members, and this number may be increased pursuant to the Association's Bylaws. The preceding sentence does not imply that any action by a Board constituted of less than three (3) members is invalid.

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

3.5 Membership. Members shall be every 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 (1) person holds interest in any Lot, all such persons shall be Members.



3.6 Voting Rights. The Association shall have one (1) class of voting membership. Owners shall be entitled to one vote for each Lot owned. 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 in 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 among themselves. Should the joint owners of a Lot be unable, within a reasonable time, to agree upon how they will vote on any issue, they shall be passed over and their right to vote on such issue shall be lost. The maximum number of eligible votes that may be cast in connection with any matter shall be equal to the total number of Lots existing within Vale View.

3.7 No Voting Rights for Tenants. Tenants shall have no vote in Association affairs on account of their status as tenants. Tenants shall have such right to appear at Association meetings and be heard as may be determined by the Association through its Bylaws or other Rules.

3.8 Budget. The Board shall cause to be prepared at least fifty (50) days prior to the commencement of each fiscal year, a budget (the "Budget") for such fiscal year. Within thirty (30) 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 along with Notice of a meeting of the Owners to consider the Budget, which meeting shall be scheduled to take place not less than fourteen (14) days nor more than fifty (50) days after mailing or other delivery of the Summary. These time frames for Notice of the meeting are hereby deemed reasonable. Upon adjournment of the meeting, and regardless of whether a quorum of Owners is present, the Budget shall be deemed approved by the Owners unless sixty-seven percent (67%) of the Owners present who are entitled to vote on Association matters veto, upon motion duly made, the Budget. In the event that the Budget is vetoed, the budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

3.9 Indemnification. Each Officer, Director and member of a committee established by the Association shall be indemnified by the Association against all expenses and liabilities including attorneys' 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 his or her being or having been an Officer, Director or Committee Member of the Association, or any settlement 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.

3.10 Association Agreements. Any agreement for professional management of Vale View or any contract providing for services may not exceed two (2) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon thirty (30) days written notice.

3.11 Certain Rights and Obligations of the Association.

(a) Within ninety (90) days after the end of each fiscal year, the Association shall make the following information available to Owners upon reasonable notice (i) posted on an internet web page with accompanying notice of the web address via first-class mail or email, (ii) maintained in a binder at the Association's principal place of business, or (iii) mail or personal delivery:



- (1) The date on which its fiscal year commences;
- (2) The operating Budget for the current fiscal year;
- (3) A list of the Association's current assessments, including both regular and special assessments;
- (4) Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (5) The results of its most recent available financial audit or review;
- (6) A list of all Association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability and fidelity policies, including the company names, policy limits, policy deductibles, additional named insureds and expiration dates of the policies listed;
- (7) The Association Bylaws, Articles of Incorporation, Rules and Regulations and Policies and Procedures, if any;
- (8) The minutes of the Board of Directors and Association meetings for the fiscal year immediately preceding the current annual disclosure; and
- (9) Any responsible governance policies adopted pursuant to the Act.

(b) If the Association's address, Managing Agent, or Management Company changes, the Association shall make updated information available within ninety (90) days after the change by (i) posting the same on an internet web page with accompanying notice of the web address via first-class mail or email, (ii) the maintenance of binder at the Association's principal place of business, or (iii) mail or personal delivery.

(c) The Board shall have the right to enter into, grant, perform, enforce, cancel and vacate contracts, easements, licenses, leases, and agreements for the use by the Owners, their Guests and other persons, concerning the Common Areas and any improvements located thereon. Any of such contracts, easements, licenses, leases, and agreements shall be upon such terms and conditions as may be agreed to from time to time by the Board, without the consent or participation of the Owners or First Mortgagees.

(d) To promote responsible governance, the Association shall:

- (1) Maintain accurate and complete accounting records: and
- (2) Adopt policies, procedures and rules and regulations concerning:
 - (i) Collection of unpaid assessments;



(ii) Handling of conflicts of interest involving Board members which policies, procedures, rules and regulations must: (A) define and describe the circumstances under which a conflict of interest exists; (b) set forth procedures to follow when a conflict of interest exists, including how, and to whom, the conflict of interest must be disclosed and whether a Board member must recuse himself or herself from discussing or voting on the issue; and (C) provide for the periodic review of the Association's conflict of interest policies, procedures, rules and regulations;

(iii) Conduct of meetings, which may refer to applicable provisions of Colorado Nonprofit Corporation Act or other recognized rules and principles;

(iv) Enforcement of covenants and rules, including notice and hearing procedures and the schedule of Fines;

(v) Inspection and copying of Association records by Owners;

(vi) Investment of reserve funds;

(vii) Procedures for the adoption and amendment of policies, procedures, rules and regulations;

(viii) Procedures for addressing disputes arising between the Association and Owners; and

(ix) When the Association has a reserve study prepared for the portions of the community maintained, repaired, replaced and improved by the Association, which study may be conducted internally or externally, whether there is a funding plan for any work recommended by the reserve study and, if so, the projected sources of funding for the work, and whether the reserve study is based on a physical analysis and financial analysis.

(e) The Association shall provide, or cause to be provided, education to Owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of the Owners, the Association, and the Board under Colorado law. The criteria for compliance with this section shall be determined by the Board.

(f) 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.

(g) The Association may from time to time prepare a reserve study for those portions of the Property maintained, repaired, replaced and improved by the Association and shall adopt policies, procedures, rules and regulations concerning: whether there is a funding plan for any work recommended by the reserve study and, if so, the projected sources of funding for the work, and whether the reserve study is based on a physical analysis and financial analysis.



(h) The Board may exercise any right or privilege given to it expressly by this Declaration or reasonably to be implied from its provisions or given or implied by law or that may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

3.12 Irrigation Water.

(a) Ownership. The Association shall maintain ownership of all the ditch rights and non-potable water attributable to the Planned Community, which water shall be used for irrigation and landscape purposes only (the "Irrigation Water"). The Association shall not be required, but is authorized, to own and maintain the water rights and non-potable water associated with the Property. The Association shall not sell, transfer or convey any of the Irrigation Water, or rights thereto or therein, to any other person or entity without the express written consent of the Town of Mead for so long as such consent right set forth in Section 3.4 of the Memorandum of Agreement for Public Improvements in Vale View, dated May 19, 1999, between the Town of Mead and Wild View Land Company, LLC remains enforceable against the Association.

The Association shall also own and maintain the irrigation system servicing Vale View, which system shall include the pumping plant and all main water lines in Vale View, as well as the valve pits (each of which shall contain a shutoff valve), located within the platted utility easements (collectively the "Irrigation System").

The Association shall charge owners an annual fee for the Irrigation System based upon Section 1.3 (a) Common Expense Liability of this Declaration.

(b) The Water Committee. A committee of the Association, referred to as the Water Committee, may be created by the Board to manage the Irrigation Water, the Irrigation System and the obligations of the Association set forth above. The Water Committee must be composed of not less than three (3) persons. At least one (1) person shall be appointed by the Board from the Owners of Lots in Phase II and at least two (2) persons shall be appointed from the Owners of Lots in Phase I. Members of the Board may serve on the Water Committee. In addition, the Water Committee shall be responsible for the following:

(1) Recommending to the Board any action associated with third party contracts for the maintenance of the Irrigation System:

(2) Maintaining a contract for the maintenance of the Irrigation System with a third party, which contract shall include provisions governing the initial yearly start-up and subsequent shutdown, upgrades, repairs and reconstruction of any components of the Irrigation System when necessary;

(3) Managing and overseeing the operation of the Irrigation System, including ensuring compliance with any rules and regulations of the Water Committee.

(4) Providing a map and calendar, prior to the commencement of the irrigation season each year, laying out the schedule of use; and

(5) Preparing and submitting an annual budget of the Water Committee to the Board for approval for each irrigation year prior to the Board's annual budget preparation effort. The Water Committee budget must be submitted in sufficient time to allow the Board to review the request and to include the Water Committee requested budget into the annual budget for the membership approval process.

The Board retains the right to promulgate rules and policies and make decisions regarding the Irrigation Water and Irrigation System, including the ability to veto or overrule any act of the Water Committee or remove a member of the Water Committee.

ARTICLE IV THE COMMON AREAS

4.1 Common Areas. On the Plat, certain areas of Vale View are designated as Common Areas. The Plat is incorporated in and made a part of this Declaration. The Common Areas are not dedicated for use by the general public, but are dedicated to the common use and enjoyment of only the Owners and Guests, as provided in this Declaration; provided, however, that trails identified on the Plat or in other documents filed with the Town of Mead as having been dedicated to the public shall be open to the public.

4.2 Duty to Manage the Common Areas. The Association shall manage, operate, care for, insure, maintain, repair and reconstruct all of the Common Areas and the improvements located thereon and keep the same in a safe, attractive and desirable condition for the use and enjoyment of all of the Owners. All lot owners will be assessed an equal amount of funds from their annual dues to cover the expenses for watering the trees and plants on all Common Areas. The Owners of Lots in Phase I will be assessed an additional water fee annually to cover the expenses of the Association in providing water to those lots for landscaping purposes, which was stipulated in the original purchase of all Lots in Phase I. Specifically, but without limitation, the Association shall be responsible for:

- (a) The operation, maintenance, repair and replacement of any landscaping, structures, signs, sprinklers, drainage or storm sewer facilities, inlet and outlet structures, and related facilities now or hereafter constructed, installed or planted upon Common Areas;
- (b) The maintenance, weeding and cleaning of Common Areas;
- (c) The maintenance, repair, cleaning and upkeep of all drainage ways located within Common Areas or within drainage easements over Lots or rights-of-way contiguous to Lots as shown on the Plat, but only to the extent that an Owner has failed with respect to the Owner's maintenance, repair, cleaning and upkeep obligation thereto, all of which shall be at all times kept and maintained free of obstructions, paper, trash, debris and pollutants so as not to alter the flow characteristics of the drainage or otherwise adversely affect the proper functioning of these facilities; and



(d) The maintenance, repair, and upkeep of all pathways and trails (both private and public) located within and contiguous to Vale View along Weld County Roads 7 and 36 as such pathways and trails are indicated on the Plat. To the extent that the Town of Mead improves any portion of the public pathway and/or trail system, the maintenance responsibility for the improved pathway and/or trail system shall become that of the Town of Mead.

4.3 Owners' Rights in the Common Areas. Every Owner and Guest shall have the right and easement of use and enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title of the Lot to such Owner, and the following rights of the Board:

(a) 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 sixty-seven percent (67%) of the votes allocated to Lots not owned by the Declarant in accordance with §38-33.3-312 of the Act;

(b) Convey or dedicate all or any part of the Common Areas for such purposes and subject to such conditions as may be agreed to by the Owners to which at least sixty-seven percent (67%) of the votes allocated to Lots not owned by the Declarant in accordance with §38-33.3-312 of the Act, but the granting of permits, licenses and easements shall not be deemed such a conveyance or encumbrance;

(c) Suspend the voting rights of an Owner, and bar the Owner or his Guests from using Common Areas, for any period during which any Assessment remains unpaid and, for a period not to exceed sixty (60) days, for any infraction of the Declaration, Bylaws or Rules;

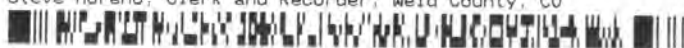
(d) Take such steps as are reasonably necessary to protect the Common Areas against foreclosure;

(e) Enter into, make, perform or enforce any contracts, easements, leases, licenses, and agreements for the use of Common Areas by Owners and Guests for any purpose the Board may deem to be useful, beneficial or otherwise appropriate;

(f) Close or limit the use of the Common Areas temporarily while maintaining, repairing and making replacements in the Common Areas. Or close some or all of the Common Areas permanently if approved by Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated;

(g) 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; and

(h) Exercise the rights granted to the Board of Directors in Section 3.11.



ARTICLE V ASSESSMENTS

5.1 Obligation. Each Owner, by acceptance of a deed for a Lot, covenants and agrees and shall be personally obligated to pay to the Association: (i) Common Assessments; (ii) Special Assessments; (iii) Fines and Individual Assessments; (iv) assessments in accordance with the Rules and Regulations of the HOA; and (v) Costs of Enforcement, all of 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 payable in full when due without notice or demand and without setoff 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; provided, however, that this Section shall not be construed so as to preclude the Association's statutory lien from remaining attached to and enforceable against the Lot of a delinquent Owner after such Lot is transferred to a new Owner, subject to C.R.S. §38-33.3-316.

5.2 The Common Expense Liability and Assessment. The Common Expense Liability and Assessment shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents of Vale View and the Members of the Association. Such purposes shall include, without limitation, the improvement, repair, maintenance and reconstruction of the Common Areas and any other purpose reasonable, necessary or incidental to such purposes. 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.

5.3 The Common Expense Assessment. The common expense assessment shall commence as to each Lot on the first day of the month following the effective date of the first Budget of the Association.

5.4 Special Assessments. In addition to the other Assessments authorized herein, the Board of Directors may levy a Special Assessment for the purpose of defraying any unexpected expense including, without limitation, the cost of any construction, reconstruction, improvement, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property or for the funding of any operating deficit incurred by the Association; provided, that any such assessment shall have the approval of the Owners to whom at least sixty-seven percent (67%) of the votes in the Association are allocated, who are voting in person or by proxy at a meeting duly called in the manner as defined under the Bylaws. Any such Special Assessment shall be levied against each Lot in accordance with that Lot's Common Expense Liability.

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 (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

5.5 Fines. The Board shall have the right to levy a Fine against any Owner for each violation of this Declaration, the Bylaws, the Articles and the Rules. No fine shall be levied until the Owner to be charged has been given a notice and an opportunity for a hearing as provided in the Bylaws. Fines may be levied in a reasonable amount as determined from time to time by the Board in its discretion and uniformly applied. Fines shall be collected as part of the Costs of Enforcement.

5.6 Individual Assessments. The Board shall have the right to individually levy upon any Owner amounts as provided for by this Declaration, to include, without limitation, charges levied under Articles IV and VII and Section 6.9. No Individual Assessment shall be levied until the Owner to be charged has been given a notice and an opportunity for a hearing in accordance with the Bylaws. Individual Assessments shall be collected as part of the Costs of Enforcement.

5.7 Levy of Assessments. Common Expense Assessments shall be levied on all Lots based upon a Budget to accomplish the purposes described in Section 5.2. The Common Expense Assessment shall be prorated among the Lots in accordance with that Lot's Common Expense Liability. The omission or failure of the Board 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. Special Assessments shall be levied in accordance with Section 5.4. Fines and Individual Assessments may be levied at any time as required and are exempt from any voting requirements by the membership required for other Assessments. No Owner may waive or otherwise escape liability for the Common Expense Assessment by the non-use of the Common Areas or the abandonment of his or her Lot.

5.8 Due Date. Fines and Individual Assessments shall be due and payable as established by the Board. The Common Expense Assessment shall be levied on an annual basis and shall be due and payable in installments, in advance, in such frequency as the Board determines in its discretion from time to time, provided that the first Common Expense Assessment shall be adjusted to reflect the time remaining in the first Association's fiscal year. 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 in installments as determined by the Board. Written notice of all Assessments shall be sent to each affected Owner specifying the type of assessment, the amount and the date such assessment is due.

5.9 Remedies for Non Payment of Assessments. If any Assessment (including Costs of Enforcement) is not fully paid within thirty (30) days after the same becomes due and payable, then:

- (a) Interest shall accrue at the default rate set by the Rules of the Association on any amount of the Assessment in default accruing from the due date until date of payment;
- (b) The Board may accelerate and declare immediately due and payable all unpaid installments of the Assessment otherwise due during the fiscal year during which such default occurred;

(c) The Board may bring an action at law in any court of competent jurisdiction against any Owner personally obligated to pay the same and obtain a judgment for the amounts due; and

(d) The Board may proceed to 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.

An action at law or in equity by the Association against an Owner to recover a judgment for unpaid Assessments may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments.

5.10 The Assessment Lien. The Association is hereby granted an Assessment Lien against each Lot for any Assessment levied by the Board of Directors and for Costs of Enforcement levied against any Owner who fails to pay as required by the Declaration. All Costs of Enforcement incurred pursuant to this Declaration 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 be superior to all other liens and encumbrances except:

(a) Ad valorem real property taxes and special assessment liens duly imposed by a Colorado governmental or political subdivision or special taxing district, or any other liens made superior by statute; and

(b) The lien of any First Mortgagee except to the extent the Act grants priority for Assessments due to the Association.

Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for Assessments is required. However, the Board of Directors may prepare, and record in Weld County, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot and a description of the Lot. If a lien is filed, the cost thereof shall be considered a Cost of Enforcement.

The sale or transfer of any Lot shall not affect the lien for Assessments except that sale or transfer of any Lot pursuant to foreclosure of any First Mortgagee, 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, or cancellation or forfeiture shall relieve any Owner from continuing liability for any Assessment thereafter becoming due or from the lien thereof. Any First Mortgagee who acquires title to a Lot by foreclosing a First Mortgage or by a deed in lieu of foreclosure will take the Lot free of any claims for unpaid Assessments and Costs of Enforcement against that Lot that 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 an 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 pendency 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 Assessment Lien hereby given shall also be a lien upon all of the rents and profits of the encumbered Lot; provided, however, the lien shall be subject and 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. Without prejudice to any other right or remedy, the Association may exercise its lien rights to rents and profits by delivering a notice of exercise to the occupant or any payor of rents and profits, and thereafter shall be entitled to collect all such rents and profits to the extent of any delinquency.

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

5.11 Surplus Funds. Any surplus funds of the Association remaining after payment of or making provisions for Common Expenses and any prepayment of or making provisions for reserves shall be retained by the Association as unallocated reserves and need not be credited to the Owners in proportion to their Common Expense Liability to reduce their future Common Expense Assessments.

5.12 Reserve Fund. At the closing of the initial sale of a Lot to an Owner, a non-refundable contribution shall be made by the purchaser to the Reserve Fund of the Association in the amount equal to at least two (2) months installment of the Common Expense Assessment for each Lot. Said contribution shall be collected and transferred to the Association at the time of closing of the sale of each Lot and shall, until used, be maintained in a segregated account with other such reserve funds for the use and benefit of the Association, including, without limitation, to meet unforeseen expenditures or to purchase additional equipment, property or services. Such contribution to the Reserve Fund shall not relieve an Owner from making regular payments of Assessments as the same become due. Upon the transfer of his or her Lot, an Owner shall be entitled to seek a credit from his or her transferee (but not from the Association) for the aforesaid contribution to the Reserve Fund.

5.13 Certificate of Status of Assessments. The Association shall furnish, at a reasonable fee, to an Owner or such Owner's First Mortgagee upon written request delivered personally or by certified mail, first class postage prepaid, 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 (14) business days after receipt of the request and is binding upon the Association, the Board of Directors and every Owner. If no statement is furnished to the Owner or First Mortgagee, delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a priority lien upon the Lot for unpaid Assessments that were due as of the date of the request.

5.14 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 VI
ARCHITECTURAL AND LANDSCAPE APPROVAL; DESIGN REVIEW

6.1 Design Review Committee. There is hereby established the Design Review Committee, or DRC, which shall be responsible for the establishment and administration of Architectural Design Standards to carry out the purposes and intent of this Declaration. The DRC shall initially be comprised of three (3) members appointed by Declarant. Declarant shall continue to appoint the DRC and determine the number of members for so long as Declarant owns a Lot within Vale View, although, Declarant may relinquish its powers to determine the number and members of the DRC at any time. Such relinquishment may be accomplished by recording a Declaration of such relinquishment in the Office of the Weld County, Colorado, Clerk and Recorder.

From and after the date upon which Declarant either relinquishes its power to appoint members to the DRC or no longer owns a Lot, the members of the DRC shall be elected by a majority vote of the Board. There shall be one (1) vote per Director. The Board may exercise its power to elect members to the DRC at the next scheduled meeting of the Board following the date upon which Declarant ceases to have that power or may defer such appointments until its next annual meeting. In the event of a vacancy on the DRC, the Board shall elect a replacement member at the next scheduled Board meeting. In the absence of any members of the DRC, or if the term of any member shall have expired without a replacement being elected, any Owner may call an election at a reasonably convenient time and place by written notice thereof mailed to all Owners at least fifteen (15) days in advance of the proposed election. At a meeting called for that purpose, members will be elected to the DRC by the majority vote of those Owners present at the meeting, in person, or by proxy, providing a quorum of owners are present, with each Lot having one (1) vote.

6.2 Purpose of the DRC. The DRC shall review, study and either approve or reject plans and specifications for proposed Improvements, including landscaping, within Vale View, all in compliance with this Declaration and as further set forth in the Rules and Regulations of the DRC and the Architectural Design Standards as adopted and established from time to time by mutual agreement of the Board and the DRC.

(a) In reviewing a proposed Improvement, the DRC shall act reasonably and in good faith and shall not act in an arbitrary or capricious manner. The DRC shall act with the following objectives in mind, among others: (i) to carry out the general purposes expressed in this Declaration; (ii) to prevent the violation of any specific provision of this Declaration; (iii) to minimize obstruction or diminution of the views of others; (iv) to preserve visual continuity and to prevent any marked or unnecessary transition between improved and unimproved areas; (v) to assure that any change will be of good and attractive design and in harmony with



development on other portions of Vale View; and (vi) to assure that materials and workmanship for all Improvements and landscaping are of high quality comparable to other Improvements and landscaping in Vale View.

(b) No Improvement shall be erected, placed or altered on any Lot nor shall any construction be commenced until plans for such Improvement shall have been approved by the DRC; provided, however, that Improvements and alterations that are completely within a Dwelling Unit may be undertaken without such approval.

(c) So long as the DRC is acting in good faith and in a reasonable manner, the DRC may, by its signed written instrument, waive, release or vary any provisions of the Declaration as they pertain to any part of all of the Lots encumbered, which waiver, release or variance shall be effective as to all parties otherwise entitled to enforce the Declaration. No Member of the DRC shall incur any liability whatsoever to any Owner or other party aggrieved or injured by the grant of such release, waiver or variance. In return for such waiver, release or variance, the DRC may impose on the Lot involved such additional or altered covenants as the DRC deems proper and appropriate in the circumstances. Each Owner agrees by accepting title or any interest in any Lot that Declarant, its employees or agents and each member of the DRC shall be immune from suit or liability in accordance with the foregoing. Any variance, waiver or release of these conditions and restrictions granted by the DRC any acquiescence or failure to enforce any violation of the conditions and restrictions herein, shall not be deemed to be a waiver of any of the conditions and restrictions in any other instance.

(d) The actions of the DRC in the exercise of its discretion, by its approval or disapproval of plans and other information submitted to it or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

6.3 Organization and Operation of DRC.

(a) Term. The term of each member of the DRC elected by the Board shall commence when each member is elected, and shall continue for a term of three (3) years; provided, however, the initial members of the DRC elected by the Board shall serve the following terms: one (1) member shall serve for one (1) year; one (1) member shall serve for two (2) years; and one (1) member shall serve for three (3) years. After the expiration of these initial terms, each successor member shall serve for a term of three (3) years. Should a member of the DRC die, resign, become incapacitated, or require a temporary absence, a successor shall be appointed or elected, as applicable, as provided in Section 6.1 above. The number of members of the DRC may be enlarged from three (3) to five (5).

(b) Chairperson. So long as the Declarant appoints the DRC, the Declarant shall appoint the Chairperson. At such time as the DRC is appointed by the Board, the Chairperson shall be elected annually from among the members of the DRC by a majority vote of said members.

(c) Operations. The Chairperson shall take charge of and conduct all meetings and shall provide for reasonable notice to each member of the DRC prior to any meeting. Such notice shall set forth the time and place of said meeting, which notice may be waived by any

member. In the absence of a Chairperson, the parties appointing or electing the Chairperson may appoint or elect a successor, or if the absence is temporary, a temporary successor.

(d) Voting. The affirmative vote of a majority of the members of the DRC shall govern its actions and be the act of the DRC. A quorum shall consist of a majority of the members.

(e) Expert Consultation. The DRC may avail itself of technical and professional advice and consultants as it deems appropriate, and may charge the pertinent Owner for said costs in addition to the standard application fees.

(f) Expenses. Except as otherwise provided, all expenses of the DRC shall be paid by the Owners and, as appropriate, the Owner seeking review from the DRC. The DRC and the Declarant (for so long as the Declarant appoints the DRC) shall have the right to charge a fee for each application submitted to it for review, in an amount which may be established by the DRC from time to time. Such fees shall be used to help defray the expenses of the DRC's operation and enforce the restrictions set forth herein.

6.4 Architectural Design Standards. The DRC shall adopt, establish and publish Architectural Design Standards that are consistent with this Declaration to more specifically define and describe the design standards for Vale View. The Architectural Design Standards may also set forth rules and regulations including specific rules regarding construction methods. The Architectural Design Standards may be modified or amended from time to time by a majority of those DRC members voting either in person or by proxy at any meeting called for the purpose of said modification or amendment. All prospective Owners and builders are advised to contact the DRC to obtain the most current copy of the Architectural Design Standards.

6.5 Procedures. The DRC shall make such rules and regulations as it may deem appropriate to govern its proceedings. Except to the extent modified or amplified in the Architectural Design Standards or rules and regulations, the following general procedures shall apply:

(a) Pre-Design Conference. Project developers, Owners, architects and others desiring to construct any Improvements are encouraged to meet with the DRC in a pre-design meeting, while plans are tentative and preliminary, in order to assure full understanding of the requirements of this Declaration and the Architectural Design Standards, clarify the expectations and intent of the Architectural Design Standards, and answer any questions regarding the process.

(b) Concept Plan. A "Concept Plan" satisfying the DRC's requirements shall be submitted to the DRC in order to obtain approval of the initial design. The Concept Plan will be reviewed by the DRC and a response will be provided within thirty (30) days after submission. The DRC may approve, reject or approve with conditions the Concept Plan, and such approval and compliance with any conditions imposed shall be a precondition to the Final Plan.

(c) Final Plan. Final plans, specifications, and working drawings, in such form and containing such information as may be required by the DRC, shall be submitted in writing to the DRC for its approval following approval, or conditional approval, of the Concept Plan.



The DRC shall respond with its approval, approval with conditions, or disapproval within thirty (30) days after receipt of all information and fees required for the Final Plan. If no response is given within said thirty (30) day period, the party making the submittal shall notify the DRC, in writing, that no response has been received and if the DRC then fails to respond within ten (10) days of receipt of the non-response notice (provided all necessary information and fees have been submitted) the plans, specifications and drawings will be deemed to comply with the foregoing submittal requirements.

(d) Fast-Track Submittal. Any project developer, Owner, architect, or other person desiring to construct any Improvements and required to submit plans pursuant hereto may waive any of the steps set forth in paragraphs (a) and (b) of this Section 6.5 and proceed directly to Final Plan submittal in which case the time frames set forth in paragraph (c) shall apply. However, the submitter shall not be relieved of any requirements as to the content of the Final Plan submittal and shall proceed to Final Plan submittal at his or her own risk.

(e) Building Permit. Compliance with this design review process is not a substitute for compliance with applicable building, zoning and subdivision regulations, and each Owner is responsible for obtaining all approvals, licenses and permits as may be required prior to construction commencement. In like manner, mere compliance with the Town of Mead building codes may not conform to the requirements of this Declaration.

6.6 Hold Harmless. Neither Declarant nor any architect or agent of Declarant nor any member of the DRC shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with this Declaration or for any structural or other defects in any work done according to such plans or specifications. In reviewing any matter, neither the DRC nor the Declarant, nor any agent of Declarant, shall be responsible for passing on safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations, and its approval of an Improvement shall not be deemed approval of such matters.

6.7 Construction and Alteration of Improvements. The right of an Owner, developer or other entity to construct, reconstruct, refinish, alter or maintain any Improvement upon, under or above any portion of Vale View (except as provided in Section 6.2) or to make or create any excavation or fill thereon or to make any change in the natural or existing surface contour or drainage thereof, or install any utility line or conduit thereon or thereover, shall be subject to the Architectural Design Standards and to the general restrictions set forth herein. Except to the extent permitted in Section 6.2(b), any construction or reconstruction or the refinishing or alteration of any part of the exterior of any Dwelling Unit or other Improvement on the Property including fences and walls is absolutely prohibited until and unless the Owner or developer first obtains approval thereof from the DRC and otherwise complies with the provisions hereof. All Improvements shall be constructed only in accordance with approved plans.

6.8 Inspection of Work; Project Completion Review. Inspection of completed work and correction of defects therein shall proceed as follows:

(a) Within one (1) week after the completion of any Improvement for which approved plans or specifications are required under this Declaration, the Owner shall give written notice of

completion to the DRC. Until receipt of a notice of completion, the DRC shall not be deemed to have notice of completion of any Improvement.

(b) Within such reasonable time as the DRC may set in its rules but not to exceed fifteen (15) days after receipt of a notice of completion, the DRC or its duly authorized representative shall inspect such Improvement and notify the Owner in writing whether the work is approved. If the DRC finds that such work was not done in strict compliance with all approved plans and specifications submitted or required to be submitted for its prior approval, it shall notify the Owner in writing of such noncompliance within said fifteen (15) day period, specifying in reasonable detail the particulars of noncompliance, and shall require the Owner to remedy the same.

(c) If upon the expiration of thirty (30) days from the date of notification of noncompliance the Owner shall have failed to remedy such noncompliance, the Board shall, upon notice and an opportunity for a hearing in accordance with the Bylaws, determine whether there is a noncompliance and, if the conclusion of the Board is that noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board ruling. If the Owner does not comply with the Board ruling within such period, the Board, at its option, may either remove the non-complying Improvement or remedy the noncompliance, and the Owner shall reimburse the Board and/or the DRC for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner, the Board shall levy an Individual Assessment against such Owner, the Improvement in question, and the Lot upon which the same is situated for reimbursement and the same shall constitute a lien upon such Lot and Improvement.

(d) If for any reason after receipt of said written notice of completion from the Owner, the DRC fails to notify the Owner of its approval or disapproval and the reasons therefore, within the period provided above, the Owner shall again notify the DRC in writing of the completion and if the DRC does not then give written notification of approval or disapproval within fifteen (15) days after receipt of the second notification, the Improvement shall be deemed to be in compliance with the approved plans and specifications.

6.9 Enforcement of Covenants; Violations Deemed a Nuisance. Every violation hereof or of any of the Architectural Design Standards adopted by the DRC is deemed to be a nuisance and is subject to all the remedies provided for the abatement thereof. In addition, all public and private remedies allowed at law or equity against anyone in violation of this Declaration shall be available.

(a) Compliance. Each Owner, Guest or other occupant of any part of Vale View shall comply with the provisions of these covenants and the Architectural Design Standards as the same may be amended from time to time.

(b) Failure to Comply. Failure to comply herewith shall be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing, as provided in the Bylaws, shall be given to the affected Owner prior to commencing any legal proceedings.



(c) Who May Enforce. Any action to enforce the covenants in this Article and the Architectural Design Standards may be brought by the DRC or the Board on behalf of the Owners. If, after written request from an aggrieved Owner and a reasonable time to act upon said request, none of the foregoing persons or entities commences an action to enforce these covenants and the Architectural Design Standards then the aggrieved Owner may bring such an action.

(d) Correction of Noncompliance. If the DRC or the Board determines that a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than thirty (30) days from the date of receipt by the Owner of the ruling of the DRC or the Board. If the Owner does not comply with such ruling within such period, the Board shall, upon notice and an opportunity for a hearing in accordance with the Bylaws, determine whether there is a noncompliance and, if the conclusion of the Board is that noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board ruling. If the Owner does not comply with the Board ruling within such period, the Board may, at its option, record a "Notice of Noncompliance" against the Lot on which the noncompliance exists, or the Board and/or the DRC may remove the noncomplying Improvement or may otherwise remedy the noncompliance. The Board may levy an Individual Assessment against the Owner of such Lot for such costs and expenses incurred. The right of the Board to remedy or remove any noncompliance shall be in addition to all other rights and remedies which the Board may have at law, in equity or under this Declaration:

(e) No Liability. No member of the Board, Declarant, the DRC or any Owner shall be liable to any other Owner for the failure to enforce any covenants and the Architectural Design Standards at any time.

(f) Recovery of Costs. If legal assistance is obtained to enforce any of the provisions hereof, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of or to restrain the violation of these Article VI covenants and the Architectural Design Standards, the prevailing party shall be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees as may be incurred, or if suit is brought, as may be determined by the Court.

6.10 No Waiver or Estoppel. The approval or consent of the DRC, to any application for architectural approval shall not be deemed a waiver of any right to withhold or deny approval or consent by the DRC as to any application or other matters whatsoever as to which approval or consent may be subsequently or additionally required. No action or failure to act by the DRC or by the Board shall constitute a waiver or estoppel with respect to future action by the DRC or the Board. Specifically, the approval by the DRC of any Improvement shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar Improvement or similar proposals, plans, specifications or other materials submitted with respect to any other Improvement.

6.11 Completion of Work After Approval. After approval of any proposed Improvement, such Improvement shall be completed as promptly and diligently as possible and in complete conformity with the description of the proposed Improvement, any materials submitted to the DRC in connection with the proposed Improvement, and any conditions imposed by the DRC. Unless extended by the DR, failure to complete any proposed Improvement within twelve (12) months from the date construction commences shall constitute a violation of this Article.

6.12 Meetings and Records of the DRC. The DRC shall meet from time to time as necessary to perform its duties hereunder. The DRC shall report in writing to the Board all final actions of the DRC and the Board shall keep a permanent record of such actions.

6.13 Estoppel Certificates. The Board shall, upon the reasonable request of any interested party and after confirming any necessary facts with the DRC, furnish a certificate with respect to the approval or disapproval of any Improvement or with respect to whether any Improvement was made in compliance herewith. Any person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

ARTICLE VII BUILDING AND USE RESTRICTIONS

7.1 Restrictions That Apply to Lots. The following building and use restrictions and aesthetic standards are imposed uniformly on the Lots and the use thereof as a common scheme for the benefit of each Lot and to be enforced by the Board.

7.2 Building Type; Use. Each Lot shall be used for private residential purposes only, except that home occupations as authorized by the laws and regulations of the Town of Mead may be conducted therein; and except that the Declarant may, for so long as the Declarant owns a Lot, conduct real estate sales of Lots from Vale View. Only one (1) single family residence structure shall be constructed and maintained on each Lot. The design, architecture, materials and details of all buildings must comply with the requirements contained within the Architectural Design Standards for Vale View.

7.3 Building Size. Every Dwelling Unit constructed on a Lot shall have not less than 2,400 square feet (for a one-story Dwelling Unit) and not less than 2,900 square feet (for a multi-story Dwelling Unit) of finished floor area devoted to living purposes (exclusive of porches, terraces, decks, patios, finished or unfinished basements and garages).

7.4 Garage and Driveway Construction. Every Dwelling Unit constructed on a Lot shall have a garage of sufficient size to house not less than three (3) cars. All driveways shall be paved with materials specifically approved by the DRC. No vehicles shall be parked on any Lot except on the paved areas unless otherwise approved in writing by the DRC.

All garages shall be physically attached to the residence constructed upon the Lot, and all garage doors shall not face the front of the Lot that abuts the street; provided, however, the DRC, in its sole discretion shall have the right to modify the terms of this covenant if the proposed construction cannot reasonably comply with this covenant due to uniqueness of design or the



character or size of the Lot. No cement curbs shall be constructed around any driveway situate upon any part of a Lot without the prior written approval of the DRC. The construction of all garages shall be subject to prior approval as provided under the Architectural Design Standards.

7.5 Building Location/Setbacks. No building shall be located on any Lot nearer to the Lot lines than shall be allowed by the applicable building and zoning laws of the Town of Mead. Further, in all cases where building envelopes are designated by the DRC (the "Building Envelopes"), all structures unless specifically otherwise approved, shall be constructed within such Building Envelopes, although the roof may overhang such Building Envelopes. In all cases, the location of any building shall be subject to the approval of the DRC.

Notwithstanding the above, it is acknowledged that some horse barns in Phase I or one outbuilding on any Lot in Vale View may be built outside of the Building Envelopes; provided, however, that the location and design of any such structure shall be subject to the approval of the DRC. The total number of additional outbuildings or barns allowed per lot cannot exceed one (1) building.

7.6 Roofs. All roof materials and colors shall be approved prior to installation by the DRC in accordance with the Architectural Design Standards.

7.7 Landscaping. No landscaping or any subsequent material change, alteration or modification of landscaping from that shown on any initially approved landscape plan shall occur unless a landscape plan showing such landscaping or change, alteration or modification is submitted and approved in accordance with the procedures prescribed in Section 6.5. Approval or disapproval of such landscaping plans shall be in the same manner as set forth in said Section.

After a Dwelling Unit has been constructed on any Lot, the remaining unpaved portion of the Lot shall promptly be placed in grass or other vegetation or covered with decorative materials and maintained in that condition so as to prevent the blowing of dust and dirt from the exposed soil. No artificial plants, artificial grasses or artificial flowers shall be utilized as exterior landscape materials. Landscape plans involving and utilizing xeriscaping are encouraged. All landscaping as approved shall be maintained with adequate watering to assure good color and appearance.

All landscaping shown on an approved landscaping plan shall be completed and installed within six (6) months (weather permitting) after substantial completion of the Dwelling Unit on the Lot or, in the event of a subsequent change, alteration or modification of landscaping from that shown on an initially approved landscape plan within six (6) months after approval of such change, alteration or modification. Completed and installed landscaping shall have no material adverse impact on the historic water and drainage flows associated with Vale View. In furtherance of the provisions of Section 3.15, no Owner shall have the right to impede or divert water as such water runs through the ditch laterals contiguous to Vale View.

7.8 Trees. No tree or trees, whether now growing or hereafter grown upon any part of the Property shall be cut down or removed without prior written approval of the DRC; provided, however, that this restriction shall not apply unless such tree is more than two (2) inches in diameter as measured one (1) foot above grade or to any trees which are removed to create

defensible space around a Dwelling Unit for fire mitigation purposes, so long as such removal complies with a defensible space plan created for the property by the Colorado State Forest Service, an individual or company certified by the Town of Mead to create such a plan, or the fire chief, fire marshal, or fire protection district within whose jurisdiction the Dwelling Unit is located, and such removal is not more extensive than is necessary to comply with such plan. This restriction shall not be construed to limit in any way reasonable trimming of any trees within Vale View or for the replacement of a dead tree with a tree of the exact genus/species.

7.9 Temporary Structures. No temporary house trailer, tent, garage or outbuilding shall be placed or erected upon any part of Vale View; provided, however, that during the actual construction or alteration of a Dwelling Unit on any Lot, reasonable and necessary temporary buildings for storage of materials may be erected and maintained by the person doing such work provided that their type and placement are approved by the DRC. Such temporary storage buildings shall be removed upon completion of the construction, alteration or remodeling.

No residence placed or erected on any Lot shall be occupied in any manner at any time prior to its being fully completed in accordance with approved plans. Similarly, no residence, when completed, shall be occupied in any manner until there is compliance with all requirements, conditions, covenants, and restrictions set forth herein. The work of constructing, altering and remodeling any Improvement shall be prosecuted diligently from its commencement and completed in accordance with the work schedules submitted to the Committee in no event later than one (1) year from commencement, unless otherwise approved by the DRC.

7.10 Trash and Debris. All trash, garbage or other refuse shall be kept in approved containers (in a size determined by the individual Owner) in a fully enclosed area shielding the containers from view by neighbors or by anyone traveling on any public right-of-way. Each Owner must provide for the regular removal of garbage or, if so directed by the Board, utilize the services of the waste removal provider chosen by the Association. Each Lot shall, at all times, be kept in a clean, slightly and wholesome condition and weeds shall be kept mowed. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, firewood, lumber or other building materials shall be permitted to remain exposed upon any Lot so it is visible from any neighboring Lot, road or street, except as reasonably necessary during the period of construction. No non-retractable clotheslines, drying yards, service yards or storage areas shall be located as to be visible from any neighboring Lot, road or street. If any structure is destroyed either wholly or partially by fire or other casualty, said structure shall be promptly rebuilt or remodeled to conform to this Declaration and all debris and remaining portions of the structure including the foundations shall be promptly removed from Vale View. No noxious or offensive activity shall be carried on in Vale View, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

7.11 Motorhomes, Boats, Trailers, Campers and Similar Equipment. No motorhomes, boats, trailers, campers or similar vehicles or equipment shall be stored or parked on any street or on any Lot unless enclosed within a garage or as provided for in the Act. No inoperative, unlicensed or wrecked cars, tractors or similar vehicles or equipment shall be kept or stored on any Lot. No vehicle, motorcycle, motorbike or similar equipment shall be parked on any Lot or street adjacent thereto while it is undergoing repairs, unless the vehicle (or other item undergoing



repairs) is within an enclosed garage during the entire period of such repairs. Operating vehicles may not be parked, kept or stored on any street or road within Vale View, unless in compliance with the Town of Mead Code, Section 8-6-60.

7.12 Underground Utilities/Satellite Dishes. All electric, television, radio and telephone line installations and connections from the Owner's property line to the Dwelling Unit shall be placed underground in accordance with the landscape plan approved by the DRC. All satellite dishes and devices or facilities to transmit or receive electronic signals, radio or television waves are prohibited unless first approved by the DRC in conformance with applicable federal and state law.

7.13 Animals. No cows, pigs, chickens, poultry, 4-H animals, or other livestock shall be raised, grown, bred, maintained or cared for on any Lot other than as hereinafter provided or unless approved by the DRC. The keeping or maintaining of animals other than domestic pets on any Lot shall require approval, pursuant to the Town of Mead's Special Review Process, including the issuance of a Special Use Permit as described in the Mead Town Code. Approval by the Association's Board of Directors shall be a condition precedent to application for a Special Use Permit from the Town of Mead.

Without regard to the foregoing, no horses or grazing animals will be allowed in Phase II due to the lack of irrigation water available to manage a pasture. Subject to the limitations set forth above and those set forth below, horses will be allowed in Phase I:

- Lots ranging in size up to 3 acres -- No more than 1 mature horse;
- Lots ranging in size from 3 to 4 acres -- No more than 2 mature horses;
- Lots ranging in size from 4 to 5 acres -- No more than 3 mature horses; and
- Lots greater than 5 acres -- No more than 4 mature horses.

For purposes of this Declaration, a "mature horse" is defined as any horse older than one (1) year. No more than one foal shall be allowed on any Lot unless prior approval is obtained by the DRC.

In order to prevent overgrazing, all permitted livestock shall be kept in a barn, enclosed run, or pasture, which pasture shall not exceed thirty-five percent (35%) of the size of the Lot. It is recommended that additional feed be provided and that horses be allowed only to occasionally graze on remaining native grass areas owned and fenced by the Owner. A building or other structure (including, but not limited to a barn facility and manure animal waste fencing), approved by the DRC pursuant to the Architectural Design Standards and Rules, shall be completed prior to the date a horse is moved onto an Owner's Lot.

Owners desiring to maintain one or more horses on their Lots shall apply to the Board of Trustees of the Town of Mead for a Special Use Permit. Construction of a barn or similar facility upon any Lot shall require approval through the Town of Mead's Special Review, Special Use and Building Permit processes. These processes will begin only after review and approval of said barn or similar facility by the DRC.



Nothing herein shall prevent an Owner from maintaining, keeping and caring for domestic household pets not maintained for commercial purposes; provided, however, that dogs, cats and other household animals shall not be allowed to run at large off of the Owner's Lot. Such animals shall be maintained on a leash when off of the Owner's Lot.

All Lots must be maintained in a clean and odor-free condition. Each Owner of a pet shall be financially responsible and liable for any damage caused by the Owner's pet, and shall be responsible for the pickup and disposal of any excrement deposited by the Owner's pet. In the case of horse ownership, the Owner shall designate on the Owner's landscape and barn design plan a suitable location for an animal waste pile. The animal waste pile shall conform to the requirements imposed by the DRC. Plantings of trees and shrubs may be required around the waste pile in an attempt to mitigate its impact on neighboring residences. Owners of horses shall contain all animal waste in a two (2) yard container and shall utilize the same waste removal service as that of the Association for collection. Depending on the quantity of waste, waste removal shall be scheduled on a monthly, bi-monthly, weekly, or twice a week basis. Under no circumstances, shall animal waste be collected in any other manner; provided, however that composting will be considered by the Board on a case-by-case basis.

7.14 Fireplaces. No coal or other type of fuel that gives off smoke except wood shall be used for heating, cooking or any other purposes and no trash or garbage shall be burned on the Lots.

7.15 Storm Drainage. Each Owner shall maintain and keep free of obstructions any storm drainage channel across his or her Lot. Any such storm drainage channel will be shown and designed on the final lot grading plans in accordance with the Architectural Design Standards.

7.16 Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon that may be or may become an annoyance or nuisance to Vale View. Specifically, but without limitation, no Owner shall: permit weeds to grow and remain uncut so that the same appear unsightly to the surrounding area; store lumber, bricks or other building material for a period of time longer than reasonably required for completion of a Dwelling Unit; allow any noise or sounds to emanate from any Lot which would constitute an annoyance or nuisance to the occupants of Vale View; allow exterior lights or reflective surfaces to be installed to create glare or unusual lighting on adjoining Lots; or allow prairie dogs to reside on his or her property.

7.17 Hazardous Activities. No activity shall be conducted on any portion of Vale View that is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any portion of Vale View and no open fires shall be lighted or permitted on any portion of Vale View except in a contained barbecue unit while attended and in use for cooking purposes or within a fireplace designed to prevent the dispersal of burning embers.

7.18 Fences. The construction, placement or planting of all fences, walls and hedges shall comply with the Architectural Design Standards and shall require the prior approval of the DRC.



7.19 Failure to Properly Maintain. Each Owner shall be responsible for the maintenance, repair and reconstruction of the exterior of such Owner's Dwelling Unit. If any Owner shall fail to maintain his or her Lot in a manner satisfactory to the Board, the Board shall have the right, after notice and an opportunity for a hearing as provided in the Bylaws, to enter upon said Lot and repair, maintain and/or reconstruct the Lot. The cost of such maintenance, repair and/or reconstruction shall be chargeable to such owner by an Individual Assessment.

7.20 Compliance with Insurance Requirements. Except as may be approved in writing by the Board, nothing shall be done or kept in Vale View that may result in an increase in the rates of or in the cancellation of any insurance maintained by the Association.

7.21 Compliance with Laws. No unlawful use shall be permitted or made of any Lot or any portion thereof. All laws, ordinances and regulations of all governmental bodies having jurisdiction over the Lots, or any portion thereof, shall be observed.

7.22 Owner Caused Damages. 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 and any other real property that the Association has an obligation to repair, maintain and/or reconstruct, 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, if necessary, may be collected by the Board as an Individual Assessment against such Owner. Determination regarding any violation of this Section 7.23 shall be made by the Board and shall be final.

7.23 Lease of a Dwelling Unit. Any Owner shall have the right to lease his or her Dwelling Unit upon such terms and conditions as the Owner may deem advisable, subject to the following:

- (a) No Owner may lease less than his or her entire Dwelling Unit or for a term of less than ninety (90) days (but in no event shall such lease be for transient or hotel purposes);
- (b) Any lease or rental agreement shall be in writing and shall provide that the lease is subject to the terms of this Declaration, the Bylaws, the Articles of Incorporation and the Rules;
- (c) Any lease or rental agreement shall state that the failure of the lessee to comply with the terms of the Declaration, Bylaws, Articles of Incorporation or the Rules shall constitute a default and such default shall be enforceable by either the Board or the lessor; and
- (d) Any Owner who leases his or her Dwelling Unit shall, within three (3) days after the execution of such lease or rental agreement, forward a copy of the pertinent document to the Board.

The failure to comply with this Section does not deprive the Association, the Board or any other Owner of the right to enforce this Declaration in any manner.

ARTICLE VIII
EASEMENTS

8.1 Utility Easements. Easements for utilities over and across the Common Areas shall be those shown upon the Plat and such other easements as are of record and as may be established pursuant to this Declaration.

8.2 Easements for the Board of Directors. Each Lot shall be subject to an easement in favor of the Board (including its agents, employees and contractors) to perform its obligations pursuant to this Declaration.

8.3 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 Vale View, to enter upon any part of Vale View in the performance of their duties.

8.4 Recording Data Regarding Easements. The recording data for recorded easements and licenses appurtenant thereto, or included in Vale View or to which any portion of Vale View is or may become subject to are identified on Exhibit C.

8.5 Easements Deemed Appurtenant. The easements, uses and rights herein created for an Owner shall be deemed perpetual and appurtenant to the Lot(s) 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 IX
DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

9.1 Reservation. The Declarant reserves the following Development Rights and Special Declarant Rights, which may be exercised, where applicable, anywhere within Vale View:

(a) To maintain business/sales offices, parking spaces, management offices, storage areas, nursery, construction yard, signs, advertising and model Dwelling Units; and

(b) To maintain signs and advertising in the Common Areas to advertise Vale View.

9.2 Use by Declarant. The exercise of the Special Declarant Rights by Declarant shall not unreasonably interfere with the access, enjoyment or use of any Lot by any Owner nor the access, enjoyment or use of the Common Areas; or be unsafe, unhealthy, or hazardous to any person.

9.3 Declarant's Personal Property. The Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Common



Areas that has not been represented as property of the Association. The Declarant reserves the right to remove from Vale View (promptly after the sale of the last Lot or Dwelling Unit) any and all goods and improvements (including temporary structures) used in development, marketing and construction, whether or not they have become fixtures.

ARTICLE X INSURANCE AND CONDEMNATION

10.1 Coverage. To the extent reasonably available, the Board shall obtain and maintain insurance coverage as set forth in this Article and as required by the Act. If such insurance is not reasonably available, the Association shall cause notice of that fact to be mailed to each Owner and Mortgagee to whom a certificate of insurance has been issued at their last known address.

10.2 Property Insurance. The Board shall obtain and maintain property insurance, insuring the insurable improvements on the Common Areas for broad form covered causes of loss and on all personal property owned by the Association. The insurance will be for an amount (after application of any deductions of depreciation) equal to the full insurable replacement cost of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, foundations, excavations and other items normally excluded from property policies.

10.3 Liability Insurance. Commercial General Liability insurance, as set forth in the Act, shall be maintained in an amount determined by the Board.

10.4 Required Provisions. Insurance policies carried pursuant to Sections 10.2 and 10.3 shall provide that:

- (a) Each Owner is an insured person under the policy with respect to liability arising out of the Owner's Interest in the Common Areas and any other real property that the Association has an obligation to maintain, repair or reconstruct membership in the Association;
- (b) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner;
- (c) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy; and
- (d) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.

10.5 Fidelity Insurance. The Association shall obtain and maintain, to the extent reasonably available, fidelity insurance or bond coverage for any Owner or Association employee who either handles or is responsible for funds held or administered by the Association. Such insurance shall name the Association as obligee, and shall contain waivers of any defense based

upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. In no event shall the bond or coverage be for an amount less than the sum of two (2) months assessments plus reserve funds, as calculated from the current budget of the Association. The bond or coverage shall include a provision that calls for ten (10) days written notice to the Association, before the bond can be canceled or modified for any reason. The Association must also require any independent contractor who manages the Association to obtain and maintain fidelity bond insurance coverage in the same amount, to the extent that it is reasonably available, unless they are covered under the Association's fidelity bond insurance coverage.

10.6 Workers Compensation Insurance. The Board shall obtain and maintain workers compensation insurance to the extent required by the laws of the State of Colorado.

10.7 Directors and Officers Liability Insurance. The Board shall obtain and maintain directors and officers liability insurance, if reasonably available, covering all of the directors and officers of the Association. This insurance will have limits determined by the Board.

10.8 Other Insurance. The Association may carry other insurance that the Board considers appropriate to protect the Association.

10.9 Premiums. Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense.

10.10 Procedures. The Board may adopt written nondiscriminatory policies and procedures for claims adjustment and responsibility for deductibles. To the extent the Board settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefitting from such repair or restoration for all deductibles paid by the Association. If more than one Lot or Dwelling Unit is damaged by a loss, the Board, in its reasonable discretion, may assess each Owner a pro rata share of any deductible paid by the Association.

10.11 General Provisions. All Association insurance shall be carried in blanket policy form naming the Association as insured and attorney-in-fact for the Association. The policies shall contain:

(a) A standard non-contributory First Mortgagee's clause in favor of each First Mortgagee, and shall provide that it cannot be canceled or materially altered by either the insured or the insurance company until thirty (30) days prior written notice is given to the Association, and each Owner and First Mortgagee to whom a certificate or memorandum of insurance has been issued; and

(b) Waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not under the control of the Association.

10.12 Insurance Proceeds. Any loss covered by the property insurance policy described in Section 10.2 shall be adjusted by the Board and the insurance proceeds for that loss shall be payable to the Association and not to any First Mortgagee. The Board shall hold any insurance



proceeds in trust for the Association, owners and lienholders as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged property and the Owners, the Association and any lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or reconstructed. If proceeds are so distributed, said distribution shall be in accordance with interests and rights of the parties as determined or allocated by record and pursuant to the Act.

10.13 Damage to Property. Any portion of the Common Areas 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 in accordance with §38-33.3-313(9) of the Act.

10.14 Certificate of Insurance. An insurer that has issued an insurance policy for the insurance described in this Article shall issue certificates of insurance to the Association and, upon request, to any owner or First Mortgagee. The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, and each Owner and First Mortgagee to whom a certificate or memorandum of insurance has been issued, at their last known address.

10.15 Condemnation. If an entire Lot is acquired by condemnation or if a part of a Lot is acquired by condemnation leaving the Owner with a remnant that may not practically or lawfully be used for any purpose permitted by the Declaration, the award must include compensation to the Owner for that Lot and its Dwelling Unit. If part of the Common Areas is acquired by condemnation, that portion of any award attributable to the Common Areas taken must be paid to the Association.

ARTICLE XI FIRST MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers or guarantors of holders of first mortgages recorded against Lots within Vale View who qualify as an "Eligible Mortgagee". To the extent applicable, necessary or proper, the provisions of this Article apply to both this Declaration and to the Articles and Bylaws.

11.1 Notices of Action. Each Eligible Mortgagee shall be entitled to timely written notice of:

(a) Any material condemnation loss or casualty loss that affects a material portion of Vale View or any Lot on which there is a first mortgage held, insured, or guaranteed by an Eligible Mortgagee;

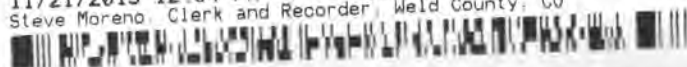
(b) Any delinquency in the payment of the Common Expense Assessment owed by an Owner whose Lot is subject to a mortgage held, insured or guaranteed by an Eligible Mortgagee or any default by such Owner in any obligation under the Declaration, Articles of Incorporation or Bylaws of the Association if and when the Board has actual knowledge of such default and such delinquency or default remains uncured within sixty (60) days;

- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any proposed action that would require the consent of a specified percentage of Eligible Mortgagees; and
- (e) Any material judgment rendered against the Association.

11.2 Amendment of Documents; Special Approvals.

(a) The consent of owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of at least fifty-one percent (51%) of the Eligible Mortgagees shall be required to add to or amend any material provisions of this Declaration or the Articles or Bylaws. A change to any of the following would be considered material (unless they are for the purpose of correcting technical errors or for clarification only):

- (1) Voting rights;
- (2) Assessments, assessment liens or the priority of the assessment lien;
- (3) Reserves for maintenance, repair and replacement of the Common Areas;
- (4) Responsibility for maintenance and repair of any portion of the Common Areas and any other real property;
- (5) Right to use the Common Areas;
- (6) Convertibility of Lots into Common Areas or Common Areas into Lots;
- (7) Contraction of Vale View or the withdrawal of property from Vale View;
- (8) Insurance or fidelity bonds;
- (9) Leasing of Dwelling Units;
- (10) Imposition of any restrictions on an Owner's right to sell or transfer a Lot or Dwelling unit;
- (11) A decision by the Association to establish self-management of the Association, when professional management had previously been required by an Eligible Mortgagee; or
- (12) Any provisions that are for the express benefit of First Mortgagees.



(b) The Association may not take any of the following actions, without the consent of Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of at least fifty-one percent (51%) of the Eligible Mortgagees:

- (1) Reconstruction or repair of Vale View after damage due to an insurable hazard or a partial condemnation in a manner other than specified in the Project Documents;
- (2) Merger of Vale View with any other planned community;
- (3) Assignment of the future income of the Association, including its right to receive Common Expense Assessments;
- (4) Fail to repair or reconstruct in the event of substantial destruction of any part of a Lot or the Common Areas; or
- (5) Change the period for collection of regularly budgeted Common Expense Assessments.

11.3 Special FHLMC Provisions. In addition to and not in lieu of the foregoing, unless at least sixty-seven percent (67%) of the Eligible Mortgagees (based on one vote for each first mortgage owned) or Owners have given their prior written approval, the Association is not entitled to take any of the following actions:

- (a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer any Common Areas owned directly or indirectly by the Association (excluding the granting of permits, licenses and easements for public utilities, roads or other purposes reasonably necessary or useful for the property maintenance or operation of the property or the Association);
- (b) Change the method of determining the obligations, assessments, dues or other charges that may be levied against an Owner;
- (c) By act or omission change, waive or abandon any scheme of regulations or enforcement pertaining to the architectural design or the exterior appearance of Dwelling Units, the maintenance of the Common Areas and the upkeep of lawns and plantings in Vale View;
- (d) Fail to maintain fire and extended coverage on insurable Common Areas on a current replacement cost basis in an amount at not less than the full insurable value (based on current replacement cost); or
- (e) Use hazard insurance proceeds paid for property losses in the Common Areas for purposes other than repair, replacement or reconstruction of said property.

11.4 Implied Approval. Approval by an Eligible Mortgagee shall be deemed to have been given when:

(a) The Association has sent a dated, certified or registered written notice with a signature required return receipt requested and a copy of any proposed amendment to each Eligible Mortgagee at its most recent address as shown on the recorded deed of trust or recorded assignment thereof; and

(b) The Eligible Mortgagee fails to deliver a negative response to the Association within sixty (60) days after the date of the notice.

11.5 Payment of Charges. First Mortgagees may, jointly or singly, pay taxes or other charges that are in default and which may or have become a charge against the Common Areas and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of any Association policy. First Mortgagees making such payments shall be entitled to immediate reimbursement from the Association. Entitlement to such reimbursement is to be reflected in an agreement in favor of all First Mortgagees duly executed by the Association.

11.6 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 XII GENERAL PROVISIONS

12.1 Severability. In the event that any one or more of the provisions, conditions, restrictions, and covenants herein set forth shall be held by any court of competent jurisdiction to be null and void, all remaining provisions, conditions, restrictions and covenants herein set forth shall continue unimpaired and in full force and effect.

12.2 Effect. Each grantee of a Lot or property included within this Declaration, by acceptance of a deed conveying any of the Lots or properties, shall accept title subject to each and all of the restrictions, conditions, covenants and agreements herein contained, and by such acceptance, shall for himself, his heirs, personal representatives, successors and assigns, covenant, agree and consent to keep, observe, comply with and perform said restrictions, covenants, conditions and agreements. Said restrictions, covenants and agreements are intended and proposed for the direct and mutual and reciprocal benefit of each and all of said Lots and subsequent Owners thereof, and to create mutual and equitable servitudes upon each of said Lots in favor of each other Lot and reciprocal rights and obligations and privacy of contract and estate among the grantees of said Lots, their respective heirs, successors and assigns.

12.3 Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as a Member or Owner on the records of the Association at the time of such mailing.

12.4 Enforcement and Mediation. Enforcement of these covenants and restrictions shall be by a proceeding at law or in equity brought by the Association, the DRC or an Owner against any



person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; provided, however, that if a dispute arises relating to any covenants or restriction provided for in this Declaration, and the dispute does not involve an imminent threat to the peace, health or safety of Vale View, the parties shall first proceed in good faith to submit the matter to mediation before an enforcement action may be commenced in a court of law. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within thirty (30) days of the date written notice requesting mediation is delivered by one party to the other at the party's last known address, and which time the complaining party may proceed with an enforcement action. Failure by the Declarant, the Association, the DRC or any Member to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

12.5 Titles and Headings. Titles of articles and section headings shall be disregarded in the interpretation of this document and shall have no binding effect.

12.6 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose.

12.7 Conflict. All official Association documents are intended to comply with the requirements of the Act, the Colorado Nonprofit Corporation Act and any other applicable law or regulation. If there is any conflict between such documents and the provisions of statutes or applicable law, the provisions of the statutes or applicable law shall control. In the event of any conflict between this Declaration and any other document, this Declaration shall control.

12.8 Mergers. The Association may be merged or consolidated with another association of the same form of ownership by complying with the Act.

12.9 Attorneys' Fees and Costs. If any action is brought in a court of law, or subjected to arbitration, to enforce, interpret, or construe any of the covenants, conditions and restrictions of this Declaration, the prevailing party in such action shall be entitled to reasonable attorneys' fees as well as all costs incurred in the prosecution or defense of such action.

12.10 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.

12.11 Incorporation of Exhibits. All exhibits attached to this Declaration are incorporated into and hereby made a part of this Declaration.

12.12 Articles and Sections. Unless the contrary is clear from the context, all references to Articles and Sections are to this Declaration.



ARTICLE XIII
DURATION AND AMENDMENT

13.1 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 13.5.

13.2 Amendments by Owners. This Declaration may be amended by the written agreement by Owners to which at least sixty-seven (67%) percent of the votes in the Association are allocated, provided, however, an amendment may not: (i) increase the number of Lots; (ii) change the Allocated Interests of a Lot; or (iii) the uses to which a Lot is restricted, except by consent of the Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

Any amendment shall be effective upon the recording of the amendment together with a notarized certificate of the Secretary of the Association certifying that the requisite number of Owners and Eligible Mortgagees, if required, has given their written consent to the amendment. The Secretary shall further certify that originals of such written consents by Owners and Eligible Mortgagees, as applicable, along with the recorded amendment, are in the records of the Association and available for inspection. Each amendment to the Declaration must be recorded in accordance with the Act. Where a Lot is owned by more than one person, the execution of any amendment shall be valid if executed by any one Owner.

Signatures need not be notarized. The signature need not be identical to the name of the recorded Owner, but shall be sufficiently close as to be identified as a proper signature of such person. All signatures shall be irrevocable even upon death or conveyance of the Lot, except that if an amendment is not recorded within three (3) years of the date of signature, then the executing owner or their successor or assigns may revoke their signature by a written and notarized document delivered to the Secretary of the Association.

Amendments can be executed in counterparts, provided that such recorded document shall also contain a certification of the Secretary of the Association that all counterparts, as executed, are part of the whole. No action shall be commenced or maintained to challenge the validity of any aspect of any amendment of the Declaration, Articles of Incorporation or Bylaws unless it is commenced within one (1) year from the effective date of said amendment, unless fraud or willful negligence is asserted and proven.

13.3 Consent of Eligible Mortgagees. Amendments may be subject to the consent requirements of Eligible Mortgagees in Article XI.

13.4 Expenses. All expenses associated with preparing and recording an amendment shall be allocated in accordance with the Act.

13.5 Consent of Declarant Required. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment of any provision of this Declaration shall not be effective unless the Declarant has given its written consent to such amendment, which consent shall be evidenced by the execution by the Declarant of any certificate of amendment. The foregoing requirement for consent of the Declarant to any amendment shall terminate at the option of the

Declarant by its written notice to the Secretary of the Association, but in any event, shall terminate without further act or deed when Declarant no longer owns a Lot.

13.6 Termination. Except in the case of a taking of all the Lots by condemnation, this Declaration may be terminated only by agreement of owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated, as more fully set forth in the Act and the approval of at least fifty-one percent (51%) of the Eligible Mortgagees.

CERTIFICATION

The undersigned, being the duly elected Secretary of the Association, certifies that, as of the 19th day of September, 2013: (a) the foregoing Amended and Restated Declaration has been approved by the written consent of at least sixty-seven percent (67%) of the Owners, and by the approval of at least fifty-one percent (52%) of the Eligible Mortgagees; (b) the foregoing Amended and Restated Declaration has been executed in counterparts and all original counterparts, as executed, are in the records of the Association and available for inspection; and (c) following its recording in the Office of the Clerk and Recorder of Weld County, Colorado, a copy of the recorded Amended and Restated Declaration will be kept in the records of the Association and available for inspection.

VALE VIEW HOMEOWNERS ASSOCIATION,
a Colorado nonprofit corporation

By: Mark A. Webb
Secretary

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing was acknowledged before me this 19th day of September, 2013, by Mark A. Webb, as Secretary of Vale View Homeowners Association, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 1-28-2015

NOTARY
SEAL



Minifer K. Lucas
Notary Public

EXHIBIT A

TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF VALE VIEW

All Lots, Parcels and Outlots E and J in Vale View
(excluding Common Areas)

PHASE I

Lots 1 through 29, inclusive,
Vale View,
according to the recorded plat thereof,
Town of Mead,
County of Weld,
State of Colorado

Parcels A, B and C
Vale View,
according to the recorded plat thereof,
Town of Mead,
County of Weld,
State of Colorado

Outlots E and J
Vale View,
according to the recorded plat thereof,
Town of Mead,
County of Weld,
State of Colorado

PHASE II

Lots 1 through 53, inclusive,
Vale View Replat A,
according to the recorded plat thereof,
Town of Mead,
County of Weld,
State of Colorado



EXHIBIT B
TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF VALE VIEW

All Common Areas in Vale View

Outlots A, B, C, D, F, G, H and I
Vale View,
according to the recorded plat thereof,
Town of Mead,
County of Weld,
State of Colorado

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Steve Moreno, Clerk and Recorder, Weld County, CO



EXHIBIT C
TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
OF VALE VIEW

Easements

Easement in favor of Little Thompson Valley Water District, recorded in the Office of the Clerk and Recorder of Weld County, Colorado, at Book 506, Reception No. 1428381;

Those certain Waterline, Sewer, Utility, Drainage, Irrigation, Pedestrian and/or Private Access Easements shown on the Final Plat of Vale View, recorded in the Office of the Clerk and Recorder of Weld County, Colorado, on May 5, 1999, at Reception No. 2691805, as amended by the Final Plat of Vale View, Replat A, recorded in the Office of the Clerk and Recorder of Weld County, Colorado, on April 14, 2005, at Reception Number 3277474.

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Steve Moreno, Clerk and Recorder, Weld County, CO

