SHERIDAN STATION WEST METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 800-741-3254
Fax: 303-987-2032

Dear Homeowner,

Congratulations on your new home purchase and welcome to the Sheridan Station West community! Your home resides within the boundaries of Sheridan Station West Metropolitan District (the "**District**"). The District is a quasi-municipal corporation and political subdivision of the State of Colorado, governed by a five-member elected Board of Directors.

The Sheridan Station West community does not have a Home Owner's Association ("**HOA**"); instead the District performs such functions as covenant control, architectural review and grounds maintenance services, including but not limited to; trash removal, open space areas and community parks, community fencing, monumentation, and snow removal along public sidewalks, as well as other management services for your community. These services are paid for through your yearly property tax assessment and an Operations and Maintenance Fee ("**O&M Fee**"), rather than through an assessment of dues such as an HOA would impose. The O&M Fee is a monthly fee. You will receive an invoice by mail, with options to receive email invoices or to opt-in for paperless billing. Your home may also be subject to other fees, such as water and sewer services fees, which may be imposed by entities other than the District (discussed below). More information on fees imposed, adopted or acknowledged by the District can be found in various fee resolutions (which are included as a part of this Welcome Packet).

The District's Limited Tax General Obligation Bond debt service is also paid for through your yearly property tax assessment. Further information on this subject can be obtained by referencing the Disclosure to Purchasers (which is a part of this Welcome Packet); via the District's Service Plan (which is available upon request), or by contacting the District's Manager, David Solin, at Special District Management Services, Inc. ("**SDMS**").

The District falls within the Consolidated Mutual Water Company's service area for water service, and within one of two sewer service providers, depending upon your address. At this time, the District will bill you monthly for water service (which can be paid at the same time as the O&M Fee), but your sewer service bill may come from another entity, such as East Lakewood Sanitation District.

SDMS is contracted by the District to manage the day-to-day responsibilities of operating the District; to manage all outside contractors and consultants; and to support the Board of Directors of the District.

What you can expect as a new homeowner within the Sheridan Station West community: Part of SDMS' role is to conduct routine inspections of the community in order to ensure compliance with the Declaration of Covenants, Conditions and Restrictions of West Line Village (the "**Declaration**") and the Rules and Regulations. The Declaration and the Rules and Regulations set forth the policies, restrictions, covenant enforcement and design review criteria. You can expect inspections to occur bi-monthly during the growing season (April-September), and monthly throughout the rest of the year.

Trash Service: Trash service is provided by Waste Management; you will receive bills directly from them. Pickup occurs on Tuesdays. Recycling pick-up will be every other week. Recycling will be picked up on the 'Green' weeks, per the enclosed Waste Management calendar. Additional information regarding the trash and recycling service is included in this packet.

Enclosed are the following important community reference materials (subject to periodic change):

1. **"Sheridan Station West Community Resources"** (a quick reference guide);

2. **"Xpress Bill Pay Information"** (the District utilizes the Xpress Bill Pay system which provides residents with online options for bill payments, including paperless billing, billing notifications, and Auto Pay options);

3. "**Disclosure to Purchasers"** (the General Information and Disclosure is intended to provide an overview of significant information related to the District);

4. **"Party Wall Agreements"** (Agreements for both the duplexes and the townhomes; please refer to the appropriate agreement for your unit. Please note the agreements included may have a different building number than yours- these are samples. Please refer to your closing paperwork for the agreement for your building);

5. **"Resolution of the Board of Directors of the Sheridan Station West Metropolitan District Acknowledging Sewer Service Providers"** (this Resolution acknowledges the sewer service providers, and their rules and regulations and fees and rates), as may be amended from time to time;

6. **"Resolution of the Board of Directors of the Sheridan Station West Metropolitan District Regarding the Imposition of District Fees for Operations and Maintenance"** (this Resolution imposes the District's O&M Fee), as may be amended from time to time.

7. **"Resolution of the Board of Directors of the Sheridan Station West Metropolitan District Regarding Potable Water Fees"**;

8. **"Resolution of the Board of Directors of the Sheridan Station West Metropolitan District Adopting Consolidated Mutual Water Company's Rules and Regulations"** (this Resolution acknowledges the water service provider, and its rules and regulations), as may be amended from time to time;

9. **"Declaration of Covenants, Conditions and Restrictions of West Line Village"** (the Declaration sets forth the policies for restrictions and covenant enforcement and design review), as may be amended from time to time. West Line Village is the name of the community within the District's service area;

10. **"Resolution of the Board of Directors of Sheridan Station West Metropolitan District Acknowledging and Adopting the Declaration of Covenants, Conditions and Restrictions of West Line Village"** (this Resolution is the document by which the District adopts and acknowledges the Declaration, as well as by which the District acknowledges the duties, obligations and rights assigned to the District pursuant to such Declaration);

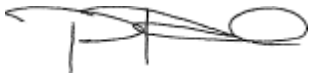
11. **"Amended Rules and Regulations of Sheridan Station West Metropolitan District Related to West Line Village"** (the Rules and Regulations provide design criteria regarding the construction of new homes, home additions, fencing, landscaping and other alterations to same, as well as providing enforcement mechanisms regarding violations of the Declaration and/or Rules and Regulations. The Architectural Review Request form is included at the end of the Rules and Regulations); and

12. **"Resolution of the Board of Directors of Sheridan Station West Metropolitan District Adopting the Amended Rules and Regulations of Sheridan Station West Metropolitan District Related to West Line Village"** (this is the document by which the District adopts and acknowledges the Amended Rules and Regulations).

Should you have any questions or require more information regarding the matters presented in this letter, please contact me or the Community Manager, Travis Hunsaker at 303-987-0835, or email us at cm@sdmsi.com. Once again, we would like to welcome you to the Sheridan Station West community.

Warm Regards,

Sheridan Station West Metropolitan District



Peggy Ripko- District Community Manager

SHERIDAN STATION WEST METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150

Tel: 303-987-0835 * 800-741-3254

Fax: 303-987-2032

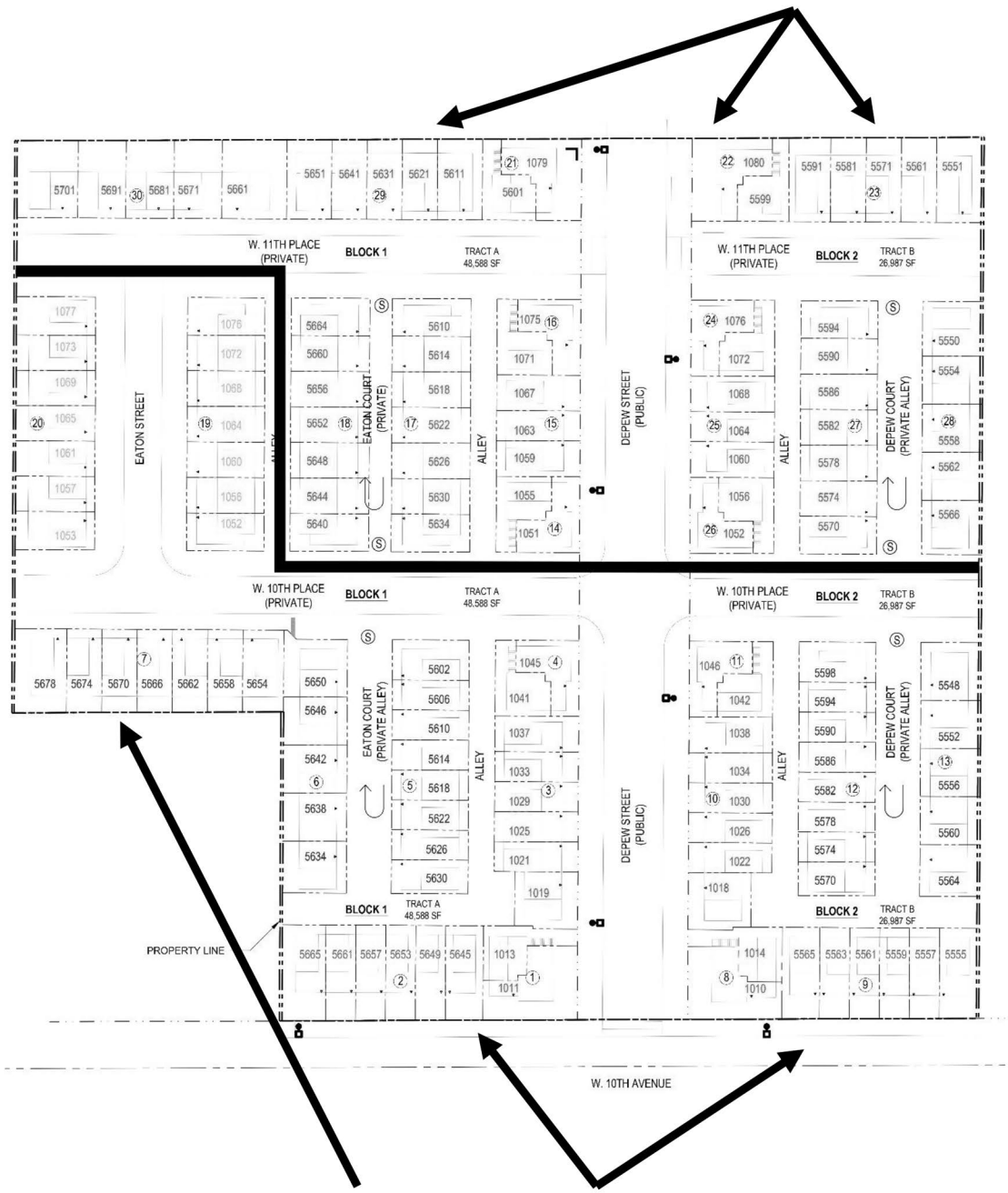
Community Resources

SHERIDAN STATION WEST COMMUNITY RESOURCES

UTILITIES		PHONE
Electric	Xcel	800-895 4999
Trash/Recycling	Waste Management	800-482-6406
Water	SDMS	303-987-0835
See Map of Sewer Service Zone		
Sewer	City of Lakewood	303-987-7615
Sewer	East Lakewood Sanitation District	303-265-7949
Phone	CenturyLink	866 579 4160
Cable TV	Comcast	800 934 6489
POLICE/FIRE/TOWN		
Police	Lakewood Police Department	303-987-7111
Fire	West Metro Fire Rescue	303-989-4307
City of Lakewood		303-987-7000
Chamber of Commerce	West Metro Chamber of Commerce	303-233-5555

West Line Village - Sewer Service Providers

City of Lakewood Sewer Service



East Lakewood Sanitation District Service

Waste Management of Colorado

Long-time, Local Service Provider

50+
YEARS
operating in Colorado

40
FACILITIES
across the state

111
CNG TRUCKS
in service

1,200
EMPLOYEES
from drivers to managers and more

Focused on Customer Convenience

- Collection, disposal and recycling services tailored for any customer from a single small business to an entire city
- Online portal and WM app make it simple to manage one or several accounts
- Customer service reps available via phone, email or chat function on wm.com

Leader in Environmental Services

- Built and operate state-of-the-art Material Recovery Facilities (MRFs)
- Converting landfill gas to energy to power Colorado homes
- Deploying CNG trucks to reduce emissions and noise

Committed to Communities

- Waste Management supports the communities it serves
- In 2016, we supported more than 45 community activities across the state (see list on back)

Serious about Safety

- Intense, ongoing safety training for drivers, equipment operators, technicians and managers
- On-board cameras in all trucks
- Safety record outshines industry averages

Invested in Recycling

Waste Management was the first in Colorado to install a single stream processing system. We were also the first to use optical sorters, install a paper magnet and accept aseptics and plastics 3-7 in single stream.

In 2017, we're adding another $5 million in equipment to our Denver-area MRFs, bringing our 11 year total investment to $16.5 million!

WM
WASTE MANAGEMENT

SHERIDAN STATION WEST METROPOLITAN DISTRICT
141 Union Boulevard, Suite 150
Tel: 303-987-0835 * 800-741-3254
Fax: 303-987-2032

Xpress Bill Pay Information

ANNOUNCING...

The easiest way to pay your bill

Our new online bill pay option saves you time and gives you more flexibility in how you pay your bill.

If you have an Internet connection and an email address, you can now pay your bill online. You are also able to "opt in" to paperless billing and receive an email notification when your bill is ready to view. It's fast, it's easy, and you no longer have to write a check each month or find a stamp when it's time to send in your payment.

HOW IT WORKS

We have partnered with Xpress Bill Pay, the premier provider for online bill payment.

When you sign up for online bill payment you get a unique password that you use to access your personal account at www.xpressbillpay.com. Every month we'll send you a reminder email to let you know when your bill is online.

Then, just log in through your Web browser and view your bill, which will look like the paper statement you're familiar with. Select a payment type — credit card, debit card, or electronic funds transfer — enter the information, and you're done!

It's that easy, and it only takes you a few minutes each month.

We're offering this service at the request of customers like you. Sign up today and see why so many people consider this the best way to pay their bills.

ONLINE BILL PAYMENT FACTS

- It's free to sign up for online bill payment at www.xpressbillpay.com.
- You can pay your bills with a credit or debit card, or you can transfer funds directly from your checking account.
- You can pay your bill from anywhere. Users outside the U.S. can contact our Payment Center anytime to make a payment or to set up an Auto Pay.
- No need to worry about late payments if you're out of town when your bill is due.
- After you complete the transaction, you can receive an email receipt to confirm that the payment went through.

- You can view up to a year's history of your account online, so you can compare your current bill to a year ago.
- If you'd like, you can select the Auto Pay option and your bill will be paid automatically each month.

WHAT TO DO NEXT

1. Go to www.xpressbillpay.com. We have partnered with Xpress Bill Pay to provide you with online bill payment service.
2. Click on the "Sign Up" button on the top of the home screen. Fill in the email and password fields, then click in the "I'm not a robot" box and follow the prompts.
3. Complete the short registration form and click "Next."
4. Go to your inbox and open the verification email and click "Verify Email". Then select "Continue" to log in.
5. Select your billing organization and follow the prompts for linking your bill.
6. Once your bill is added to your account, you can add another bill, view and pay your bill online, or setup a recurring auto payment schedule.

AND THERE'S MORE!

Along with being able to make a payment online at any time you can also call the payment assistance center to make a payment over the phone.

Call 1-800-720-6847 or 1-385-218-0338 (from outside the U.S.) to speak with an agent and make your payment today! A phone payment fee may apply.

xpress BILL PAY

SHERIDAN STATION WEST METROPOLITAN DISTRICT
141 Union Boulevard, Suite 150
Tel: 303-987-0835 * 800-741-3254
Fax: 303-987-2032

Special District Public Disclosure Document

SHERIDAN STATION WEST METROPOLITAN DISTRICT
DISCLOSURE TO PURCHASERS

This Disclosure to Purchasers has been prepared by Sheridan Station West Metropolitan District (the "**District**") to provide prospective property owners with general information regarding the District and its operations. This Disclosure to Purchasers is intended to provide an overview of pertinent information related to the District and does not purport to be comprehensive or definitive. You are encouraged to independently confirm the accuracy and completeness of all statements contained in this Disclosure to Purchasers.

DISTRICT'S POWERS

The District's powers, as authorized by Section 32-1-1004, C.R.S., and under the District's Service Plan, as approved by the City of Lakewood, Colorado (the "**City**") on August 26, 2016 (the "**Service Plan**"), are to plan for, design, finance, acquire, construct, install, relocate, and/or redevelop certain public improvements, including, but not limited to, sanitation improvements, water improvements, street improvements, safety protection improvements, park and recreation improvements, transportation improvements, mosquito control, storm drainage, security services, and covenant enforcement and design review services to the District.

DISTRICT'S SERVICE PLAN

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the District's Service Plan is available from the Division of Local Government in the State Department of Local Affairs (the "**Division**").

The District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution ("**TABOR**"), include issuing debt, levying taxes, and imposing fees and charges. Information concerning District directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), C.R.S., which can be found at the office of General Counsel for the District, on file at the Division, or on file at the office of the Clerk and Recorder of Jefferson County, Colorado.

DEBT AUTHORIZATION

Pursuant to its Service Plan, the District has authority to issue up to Seven Million Two Hundred Fifty Thousand Dollars ($7,250,000) of debt to provide and pay for public infrastructure improvement costs.

Any debt issued by the District will be repaid through ad valorem property taxes, from a District-imposed debt service mill levy on all taxable property of the District, together with any other legally available revenues of the District.

In November 2017 the District issued its $3,625,000 General Obligation Limited Tax Bonds, Series 2017, (the "**2017 Bonds**"). The proceeds of the 2017 Bonds will be used for the purposes of: (a) funding and reimbursing the costs of the public improvements for the District; (b) funding the initial interest to accrue on the 2017 Bonds; (c) funding a debt service reserve for the 2017 Bonds; (d) partially funding a surplus fund for the 2017 Bonds; and (e) paying the costs of issuing the 2017 Bonds. The 2017 Bonds mature December 1, 2047 and bear interest at 6.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2018.

The 2017 Bonds are secured by and payable from the pledged revenue, consisting of the moneys derived from a required mill levy of not to exceed 50.000 mills (adjusted for changes occurring after the issuance of such bonds in the ration of assessed values to market values), and any other legally available moneys of the District credited to the Bond Fund. The 2017 Bonds are also secured by amounts held by the Trustee in the reserve fund of $155,000 and, amounts accumulated in the surplus fund to a maximum amount of $543,750. The Reserve Fund and the Surplus Fund shall be maintained by the Trustee until the 2017 Bonds are matured. The 2017 Bonds will convert to unlimited tax general obligations at such time the Debt to Assessed Ratio is less than 50%.

TAXES AND FEES IMPOSED ON PROPERTIES WITHIN THE DISTRICT

Ad Valorem Property Taxes

The District's primary source of revenue is from property taxes imposed on property within the District. Along with other taxing entities, the District certifies a mill levy by December 15th of each year which determines the taxes paid by each property owner in the following year. In 2017, the District imposed a total mill levy of 66.222 mills for collection in 2018. The 66.222 mills consist of an Operations Mill Levy of 22.000 mills and a debt service mill levy of 44.222 mills (as described below). As discussed above, the 2017 Bonds are secured by a required mill levy not to exceed 50.000 mills (as adjusted, discussed below). The total overlapping mill levy for the property within the District for tax collection year 2018 was 151.1258 mills (inclusive of the District's Mill Levy), as described in the "Overlapping Mill Levy" section below.

The various mill levies described in this Disclosure to Purchasers are examples only and were the mill levies certified in 2017, for collection in 2018. The mill levies certified for collection in future years may change.

Debt Service Mill Levy

The maximum debt service mill levy the District is permitted to impose under the Service Plan ("**Maximum Debt Mill Levy**") upon the taxable property of the District for payment of debt is fifty (50) mills. The Maximum Debt Mill Levy may be adjusted due to changes in the statutory or constitutional method of assessing property tax or in the assessment ratio. The purpose of such adjustment is to assure, to the extent possible, that the actual tax revenues generated by the mill levy are neither decreased nor increased, as shown in the example below. The State Legislature adjusted the residential assessment ratio for 2017, for collection in 2018, from 7.96% to 7.2%. For tax collection year 2018, the District did not impose a mill levy for

debt service; however, given the adjustment in the residential assessment ratio, the District could have imposed a Maximum Debt Mill Levy that was adjusted from 50.000 mills to 55.277 mills.

THE FOLLOWING EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL CURRENT OR FUTURE VALUE INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY.

District Property Tax (Debt Service Mill Levy ONLY) Calculation Example- Reduction in Residential Assessment Ratio

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy[1]/Rate[2] (M)	Amount of District Tax Due [AV x M]
(a) 2017	$300,000	7.96%	$23,880	50.000/0.05000	$1,194
(b) 2018	$300,000	7.20%	$21,600	55.277/0.055277	$1,194

[1] Based on a projected mill levy, not a representation of any actual current or future mill levy
[2] Each mill is equal to 1/1000th of a dollar

(a) If in 2017 the Actual Value of the Property was $300,000, and the Residential Assessment Ratio established by the State Legislature for that year was 7.96%, the Assessed Value of the Property was $23,880 (i.e., $300,000 x 7.96% = $23,880). Therefore, the District's certified debt service of 50.000 mills generated approximately $1,194 in revenue for the District.

(b) If in 2018 the Actual Value of the Property remains at $300,000, based upon the State Legislature's determination to change the Residential Assessment Ratio for 2017 (for collection in 2018) to 7.2%, the Assessed Value would be $21,600 (i.e., $300,000 x 7.2% = $21,600). Therefore, if the District had imposed a debt service mill levy for collection in 2018, the District would have needed to certify a debt service mill levy of 55.277 mills to generate the same revenue in 2018 that it received from the 2017 debt service mill levy.

Operations Mill Levy

In addition to imposing a debt service mill levy, the District is also authorized by the Service Plan to impose a separate mill levy to generate revenues for the provision of administrative, operations and maintenance services (the "**Operations Mill Levy**"). Pursuant to the Service Plan, the Maximum Debt Mill Levy does not apply to the District's ability to increase its Operations Mill Levy, which may be increased as necessary, separate and apart from the Maximum Debt Mill Levy. Thus, the Maximum Debt Mill Levy described above does not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and users.

The District's Operations Mill Levy was imposed at 22.000 mills for tax collection year 2018.

District Property Tax (Operations Mill Levy) Calculation Example

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy[1]/Rate[2] (M)	Amount of District Tax Due [AV x M]

(a) 2018	$300,000	7.2%	$21,600	22.000/0.022000	$475.00

1 Based on a projected mill levy, not a representation of any actual current or future mill levy
2 Each mill is equal to 1/1000th of a dollar

There are several benefits to the use of a metropolitan district as opposed to, or in cooperation with, an owners' association, including, but not limited to the following:

(a) Cost Efficiency. Metropolitan districts fund their operations from revenues generated from real property taxes while homeowner's associations assess dues and collect them from property owners.

(b) Tax Deduction. Taxes paid to a metropolitan district may be deductible from income taxes, in general, while owners' association dues are generally not.

(c) Transparency. A metropolitan district is subject to various regulatory requirements, such as annual reporting of budgets and audited financials; annual audits, or audit exemptions.

Overlapping Mill Levies

In addition to the District's imposed mill levies for debt and operations as described above, the property located within the District is also subject to additional "overlapping" mill levies from additional taxing authorities. The overlapping mill levy for tax collection year 2018, for the property within the District, exclusive of the District's imposed mill levies was 84.9038. Mill levies are certified in December of each year, and generally published by the County by the end of the first quarter. Therefore, currently the District is unable to provide more detailed information on the anticipated overlapping mill levy for collection in 2019. The breakdown of the overlapping mill levies for tax collection 2018 was as follows:

Taxing Authority	**Levy**
Jefferson County	22.420
East Lakewood Sanitation District	3.682
City of Lakewood	2.148
Regional Transportation District	0.000
School District	42.878
Urban Drainage & Flood Control South Platte	0.057
Urban Drainage & Flood Control Cont Dist	0.500
West Metro Fire Protection - G	12.382
West Metro Fire Protection Sub	0.8368
TOTAL OVERLAPPING MILL LEVY (2018)	**84.9038**
Sheridan Station West Metropolitan District (2018)	66.222
TOTAL WITH DISTRICT MILL LEVY	**151.1258**

Overlapping Mill Levy Property Tax Calculation Example-2018

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy[1]/Rate[2] (M)	Amount of Total Property Tax Due [AV x M]
(a) 2018	$300,000	7.2%	$21,600	151.1258/.1511258	$3,264.32

[1] Based on a projected mill levy, not a representation of any actual current or future mill levy
[2] Each mill is equal to 1/1000th of a dollar

THE ABOVE EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL CURRENT OR FUTURE VALUE INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY.

Fees

In addition to property taxes, the District may also rely upon various other revenue sources authorized by law to offset the expenses of capital construction and district management, operations and maintenance. Pursuant to its Service Plan, the District has the power to impose and collect fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance.

DISTRICT BOUNDARIES

This Disclosure shall apply to the property within the boundaries of the District, which property is described on **Exhibit A** and **Exhibit B**, both of which are attached hereto and incorporated herein by this reference.

CONTACT INFORMATION

For any questions regarding the District or this Disclosure to Purchasers, please contact:

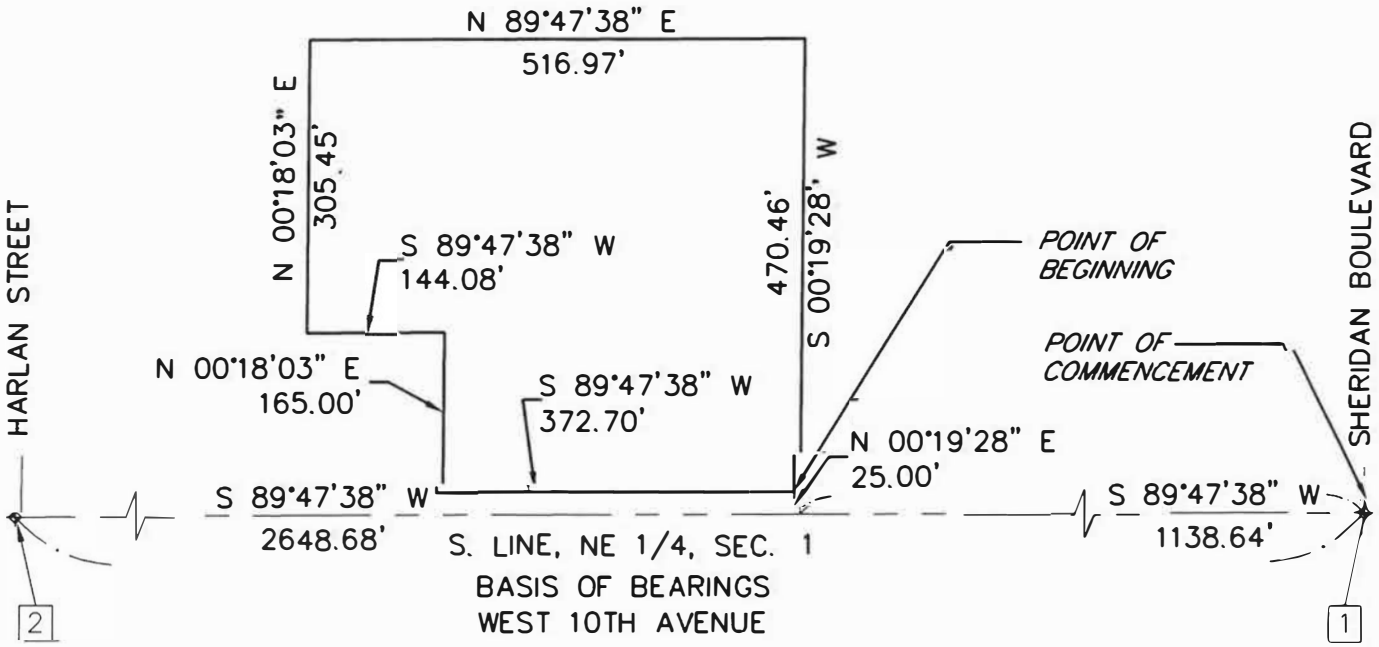
District Manager:
Special District Management Services, Inc.
141 Union Blvd., Ste. 150
Lakewood, CO 80228
Phone: 303-987-0835
Email: dsolin@sdmsi.com
Attn: David Solin

Dated this 24th day of August, 2018.

EXHIBIT A
District Map

INITIAL DISTRICT BOUNDARY MAP

A PORTION OF THE S1/2 OF THE S1/2 OF THE NE1/4 , SECTION 1, T.4S., R.69W., 6TH P.M.
CITY OF LAKEWOOD, JEFFERSON COUNTY, COLORADO



[1] E 1/4 COR., SEC. 1, T.4S., R.68W., 6TH P.M.
FOUND 3 1/4" BRASS CAP IN RANGE BOX (ILLEGIBLE)

[2] S 1/4 COR., SEC. 1, T.4S., R.68W., 6TH P.M.
FOUND 3 1/4" BRASS CAP IN RANGE BOX (ILLEGIBLE)

NOTE
THIS DRAWING IS MEANT TO DEPICT THE ATTACHED LEGAL DESCRIPTION AND IS FOR INFORMATIONAL PURPOSES ONLY. IT DOES NOT REPRESENT A MONUMENTED LAND SURVEY.

SCALE: 1"=200'

PARCEL CONTAINS 219,384 SQ. FT. OR 5.036 ACRES

INITIAL DISTRICT BOUNDARY MAP		
Date: 05/15/2016 Drawn: DF Checked: AWS Job No.: TP15066.1	Sheet 2 of 2	R&R ENGINEERS-SURVEYORS, INC. 710 WEST COLFAX AVENUE DENVER, COLORADO 80204 PH: 303-753-6730 - FAX: 303-753-6568 WWW.RRENGINEERS.COM

EXHIBIT B

Legal Description

The District encompasses approximately 5.036 acres, which are generally located north of W. 10th Avenue, east of Fenton Street, west of Benton Street, and south ofW. 11th Avenue in Jefferson County, Colorado, and is more particularly described as follows:

BEING A PORTION OF THE SOUTH 1/2 OF THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 1, TOWNSHIP 4 SOUTH, RANGE 69 WEST, 6TH P.M. CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO. MORE PARTICULARLY DESCRIBE AS FOLLOWS:

BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 1, BEING MONUMENTED ON THE EAST 1/4 CORNER BY AN ILLEGIBLE 3-1/4" BRASS CAP IN RANGE BOX AND MONUMENTED ON THE CENTER 1/4 CORNER BY AN ILLEGIBLE 3-1/4" BRASS CAP IN RANGE BOX. SAID LINE BEARS SOUTH 89° 47'38" WEST WITH A DISTANCE OF 2648.68 FEET.

COMMENCING AT SAID EAST 1/4 CORNER;
THENCE ALONG THE SOUTH LINE OF SAID NORTHEAST 1/4, SOUTH 89° 47'38" WEST A DISTANCE OF 1138.64 FEET; THENCE DEPARTING SAID SOUTH LINE NORTH 00° 19'28' EAST WITH A DISTANCE OF 25 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF WEST 10TH AVENUE AND POINT OF BEGINNING;
THENCE ALONG A LINE BEING PARALLEL TO AND 25.00 FEET NORTH OF SAID SOUTH LINE OF THE NORTHEAST 1/4 SOUTH 89° 47'38" WEST 372.70 FEET MORE OR LESS TO THE SOUTHWEST CORNER OF LOT 2 BLOCK 1 OF GREENSPIRE ESTATES SUBDIVISION;

THENCE DEPARTING SAID RIGHT-OF-WAY LINE NORTH 00° 18'03" EAST A DISTANCE OF 165.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 2;

THENCE SOUTH 89° 47'38" WEST 144.08 FEET TO THE NORTHWEST CORNER OF LOT 4 BLOCK 1 OF GREENSPIRE ESTATES SUBDIVISION;

THENCE NORTH 00° 18'03" EAST 305.45 FEET TO THE NORTHWEST CORNER OF LOT 1 BLOCK 1 OF GREENSPIRE ESTATES SUBDIVISION. SAID POINT BEING 165.00 FEET SOUTH OF THE NORTH LINE OF THE SOUTH 1/2 OF THE SOUTH 1/2 OF THE NORTHEAST 1/4;
THENCE ALONG A LINE BEING 165.00 FEET SOUTH OF THE NORTH LINE OF THE SOUTH 1/2 OF THE SOUTH 1/2 OF THE NORTHEAST 1/4, NORTH 89° 47'38" EAST 516.97 FEET;
THENCE SOUTH 00° 19'28" WEST 470.46 FEET TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 219,384 SQUARE FEET OR 5.036 ACRES.

SHERIDAN STATION WEST METROPOLITAN DISTRICT
141 Union Boulevard, Suite 150
Tel: 303-987-0835 * 800-741-3254
Fax: 303-987-2032

Party Wall Covenant-Townhomes

BCLP DRAFT 5/7/18

PARTY WALL COVENANT
FOR
WEST LINE VILLAGE [BUILDING 1]

City of Lakewood, State of Colorado

After Recording Return to:
Bruce L. Likoff, Esq.
Bryan Cave LLP
1700 Lincoln Street, Suite 4100
Denver, Colorado 80203

PARTY WALL COVENANT
FOR
WEST LINE VILLAGE [BUILDING 1]

City of Lakewood, Jefferson County, State of Colorado

THIS PARTY WALL COVENANT FOR WEST LINE VILLAGE [BUILDING 1] (this "**Covenant**") is made this ___ day of _____, 2018, by SHERIDAN STATION TRANSIT VILLAGE LLC, a Colorado limited liability company ("**SSTV**").

RECITALS

A. SSTV is the owner of:

Lots _____, inclusive, Block _,
West Line Village Filing #1,
County of Jefferson,
State of Colorado (the "**Property**").

The Property is comprised of _____ (_) "**Homes.**" The Homes are all of the real property that comprise the West Line Village [Building 1] project ("**Project**"); there are no common elements, areas or facilities. The Homes are located in the subdivision known as West Line Village Filing #1 (the "**Subdivision**").

B. There lie along and over the shared boundaries of the Homes one or more shared walls that, in conjunction with the footings underlying, form a structural part of and physically join the Homes ("**Party Walls**").

C. SSTV desires to subject the Homes to the covenants, conditions and restrictions as set forth herein.

NOW, THEREFORE, SSTV does hereby publish and declare the following covenants, conditions and restrictions.

ARTICLE I
ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS

A. Recitals Incorporated. The Recitals set forth above are hereby incorporated into the terms of this Covenant.

B. Covenants to Run with the Project. SSTV hereby declares that all of the Homes shall be held, sold and conveyed subject to the following covenants, conditions and restrictions which are for the purpose of protecting the value and desirability of the Homes, and which shall run with

title to the Homes and be a burden binding on all parties having any right, title or interest in the Homes, their heirs, personal representatives, successors and assigns and shall inure to the benefit of all Owners (as defined below), their heirs, personal representatives, successors and assigns.

C. Owners and Subsequent Owners Bound. Each provision of this Covenant and each agreement, promise, covenant or undertaking to comply with or to be bound by the provisions of this Covenant that is contained herein shall:

(1) Be deemed incorporated in each deed or other instrument by which any right, title or interest in any Home is granted, devised or conveyed, whether or not set forth or referred to in such deed or instrument; and

(2) By virtue of acceptance of any right, title or interest in a Home by an Owner, such Owner shall be deemed to have accepted, ratified, and adopted these agreements and promises as personal obligations of such Owner and such Owner's heirs, personal representatives, successors and assigns to, with and for the benefit of all other Owners.

D. Owner Defined. As used herein, "**Owner**" shall mean any record owner, including SSTV, and including a contract seller, but excluding a contract purchaser who is not subject to a binding installment land contract, whether one or more persons or entities, having an ownership interest in or to any Home, but excluding any such person or entity having an interest therein merely as a mortgagee or beneficiary under a deed of trust unless such mortgagee or beneficiary under a deed of trust has acquired title thereto in a foreclosure or any conveyance in lieu of foreclosure. A person or entity ceases to be an Owner upon the conveyance of title to their Home by deed or upon entering into a binding installment land contract. Such cessation of ownership shall not extinguish or otherwise void any unsatisfied obligation of such person or entity existing or arising at or before the time of such conveyance.

E. Home Defined. As used herein, "**Home**" shall mean all of the land included within a lot, together with all appurtenances and improvements, including the residence and all hardscaping and landscaping, now or hereafter located thereon.

F. First Mortgagee Defined. As used herein, "**First Mortgagee**" shall mean the holder, insurer or guarantor of a mortgage, deed of trust, deed to secure debt or any other form of security interest encumbering a Home, that is recorded and has priority of record over all other recorded liens except those made superior by statute (e.g., general ad valorem tax liens and special assessments and, where applicable, mechanics' liens).

G. District; Covenants, Rules and Regulations and ARC Defined. As used herein, the "**District** " shall mean the Sheridan Station West Metropolitan District and the "**Declaration**" shall mean the Declaration of Covenants, Conditions and Restrictions of West Line Village, recorded with the Clerk and Recorder of Jefferson County, Colorado on September 29, 2017, at Reception No. 2017100573, as amended and/or supplemented from time to time and the "**Rules and Regulations**" shall mean the Rules and Regulations of West Line Village promulgated from

time to time by the District, as amended and/or supplemented from time to time. As used herein, the "**ARC**" shall mean the Architectural Review Committee appointed from time to time pursuant to the Covenants.

H. Exemption from Act. The Project is not a common interest community and is not subject to the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101 *et seq.* The Project does not have common elements, areas or facilities and will not have common expenses. There are no reserved development rights (as defined in §103(14)) of the Act). **There is not a homeowners' association and none will be formed.**

ARTICLE II
MAINTENANCE; UTILITIES

A. Maintenance by Owners. Each Owner shall, at his/her sole cost and expense, maintain, repair and replace all exterior and interior components of their Home (including, without limitation, the roof, gutters, and downspouts, exterior walls and stucco, any fireplace, flue and flue cap, utility lines (with respect to water lines, each Owner is responsible for maintenance, repair and replacement of water lines inside such Owner's Home; the water lines outside such Owner's Home are the responsibility of the District or The Consolidated Mutual Water Company ("**Consolidated**"), as more fully described in the Declaration and the Rules and Regulations) and meters (except the submeter to measure water usage, which is located inside the Home and is the responsibility of the District), all doors and windows, and any patio or deck and any railings around same) in a safe condition at all times, and in accordance with the terms of this Covenant and all applicable laws, statutes, ordinances, codes, and governmental rules and regulations. No Owner shall paint or otherwise modify, alter or improve, or hang or install any item (including, without limitation, any painting, mural, rug, pennant, banner, storage hooks or other devices) on, any exterior wall or stucco of any adjacent Home, even if such areas are visible from, and accessible from, such Owner's Home.

By acceptance of a deed to a Home, each Owner acknowledges that it understands that the District has the right to impose and collect a monthly fee from home owners in the Subdivision to pay for maintenance and repair of submeters and the water lines for which the District is responsible. The District has the right to change the frequency of collecting such fees from monthly to a different regularly scheduled billing period. If any damage or failure of any portion of the water line for which the District has maintenance responsibility shall occur, the District is responsible to cause such water line to be repaired or replaced, as the District shall deem necessary. Notwithstanding the foregoing, if the damage is caused by the negligent or willful act or omission of an Owner or its family members, guests, employees, agents, tenants, contractors, invitees or licensees, the District shall have the right to recover from such Owner the costs incurred by the District (but the District shall not be obligated to do so unless it determines that it is feasible and cost effective to do so). If such Owner fails to pay such costs to the District within 20 days after the receipt of a written invoice, the District shall have, and each Owner by its acceptance of a deed to its Home shall be deemed to have granted, a lien on its Home to

secure the payment of such sums, together with interest thereon at the Interest Rate (as defined in Section II. G.), from the date of payment(s) of such costs by the District until full reimbursement is made by the such Owner, and together with attorneys' fees incurred by the District in connection with such repair and the collection of the sums due from such delinquent Owner. Such lien may be foreclosed in the manner for foreclosure of real estate mortgages under the laws of the State of Colorado. Such rights of the District are in addition to any other powers and rights that the District may have at law or in equity.

Each Owner shall be required to take necessary measures to retard and prevent mold from accumulating in their Home, including but not limited to appropriate climate control, removal of visible moisture accumulation on windows, window sills, walls, floors, ceilings and other surfaces, and cleaning of the same. No Owner shall block or cover any heating, ventilation or air conditioning ducts. Owners shall be responsible for any damage to his/her Home and personal property, to any other Home, as well as any injury to the Owner or occupants resulting from the Owner's failure to comply with this Section II. A.

B. Maintenance by SSTV. If an Owner fails to maintain the exterior of his/her Home (including, without limitation, the roof, gutters, and downspouts, exterior walls and stucco, any fireplace, flue and flue cap, utility lines and meters, all doors and windows, and any patio or deck and any railings around same), as required by Section II. A, SSTV shall have the right, but not any obligation, after 20 days' written notice (immediately after written or oral notice in the case of an emergency) to the Owner, to cause the necessary maintenance, repair or replacement to be made and for such purpose shall be entitled to the benefit of the easement granted by Section II.

C. Reimbursement to SSTV. The Owner shall promptly reimburse SSTV for the costs of such maintenance, repair and replacement, plus a charge equal to ten percent (10%) of the costs of such maintenance, repair and replacement as an administrative fee to cover SSTV's administrative expenses in arranging and coordinating such maintenance, repair and replacement. If the Owner fails to make such reimbursement within 20 days after the receipt of a written invoice, SSTV shall have, and each Owner by its acceptance of a deed to its Home shall be deemed to have granted, a lien on its Home to secure the payment of such sums, together with interest thereon at the Interest Rate (as defined in Section II. G.), from the date of payment(s) of such costs by SSTV until full reimbursement is made by the Owner, and together with attorneys' fees incurred by SSTV in connection with such maintenance, repair and replacement and the collection of the sums due from the Owner. Such lien may be foreclosed in the manner for foreclosure of real estate mortgages under the laws of the State of Colorado.

D. Easement for Maintenance, Repair and Replacement. SSTV and each of its employees, agents and contractors shall have the right to access each Home, and hereby reserves an easement for such purpose, from time to time during reasonable hours on reasonable notice as may be necessary for the maintenance, repair or replacement of any property required to be maintained, repaired or replaced by the Owner of such Home, and at any hour with little or no notice for making emergency repairs, maintenance or inspection therein necessary to prevent

damage to the Homes, if SSTV exercises its rights under Section II. B. In addition, SSTV and each of its employees, agents and contractors shall have the right to access each Home (but not any dwelling), and hereby reserves an easement for such purpose, from time to time during reasonable hours on reasonable notice as may be necessary for the maintenance, repair or replacement of any Restricted Access Areas on any adjacent Home, and at any hour with little or no notice for making emergency repairs, maintenance or inspection therein necessary to prevent damage to the Homes, if SSTV exercises its rights under Section II. B.

E. Utilities. The actual cost for utility usage at a Home shall be the responsibility of the Owner of such Home. Each Owner understands that: (i) domestic water service to the Homes is provided by Consolidated; (ii) usage of domestic water will be measured by a single meter for the Project, unless and until Consolidated permits the installation of separate water meters for each Home and all of the Owners of Homes approve the installation of separate water meters, which shall be at the cost of those Owners; and (iii) for purposes of Consolidated customer relationship and billing, the District is the stockholder (i.e. customer) of Consolidated and will receive water service bills from Consolidated. Unless and until separate water meters for each Home are installed, the actual water usage for each Home shall be determined by the District, by using submeters (which are located inside each Home) or by other technological measuring device selected by the District. Each Owner shall pay for the actual water usage of the Owner's Home within ten (10) business days after such Owner's receipt of an invoice from the District. Each Owner also understands that: (x) sanitary sewer service to the Homes is provided by either the East Lakewood Sanitation District ("ELSD") or the City of Lakewood (each entity serves a different portion of the Subdivision); (y) usage of sanitary sewer service to each Home is determined based on water usage by the Home (typically, the prior winter's average monthly water consumption, although that method of calculation is subject to change); and (z) for purposes of billing, ELSD will directly bill Owners of the Homes served by ELSD for sanitary sewer service provided by ELSD and the District will bill Owners of the Homes served by the City of Lakewood for sanitary sewer service provided by the city, as applicable. Each Owner shall pay for the actual sanitary sewer charge for its Home within ten (10) business days after such Owner's receipt of an invoice from ELSD or the District, as applicable (with the amount of such charge for Homes served by the City of Lakewood determined by the District based on such Home's water usage).

F. Trash Removal. Each Owner is responsible for trash removal from its Home. Trash removal services may be subscribed to by the District on behalf of the residents of the Project and, if so: the governing board of the District may determine the scope, frequency, and all other matters, with regard to such trash removal services; and the Owners shall pay their proportionate share of such trash removal services, as determined by the governing board of the District or, if arranged by the District with the vendor, each Owner shall pay the vendor directly for trash collection services provided to each Owner.

G. Failure to Pay. In the event that an Owner fails to pay any amounts due under this Article II, or any other Article of this Covenant that requires an Owner to pay any sum to another Owner, then such amounts will accrue interest at the rate of eighteen percent (18%) per annum

(the "**Interest Rate**"), until fully paid, which shall begin to accrue ten days after written demand, and the amount due, together with accrued interest and attorneys' fees incurred by the Owner entitled to receive payment, shall be secured by a lien against the Owner's Home in favor of the party(ies) to which such amounts are due. Said lien shall be established, enforced and released in the manner set forth in Article X below.

H. Maintenance of Certain Outside Areas by Metro District. Certain maintenance activities on the front and rear portion of each lot described in Recital A above will be performed by the District, including, without limitation: (i) removal of snow from sidewalks (as described below) and the concrete apron between the alley and garage doors; (ii) maintenance of landscaping; and (iii) maintenance of landscape irrigation systems, if any, in the front and, if applicable, rear portion of each lot. For the purposes of performing its maintenance responsibilities, the District holds an easement, as described in Section VII. E. below. The District will be responsible for removal of snow from the concrete walk at the front portion of each lot up to the beginning of the "flight" of steps leading to the front door. Each Owner is responsible for snow removal on the "flight" of steps leading up to the front door of each dwelling. The Owner of the dwelling is responsible for removal of snow from any portion of the concrete walk and front steps from which removal of snow is not the responsibility of the District. The District will also be responsible for repair and replacement of the concrete apron between the alley and garage doors and the concrete walk in the front portion of each lot up to the beginning of the "flight" of steps leading to the front door. The Owner of the dwelling is responsible for repair and replacement of any portion of the concrete for which the District is not responsible. The District has the right to impose and collect a monthly fee from the home owners in the Subdivision to pay for the snow removal and maintenance provided by the District and to create a reserve for the replacement of concrete, which may be a fee for snow removal and maintenance and a separate fee for the concrete replacement reserve. The District has the right to change the frequency of collecting such fees from monthly to a different regularly scheduled billing period. Each Owner shall timely pay all invoices from the District for such fees and, in all events, before any fees become delinquent. In order to avoid interfering with, or increasing, the District's maintenance obligation with respect to landscaping, no Owner shall alter, remove, replace, add to or supplement any landscaping initially installed by SSTV; the District shall have the right to make such decisions with respect to such landscaping. SSTV does not control the District and each Owner, by acceptance of a deed to a Home, agrees that SSTV is not and will not be responsible or liable for the performance or lack of performance or inadequate or defective performance of any maintenance services by the District. The District has the right to terminate, modify or supplement any maintenance services it provides in accordance with applicable law. If the District at any time terminates any maintenance services, each Owner shall be responsible for the maintenance service that the District had previously been providing, with respect to such Owner's Home.

ARTICLE III
MODIFICATIONS

A. Prohibited Modifications. No Owner shall undertake any alteration, maintenance or repair to their Home that would violate any zoning or building ordinance or that might impair the structural soundness or safety of any other Home or any Party Wall, significantly reduce the value of any Home, or which might interfere with the use and enjoyment of any easement granted or reserved herein. Without limiting the generality of the previous sentence, no structural or exterior alterations or exterior material or color scheme change, either temporary or permanent, or an alteration to exterior windows or doors, to any Home shall be done by any Owner, except in compliance with the provisions of the Declaration. In addition, no exterior construction or excavation whatsoever shall be commenced or materials, equipment or construction vehicles be placed on any part of a Home, except only if the same is needed to stabilize the Home from collapse or to repair the Home from damage caused by fire, wind or other casualty and no alteration to any sidewalk on a Home or any drainage feature, system or equipment shall be undertaken, except, in each case, in compliance with the provisions of the Declaration. Notwithstanding anything herein to the contrary, no such alteration, change, construction, excavation described in this paragraph shall be undertaken by any Owner without the written approval of SSTV if such work is proposed less than 15 years after the date of the recordation of this Covenant (whether or not SSTV then owns any of the Homes).

If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against any other Owner's Home (whether or not such lien or order is valid and enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall, at his/her own cost and expense, cause the same to be canceled and discharged of record by payment or by bonding by a surety company reasonably acceptable to such other Owner(s), within 20 days after the date of filing thereof, and further shall indemnify and save all other Owners harmless from and against any and all costs, expenses, claims, losses or damages including, without limitation, reasonable attorneys' fees resulting therefrom. If such Owner fails to cause such lien to be discharged of record within such 20-day period, the other Owner(s) may, at his/her option (but with no obligation to do so), pay the amount claimed by the lien claimant without any obligation to inquire into the validity of the claim or the amount properly due, or cause such lien to be released of record by posting a statutory surety bond. In either such event, the amount paid by the other Owner(s), together with interest thereon at the Interest Rate from the date(s) paid by the other Owner(s) until full reimbursement has been made by the Owner who was obligated to obtain such discharge, and together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due from such Owner to the other Owner(s).

LABOR PERFORMED AND/OR MATERIALS FURNISHED TO AN OWNER OR SUCH OWNER'S HOME SHALL NOT BE THE BASIS FOR THE FILING OF A MECHANICS LIEN AGAINST ANY OTHER HOME IN THE PROJECT OR THE SUBDIVISION. ANY SUCH LIEN SHALL BE LIMITED TO THE OWNER'S HOME FOR WHICH THE MATERIALS AND/OR WORK WAS FURNISHED.

B. Permitted Modifications. Notwithstanding Section III. B above, but subject to the provisions of the Declaration, an Owner may alter, remove or add interior partitions that are not

load-bearing and which do not affect any Party Wall without the prior written consent of another Owner or SSTV. Other interior modifications, such as repainting and changing floor and wall coverings are not subject to the provisions of this Article III. Notwithstanding any other provision of this Covenant to the contrary, any alteration, maintenance and/or repair of Homes owned by SSTV shall be exempt from the provisions of this Article III.

C. Compliance with Law. Any alteration, maintenance or repairs conducted on a Home, or any portion thereof, shall conform with and meet all applicable governmental building and safety codes and other rules and regulations.

D. Party Walls.

(1) Each Home shall be deemed to include that portion of the Party Wall extending from the center of the Party Wall to the interior surface of the Party Wall in that Home, together with the necessary easements for perpetual lateral and subjacent support, maintenance, repair and inspection of the Party Wall, and with equal rights of joint use.

(2) No Owner shall have the right to remove or make any structural changes to a Party Wall that would jeopardize the structural integrity of any Home without complying with the provisions of Section III. B above. No Owner shall subject a Party Wall to the insertion or placement of timbers, beams or other materials in such a way as to adversely affect the Party Wall's structural integrity. No Owner shall cause a Party Wall to be exposed to the elements without furnishing, at such Owner's expense, the necessary protection against the elements. An Owner that causes a Party Wall to be exposed to the elements without necessary protection shall be responsible for all damage to the Party Wall caused by the elements and shall, at such Owner's expense, cause all such damage to be repaired promptly. No Owner shall subject a Party Wall to any use that in any manner whatsoever may interfere with the equal use and enjoyment of the Party Wall by the other Owner(s) that owns a portion of the Party Wall.

(3) Should a Party Wall be structurally damaged or destroyed by the intentional act or negligence of an Owner, members of such Owner's family, his/her guests, employees, agents, contractors, invitees and licensees, such Owner shall promptly rebuild and/or repair the Party Wall, after written notice to the adjacent affected Owner, at his/her own expense and shall compensate the other Owner(s) for any damages sustained to person or property as a result of such intentional or negligent act. If such Owner fails to promptly commence and complete such rebuilding and/or repair, the affected Owner(s) shall have the right to commence (if not previously commenced) and complete such rebuilding and/or repair, and the Owner that was obligated to rebuild and/or repair the Party Wall shall reimburse the affected Owner(s) for an equal share of the cost of such rebuilding and/or repair, within 20 days after the receipt of an invoice therefor, and the affected Owner(s) shall have the right to render invoices periodically during the course of such rebuilding and/or repair.

(4) Should a Party Wall be structurally damaged or destroyed by causes other than the intentional act or negligence of an Owner, members of such Owner's family, his/her guests,

employees, agents, contractors, invitees and licensees, the damaged or destroyed Party Wall shall be repaired or rebuilt at the joint expense of all Owners owning any portion of the Party Wall, each such Owner to pay an equal share of the cost thereof.

(5) The right of any Owner to contribution from any other Owner under this Section III. E. shall be appurtenant to and run with the land and shall pass to such Owner's successors in title.

(6) To the extent not inconsistent with the terms and conditions of this Covenant, the general rules of law of the State of Colorado concerning party walls shall be applicable hereto.

ARTICLE IV
INSURANCE

A. Property Insurance.

(1) Each Owner, at his/her sole cost and expense, shall obtain and maintain at all times a policy of property/casualty insurance. At a minimum, the property/casualty insurance must insure against risks of direct physical loss for one hundred percent of the estimated full replacement cost (at the time the insurance is purchased and at the renewal date) of the Home. The property/casualty insurance may exclude land, excavations, foundations and other items normally excluded from property/casualty policies. The property/casualty insurance shall be maintained in the name of the Owner. To the extent reasonably available such property/casualty insurance shall also: (1) contain no provisions by which the insurer may impose a so-called "co-insurance" penalty; (2) be written as a primary policy, not contributing with and not supplemental to any coverage that any other Owner carries; (3) provide that no act or omission by a party voids the policy or is a condition to recovery under the policy; (4) provide that it may not be canceled, nor may coverage be reduced, without 30 days' prior notice to the insured and all other Owners; and (5) include a so-called "inflation guard" endorsement. Each Owner shall provide a certificate of the property/casualty insurance described above to any other Owner or such Owner's insurance carrier and/or mortgagees within five days after requested by such Owner or such Owner's insurance carrier and/or mortgagee(s).

(2) If, in the future, property/casualty insurance that covers the structure of each Home separately is not generally available, the Owners shall purchase a single policy (a "Project Policy") of property/casualty insurance that covers all Homes (assuming that such coverage is generally available) and each Owner shall share equally in the cost thereof in the manner provided below in this paragraph; and in such event each Owner shall separately carry such additional property insurance as described in Section IV. B below to cover any gaps in insurance coverage not addressed by the single policy. The Owners may agree on which Owner or Owners (the "Procuring Owner") shall act to obtain the Project Policy; if the Owners fail to agree upon the Procuring Owner within 10 days after any Owner notifies the other Owners in writing that property/casualty insurance that covers the structure of each Home separately is not generally available, then the Procuring Owner shall be the Owner of the Home with the lowest numeric

street address. The Procuring Owner shall determine, in his/her sole, reasonable discretion, what Project Policy to obtain (provided that such policy satisfies the conditions set forth below) and what insurance carrier such policy shall be obtained from. When the Procuring Owner has determined the amount of the premium for such policy, it shall give written notice to the other Owners of such premium amount, and each other Owner shall, within five (5) days, pay an equal share of such premium amount by delivering to the Procuring Owner a check (or other payment mechanism) payable to the insurance carrier. No Owner, including the Procuring Owner, shall be required to advance any of his/her own funds to pay the premium amount for the Project Policy, except such Owner's equal share. If any Owner (the "Defaulting Owner") shall fail to pay timely its equal share of the premium amount for the Project Policy, any other Owner(s) shall be entitled to advance such amount on behalf of the Defaulting Owner. The amount advanced shall be deemed to be a loan to the Defaulting Owner, payable upon demand, which shall accrue interest at the Interest Rate. Such loan, together with reasonable attorneys' fees, incurred by the other Owner(s) in connection with the making and collecting of such loan, shall be secured by a lien as provided in Section X. B., which may be recorded and foreclosed as provided in Section X. B. If more than one Owner advances such loan, then each Owner that advances the loan shall be entitled to be repaid a proportionate share (based on the amount advanced by each such Owner) of the amount, together with interest, that is recovered from the Defaulting Owner; the lien securing such loan may be foreclosed if the Owners that advanced a majority of the amount of such loan elect to foreclose.

(3) A Project Policy shall insure against risks of direct physical loss for one hundred percent of the estimated full replacement cost (at the time the insurance is purchased and at the renewal date) of the Project. A Project Policy may exclude land, excavations, foundations and other items normally excluded from property/casualty policies. If coverage is generally available, at commercially reasonable cost (as determined by the Procuring Owner), a Project Policy shall cover the following types of property contained within or appurtenant to a Home: (a) fixtures, improvements and alterations that are a part of the building; and (b) appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping. A Project Policy may, in the discretion of the Procuring Owner, exclude coverage of improvements and betterments made by the Owners or may exclude the finished surfaces of perimeter and partition walls, floors, and ceilings within the Homes (i.e., paint, wallpaper, paneling, other wall covering, tile, carpet and any floor covering; provided, however, floor covering does not mean unfinished hardwood or unfinished parquet flooring).

(4) A Project Policy shall name all of the Owners as named insureds and their respective mortgagees, and all other persons entitled to occupy any Home, as their interests may appear. A Project Policy may contain a reasonable deductible, as determined by the Procuring Owner, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance equals at least the replacement cost of the insured property. In no event shall a Project Policy contain a co-insurance clause for less than 100% of the full insurable replacement cost.

(5) If generally available, at commercially reasonable cost (as determined by the Procuring Owner), a Project Policy shall also contain the following: (a) a so-called "inflation guard" endorsement, (b) a construction code endorsement, (c) a demolition cost endorsement, (d) a contingent liability from operation of building laws endorsement, (e) an increased cost of construction endorsement, and/or (f) any special PUD endorsements that may be applicable.

(6) If generally available, at commercially reasonable cost (as determined by the Procuring Owner), a Project Policy shall also contain the following terms or provisions:

(a) Waivers of subrogation and waivers of any defense based on invalidity arising from any act or omission of any Owner; if such a provision is not generally available, at commercially reasonable cost, then the Project Policy shall contain a provision that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to the Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

(b) Shall provide that such policy may not be canceled or modified without at least 30 days prior written notice to all of the Owners and First Mortgagees.

(c) If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all First Mortgagees at least ten (10) days prior to the expiration of the then-current policies.

(7) If a Project Policy is in effect, the Procuring Owner may, not less frequently than every two (2) years, obtain an appraisal from a duly qualified real estate or insurance appraiser (and the Procuring Owner shall select the appraiser in his/her sole, reasonable discretion), which appraiser shall reasonably estimate the full replacement value of the Project, without deduction for depreciation, review any increases in the cost of living, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof. In any event, the Procuring Owner shall, not more frequently than annually, obtain such an appraisal if requested in writing by a majority of the other Owners. If there is a cost to obtain an appraisal pursuant to this Section IV. A(7), the Procuring Owner shall determine the cost and shall give written notice to the other Owners of such cost, and each such other Owner shall, within five (5) days, pay an equal share of such appraisal cost by delivering to the Procuring Owner a check (or other payment mechanism) payable to the appraiser. No Owner, including the Procuring Owner, shall be required to advance any of his/her own funds to pay the cost of the appraisal, except such Owner's equal share. If any Owner (the "Defaulting Owner") shall fail to pay timely its equal share of the cost of the appraisal, any other Owner(s) shall be entitled to advance such amount on behalf of the Defaulting Owner. The amount advanced shall be deemed

to be a loan to the Defaulting Owner, payable upon demand, which shall accrue interest at the Interest Rate. Such loan, together with reasonable attorneys' fees, incurred by the other Owner(s) in connection with the making and collecting of such loan, shall be secured by a lien as provided in Section X. B., which may be recorded and foreclosed as provided in Section X. B. If more than one Owner advances such loan, then each Owner that advances the loan shall be entitled to be repaid a proportionate share (based on the amount advanced by each such Owner) of the amount, together with interest, that is recovered from the Defaulting Owner; the lien securing such loan may be foreclosed if the Owners that advanced a majority of the amount of such loan elect to foreclose.

B. Additional Property Insurance. In addition to, or as a part of, the property insurance set forth in Section IV. A above, each Owner must maintain, at his/her sole cost and expense, property insurance upon the Owner's personal property and fixtures within their Home, and all of the finished interior surfaces of the walls, floors and ceilings of their Home, and any improvements or betterments installed by such Owner within their Home (except to the extent any of such items are covered by a Project Policy), in such amounts, against such risks, and containing such provisions as the Owner may reasonably determine from time to time. In all events, the Project Policy shall be primary, and no Owner shall obtain any property insurance that shall affect or diminish the liability of the insurance carrier that issues the Project Policy.

C. Liability Insurance. Each Owner, at his/her sole cost and expense, shall obtain and maintain at all times a customary homeowner's policy of insurance, which shall provide, at a minimum, general liability coverage against claims for bodily injury and property damage, as well as property insurance as provided in Section IV. A. Such liability coverage shall: (1) be not less than an amount that is from time to time customarily maintained by prudent owners of similar property; (2) be written as a primary policy, not contributing with or supplementing any coverage another Owner carries; and (3) insure the Owner against liability for negligence resulting in death, bodily injury or property damage arising out of or in connection with the operation, use ownership or maintenance of the Owner's Home. If a Project Policy (as defined in Section IV. A) is obtained with respect to property/casualty insurance for the Project, the Procuring Owner (as defined in Section IV. A) may, in his/her sole, reasonable discretion, determine whether to obtain a policy of general liability coverage with respect to the Project (if such coverage is not provided as part of the Project Policy)(the "Project Liability Policy"), what Project Liability Policy to obtain (provided that such policy satisfies the conditions set forth below) and what insurance carrier such policy shall be obtained from. The Procuring Owner shall be required to obtain a Project Liability Policy if requested in writing by a majority of the other Owners. If a Project Liability Policy is to be obtained, each Owner shall be liable for an equal share of the premium for such policy and the provisions for payment of such share (and a loan if one or more Owners does not pay his/her share) shall be the same as the process described in Section IV. A above. Each Project Liability Policy shall be in an amount and with coverage as is from time to time customarily maintained by prudent owners of similar property; provided, however, that such insurance must: (4) have a per occurrence limit of not less than One Million and No/100 Dollars ($1,000,000.00); (5) be written as a primary policy, not contributing with or supplementing any coverage another Owner carries; (6) name all Owners as insureds and insure

them against claims for liability arising from death, bodily injury or property damage arising out of or in connection with the operation, use, ownership or maintenance of the Project; (7) contain waivers of any defense based on invalidity arising from any act or omission of any Owner; if such a provision is not generally available, at commercially reasonable cost, then the Project Liability Policy shall contain a provision that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to the Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect; (8) provide that such policy may not be canceled or modified without at least 30 days prior written notice to all of the Owners; and (9) be written as a primary policy, not contributing with and not supplemental to any coverage that any other Owner carries.

D. Insurance Carrier Qualifications. All policies of insurance required under this Article IV shall be written by insurance companies licensed to do business in Colorado with a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's *Insurance Reports*; an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's *Insurance Reports - International Edition*; an "A" or better rating in Demotech's *Hazard Insurance Financial Stability Ratings*; a "BBBq" qualified solvency rating or a "BBB" or better claims-paying ability rating in Standard and Poor's *Insurance Solvency Review*; or a "BBB" or better claims-paying ability rating in Standard and Poor's *International Confidential Rating Service*.

E. Prohibited Activities. No Owner shall do anything or cause anything to be kept in or upon a Home that might cause the cancellation of any insurance policy covering any other home in the Project or the Subdivision.

ARTICLE V
CASUALTY

A. Duty to Restore Homes. All damaged or destroyed Home(s) must be repaired and restored, and done so in accordance with either the original plans and specifications, or other plans and specifications which have been approved pursuant to the provisions of Section III. B above.

In the event of damage or destruction to any Home which is covered by the property/casualty insurance required in Section IV. A above, the insurance proceeds for such damage or destruction shall be applied to the reconstruction and repair of the damaged or destroyed Home(s).

B. Insufficient Insurance Proceeds. If the insurance proceeds with respect to such damage or destruction are insufficient to repair and reconstruct the damaged or destroyed Home(s), the Owner(s) of the damaged or destroyed Home(s) shall in any event proceed to make such repairs or reconstruction and shall be responsible for the payment of same.

C. Payment of Deductible. In the event of damage or destruction to any Home which is covered by the property/casualty insurance required in Section IV. A above, and to which a deductible applies, the Owner of such Home shall pay or absorb the deductible. In the event of damage or destruction to more than one Home, the Owners of the Homes affected by such damage or destruction shall pay or absorb the deductible in equal shares, unless the insurance carrier specifically allocates the deductible among the Homes damaged or destroyed. If more than one Home is damaged or destroyed and an Owner fails to pay or absorb its share of the deductible, such Owner shall be deemed a Defaulting Owner and the other Owner(s) whose Home(s) was damaged or destroyed may advance the amount of the Defaulting Owner's share of the deductible and the amounts advanced shall be treated as a loan, in the manner provided in Section IV. A. above, which loan shall accrue interest as provided in Section II. D. and be secured by a lien as provided in Section IV. A. above, and which may be recorded and foreclosed as provided in Section X. B. below. Notwithstanding the foregoing, if any damage or destruction to a Home is caused by the negligent or willful act or omission of another Owner, members of such Owner's family, his/her guests, employees, agents, contractors, invitees and licensees, such Owner shall be responsible for the deductible or share of the deductible that would otherwise be payable by the Owner whose Home was damaged or destroyed.

D. Negligence by an Owner. Notwithstanding any other provision of this Article V, if due to the negligent or willful act or omission of an Owner or such Owner's agent or employee loss or damage shall be caused to any person or property or any other Home(s), such Owner shall be solely liable and responsible therefore. Such Owner shall proceed with due diligence to cause the prompt repair and restoration of any such property damage, facilitating the restoration of any Home(s) so damaged and shall compensate the person or other Owner for any direct damages sustained as a result of such intentional or negligent act. If such Owner fails to promptly commence and complete such repair and restoration, the affected Owner(s) shall have the right to commence (if not previously commenced) and complete such repair and restoration, and the Owner that was obligated to perform such repair and restoration shall reimburse the affected Owner(s) for the cost of repair and restoration, within 20 days after the receipt of an invoice therefor, and the affected Owner(s) shall have the right to render invoices periodically during the course of such repair and restoration.

ARTICLE VI
USE RESTRICTIONS

Each Home shall be used and occupied primarily as a residence. No industry, business, trade, occupation, or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted in a Home except as hereinafter expressly provided. Subject to the provisions of the Declaration, the

foregoing shall not, however, be construed in such a manner as to prohibit an Owner from (1) maintaining their personal professional library in a Home, (2) keeping their personal business or professional records or accounts in a Home, (3) handling their personal business or professional telephone calls or correspondence from a Home, (4) maintaining a computer or other office equipment within a Home, or (5) utilizing administrative help or meeting with business or professional associates, clients or customers in a Home. Any accessory business use of a Home permitted by this Section VI. A must be in compliance with all applicable laws and regulations, must not have any adverse impact on other Homes and must be conducted in accordance with this Covenant and the Declaration. Any lease of a Home is subject to, and must comply with, the provisions of the Declaration.

ARTICLE VII
EASEMENTS

A. Sidewalk Easements. SSTV hereby reserves and grants to each Owner of each Home, effective upon conveyance of each Home, a perpetual, non-exclusive easement on, over, and across all sidewalks located along the perimeter of each lot described in Recital A above, for the purpose of access to and from such Owner's Home.

B. Other Access Easements. Each Respondent (as that term is defined in Article XI) shall have a perpetual non-exclusive easement to enter the Home of the Claimant (as that term is defined in Article XI) for the purposes of exercising the Respondent's rights set forth in Sections XI. B.(iii) and (iv), in accordance with the terms of those Sections. SSTV shall have a non-exclusive easement to enter each Home for the purposes of exercising SSTV's rights set forth in Section II. B., in accordance with the terms of that Section. In addition, SSTV shall have a non-exclusive easement to enter each Home for the purpose of performing warranty work, and repair and construction work on Homes, and the right to control such work and repairs until completion.

C. Easements for Exterior Maintenance, Repair and Replacement. SSTV hereby reserves and grants to each Owner of each Home, effective upon conveyance of each Home, an easement on, over, across, and through each other Home, except the interior of any dwelling, and specifically across the roof of each Home, for the purpose of maintenance (including, without limitation, painting), repair and replacement of the exterior of the Home benefitted by such easement, including, without limitation, the roof, gutter and downspouts, and flue and flue cap of such Home, and the exterior walls and stucco of such Home. Any Owner that intends to make use of such easement to enter another Owner's Home shall endeavor to provide advance notice of the planned work to such other Owner. In the event of the exercise of such easement by an Owner, any damages to the Home of such other Owner caused by the Owner exercising the easement shall be promptly repaired by the Owner that caused such damage, at his/her sole cost and expense.

D. Easements for Utilities and Access. SSTV hereby reserves and grants, and each Owner hereby grants, to the District and its agents, representatives, employees and contractors and to all

utility providers and their respective agents, representatives, employees and contractors and to each other Owner an easement on, over, under and across each lot, excluding any habitable structure and the interior of any residence thereon, for utility lines and facilities, including, without limitation, installation, construction, maintenance, repair, enlargement, removal and replacement of utility lines, pipes, conduits, facilities and equipment for natural gas, electricity, telephone, television and other utilities, and for access to such easement areas for such purposes. Each Owner shall be entitled to exercise such easement to access another Owner's lot in order to maintain, repair and/or replace, as necessary, utilities improvements that serve such Owner's Home and that are located on such other Owner's lot, after reasonable prior notice to such other Owner; provided, that the Owner exercising such easement shall have no right to enter the residence or garage on such other Owner's lot and shall be responsible, at his/her sole cost and expense, for repairing promptly any damage it causes to such other Owner's Home. Notwithstanding the foregoing, no prior notice shall be required in emergency situations. In the event any utility provider covered by the general easement created herein requests a specific easement by separate recordable document, SSTV reserves, for itself and the District, the right and authority to grant such easement upon, across, over and/or under any part of any lot, excluding any habitable structure and the interior of any residence thereon, without conflicting with the terms hereof.

E. Metro District Easements. By acceptance of a deed to a Home, each Owner acknowledges that it understands that, pursuant to the Declaration, the District holds an easement across portions of its Home in order to allow the District to perform its maintenance responsibilities, including, without limitation, removal of snow from alleys and sidewalks (as described in Section II. H.) and maintenance of landscaping and landscape irrigation systems, if any.

F. General Provisions Concerning Easements. Each easement granted above in this Article VII, and the right to grant such easement to an Owner, is hereby reserved by SSTV upon conveyance of each Home, whether or not specific mention of such reservation is made in the deed or other instrument by which such Home is conveyed by SSTV. Each easement granted above in this Article VII in favor of an Owner shall be considered appurtenant to and for the benefit of such Owner's Home, may not be transferred or encumbered apart from such Home, and the provisions of such easement shall be considered to run with and be part and parcel of such real property interests to the fullest extent permitted by law. Any reference in this Article VII to damage caused by an Owner shall also include damage caused by the members of such Owner's family, his/her guests, employees, agents, tenants, contractors, invitees and licensees. If an Owner fails to promptly commence and complete repairs that it is required to complete pursuant to this Article VII, the affected Owner shall have the right to perform such repairs and the Owner that failed to complete such repairs shall reimburse the other Owner for the cost of the repairs, within 20 days after the receipt of an invoice therefor, and such other Owner shall have the right to render invoices periodically during the course of such repair.

ARTICLE VIII
OWNER'S ACKNOWLEDGMENT AND WAIVERS

A. Sound. Each Owner by taking title to a Home understands and acknowledges that: (1) in close living situations one will hear noises from adjacent Homes or outside noises; (2) sound tends to carry through pipes, air-conditioning, heating, wood studs and flooring; (3) sound transmission is highly subjective; and (4) the Homes are located near noisy streets. Each Owner acknowledges that SSTV has made no representations or warranties about what noise will be or will not be transmitted into the Home from other Homes or other sources. Each Owner accepts their Home (and its improvements) in its then-current condition and all noises that may be transmitted to the Home from all sources. Each Owner accepts their Home "AS IS" and "WHERE IS" with respect to the transmission of noise into the Home and releases SSTV from any and all liability and claims with respect to sound transmission.

B. Mold. Certain types of mold and fungus have been discovered in residences in Colorado. Such organisms may or may not be toxic, and may have different adverse health effects. Typically, mold and fungus result from, or are caused by, the accumulation of water, condensation or moisture. By purchasing a Home, each Owner acknowledges that mold and fungus and their growth can be caused by both natural and unnatural conditions throughout a Home, and may be introduced through soils, building materials, or other sources over which limited control exists. Each Owner acknowledges and agrees that they have had the right and obligation to investigate whether mold and fungus is present or is likely to develop within a Home. Each Owner accepts their Home "AS IS" and "WHERE IS" with respect to mold and fungus and releases SSTV from any and all liability and claims with respect to mold and fungus.

C. Radon. The Colorado Department of Health and the United States Environmental Protection Agency have detected elevated levels of naturally occurring radon gas in certain residences throughout Colorado. These agencies have expressed concern that prolonged exposure to high levels of radon gas may result in adverse effects on human health. Each Owner accepts their Home "AS IS" and "WHERE IS" with respect to radon gas and releases SSTV from any and all liability and claims with respect to radon gas.

D. NORM. In certain locations in Colorado, above average levels of naturally occurring radioactive material ("**NORM**") have been detected. Some scientists think that such radioactive emissions may be hazardous to health. However, no federal or Colorado state regulations or standards set forth the acceptable levels of NORM in residential buildings. Each Owner accepts their Home "AS IS" and "WHERE IS" with respect to NORM and releases SSTV from any and all liability and claims with respect to NORM.

E. Soils. The soils in Colorado consist of both expansive soils and low-density soils which may adversely affect the integrity of a Home if the Home is not properly maintained. Expansive soils contain clay materials which change volume with the addition or subtraction of moisture, thereby resulting in swelling and/or shrinking soils. The addition of moisture to low-density

soils causes a realignment of soil grains, thereby resulting in consolidation and/or collapse of the soils. Each Owner accepts their Home "AS IS" and "WHERE IS" with respect to soil condition and releases SSTV from any and all liability and claims with respect to soil conditions.

F. As-Is, Where-Is. Each Owner acknowledges and agrees that he/she has acquired their Home in an "AS-IS" and "WHERE-IS" condition and except for a Limited Warranty delivered to each original Owner by SSTV, neither SSTV nor any contractor have made nor shall be responsible for any warranties of any kind relating in any manner to the Home or the Project or the Subdivision, whether express or implied, including, without limitation, those of workmanlike construction, merchantability, conformance with local building codes, fitness for a particular purpose, habitability, design, condition, quality or otherwise; and each Owner waives and agrees not to assert any claim for any express or implied warranties, other than the Limited Warranty. Each Owner agrees to save and hold harmless SSTV and each of its contractors from and against all claims asserted or based upon any express or implied warranty, including, without limitation, those of workmanlike construction, merchantability, conformance with local building codes, fitness for a particular purpose, habitability, design, condition, quality or otherwise relating to the Home and the Project, except to the extent provided in the Limited Warranty. Each Owner further waives all non-warranty claims against SSTV and each of its contractors relating to the construction, design and condition of the Home and the Project, including, without limitation, claims based on negligence, misrepresentation, breach of contract, and/or the Colorado Consumer Protection Act, C.R.S. § 6-1-101, *et seq.*, except to the extent set forth in the Limited Warranty. Each Owner expressly waives any right to claim or recover treble and other statutory damages.

ARTICLE IX
DURATION, AMENDMENT AND TERMINATION

All provisions of this Covenant shall continue and remain in full force and effect in perpetuity from the date of recordation of this Covenant in the real estate records of Jefferson County, Colorado, until terminated as provided for herein or pursuant to law. Except as provided in the following sentences of this Article IX and in Article XI (with respect to amendment, deletion or revocation of Article XI), this Covenant may only be amended, deleted, revoked or terminated upon the written agreement or consent of seventy-five percent (75%) of the Owners, plus SSTV if the amendment is proposed less than 15 years after the date of recordation of this Covenant. Notwithstanding the foregoing, SSTV, acting alone, reserves to itself the right and power to modify or amend this Covenant (A) to correct clerical errors, typographical errors or technical errors, and (B) to comply with the requirements, standards or guidelines of recognized secondary mortgage markets and agencies, such as VA, FHA, HUD, Fannie Mae and Freddie Mac, and any successor thereto.

ARTICLE X
ENFORCEMENT

A. Grounds for Relief. Except as otherwise stated herein, each Owner shall comply with all provisions of this Covenant. Failure to comply with such provisions shall be grounds for an action by affected Owners to recover sums due, damages and/or injunctive relief and costs and expenses of such proceedings, including all reasonable attorneys' fees and court/arbitration costs.

B. Lien. All sums and accounts due and payable by one party ("**Non-Paying Party**") to another party ("**Receiving Party(ies)**") hereunder, which are not paid within the time provided for herein, shall constitute a lien on the Non-Paying Party's Home in favor of the Receiving Party(ies). To evidence such lien, the Receiving Party(ies) shall prepare a written notice of the lien ("**Notice of Lien**"), setting forth the amount of such unpaid indebtedness, the nature of the indebtedness, the date the indebtedness first became due, the name of the Non-Paying Party and the legal description of the Non-Paying Party's Home. Such Notice of Lien may be recorded in the real estate records Jefferson County, Colorado, ten days after demand by the Receiving Party(ies) to the Non-Paying Party for such payment. Such lien shall be deemed, however, to have attached from the date on which payment of the indebtedness first became due. Such lien may be enforced by foreclosure of the lien in a like manner as a mortgage on real property subsequent to the recording of a notice of claim of such lien. SUCH LIEN SHALL BE SUBORDINATE TO THE LIEN OF A FIRST MORTGAGE, BUT SHALL BE SUPERIOR TO ANY HOMESTEAD EXEMPTION IN ACCORDANCE WITH THE PROVISIONS OF C.R.S. 38-41-201, *et seq*. In any such proceedings, the Non-Paying Party shall be required to pay the costs, expenses and reasonable attorneys' fees and court costs incurred in connection with the Notice of Lien and for otherwise enforcing the claim, and in the event of foreclosure proceedings the additional costs, all expenses and reasonable attorneys' fees and court costs incurred thereby. In the event that the Non-Paying Party satisfies the indebtedness prior to the foreclosure of the lien, the lienholder shall record an appropriate instrument releasing and discharging the lien.

ARTICLE XI
DISPUTE RESOLUTION

A. Resolution of Disputes Without Litigation.

(1) Bound Parties. SSTV, all Owners, and any person or organization not otherwise subject to this Covenant who agrees to submit to this chapter (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Project without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees to resolve all Claims by using the procedures in this Article XI and not by litigation, and each Bound Party agrees not to file suit in any court with respect to a Claim. If a Bound Party commences any action in a court of law or equity against any person or organization that is not a Bound Party, such Bound Party shall nevertheless be required to comply with the provisions of this Article XI with respect to any Claim it wishes to assert against a Bound Party, even if such Claim is the same or substantially the same, or arises from the same or similar facts, as the claim against the non-Bound Party. Each Bound Party agrees that the procedures in this Article XI are and shall be the sole and exclusive remedy that each Bound Party shall have for any Claim. The provisions of this Article XI shall be deemed a

contract between and among all Bound Parties, as well as covenants and equitable servitudes that run with the Property. EACH OWNER BY ACCEPTANCE OF A DEED OR OTHER INSTRUMENT OF CONVEYANCE FOR A HOME AGREES TO HAVE ANY AND ALL CLAIMS RESOLVED IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE XI, WAIVES HIS/HER RIGHTS TO PURSUE ANY CLAIM IN ANY MANNER OTHER THAN AS PROVIDED IN THIS ARTICLE XI, AND ACKNOWLEDGES THAT, BY AGREEING TO RESOLVE CLAIMS AS PROVIDED IN THIS ARTICLE XI, HE/SHE IS GIVING UP HIS/HER RESPECTIVE RIGHTS TO HAVE SUCH CLAIMS TRIED BEFORE A COURT OR JURY.

(2) Claims. As used in this Article XI, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to:

(a) the interpretation, application, or enforcement of this Covenant;

(b) the rights, obligations, and duties of a Bound Party under this Covenant; or

(c) the physical condition and/or the design and/or construction of one or more Homes. Any Claim described in this Section XI. A.(2)(c) is referred to below as a "Defect Claim."

(3) Exempt Claims. The following suits ("Exempt Claims") shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in this Article XI:

(a) any suit by an Owner or SSTV to collect sums due from any Owner or to foreclose any lien to collect such sums, pursuant to any of Sections II. B., II. D., III. A., III. B., III. E., IV. B., V. B., V. C., and Article X;

(b) any suit or action by an Owner that involves the protest of real property taxes;

(c) any suit to challenge condemnation proceedings;

(d) any suit by an Owner or SSTV to enforce the provisions of Article VI;

(e) any suit to compel mediation or arbitration of a Claim or to enforce any award or decision of an arbitration conducted in accordance with this Article XI;

(f) any suit to enforce a settlement agreement reached through negotiation or mediation pursuant to this Article XI; and

(g) any dispute in which a party to the dispute is not a Bound Party and has not agreed to submit to the procedures set forth in this Article XI.

(4) Amendment. This Article XI shall not be amended, deleted, revoked or terminated unless such amendment, deletion, revocation or termination is consented to in writing by all of the Owners and by not less than 75% of all First Mortgagees, and by SSTV if such amendment is proposed less than 15 years after the date of recordation of this Covenant. Any amendment to this Article XI shall not apply to Claims based on alleged acts or omissions or circumstances that predate the recording of the amendment.

(5) Reformation. All Bound Parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving Claims. Accordingly, they recognize that one of the essential purposes of this Article XI is to provide for the submission of all Claims to mediation and final and binding arbitration. Therefore, if any court concludes that any provision of this Article XI is void, voidable or otherwise unenforceable, all Bound Parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the express desire of the Bound Parties that the merits of all Claims be resolved only by mediation and final and binding arbitration and, to the greatest extent possible and permitted by law, in accordance with the principles, limitations, procedures and provisions set forth in this Article XI.

B. Dispute Resolution Procedures.

(1) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice ("Notice") by mail or personal delivery to each Respondent, and if the Claim is a Defect Claim involving a Home, then to the First Mortgagee, if any, with a lien against such Home, and to SSTV if such Defect Claim is asserted less than 15 years after the date of recordation of this Covenant, stating plainly and concisely:

(a) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(b) if the Claim is a Defect Claim, (i) a list of all alleged design and/or construction defects or other physical conditions that are the subject of the Defect claim and a detailed description thereof specifying the type and location of such defects or conditions (identified by the specific room or room where the alleged defects or conditions exist if contained within a structure or identified on a plat plan or map where the defects or conditions exist outside a structure, in either case with a legend that identifies the type of defect), (ii) a description of the damages claimed to have been caused by the alleged defects or conditions, and (C) a list of the Persons involved and a description of the Respondent's role in the Defect Claim;

(c) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(d) the Claimant's proposed resolution or remedy; and

(e) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

(2) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

(3) Right to Inspect. If the Claim is a Defect Claim, the Claimant shall permit each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Home at reasonable times, to permit each Respondent to inspect the matters identified in the Defect Claim. SSTV hereby reserves for itself and grants to each Respondent, an easement to enter and Claimant's Home for the purposes of making inspections pursuant to this Section XI. B.(3). Each Respondent shall make reasonable efforts to schedule convenient times with the Claimant for such inspections, but the Claimant's refusal to schedule such times shall not relieve the Claimant of its obligations set forth in this Section XI. B.(3). If the Claimant refuses to allow each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Home in order to make such inspections, the Claimant shall be deemed to be in breach of its obligations set forth in this Section XI. B.(3) and shall be liable to each Respondent that has been denied access, and each such Respondent shall be entitled to recover from the Claimant, liquidated damages in the amount of $300.00 per day for each day after the Claimant's receipt of the Respondent's written request for access to the Home, until the Claimant provides such access; provided that the amount of liquidated damages shall increase by five percent (5%) on each January 1 beginning with January 1, 2018. For example, but without limitation, on January 1, 2018, the amount of liquidated damages required by this Section XI. B.(3) shall be $315 per day. Liquidated damages provided in this Section XI. B.(3) are separate from and independent of liquidated damages provided in Section XI. B.(4) and a Respondent that is in breach of its obligations under each Section will be liable for liquidated damages under each Section. By acquiring ownership of any Home, each Owner acknowledges and agrees that the actual damages to a Respondent arising from a Claimant's breach of its obligations set forth in this Section XI. B.(3) would be extremely difficult and impractical to ascertain, including, without limitation, loss of reputation and goodwill, and that the liquidated damage amount referenced in the preceding sentence is a fair and reasonable estimate thereof.

(4) Right to Remedy. If the Claim is a Defect Claim, if a Respondent informs the Claimant in writing that the Respondent intends to repair, remedy or otherwise cure one or more matters described in the Claim, the Claimant shall provide access to its Home to such Respondent, its employees, agents, contractors and consultants for the purpose of making such repair, remedy or cure. SSTV hereby reserves for itself, and grants to each Respondent, an easement to enter and Claimant's Home for the purposes of making any repair, remedy or cure pursuant to this Section XI. B.(4). The Respondent shall make reasonable efforts to schedule

convenient times with the Claimant for the performance of such work, but the Claimant's refusal to schedule such times shall not relieve the Claimant of its obligations set forth in this Section XI. B.(4). The Claimant agrees that each Respondent has an absolute right to attempt to repair, remedy or otherwise cure one or more matters described in the Claim. The Claimant further agrees that nothing contained in this Section XI. B.(4) creates any obligation upon any Respondent to attempt to repair, remedy or otherwise cure any matters described in the Claim and each Respondent's obligations in that respect are limited to those obligations, if any, imposed by any written express warranty separately provided to the Claimant (and which, by its terms, may not run to the benefit of succeeding owners of the property) and by applicable law. If the Claimant refuses to allow each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Home in order to perform such work, the Claimant shall be deemed to be in breach of its obligations set forth in this Section XI. B.(4) and shall be liable to such Respondent, and such Respondent shall be entitled to recover from the Claimant, liquidated damages in the amount of $300.00 per day for each day after Claimant's receipt of Respondent's written notice that it intends to repair, remedy or otherwise cure one or more matters described in the Claim until the Claimant provides such access; provided that the amount of liquidated damages shall increase by five percent (5%) on each January 1, beginning with January 1, 2018. For example, but without limitation, on January 1, 2018, the amount of liquidated damages required by this Section XI. B.(4) shall be $315 per day. Liquidated damages provided in this Section XI. B.(4) are separate from and independent of liquidated damages provided in Section XI. B.(3) and a Respondent that is in breach of its obligations under each Section will be liable for liquidated damages under each Section. By acquiring ownership of any Home, each Owner acknowledges and agrees that the actual damages to a Respondent arising from a Claimant's breach of its obligations set forth in this Section XI. B.(4) would be extremely difficult and impractical to ascertain, including, without limitation, loss of reputation and goodwill, and that the liquidated damage amount referenced in the preceding sentence is a fair and reasonable estimate thereof.

(5) Enforcement. Without limiting any other remedy available to a Respondent (including, without limitation, the liquidated damages provided for in this Section XI. B.), if the Claimant fails to perform or observe any provision of this Section XI. B., each Respondent shall be entitled to enforce such provision by specific performance or injunction, as may be applicable. The Claimant's obligations set forth in this Section XI. B. may not be waived, except only by a written instrument signed by each Respondent and identifying in detail in what respects provisions of this Section XI. B. have been waived.

(6) Mediation. If the parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or within any other agreed upon period), the Claimant shall have 30 additional days to submit the Claim to mediation with an organization (a "Dispute Resolution Service") that is not controlled by or affiliated with the Claimant or any Respondent and which provides, and has experience in providing, dispute resolution services in the Denver, Colorado metropolitan area, including, without limitation, the American Arbitration Association, the Judicial Arbiter Groups and JAMS, Inc. Each Bound Party shall present the mediator with a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent(s) shall be relieved of any and all liability to the Claimant on account of such Claim.

If the parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (a "Termination of Mediation") indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to commence binding arbitration on the Claim, pursuant to and as provided in Section XI. B.(8).

Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall pay an equal share of the mediator's fees.

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

(8) Arbitration. After receiving a Termination of Mediation, if the Claimant wants to pursue the Claim and the Claim is not otherwise barred as provided elsewhere in this Article XI, the Claimant shall initiate final, binding arbitration of the Claim under the auspices of a Dispute Resolution Service (which does not necessarily have to be the same Dispute Resolution Service that provided mediation with respect to the Claim), and the Claimant shall provide to the Respondent(s) a "Notice of Intent to Arbitrate," all within 20 days after the Termination of Mediation. If the Claimant does not initiate final, binding arbitration of the Claim and provide a Notice of Intent to Arbitrate to the Respondent(s) within 20 days after the Termination of Mediation, then the Claimant shall be deemed to have waived the Claim, and the Respondent(s) shall be relieved of any and all liability to the Claimant on account of such Claim. In addition, if a Claim is a Defect Claim, the Claimant shall promptly disclose the Defect Claim and its details to his/her prospective purchasers and prospective mortgagees. If a Claim is a Defect Claim, an Owner shall not join any other Owner or other person complaining of the same or similar defects in other property without the prior written consent of all Respondents. The Claimant and each Respondent shall have the right to join any contractors or other design professionals that the Claimant alleges are responsible, in whole or in part, for the Claim, if such contractor or other design professional is, or agrees to become, a Bound Party. The term "Party" when used in this Section XI. B.(8) shall mean a party to an arbitration proceeding to resolve a Claim and the term "Parties" shall mean all the parties to such arbitration proceeding. The following arbitration procedures shall govern each Claim submitted to arbitration:

(a) The arbitration shall be presided over by a single arbitrator.

(b) The arbitrator must be a person qualified to consider and resolve the Claim with the appropriate industry and/or legal experience.

(c) No person shall serve as the arbitrator where that person has any financial or personal interest in the arbitration or any family, social or significant professional acquaintance with any Party to the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all Parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the arbitration ("Arbitrator Disclosure"). If any Party objects to the service of any arbitrator with fourteen (14) days after receipt of the Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner as the initial arbitrator was selected.

(d) The arbitrator shall have the exclusive authority to, and shall, determine all issues about whether a Claim is covered by this Article XI. Notwithstanding anything herein to the contrary (including, but not limited to, Section XI. B.(8)(i) below), if a Party contests the validity or scope of arbitration in court, the arbitrator or the court shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Party.

(e) The arbitrator shall hold at least one (1) hearing in which the Parties, their attorneys and expert consultants may participate. The arbitrator shall fix the date, time and place for the hearing. The arbitrator is not required to hold more than one (1) hearing. The arbitration proceedings shall be conducted in the metropolitan Denver, Colorado area unless the Parties otherwise agree.

(f) No formal discovery shall be conducted without an order of the arbitrator or express written agreement of all Parties.

(g) Unless directed by the arbitrator, there shall be no post hearing briefs.

(h) The arbitration award shall address each specific Claim to be resolved in the arbitration, provide a summary of the reasons therefore and the relief granted, and be rendered no later than fourteen (14) days after the close of the hearing, unless otherwise agreed by the Parties. The arbitration award shall be in writing and shall be signed by the arbitrator.

(i) The arbitrator shall apply the substantive law of Colorado and may award injunctive relief or any other remedy available in Colorado but shall not have the power to award punitive damages, consequential damages, exemplary damages, treble damages, indirect or incidental damages, attorneys' fees, expert's fees and/or costs to the prevailing Party. Each Party is responsible for any fees and costs incurred by that Party, including, without limitation, the fees and costs of its attorneys, consultants and experts. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court of competent jurisdiction.

(j) The Parties shall pay their pro rata share of all arbitration fees and costs, including, without limitation, the costs for the arbitrator.

(k) With respect to a Defect Claim, the arbitrator shall have authority to establish reasonable terms regarding inspections, destructive testing and retention of independent consultants and may require that the results of any such inspections and testing and the reports of independent consultants be submitted to the arbitrator and to the other Parties, whether or not the Party that ordered such inspections or testing or engaged the consultant intends to present such results or reports to the arbitrator as evidence.

(l) Except as may be required by law or for confirmation of an arbitration award, neither a Party nor an arbitrator may disclose the existence or contents of any arbitration without the prior written consent of all Parties to the arbitration.

Notwithstanding any other provision of this Article XI or this Covenant, arbitration with respect to a Claim must be initiated within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings in a court based on such Claim would be barred by the applicable statute of limitations or statute of repose, except that any claim based on breach of a written express warranty must be made within the time specified in the express warranty document. If any Claim is not timely submitted to arbitration, or if the Claimant fails to appear and participate in good faith for the arbitration proceeding when scheduled, then the Claimant shall be deemed to have waived the Claim, and the Respondent(s) shall be relieved of any and all liability to the Claimant on account of any such Claim.

C. Conflicts with Law**.** In the event that any provisions of this Article XI conflict with any applicable federal or Colorado statutes which provide non-waivable legal rights, including, without limitation, the Colorado Construction Defect Action Reform Act or the Colorado Consumer Protection Act, then the non-waivable terms of such statute shall control and all other

provisions herein remain in full force and effect as written.

ARTICLE XII
MISCELLANEOUS

A. Supplement Applicable Law. The provisions of this Covenant shall be in addition and supplemental to all other applicable provisions of law.

B. Grammatical References. Whenever used herein, unless the context shall otherwise provide, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

C. Notices. Unless an Owner shall notify the other Owners of a different address, any notice required or permitted to be given under this Covenant to any Owner or any other written communication to any Owner shall be either hand-delivered, posted securely on the front door or mailed to such Owner, postage prepaid, first class U.S. Mail, registered or certified, return receipt requested, to the Home of the Owner in question. If more than one person owns a Home, any notice or other written communication may be addressed to any one such person. Any notice or other written communication given hereunder shall be effective upon hand-delivery or posting or three days after deposit in the U.S. Mail as aforesaid.

D. Severability. The provisions of this Covenant shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Covenant, or the application thereof to any person or any circumstance, is invalid or unenforceable, (1) the invalid or unenforceable provision shall be reformed, to the minimum extent required to render such invalid or unenforceable provision enforceable in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (2) the remainder of this Covenant and the application of such provision to other persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision.

E. Headings. The captions and headings in this Covenant are for convenience only and shall not be considered in construing any provision of this Covenant.

F. No Waiver. Failure to enforce any provision of this Covenant shall not operate as a waiver of any such provision or of any other provision in this Covenant.

G. Perpetuities. If any of the options, privileges, covenants or rights created by this Covenant shall be unlawful or void for violation of (1) the rule against perpetuities or some analogous statutory provision, (2) the rule restricting restraints on alienation, or (3) any other statutory or common law rules imposing time limits, then such provision shall continue only for the period of the life of the natural person signing this Covenant on behalf of SSTV, and their now living descendants, and the survivors of them plus twenty-one years.

H. No Warranties. SSTV disclaims any intent to, and does not, warrant or make any representation regarding any aspect of a Home or any improvements thereon by virtue of this Covenant.

I. No Merger. This Covenant shall not be deemed waived, released or terminated by any merger of title to two or more Homes.

IN WITNESS WHEREOF, SSTV has executed this Covenant as of the date first written above.

SSTV:

SHERIDAN STATION TRANSIT VILLAGE LLC,
a Colorado limited liability company

By: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by _____, as Manager of Sheridan Station Transit Village LLC, a Colorado limited liability company, on behalf of such limited liability company.

Witness my hand and official seal.

My commission expires: _____.

(S E A L)

_____
Notary Public

SHERIDAN STATION WEST METROPOLITAN DISTRICT
141 Union Boulevard, Suite 150
Tel: 303-987-0835 * 800-741-3254
Fax: 303-987-2032

Party Wall Covenant-Duplexes

BRYAN CAVE DRAFT 5/7/18

PARTY WALL COVENANT
FOR
WEST LINE VILLAGE DUPLEX BUILDINGS

City of Lakewood, State of Colorado

After Recording Return to:
Bruce L. Likoff, Esq.
Bryan Cave LLP
1700 Lincoln Street, Suite 4100
Denver, Colorado 80203

PARTY WALL COVENANT
FOR
WEST LINE VILLAGE DUPLEX BUILDINGS

City of Lakewood, Jefferson County, State of Colorado

THIS PARTY WALL COVENANT FOR WEST LINE VILLAGE DUPLEX BUILDINGS (this "**Covenant**") is made this ___ day of _____, 201_, by SHERIDAN STATION TRANSIT VILLAGE LLC, a Colorado limited liability company ("**SSTV**").

RECITALS

A. SSTV is the owner of:

Lots ____ and _____, inclusive, Block _,
West Line Village Filing #1,
County of Jefferson,
State of Colorado (the "**Property**").

The Property is comprised of two (2) "**Homes.**" The Homes are a duplex and are all of the real property that comprise the West Line Village [Building 1] project ("**Project**"); there are no common elements, areas or facilities. The Homes are located in the subdivision known as West Line Village Filing #1 (the "**Subdivision**"). The Home located on Lot ___ is sometimes referred to below as the "**Lower Home**" and the Home on Lot __ is sometimes referred to below as the "**Upper Home**."

B. There lie along and over the shared boundaries of the Homes one or more shared walls that, in conjunction with the footings underlying, form a structural part of and physically join the Homes ("**Party Walls**").

C. SSTV desires to subject the Homes to the covenants, conditions and restrictions as set forth herein.

NOW, THEREFORE, SSTV does hereby publish and declare the following covenants, conditions and restrictions.

ARTICLE I
ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS

A. Recitals Incorporated. The Recitals set forth above are hereby incorporated into the terms of this Covenant.

B. Covenants to Run with the Project. SSTV hereby declares that all of the Homes shall be held, sold and conveyed subject to the following covenants, conditions and restrictions which are

for the purpose of protecting the value and desirability of the Homes, and which shall run with title to the Homes and be a burden binding on all parties having any right, title or interest in the Homes, their heirs, personal representatives, successors and assigns and shall inure to the benefit of all Owners (as defined below), their heirs, personal representatives, successors and assigns.

C. Owners and Subsequent Owners Bound. Each provision of this Covenant and each agreement, promise, covenant or undertaking to comply with or to be bound by the provisions of this Covenant that is contained herein shall:

(1) Be deemed incorporated in each deed or other instrument by which any right, title or interest in any Home is granted, devised or conveyed, whether or not set forth or referred to in such deed or instrument; and

(2) By virtue of acceptance of any right, title or interest in a Home by an Owner, such Owner shall be deemed to have accepted, ratified, and adopted these agreements and promises as personal obligations of such Owner and such Owner's heirs, personal representatives, successors and assigns to, with and for the benefit of all other Owners.

D. Owner Defined. As used herein, "**Owner**" shall mean any record owner, including SSTV, and including a contract seller, but excluding a contract purchaser who is not subject to a binding installment land contract, whether one or more persons or entities, having an ownership interest in or to any Home, but excluding any such person or entity having an interest therein merely as a mortgagee or beneficiary under a deed of trust unless such mortgagee or beneficiary under a deed of trust has acquired title thereto in a foreclosure or any conveyance in lieu of foreclosure. A person or entity ceases to be an Owner upon the conveyance of title to their Home by deed or upon entering into a binding installment land contract. Such cessation of ownership shall not extinguish or otherwise void any unsatisfied obligation of such person or entity existing or arising at or before the time of such conveyance.

E. Home Defined. As used herein, "**Home**" shall mean all of the land included within a lot, together with all appurtenances and improvements, including the residence and all hardscaping and landscaping, now or hereafter located thereon.

F. First Mortgagee Defined. As used herein, "**First Mortgagee**" shall mean the holder, insurer or guarantor of a mortgage, deed of trust, deed to secure debt or any other form of security interest encumbering a Home, that is recorded and has priority of record over all other recorded liens except those made superior by statute (e.g., general ad valorem tax liens and special assessments and, where applicable, mechanics' liens).

G. District; Covenants, Rules and Regulations and ARC Defined. As used herein, the "**District** " shall mean the Sheridan Station West Metropolitan District and the "**Declaration**" shall mean the Declaration of Covenants, Conditions and Restrictions of West Line Village, recorded with the Clerk and Recorder of Jefferson County, Colorado on September 29, 2017, at Reception No. 2017100573, as amended and/or supplemented from time to time and the "**Rules and Regulations**" shall mean the Rules and Regulations of West Line Village promulgated from

time to time by the District, as amended and/or supplemented from time to time. As used herein, the "**ARC**" shall mean the Architectural Review Committee appointed from time to time pursuant to the Covenants.

H. Exemption from Act. The Project is not a common interest community and is not subject to the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101 *et seq.* The Project does not have common elements, areas or facilities and will not have common expenses. There are no reserved development rights (as defined in §103(14)) of the Act). **There is not a homeowners' association and none will be formed.**

ARTICLE II
MAINTENANCE; UTILITIES

A. Maintenance by Owners. Each Owner shall, at his/her sole cost and expense, maintain, repair and replace all exterior and interior components of their Home (including, without limitation, the roof, gutters, and downspouts, exterior walls and stucco, any fireplace, flue and flue cap, utility lines (with respect to water lines, each Owner is responsible for maintenance, repair and replacement of water lines inside such Owner's Home; the water lines outside such Owner's Home are the responsibility of the District or The Consolidated Mutual Water Company ("**Consolidated**"), as more fully described in the Declaration and the Rules and Regulations) and meters, all doors and windows, and any patio or deck and any railings around same) in a safe condition at all times, and in accordance with the terms of this Covenant and all applicable laws, statutes, ordinances, codes, and governmental rules and regulations. No Owner shall paint or otherwise modify, alter or improve, or hang or install any item (including, without limitation, any painting, mural, rug, pennant, banner, storage hooks or other devices) on, any exterior wall or stucco of any adjacent Home, even if such areas are visible from, and accessible from, such Owner's Home. Without limiting the generality of each Owner's obligations pursuant to this Section II. A., each Owner shall maintain in good condition and working order the air conditioning condenser unit (the "**A/C Unit**") that serves such Owner's Home, which A/C Units are located on the Upper Home lot (below the entry stairs to the Upper Home). No Owner shall cause any damage to the A/C Unit that serves the other Owner's Home and any such damage caused by an Owner, members of such Owner's family, his/her guests, employees, agents, tenants, contractors, invitees and licensees, shall be promptly repaired by such Owner, at his/her expense. If such Owner fails to promptly repair such damage, the Owner whose A/C Unit was damaged shall have the right, after 10 days' written notice (except that no notice shall be required if such A/C Unit has been rendered inoperable), to cause such repairs to be made at the expense of the Owner that failed to repair such damage. The Owner that failed to repair such damage shall reimburse the Owner that caused such damage to be repaired within 10 days after receipt of an invoice or invoices for the costs of such repair.

By acceptance of a deed to a Home, each Owner acknowledges that it understands that the District has the right to impose and collect a monthly fee from home owners in the Subdivision to pay for maintenance and repair of submeters and the water lines for which the District is responsible. The District has the right to change the frequency of collecting such fees

from monthly to a different regularly scheduled billing period. If any damage or failure of any portion of the water line for which the District has maintenance responsibility shall occur, the District is responsible to cause such water line to be repaired or replaced, as the District shall deem necessary. Notwithstanding the foregoing, if the damage is caused by the negligent or willful act or omission of an Owner or its family members, guests, employees, agents, tenants, contractors, invitees or licensees, the District shall have the right to recover from such Owner the costs incurred by the District (but the District shall not be obligated to do so unless it determines that it is feasible and cost effective to do so). If such Owner fails to pay such costs to the District within 20 days after the receipt of a written invoice, the District shall have, and each Owner by its acceptance of a deed to its Home shall be deemed to have granted, a lien on its Home to secure the payment of such sums, together with interest thereon at the Interest Rate (as defined in Section II. G.), from the date of payment(s) of such costs by the District until full reimbursement is made by the such Owner, and together with attorneys' fees incurred by the District in connection with such repair and the collection of the sums due from such delinquent Owner. Such lien may be foreclosed in the manner for foreclosure of real estate mortgages under the laws of the State of Colorado. Such rights of the District are in addition to any other powers and rights that the District may have at law or in equity.

Each Owner shall be required to take necessary measures to retard and prevent mold from accumulating in their Home, including but not limited to appropriate climate control, removal of visible moisture accumulation on windows, window sills, walls, floors, ceilings and other surfaces, and cleaning of the same. No Owner shall block or cover any heating, ventilation or air conditioning ducts. Owners shall be responsible for any damage to his/her Home and personal property, to any other Home, as well as any injury to the Owner or occupants resulting from the Owner's failure to comply with this Section II. A.

B. Maintenance by SSTV. If an Owner fails to maintain the exterior of his/her Home (including, without limitation, the roof, gutters, and downspouts, exterior walls and stucco, any fireplace, flue and flue cap, utility lines and meters, all doors and windows, and any patio or deck and any railings around same), as required by Section II. A, SSTV shall have the right, but not any obligation, after 20 days' written notice (immediately after written or oral notice in the case of an emergency) to the Owner, to cause the necessary maintenance, repair or replacement to be made and for such purpose shall be entitled to the benefit of the easement granted by Section II.

C. Reimbursement to SSTV. The Owner shall promptly reimburse SSTV for the costs of such maintenance, repair and replacement, plus a charge equal to ten percent (10%) of the costs of such maintenance, repair and replacement as an administrative fee to cover SSTV's administrative expenses in arranging and coordinating such maintenance, repair and replacement. If the Owner fails to make such reimbursement within 20 days after the receipt of a written invoice, SSTV shall have, and each Owner by its acceptance of a deed to its Home shall be deemed to have granted, a lien on its Home to secure the payment of such sums, together with interest thereon at the Interest Rate (as defined in Section II. G.), from the date of payment(s) of such costs by SSTV until full reimbursement is made by the Owner, and together with attorneys' fees incurred by SSTV in connection with such maintenance, repair and replacement and the collection of the sums due from the Owner. Such lien may be foreclosed in the manner for

foreclosure of real estate mortgages under the laws of the State of Colorado.

D. Easement for Maintenance, Repair and Replacement. SSTV and each of its employees, agents and contractors shall have the right to access each Home, and hereby reserves an easement for such purpose, from time to time during reasonable hours on reasonable notice as may be necessary for the maintenance, repair or replacement of any property required to be maintained, repaired or replaced by the Owner of such Home, and at any hour with little or no notice for making emergency repairs, maintenance or inspection therein necessary to prevent damage to the Homes, if SSTV exercises its rights under Section II. B. In addition, SSTV and each of its employees, agents and contractors shall have the right to access each Home (but not any dwelling), and hereby reserves an easement for such purpose, from time to time during reasonable hours on reasonable notice as may be necessary for the maintenance, repair or replacement of any Restricted Access Areas on any adjacent Home, and at any hour with little or no notice for making emergency repairs, maintenance or inspection therein necessary to prevent damage to the Homes, if SSTV exercises its rights under Section II. B.

E. Utilities. The actual cost for utility usage at a Home shall be the responsibility of the Owner of such Home. Each Owner understands that: (i) domestic water service to the Homes is provided by Consolidated; (ii) usage of domestic water to each Home will be measured by a separate meter; and (iii) for purposes of Consolidated customer relationship and billing, the District is the stockholder (i.e. customer) of Consolidated and will receive water service bills from Consolidated. Each Owner shall pay for the actual water usage of the Owner's Home within ten (10) business days after such Owner's receipt of an invoice from the District (which will be in the amount of the water usage bill for the Home received by the District from Consolidated). Each Owner also understands that: (x) sanitary sewer service to the Homes is provided by either the East Lakewood Sanitation District ("ELSD") or the City of Lakewood (each entity serves a different portion of the Subdivision); (y) usage of sanitary sewer service to each Home is determined based on water usage by the Home (typically, the prior winter's average monthly water consumption, although that method of calculation is subject to change); and (z) for purposes of billing, ELSD will directly bill Owners of the Homes served by ELSD for sanitary sewer service provided by ELSD and the District will bill Owners of the Homes served by the City of Lakewood for sanitary sewer service provided by the city, as applicable. Each Owner shall pay for the actual sanitary sewer charge for its Home within ten (10) business days after such Owner's receipt of an invoice from ELSD or the District, as applicable (with the amount of such charge for Homes served by the City of Lakewood determined by the District based on such Home's water usage).

F. Trash Removal. Each Owner is responsible for trash removal from its Home. Trash removal services may be subscribed to by the District on behalf of the residents of the Project and, if so: the governing board of the District may determine the scope, frequency, and all other matters, with regard to such trash removal services; and the Owners shall pay their proportionate share of such trash removal services, as determined by the governing board of the District or, if arranged by the District with the vendor, each Owner shall pay the vendor directly for trash collection services provided to each Owner.

G. Failure to Pay. In the event that an Owner fails to pay any amounts due under this Article II, or any other Article of this Covenant that requires an Owner to pay any sum to another Owner, then such amounts will accrue interest at the rate of eighteen percent (18%) per annum (the "**Interest Rate**"), until fully paid, which shall begin to accrue ten days after written demand, and the amount due, together with accrued interest and attorneys' fees incurred by the Owner entitled to receive payment, shall be secured by a lien against the Owner's Home in favor of the party(ies) to which such amounts are due. Said lien shall be established, enforced and released in the manner set forth in Article X below.

H. Maintenance of Certain Outside Areas by Metro District. Certain maintenance activities on the front and rear portion of each lot described in Recital A above will be performed by the District, including, without limitation: (i) removal of snow from sidewalks (as described below) and the concrete apron between the alley and garage doors; (ii) maintenance of landscaping; and (iii) maintenance of landscape irrigation systems, if any, in the front and, if applicable, rear portion of each lot. For the purposes of performing its maintenance responsibilities, the District holds an easement, as described in Section VII. E. below. The District will be responsible for removal of snow from the concrete walk at the front portion of each lot up to the beginning of the "flight" of steps leading to the front door. Each Owner is responsible for snow removal on the "flight" of steps leading up to the front door of each dwelling. The Owner of the dwelling is responsible for removal of snow from any portion of the concrete walk and front steps from which removal of snow is not the responsibility of the District. The District will also be responsible for repair and replacement of the concrete apron between the alley and garage doors and the concrete walk in the front portion of each lot up to the beginning of the "flight" of steps leading to the front door. The Owner of the dwelling is responsible for repair and replacement of any portion of the concrete for which the District is not responsible. The District has the right to impose and collect a monthly fee from the home owners in the Subdivision to pay for the snow removal and maintenance provided by the District and to create a reserve for the replacement of concrete, which may be a fee for snow removal and maintenance and a separate fee for the concrete replacement reserve. The District has the right to change the frequency of collecting such fees from monthly to a different regularly scheduled billing period. Each Owner shall timely pay all invoices from the District for such fees and, in all events, before any fees become delinquent. In order to avoid interfering with, or increasing, the District's maintenance obligation with respect to landscaping, no Owner shall alter, remove, replace, add to or supplement any landscaping initially installed by SSTV; the District shall have the right to make such decisions with respect to such landscaping. SSTV does not control the District and each Owner, by acceptance of a deed to a Home, agrees that SSTV is not and will not be responsible or liable for the performance or lack of performance or inadequate or defective performance of any maintenance services by the District. The District has the right to terminate, modify or supplement any maintenance services it provides in accordance with applicable law. If the District at any time terminates any maintenance services, each Owner shall be responsible for the maintenance service that the District had previously been providing, with respect to such Owner's Home.

ARTICLE III
MODIFICATIONS

A. Prohibited Modifications. No Owner shall undertake any alteration, maintenance or repair to their Home that would violate any zoning or building ordinance or that might impair the structural soundness or safety of the other Home or any Party Wall, significantly reduce the value of the other Home, or which might interfere with the use and enjoyment of any easement granted or reserved herein. Without limiting the generality of the previous sentence, no structural or exterior alterations or exterior material or color scheme change, either temporary or permanent, or an alteration to exterior windows or doors, to any Home shall be done by any Owner, except in compliance with the provisions of the Declaration. In addition, no exterior construction or excavation whatsoever shall be commenced or materials, equipment or construction vehicles be placed on any part of a Home, except only if the same is needed to stabilize the Home from collapse or to repair the Home from damage caused by fire, wind or other casualty and no alteration to any sidewalk on a Home or any drainage feature, system or equipment shall be undertaken, except, in each case, in compliance with the provisions of the Declaration. Notwithstanding anything herein to the contrary, no such alteration, change, construction, excavation described in this paragraph shall be undertaken by any Owner without the written approval of SSTV if such work is proposed less than 15 years after the date of the recordation of this Covenant (whether or not SSTV then owns any of the Homes).

If, because of any act or omission of an Owner, any mechanic's or other lien or order for the payment of money shall be filed against the other Owner's Home (whether or not such lien or order is valid and enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall, at his/her own cost and expense, cause the same to be canceled and discharged of record by payment or by bonding by a surety company reasonably acceptable to such other Owner, within 20 days after the date of filing thereof, and further shall indemnify and save the other Owner harmless from and against any and all costs, expenses, claims, losses or damages including, without limitation, reasonable attorneys' fees resulting therefrom. If such Owner fails to cause such lien to be discharged of record within such 20-day period, the other Owner may, at his/her option (but with no obligation to do so), pay the amount claimed by the lien claimant without any obligation to inquire into the validity of the claim or the amount properly due, or cause such lien to be released of record by posting a statutory surety bond. In either such event, the amount paid by the other Owner, together with interest thereon at the Interest Rate from the date(s) paid by the other Owner until full reimbursement has been made by the Owner who was obligated to obtain such discharge, and together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due from such Owner to the other Owner.

LABOR PERFORMED AND/OR MATERIALS FURNISHED TO AN OWNER OR SUCH OWNER'S HOME SHALL NOT BE THE BASIS FOR THE FILING OF A MECHANICS LIEN AGAINST ANY OTHER HOME IN THE PROJECT OR THE SUBDIVISION. ANY SUCH LIEN SHALL BE LIMITED TO THE OWNER'S HOME FOR WHICH THE MATERIALS AND/OR WORK WAS FURNISHED.

B. Permitted Modifications. Notwithstanding Section III. B above, but subject to the provisions of the Declaration and Section VI. B., an Owner may alter, remove or add interior partitions that are not load-bearing and which do not affect any Party Wall without the prior written consent of the other Owner or SSTV. Other interior modifications, such as repainting and changing floor and wall coverings are not subject to the provisions of this Article III, but, with respect to Garages, are subject to the provisions of Section VI. B. Notwithstanding any other provision of this Covenant to the contrary, any alteration, maintenance and/or repair of Homes owned by SSTV shall be exempt from the provisions of this Article III.

C. Compliance with Law. Any alteration, maintenance or repairs conducted on a Home, or any portion thereof, shall conform with and meet all applicable governmental building and safety codes and other rules and regulations.

D. Party Walls.

(1) Each Home shall be deemed to include that portion of the Party Wall extending from the center of the Party Wall to the interior surface of the Party Wall in that Home, together with the necessary easements for perpetual lateral and subjacent support, maintenance, repair and inspection of the Party Wall, and with equal rights of joint use.

(2) No Owner shall have the right to remove or make any structural changes to a Party Wall that would jeopardize the structural integrity of any Home without complying with the provisions of Section III. B above. No Owner shall subject a Party Wall to the insertion or placement of timbers, beams or other materials in such a way as to adversely affect the Party Wall's structural integrity. No Owner shall cause a Party Wall to be exposed to the elements without furnishing, at such Owner's expense, the necessary protection against the elements. An Owner that causes a Party Wall to be exposed to the elements without necessary protection shall be responsible for all damage to the Party Wall caused by the elements and shall, at such Owner's expense, cause all such damage to be repaired promptly. No Owner shall subject a Party Wall to any use that in any manner whatsoever may interfere with the equal use and enjoyment of the Party Wall by the other Owner.

(3) Should a Party Wall be structurally damaged or destroyed by the intentional act or negligence of an Owner, members of such Owner's family, his/her guests, employees, agents, contractors, invitees and licensees, such Owner shall promptly rebuild and/or repair the Party Wall, after written notice to the other Owner, at his/her own expense and shall compensate the other Owner for any damages sustained to person or property as a result of such intentional or negligent act. If such Owner fails to promptly commence and complete such rebuilding and/or repair, the other Owner shall have the right to commence (if not previously commenced) and complete such rebuilding and/or repair, and the Owner that was obligated to rebuild and/or repair the Party Wall shall reimburse the other Owner for an equal share of the cost of such rebuilding and/or repair, within 20 days after the receipt of an invoice therefor, and the other Owner shall have the right to render invoices periodically during the course of such rebuilding and/or repair.

(4) Should a Party Wall be structurally damaged or destroyed by causes other than the intentional act or negligence of an Owner, members of such Owner's family, his/her guests, employees, agents, contractors, invitees and licensees, the damaged or destroyed Party Wall shall be repaired or rebuilt at the joint expense of all Owners owning any portion of the Party Wall, each such Owner to pay an equal share of the cost thereof.

(5) The right of any Owner to contribution from the other Owner under this Section III. E. shall be appurtenant to and run with the land and shall pass to such Owner's successors in title.

(6) To the extent not inconsistent with the terms and conditions of this Covenant, the general rules of law of the State of Colorado concerning party walls shall be applicable hereto.

ARTICLE IV
INSURANCE

A. Property Insurance. Each Owner, at his/her sole cost and expense, shall obtain and maintain at all times a policy of property/casualty insurance. At a minimum, the property/casualty insurance must insure against risks of direct physical loss for one hundred percent of the estimated full replacement cost (at the time the insurance is purchased and at the renewal date) of the Home. The property/casualty insurance may exclude land, excavations, foundations and other items normally excluded from property/casualty policies. The property/casualty insurance shall be maintained in the name of the Owner. To the extent reasonably available such property/casualty insurance shall also: (1) contain no provisions by which the insurer may impose a so-called "co-insurance" penalty; (2) be written as a primary policy, not contributing with and not supplemental to any coverage that the other Owner carries; (3) provide that no act or omission by a party voids the policy or is a condition to recovery under the policy; (4) provide that it may not be canceled, nor may coverage be reduced, without 30 days' prior notice to the insured and all other Owners; and (5) include a so-called "inflation guard" endorsement. Each Owner shall provide a certificate of the property/casualty insurance described above to the other Owner or such Owner's insurance carrier and/or mortgagees within five days after requested by such Owner or such Owner's insurance carrier and/or mortgagee(s). Nothing provided in this Article IV shall prevent the Owners from jointly obtaining a single insurance policy to cover any or more of the hazards required to be insured pursuant to this Section IV. A. Any such joint policy shall name both Owners as named insureds and their respective mortgagees, and all other persons entitled to occupy either Home, as their interests may appear. Such policy may contain a reasonable deductible, as agreed upon by both Owners, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance equals at least the replacement cost of the insured property. In no event shall such policy contain a co-insurance clause for less than 100% of the full insurable replacement cost. If generally available, at commercially reasonable cost (as agreed upon by both Owners), such policy shall also contain the following: (a) a so-called "inflation guard" endorsement, (b) a construction code endorsement, (c) a demolition cost endorsement, (d) a contingent liability from operation of building laws endorsement, (e) an increased cost of construction endorsement, (f) any special PUD endorsements that may be applicable, (g) waivers

of subrogation and waivers of any defense based on invalidity arising from any act or omission of any Owner; if such a provision is not generally available, at commercially reasonable cost, then such policy shall contain a provision that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to the Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect; (h) a provision that such policy may not be canceled or modified without at least 30 days prior written notice to both Owners and their First Mortgagees; and (i) a provision that, if requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all First Mortgagees at least ten (10) days prior to the expiration of the then-current policies.

B. Additional Property Insurance. In addition to, or as a part of, the property insurance set forth in Section IV. A above, each Owner must maintain, at his/her sole cost and expense, property insurance upon the Owner's personal property and fixtures within their Home, and all of the finished interior surfaces of the walls, floors and ceilings of their Home, and any improvements or betterments installed by such Owner within their Home, in such amounts, against such risks, and containing such provisions as the Owner may reasonably determine from time to time.

C. Liability Insurance. Each Owner, at his/her sole cost and expense, shall obtain and maintain at all times a customary homeowner's policy of insurance, which shall provide, at a minimum, general liability coverage against claims for bodily injury and property damage, as well as property insurance as provided in Section IV. A. Such liability coverage shall: (1) be not less than an amount that is from time to time customarily maintained by prudent owners of similar property; (2) be written as a primary policy, not contributing with or supplementing any coverage the other Owner carries; and (3) insure the Owner against liability for negligence resulting in death, bodily injury or property damage arising out of or in connection with the operation, use ownership or maintenance of the Owner's Home.

D. Insurance Carrier Qualifications. All policies of insurance required under this Article IV shall be written by insurance companies licensed to do business in Colorado with a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports; an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports - International Edition; an "A" or better rating in Demotech's Hazard Insurance Financial Stability Ratings; a "BBBq" qualified solvency rating or a "BBB" or better claims-paying ability rating in Standard and Poor's Insurance Solvency Review; or a "BBB" or better claims-paying ability rating in Standard and Poor's International Confidential Rating Service.

E. Prohibited Activities. No Owner shall do anything or cause anything to be kept in or upon a Home that might cause the cancellation of any insurance policy covering any other home in the Project or the Subdivision.

ARTICLE V
CASUALTY

A. Duty to Restore Homes. All damaged or destroyed Home(s) must be repaired and restored, and done so in accordance with either the original plans and specifications, or other plans and specifications which have been approved pursuant to the provisions of Section III. B above.

In the event of damage or destruction to any Home which is covered by the property/casualty insurance required in Section IV. A above, the insurance proceeds for such damage or destruction shall be applied to the reconstruction and repair of the damaged or destroyed Home(s).

B. Insufficient Insurance Proceeds. If the insurance proceeds with respect to such damage or destruction are insufficient to repair and reconstruct the damaged or destroyed Home(s), the Owner(s) of the damaged or destroyed Home(s) shall in any event proceed to make such repairs or reconstruction and shall be responsible for the payment of same.

C. Payment of Deductible. In the event of damage or destruction to any Home which is covered by the property/casualty insurance required in Section IV. A above, and to which a deductible applies, the Owner of such Home shall pay or absorb the deductible. In the event of damage or destruction to more than one Home, the Owners of the Homes affected by such damage or destruction shall pay or absorb the deductible in equal shares, unless the insurance carrier specifically allocates the deductible among the Homes damaged or destroyed. If more than one Home is damaged or destroyed and an Owner fails to pay or absorb its share of the deductible, such Owner shall be deemed a Defaulting Owner and the other Owner(s) whose Home(s) was damaged or destroyed may advance the amount of the Defaulting Owner's share of the deductible and the amounts advanced shall be treated as a loan, in the manner provided in Section IV. A. above, which loan shall accrue interest as provided in Section II. D. and be secured by a lien as provided in Section IV. A. above, and which may be recorded and foreclosed as provided in Section X. B. below. Notwithstanding the foregoing, if any damage or destruction to a Home is caused by the negligent or willful act or omission of another Owner, members of such Owner's family, his/her guests, employees, agents, contractors, invitees and licensees, such Owner shall be responsible for the deductible or share of the deductible that would otherwise be payable by the Owner whose Home was damaged or destroyed.

D. Negligence by an Owner. Notwithstanding any other provision of this Article V, if due to the negligent or willful act or omission of an Owner or such Owner's agent or employee loss or damage shall be caused to any person or property or the other Home, such Owner shall be solely liable and responsible therefore. Such Owner shall proceed with due diligence to cause the prompt repair and restoration of any such property damage, facilitating the restoration of the

other Home and shall compensate the person or other Owner for any direct damages sustained as a result of such intentional or negligent act. If such Owner fails to promptly commence and complete such repair and restoration, the affected Owner shall have the right to commence (if not previously commenced) and complete such repair and restoration, and the Owner that was obligated to perform such repair and restoration shall reimburse the affected Owner for the cost of repair and restoration, within 20 days after the receipt of an invoice therefor, and the affected Owner shall have the right to render invoices periodically during the course of such repair and restoration.

ARTICLE VI
USE RESTRICTIONS

A. Residential Use. Each Home shall be used and occupied primarily as a residence. No industry, business, trade, occupation, or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted in a Home except as hereinafter expressly provided. Subject to the provisions of the Declaration, the foregoing shall not, however, be construed in such a manner as to prohibit an Owner from (1) maintaining their personal professional library in a Home, (2) keeping their personal business or professional records or accounts in a Home, (3) handling their personal business or professional telephone calls or correspondence from a Home, (4) maintaining a computer or other office equipment within a Home, or (5) utilizing administrative help or meeting with business or professional associates, clients or customers in a Home. Any accessory business use of a Home permitted by this Section VI. A must be in compliance with all applicable laws and regulations, must not have any adverse impact on other Homes and must be conducted in accordance with this Covenant and the Declaration. Any lease of a Home is subject to, and must comply with, the provisions of the Declaration. In no event, may the Owner of the Upper Home use all or any portion of the roof of the Lower Home (including, without limitation, any flat roof) as a deck, balcony or patio or for any other purpose, except for temporary access pursuant to Section VII. C. for maintenance and repair of portions of the Upper Home accessible only from the flat roof of the Lower Home.

B. Use of Garages. The Lower Garage and the Upper Garage (as such terms are defined in Section VII. D.; each, a "**Garage**") shall be used only for the parking of vehicles by the Owner of the Lower Home and the Upper Home, respectively, and their respective tenants. Without limiting the previous sentence, no Garage shall be used: (i) for cooking or grilling (including, without limitation, any cooking or grilling on a barbeque); (ii) as a workshop or work area and no painting activity may be conducted in any Garage; (iii) for any sleeping facilities; or (iv) for the conduct of, or in connection with the conduct of, any business. No Owner shall conduct any construction activities within its Garage, including, without limitation, any alterations to its Garage, without the written consent of the other Owner. No Owner shall make any penetrations in the drywall ceiling of the Garage. No Owner shall install any items on the ceiling, including, without limitation, storage cabinets or similar items or storage hooks for bicycles or other items. No Owner shall paint the interior of all or any part of its Garage without the written consent of the other Owner. No Owner shall rent or lease its Garage, or permit the use of its Garage by third

parties, except as part of a lease of its Home. The use of a Garage is also subject to all restrictions set forth in the Declaration and to the Rules and Regulations.

ARTICLE VII
EASEMENTS

A. Sidewalk and Driveway Easements. SSTV hereby reserves and grants to each Owner of each Home, effective upon conveyance of each Home, a perpetual, non-exclusive easement on, over, and across all sidewalks and driveways located along the perimeter of each lot described in Recital A above, for the purpose of access to and from such Owner's Home and such Owner's Garage.

B. Other Access Easements. Each Respondent (as that term is defined in Article XI) shall have a perpetual non-exclusive easement to enter the Home of the Claimant (as that term is defined in Article XI) for the purposes of exercising the Respondent's rights set forth in Sections XI. B.(iii) and (iv), in accordance with the terms of those Sections. SSTV shall have a non-exclusive easement to enter each Home for the purposes of exercising SSTV's rights set forth in Section II. B., in accordance with the terms of that Section. In addition, SSTV shall have a non-exclusive easement to enter each Home for the purpose of performing warranty work, and repair and construction work on Homes, and the right to control such work and repairs until completion.

C. Easements for Exterior Maintenance, Repair and Replacement. SSTV hereby reserves and grants to each Owner of each Home, effective upon conveyance of each Home, an easement on, over, across, and through each other Home, except the interior of any dwelling, and specifically across the roof of each Home, for the purpose of maintenance (including, without limitation, painting and exterior window cleaning), repair and replacement of the exterior of the Home benefitted by such easement, including, without limitation, the roof, gutter and downspouts, and flue and flue cap of such Home, and the exterior walls, exterior windows and stucco of such Home. Any Owner that intends to make use of such easement to enter another Owner's Home shall endeavor to provide advance notice of the planned work to such other Owner. In the event of the exercise of such easement by an Owner, any damages to the Home of the other Owner caused by the Owner exercising the easement shall be promptly repaired by the Owner that caused such damage, at his/her sole cost and expense.

D. Garage Easement. SSTV hereby reserves and grants to the Owner of the Lower Home, effective upon conveyance of the Lower Home, a perpetual, exclusive easement (the "**Garage Easement**") on, in and across the enclosed garage (the "**Lower Garage**"), located on the grade level of the Upper Home, which is located generally as shown on **Exhibit A** attached hereto and made a part hereof. The Garage Easement extends to the underside of the drywall ceiling in the Lower Garage; provided that, for purposes of repair, the Owner of the Lower Home shall have access to the wiring for the Garage door control and the Garage ceiling light, which wiring is located above the drywall ceiling; upon such Owner making such repairs, such Owner shall promptly repair any damage to the ceiling of the Lower Garage, at his/her sole cost and expense. For the avoidance of misunderstanding, the Garage Easement does not cover or apply to the

other enclosed garage (the "**Upper Garage**") located on the grade level of the Upper Home (i.e., the garage whose entry door is below the entry stairs to the Upper Home). If the Owner of the Lower Home causes damage to the Upper Home or the Upper Garage as a result of its use of the Lower Garage, the Owner of the Lower Home shall promptly repair such damage, at his/her sole cost and expense.

E. Easements for Utilities and Access. SSTV hereby reserves and grants, and each Owner hereby grants, to the District and its agents, representatives, employees and contractors and to all utility providers and their respective agents, representatives, employees and contractors and to the other Owner an easement on, over, under and across each lot, excluding any habitable structure and the interior of any residence and Garage thereon, for utility lines and facilities, including, without limitation, installation, construction, maintenance, repair, enlargement, removal and replacement of utility lines, pipes, conduits, facilities and equipment for natural gas, electricity, telephone, television and other utilities, and for access to such easement areas for such purposes. Each Owner shall be entitled to exercise such easement to access another Owner's lot in order to maintain, repair and/or replace, as necessary, utilities improvements that serve such Owner's Home and that are located on such other Owner's lot, after reasonable prior notice to such other Owner; provided, that the Owner exercising such easement shall have no right to enter the residence or garage on such other Owner's lot and shall be responsible, at his/her sole cost and expense, for repairing promptly any damage it causes to such other Owner's Home. Notwithstanding the foregoing, no prior notice shall be required in emergency situations. In the event any utility provider covered by the general easement created herein requests a specific easement by separate recordable document, SSTV reserves, for itself and the District, the right and authority to grant such easement upon, across, over and/or under any part of any lot, excluding any habitable structure and the interior of any residence thereon, without conflicting with the terms hereof

F. Easements for Air Conditioning Condenser Unit. The A/C Unit for the Lower Home has been installed by SSTV on a portion of the Upper Home lot, below the entry stairs to the Upper Home, generally as shown on **Exhibit B** attached hereto and made a part hereof. SSTV hereby reserves and grants to the Owner of the Lower Home, effective upon conveyance of the Lower Home, a perpetual, non-exclusive easement (the "**A/C Easement**") on, over and across that portion of the Upper Home lot that is located beneath the entry stairs to the Upper Home and upon which the A/C Unit for the Lower Home is located, and across so much of the Upper Home lot (but excluding any habitable structure and the interior of any residence thereon), as is necessary for access to the A/C Unit that serves the Lower Home, for purposes of operation, use, maintenance, repair and replacement of such A/C Unit as needed, as reasonably determined by the Owner of the Lower Home. If the Owner of the Lower Home, or its contractors, employees or agents, shall damage the Upper Home (including, without limitation, the Upper Garage) during the exercise of the A/C Easement, then the Owner of the Lower Home shall promptly repair such damage at his/her sole cost and expense.

G. Insurance Obligations of Owner of Lower Home. The Owner of the Lower Home shall cause the liability insurance maintained by such Owner as required by Section IV. C. to include coverage with respect to use of the Lower Garage by the Owner of the Lower Home and its tenants, or anyone else acting with the permission or authority of such Owner, and the use of the

A/C Unit serving the Lower Home, and shall cause the Owner of the Upper Home to be named as an additional insured on such coverage. The Owner of the Lower Home shall not suffer or permit any mechanics' or other liens to be asserted against the Upper Home on account of such Owner's use of the Lower Garage or such A/C Unit. The Owner of the Lower Home shall cause any such lien to be discharged of record, whether by payment, posting of a statutory surety bond, or otherwise, within 15 business days after written notice to such Owner of the filing of any such lien. The Owner of the Lower Home shall indemnify and hold the Owner of the Upper Home, and its tenants, and their respective employees, agents, partners, shareholders, directors, officers, members, and managers ("**Indemnified Parties**"), harmless from any and all claims (including, without limitation, claims for bodily injury or death), demands, damages, judgments, liabilities, penalties, actions, causes of action, liens, claims of lien, costs and expenses, including reasonable attorney's fees and expert witness fees, suffered or incurred by the Owner of the Upper Home or any of the other Indemnified Parties in any way arising out of or connected to the exercise of by Owner of the Lower Home of the Garage Easement or the A/C Easement, including, without limitation, any use of the Lower Garage by such Owner or its tenants. The Owner of the Lower Home shall defend the Owner of the Upper Home and the other Indemnified Parties in any such action or cause of action by counsel reasonably acceptable to the Owner of the Upper Home (which may or may not be the same counsel that defends the Owner of the Lower Home in such action.)

H. Metro District Easements. By acceptance of a deed to a Home, each Owner acknowledges that it understands that, pursuant to the Declaration, the District holds an easement across portions of its Home in order to allow the District to perform its maintenance responsibilities, including, without limitation, removal of snow from alleys and sidewalks (as described in Section II. H.) and maintenance of landscaping and landscape irrigation systems, if any.

I. General Provisions Concerning Easements. Each easement granted above in this Article VII, and the right to grant such easement to an Owner, is hereby reserved by SSTV upon conveyance of each Home, whether or not specific mention of such reservation is made in the deed or other instrument by which such Home is conveyed by SSTV. Each easement granted above in this Article VII in favor of an Owner shall be considered appurtenant to and for the benefit of such Owner's Home, may not be transferred or encumbered apart from such Home, and the provisions of such easement shall be considered to run with and be part and parcel of such real property interests to the fullest extent permitted by law. Any reference in this Article VII to damage caused by an Owner shall also include damage caused by the members of such Owner's family, his/her guests, employees, agents, tenants, contractors, invitees and licensees. If an Owner fails to promptly commence and complete repairs that it is required to complete pursuant to this Article VII, the other Owner shall have the right to perform such repairs and the Owner that failed to complete such repairs shall reimburse the other Owner for the cost of the repairs, within 20 days after the receipt of an invoice therefor, and such other Owner shall have the right to render invoices periodically during the course of such repair.

ARTICLE VIII

OWNER'S ACKNOWLEDGMENT AND WAIVERS

A. Sound. Each Owner by taking title to a Home understands and acknowledges that: (1) in close living situations one will hear noises from adjacent Homes or outside noises; (2) sound tends to carry through pipes, air-conditioning, heating, wood studs and flooring; (3) sound transmission is highly subjective; and (4) the Homes are located near noisy streets. Each Owner acknowledges that SSTV has made no representations or warranties about what noise will be or will not be transmitted into the Home from other Homes or other sources. Each Owner accepts their Home (and its improvements) in its then-current condition and all noises that may be transmitted to the Home from all sources. Each Owner accepts their Home "AS IS" and "WHERE IS" with respect to the transmission of noise into the Home and releases SSTV from any and all liability and claims with respect to sound transmission.

B. Mold. Certain types of mold and fungus have been discovered in residences in Colorado. Such organisms may or may not be toxic, and may have different adverse health effects. Typically, mold and fungus result from, or are caused by, the accumulation of water, condensation or moisture. By purchasing a Home, each Owner acknowledges that mold and fungus and their growth can be caused by both natural and unnatural conditions throughout a Home, and may be introduced through soils, building materials, or other sources over which limited control exists. Each Owner acknowledges and agrees that they have had the right and obligation to investigate whether mold and fungus is present or is likely to develop within a Home. Each Owner accepts their Home "AS IS" and "WHERE IS" with respect to mold and fungus and releases SSTV from any and all liability and claims with respect to mold and fungus.

C. Radon. The Colorado Department of Health and the United States Environmental Protection Agency have detected elevated levels of naturally occurring radon gas in certain residences throughout Colorado. These agencies have expressed concern that prolonged exposure to high levels of radon gas may result in adverse effects on human health. Each Owner accepts their Home "AS IS" and "WHERE IS" with respect to radon gas and releases SSTV from any and all liability and claims with respect to radon gas.

D. NORM. In certain locations in Colorado, above average levels of naturally occurring radioactive material ("**NORM**") have been detected. Some scientists think that such radioactive emissions may be hazardous to health. However, no federal or Colorado state regulations or standards set forth the acceptable levels of NORM in residential buildings. Each Owner accepts their Home "AS IS" and "WHERE IS" with respect to NORM and releases SSTV from any and all liability and claims with respect to NORM.

E. Soils. The soils in Colorado consist of both expansive soils and low-density soils which may adversely affect the integrity of a Home if the Home is not properly maintained. Expansive soils contain clay materials which change volume with the addition or subtraction of moisture, thereby resulting in swelling and/or shrinking soils. The addition of moisture to low-density soils causes a realignment of soil grains, thereby resulting in consolidation and/or collapse of the soils. Each Owner accepts their Home "AS IS" and "WHERE IS" with respect to soil condition and releases SSTV from any and all liability and claims with respect to soil conditions.

F. As-Is, Where-Is. Each Owner acknowledges and agrees that he/she has acquired their Home in an "AS-IS" and "WHERE-IS" condition and except for a Limited Warranty delivered to each original Owner by SSTV, neither SSTV nor any contractor have made nor shall be responsible for any warranties of any kind relating in any manner to the Home or the Project or the Subdivision, whether express or implied, including, without limitation, those of workmanlike construction, merchantability, conformance with local building codes, fitness for a particular purpose, habitability, design, condition, quality or otherwise; and each Owner waives and agrees not to assert any claim for any express or implied warranties, other than the Limited Warranty. Each Owner agrees to save and hold harmless SSTV and each of its contractors from and against all claims asserted or based upon any express or implied warranty, including, without limitation, those of workmanlike construction, merchantability, conformance with local building codes, fitness for a particular purpose, habitability, design, condition, quality or otherwise relating to the Home and the Project, except to the extent provided in the Limited Warranty. Each Owner further waives all non-warranty claims against SSTV and each of its contractors relating to the construction, design and condition of the Home and the Project, including, without limitation, claims based on negligence, misrepresentation, breach of contract, and/or the Colorado Consumer Protection Act, C.R.S. § 6-1-101, *et seq.*, except to the extent set forth in the Limited Warranty. Each Owner expressly waives any right to claim or recover treble and other statutory damages.

ARTICLE IX
DURATION, AMENDMENT AND TERMINATION

All provisions of this Covenant shall continue and remain in full force and effect in perpetuity from the date of recordation of this Covenant in the real estate records of Jefferson County, Colorado, until terminated as provided for herein or pursuant to law. Except as provided in the following sentences of this Article IX and in Article XI (with respect to amendment, deletion or revocation of Article XI), this Covenant may only be amended, deleted, revoked or terminated upon the written agreement or consent of both of the Owners, plus SSTV if the amendment is proposed less than 15 years after the date of recordation of this Covenant. Notwithstanding the foregoing, SSTV, acting alone, reserves to itself the right and power to modify or amend this Covenant (A) to correct clerical errors, typographical errors or technical errors, and (B) to comply with the requirements, standards or guidelines of recognized secondary mortgage markets and agencies, such as VA, FHA, HUD, Fannie Mae and Freddie Mac, and any successor thereto.

ARTICLE X
ENFORCEMENT

A. Grounds for Relief. Except as otherwise stated herein, each Owner shall comply with all provisions of this Covenant. Failure to comply with such provisions shall be grounds for an action by affected Owners to recover sums due, damages and/or injunctive relief and costs and expenses of such proceedings, including all reasonable attorneys' fees and court/arbitration costs.

B. Lien. All sums and accounts due and payable by one party ("**Non-Paying Party**") to another party ("**Receiving Party(ies)**") hereunder, which are not paid within the time provided for herein, shall constitute a lien on the Non-Paying Party's Home in favor of the Receiving Party(ies). To evidence such lien, the Receiving Party(ies) shall prepare a written notice of the lien ("**Notice of Lien**"), setting forth the amount of such unpaid indebtedness, the nature of the indebtedness, the date the indebtedness first became due, the name of the Non-Paying Party and the legal description of the Non-Paying Party's Home. Such Notice of Lien may be recorded in the real estate records Jefferson County, Colorado, ten days after demand by the Receiving Party(ies) to the Non-Paying Party for such payment. Such lien shall be deemed, however, to have attached from the date on which payment of the indebtedness first became due. Such lien may be enforced by foreclosure of the lien in a like manner as a mortgage on real property subsequent to the recording of a notice of claim of such lien. SUCH LIEN SHALL BE SUBORDINATE TO THE LIEN OF A FIRST MORTGAGE, BUT SHALL BE SUPERIOR TO ANY HOMESTEAD EXEMPTION IN ACCORDANCE WITH THE PROVISIONS OF C.R.S. 38-41-201, *et seq*. In any such proceedings, the Non-Paying Party shall be required to pay the costs, expenses and reasonable attorneys' fees and court costs incurred in connection with the Notice of Lien and for otherwise enforcing the claim, and in the event of foreclosure proceedings the additional costs, all expenses and reasonable attorneys' fees and court costs incurred thereby. In the event that the Non-Paying Party satisfies the indebtedness prior to the foreclosure of the lien, the lienholder shall record an appropriate instrument releasing and discharging the lien.

ARTICLE XI
DISPUTE RESOLUTION

A. Resolution of Disputes Without Litigation.

(1) Bound Parties. SSTV, all Owners, and any person or organization not otherwise subject to this Covenant who agrees to submit to this chapter (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Project without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees to resolve all Claims by using the procedures in this Article XI and not by litigation, and each Bound Party agrees not to file suit in any court with respect to a Claim. If a Bound Party commences any action in a court of law or equity against any person or organization that is not a Bound Party, such Bound Party shall nevertheless be required to comply with the provisions of this Article XI with respect to any Claim it wishes to assert against a Bound Party, even if such Claim is the same or substantially the same, or arises from the same or similar facts, as the claim against the non-Bound Party. Each Bound Party agrees that the procedures in this Article XI are and shall be the sole and exclusive remedy that each Bound Party shall have for any Claim. The provisions of this Article XI shall be deemed a contract between and among all Bound Parties, as well as covenants and equitable servitudes that run with the Property. EACH OWNER BY ACCEPTANCE OF A DEED OR OTHER INSTRUMENT OF CONVEYANCE FOR A HOME AGREES TO HAVE ANY AND ALL CLAIMS RESOLVED IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE XI, WAIVES HIS/HER RIGHTS TO PURSUE ANY CLAIM IN ANY MANNER OTHER THAN AS PROVIDED IN THIS ARTICLE XI, AND ACKNOWLEDGES THAT, BY AGREEING

TO RESOLVE CLAIMS AS PROVIDED IN THIS ARTICLE XI, HE/SHE IS GIVING UP HIS/HER RESPECTIVE RIGHTS TO HAVE SUCH CLAIMS TRIED BEFORE A COURT OR JURY.

(2) Claims. As used in this Article XI, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to:

(a) the interpretation, application, or enforcement of this Covenant;

(b) the rights, obligations, and duties of a Bound Party under this Covenant; or

(c) the physical condition and/or the design and/or construction of one or more Homes. Any Claim described in this Section XI. A.(2)(c) is referred to below as a "Defect Claim."

(3) Exempt Claims. The following suits ("Exempt Claims") shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in this Article XI:

(a) any suit by an Owner or SSTV to collect sums due from any Owner or to foreclose any lien to collect such sums, pursuant to any of Sections II. B., II. D., III. A., III. B., III. E., IV. B., V. B., V. C., and Article X;

(b) any suit or action by an Owner that involves the protest of real property taxes;

(c) any suit to challenge condemnation proceedings;

(d) any suit by an Owner or SSTV to enforce the provisions of Article VI;

(e) any suit to compel mediation or arbitration of a Claim or to enforce any award or decision of an arbitration conducted in accordance with this Article XI;

(f) any suit to enforce a settlement agreement reached through negotiation or mediation pursuant to this Article XI; and

(g) any dispute in which a party to the dispute is not a Bound Party and has not agreed to submit to the procedures set forth in this Article XI.

(4) Amendment. This Article XI shall not be amended, deleted, revoked or terminated unless such amendment, deletion, revocation or termination is consented to in writing by all of the Owners and by not less than 75% of all First Mortgagees, and by SSTV if such amendment is proposed less than 15 years after the date of recordation of this Covenant. Any

amendment to this Article XI shall not apply to Claims based on alleged acts or omissions or circumstances that predate the recording of the amendment.

(5) Reformation. All Bound Parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving Claims. Accordingly, they recognize that one of the essential purposes of this Article XI is to provide for the submission of all Claims to mediation and final and binding arbitration. Therefore, if any court concludes that any provision of this Article XI is void, voidable or otherwise unenforceable, all Bound Parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the express desire of the Bound Parties that the merits of all Claims be resolved only by mediation and final and binding arbitration and, to the greatest extent possible and permitted by law, in accordance with the principles, limitations, procedures and provisions set forth in this Article XI.

B. Dispute Resolution Procedures.

(1) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice ("Notice") by mail or personal delivery to each Respondent, and if the Claim is a Defect Claim involving a Home, then to the First Mortgagee, if any, with a lien against such Home, and to SSTV if such Defect Claim is asserted less than 15 years after the date of recordation of this Covenant, stating plainly and concisely:

(a) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(b) if the Claim is a Defect Claim, (i) a list of all alleged design and/or construction defects or other physical conditions that are the subject of the Defect claim and a detailed description thereof specifying the type and location of such defects or conditions (identified by the specific room or room where the alleged defects or conditions exist if contained within a structure or identified on a plat plan or map where the defects or conditions exist outside a structure, in either case with a legend that identifies the type of defect), (ii) a description of the damages claimed to have been caused by the alleged defects or conditions, and (C) a list of the Persons involved and a description of the Respondent's role in the Defect Claim;

(c) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(d) the Claimant's proposed resolution or remedy; and

(e) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

(2) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

(3) Right to Inspect. If the Claim is a Defect Claim, the Claimant shall permit each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Home at reasonable times, to permit each Respondent to inspect the matters identified in the Defect Claim. SSTV hereby reserves for itself and grants to each Respondent, an easement to enter and Claimant's Home for the purposes of making inspections pursuant to this Section XI. B.(3). Each Respondent shall make reasonable efforts to schedule convenient times with the Claimant for such inspections, but the Claimant's refusal to schedule such times shall not relieve the Claimant of its obligations set forth in this Section XI. B.(3). If the Claimant refuses to allow each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Home in order to make such inspections, the Claimant shall be deemed to be in breach of its obligations set forth in this Section XI. B.(3) and shall be liable to each Respondent that has been denied access, and each such Respondent shall be entitled to recover from the Claimant, liquidated damages in the amount of $300.00 per day for each day after the Claimant's receipt of the Respondent's written request for access to the Home, until the Claimant provides such access; provided that the amount of liquidated damages shall increase by five percent (5%) on each January 1 beginning with January 1, 2018. For example, but without limitation, on January 1, 2018, the amount of liquidated damages required by this Section XI. B.(3) shall be $315 per day. Liquidated damages provided in this Section XI. B.(3) are separate from and independent of liquidated damages provided in Section XI. B.(4) and a Respondent that is in breach of its obligations under each Section will be liable for liquidated damages under each Section. By acquiring ownership of any Home, each Owner acknowledges and agrees that the actual damages to a Respondent arising from a Claimant's breach of its obligations set forth in this Section XI. B.(3) would be extremely difficult and impractical to ascertain, including, without limitation, loss of reputation and goodwill, and that the liquidated damage amount referenced in the preceding sentence is a fair and reasonable estimate thereof.

(4) Right to Remedy. If the Claim is a Defect Claim, if a Respondent informs the Claimant in writing that the Respondent intends to repair, remedy or otherwise cure one or more matters described in the Claim, the Claimant shall provide access to its Home to such Respondent, its employees, agents, contractors and consultants for the purpose of making such repair, remedy or cure. SSTV hereby reserves for itself, and grants to each Respondent, an easement to enter and Claimant's Home for the purposes of making any repair, remedy or cure pursuant to this Section XI. B.(4). The Respondent shall make reasonable efforts to schedule convenient times with the Claimant for the performance of such work, but the Claimant's refusal to schedule such times shall not relieve the Claimant of its obligations set forth in this Section XI. B.(4). The Claimant agrees that each Respondent has an absolute right to attempt to repair, remedy or otherwise cure one or more matters described in the Claim. The Claimant further agrees that nothing contained in this Section XI. B.(4) creates any obligation upon any Respondent to attempt to repair, remedy or otherwise cure any matters described in the Claim

and each Respondent's obligations in that respect are limited to those obligations, if any, imposed by any written express warranty separately provided to the Claimant (and which, by its terms, may not run to the benefit of succeeding owners of the property) and by applicable law. If the Claimant refuses to allow each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Home in order to perform such work, the Claimant shall be deemed to be in breach of its obligations set forth in this Section XI. B.(4) and shall be liable to such Respondent, and such Respondent shall be entitled to recover from the Claimant, liquidated damages in the amount of $300.00 per day for each day after Claimant's receipt of Respondent's written notice that it intends to repair, remedy or otherwise cure one or more matters described in the Claim until the Claimant provides such access; provided that the amount of liquidated damages shall increase by five percent (5%) on each January 1, beginning with January 1, 2018. For example, but without limitation, on January 1, 2018, the amount of liquidated damages required by this Section XI. B.(4) shall be $315 per day. Liquidated damages provided in this Section XI. B.(4) are separate from and independent of liquidated damages provided in Section XI. B.(3) and a Respondent that is in breach of its obligations under each Section will be liable for liquidated damages under each Section. By acquiring ownership of any Home, each Owner acknowledges and agrees that the actual damages to a Respondent arising from a Claimant's breach of its obligations set forth in this Section XI. B.(4) would be extremely difficult and impractical to ascertain, including, without limitation, loss of reputation and goodwill, and that the liquidated damage amount referenced in the preceding sentence is a fair and reasonable estimate thereof.

(5) Enforcement. Without limiting any other remedy available to a Respondent (including, without limitation, the liquidated damages provided for in this Section XI. B.), if the Claimant fails to perform or observe any provision of this Section XI. B., each Respondent shall be entitled to enforce such provision by specific performance or injunction, as may be applicable. The Claimant's obligations set forth in this Section XI. B. may not be waived, except only by a written instrument signed by each Respondent and identifying in detail in what respects provisions of this Section XI. B. have been waived.

(6) Mediation. If the parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or within any other agreed upon period), the Claimant shall have 30 additional days to submit the Claim to mediation with an organization (a "Dispute Resolution Service") that is not controlled by or affiliated with the Claimant or any Respondent and which provides, and has experience in providing, dispute resolution services in the Denver, Colorado metropolitan area, including, without limitation, the American Arbitration Association, the Judicial Arbiter Groups and JAMS, Inc. Each Bound Party shall present the mediator with a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent(s) shall be relieved of any and all liability to the Claimant on account of such Claim.

If the parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (a "Termination of Mediation") indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to commence binding arbitration on the Claim, pursuant to and as provided in Section XI. B.(8).

Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall pay an equal share of the mediator's fees.

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

(8) Arbitration. After receiving a Termination of Mediation, if the Claimant wants to pursue the Claim and the Claim is not otherwise barred as provided elsewhere in this Article XI, the Claimant shall initiate final, binding arbitration of the Claim under the auspices of a Dispute Resolution Service (which does not necessarily have to be the same Dispute Resolution Service that provided mediation with respect to the Claim), and the Claimant shall provide to the Respondent(s) a "Notice of Intent to Arbitrate," all within 20 days after the Termination of Mediation. If the Claimant does not initiate final, binding arbitration of the Claim and provide a Notice of Intent to Arbitrate to the Respondent(s) within 20 days after the Termination of Mediation, then the Claimant shall be deemed to have waived the Claim, and the Respondent(s) shall be relieved of any and all liability to the Claimant on account of such Claim. In addition, if a Claim is a Defect Claim, the Claimant shall promptly disclose the Defect Claim and its details to his/her prospective purchasers and prospective mortgagees. If a Claim is a Defect Claim, an Owner shall not join any other Owner or other person complaining of the same or similar defects in other property without the prior written consent of all Respondents. The Claimant and each Respondent shall have the right to join any contractors or other design professionals that the Claimant alleges are responsible, in whole or in part, for the Claim, if such contractor or other design professional is, or agrees to become, a Bound Party. The term "Party" when used in this Section XI. B.(8) shall mean a party to an arbitration proceeding to resolve a Claim and the term "Parties" shall mean all the parties to such arbitration proceeding. The following arbitration procedures shall govern each Claim submitted to arbitration:

(a) The arbitration shall be presided over by a single arbitrator.

(b) The arbitrator must be a person qualified to consider and resolve the Claim with the appropriate industry and/or legal experience.

(c) No person shall serve as the arbitrator where that person has any financial or personal interest in the arbitration or any family, social or significant professional acquaintance with any Party to the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all Parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the arbitration ("Arbitrator Disclosure"). If any Party objects to the service of any arbitrator with fourteen (14) days after receipt of the Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner as the initial arbitrator was selected.

(d) The arbitrator shall have the exclusive authority to, and shall, determine all issues about whether a Claim is covered by this Article XI. Notwithstanding anything herein to the contrary (including, but not limited to, Section XI. B.(8)(i) below), if a Party contests the validity or scope of arbitration in court, the arbitrator or the court shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Party.

(e) The arbitrator shall hold at least one (1) hearing in which the Parties, their attorneys and expert consultants may participate. The arbitrator shall fix the date, time and place for the hearing. The arbitrator is not required to hold more than one (1) hearing. The arbitration proceedings shall be conducted in the metropolitan Denver, Colorado area unless the Parties otherwise agree.

(f) No formal discovery shall be conducted without an order of the arbitrator or express written agreement of all Parties.

(g) Unless directed by the arbitrator, there shall be no post hearing briefs.

(h) The arbitration award shall address each specific Claim to be resolved in the arbitration, provide a summary of the reasons therefore and the relief granted, and be rendered no later than fourteen (14) days after the close of the hearing, unless otherwise agreed by the Parties. The arbitration award shall be in writing and shall be signed by the arbitrator.

(i) The arbitrator shall apply the substantive law of Colorado and may award injunctive relief or any other remedy available in Colorado but shall not have the power to award punitive damages, consequential damages, exemplary damages, treble damages, indirect or incidental damages, attorneys' fees, expert's fees and/or costs to the prevailing Party. Each Party is responsible for any fees and costs incurred by that Party, including, without limitation, the fees and costs of its attorneys, consultants and experts. Any judgment upon the award rendered by the

arbitrator may be entered in and enforced by any court of competent jurisdiction.

(j) The Parties shall pay their pro rata share of all arbitration fees and costs, including, without limitation, the costs for the arbitrator.

(k) With respect to a Defect Claim, the arbitrator shall have authority to establish reasonable terms regarding inspections, destructive testing and retention of independent consultants and may require that the results of any such inspections and testing and the reports of independent consultants be submitted to the arbitrator and to the other Parties, whether or not the Party that ordered such inspections or testing or engaged the consultant intends to present such results or reports to the arbitrator as evidence.

(l) Except as may be required by law or for confirmation of an arbitration award, neither a Party nor an arbitrator may disclose the existence or contents of any arbitration without the prior written consent of all Parties to the arbitration.

Notwithstanding any other provision of this Article XI or this Covenant, arbitration with respect to a Claim must be initiated within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings in a court based on such Claim would be barred by the applicable statute of limitations or statute of repose, except that any claim based on breach of a written express warranty must be made within the time specified in the express warranty document. If any Claim is not timely submitted to arbitration, or if the Claimant fails to appear and participate in good faith for the arbitration proceeding when scheduled, then the Claimant shall be deemed to have waived the Claim, and the Respondent(s) shall be relieved of any and all liability to the Claimant on account of any such Claim.

C. Conflicts with Law**.** In the event that any provisions of this Article XI conflict with any applicable federal or Colorado statutes which provide non-waivable legal rights, including, without limitation, the Colorado Construction Defect Action Reform Act or the Colorado Consumer Protection Act, then the non-waivable terms of such statute shall control and all other provisions herein remain in full force and effect as written.

ARTICLE XII
MISCELLANEOUS

A. Supplement Applicable Law. The provisions of this Covenant shall be in addition and supplemental to all other applicable provisions of law.

B. Grammatical References. Whenever used herein, unless the context shall otherwise

provide, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

C. Notices. Unless an Owner shall notify the other Owner of a different address, any notice required or permitted to be given under this Covenant to any Owner or any other written communication to any Owner shall be either hand-delivered, posted securely on the front door or mailed to such Owner, postage prepaid, first class U.S. Mail, registered or certified, return receipt requested, to the Home of the Owner in question. If more than one person owns a Home, any notice or other written communication may be addressed to any one such person. Any notice or other written communication given hereunder shall be effective upon hand-delivery or posting or three days after deposit in the U.S. Mail as aforesaid.

D. Severability. The provisions of this Covenant shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Covenant, or the application thereof to any person or any circumstance, is invalid or unenforceable, (1) the invalid or unenforceable provision shall be reformed, to the minimum extent required to render such invalid or unenforceable provision enforceable in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (2) the remainder of this Covenant and the application of such provision to other persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision.

E. Headings. The captions and headings in this Covenant are for convenience only and shall not be considered in construing any provision of this Covenant.

F. No Waiver. Failure to enforce any provision of this Covenant shall not operate as a waiver of any such provision or of any other provision in this Covenant.

G. Perpetuities. If any of the options, privileges, covenants or rights created by this Covenant shall be unlawful or void for violation of (1) the rule against perpetuities or some analogous statutory provision, (2) the rule restricting restraints on alienation, or (3) any other statutory or common law rules imposing time limits, then such provision shall continue only for the period of the life of the natural person signing this Covenant on behalf of SSTV, and their now living descendants, and the survivors of them plus twenty-one years.

H. No Warranties. SSTV disclaims any intent to, and does not, warrant or make any representation regarding any aspect of a Home or any improvements thereon by virtue of this Covenant.

I. No Merger. This Covenant shall not be deemed waived, released or terminated by any merger of title to both Homes.

IN WITNESS WHEREOF, SSTV has executed this Covenant as of the date first written above.

SSTV:

SHERIDAN STATION TRANSIT VILLAGE LLC,
a Colorado limited liability company

By: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by _____, as Manager of Sheridan Station Transit Village LLC, a Colorado limited liability company, on behalf of such limited liability company.

Witness my hand and official seal.

My commission expires: _____.

(S E A L)

_____
Notary Public

EXHIBIT A

(Attached to and made a part of Party Wall Covenant for West Line Village Duplex [Building 1])

Location of Lower Garage

[See drawing on the following page]

EXHIBIT B

(Attached to and made a part of Party Wall Covenant for West Line Village Duplex [Building 1])

Location of A/C Unit for Lower Home

[See drawing on the following page]

SHERIDAN STATION WEST METROPOLITAN DISTRICT
141 Union Boulevard, Suite 150
Tel: 303-987-0835 * 800-741-3254
Fax: 303-987-2032

Resolution Acknowledging Sewer Service Providers

RESOLUTION NO. 2018-08-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SHERIDAN STATION WEST METROPOLITAN DISTRICT ACKNOWLEDGING SEWER SERVICE PROVIDERS

A. Sheridan Station West Metropolitan District (the "**District**") is a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Lakewood (the "**City**"), Jefferson County, Colorado.

B. The District was organized pursuant to a Service Plan approved by the City on August 22, 2016 (the "**Service Plan**").

C. The District's boundaries are described in the legal description attached hereto as **Exhibit A**, which legal description may be amended from time to time, pursuant to the inclusion and/or exclusion of property into or from the District (the "**Property**").

D. East Lakewood Sanitation District ("**ELSD**") provides sewer services (the "**Services**") to certain portions of the Property.

E. The portions of the Property to which ELSD provides Services **("ELSD Service Area") are described in the map attached as Exhibit B, which may be amended from time to time.**

F. ELSD will provide the Services directly to Owners and will directly invoice or bill Owners for the Services provided by ELSD. Information regarding ELSD is attached as Exhibit C, which may be amended from time to time.

G. The City or another entity may provide Services to certain other portions of the Property **("City Service Area") in the future, at which time this Resolution will be updated or amended to include the portions of the Property to which the City provides Services ("City Service Area") and to include information regarding the City or other entity.**

H. Pursuant to Section 32-1-1001(1)(m), C.R.S., the District has the power "to adopt, amend and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objects, and affairs of the board and of the special district."

I. The District wishes to adopt this Resolution to provide acknowledge ELSD as the sewer service provider for the ELSD Service Area within the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SHERIDAN STATION WEST METROPOLITAN DISTRICT:

1. The Board hereby determines that it is in the best interests of the District and it inhabitants for ELSD to provide Services to the ELSD Service Area.

2. The Board acknowledges that ELSD may adopt its own rules and regulations ("**ELSD Regulations**") and service rates or fees ("**ELSD Rates**") to provides Services to the ELSD Service Area.

3. The District hereby adopts and incorporates the then-current ELSD Regulations and ELSD Rates for Services to the ELSD Service Area, as each may be amended from time to time.

4. Judicial invalidation of any of the provisions of the Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances shall not affect the validity of the remainder of the Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

5. Nothing herein shall be interpreted or construed as limiting the Board's authority, in its sole and absolute discretion, to supplement or amend this Resolution from time to time.

6. Any inquiries pertaining to this Resolution may be directed to the Manager for the District at: Lisa Johnson, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, phone number: 303-987-0835.

7. This Resolution shall take effect immediately upon its adoption and approval.

APPROVED AND ADOPTED this 24th day of August, 2018.

SHERIDAN STATION WEST METROPOLITAN DISTRICT

By: _____
President

Attest:

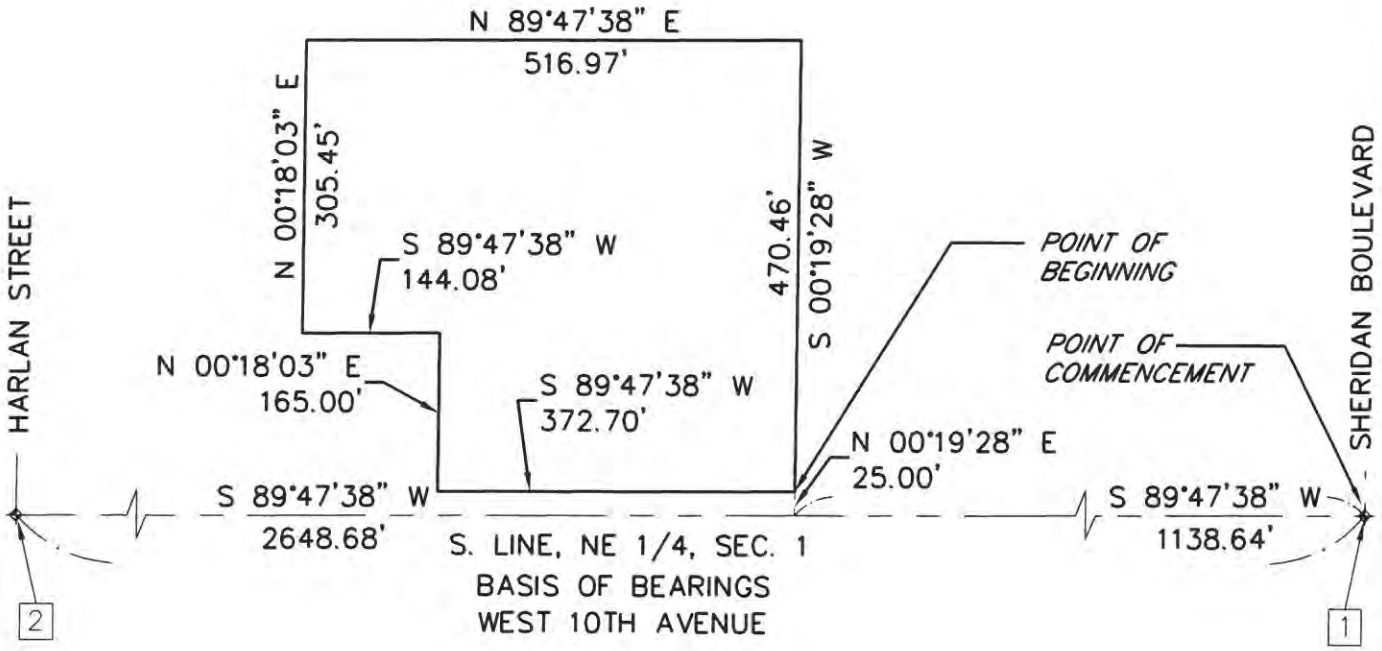
_____
Secretary or Assistant Secretary

EXHIBIT A

Property

EXHIBIT C-1
INITIAL DISTRICT BOUNDARY MAP

A PORTION OF THE S1/2 OF THE S1/2 OF THE NE1/4 , SECTION 1, T.4S., R.69W., 6TH P.M.
CITY OF LAKEWOOD, JEFFERSON COUNTY, COLORADO



[1] E 1/4 COR., SEC. 1, T.4S., R.68W., 6TH P.M.
FOUND 3 1/4" BRASS CAP IN RANGE BOX (ILLEGIBLE)

[2] S 1/4 COR., SEC. 1, T.4S., R.68W., 6TH P.M.
FOUND 3 1/4" BRASS CAP IN RANGE BOX (ILLEGIBLE)

NOTE
THIS DRAWING IS MEANT TO DEPICT THE ATTACHED LEGAL DESCRIPTION AND IS FOR INFORMATIONAL PURPOSES ONLY. IT DOES NOT REPRESENT A MONUMENTED LAND SURVEY.

SCALE: 1"=200'

PARCEL CONTAINS 219,384 SQ. FT. OR 5.036 ACRES

INITIAL DISTRICT BOUNDARY MAP		
	Date: 05/15/2016	Sheet 2 of 2
	Drawn: DF	
	Checked: AWS	
	Job No.: TP15066.1	

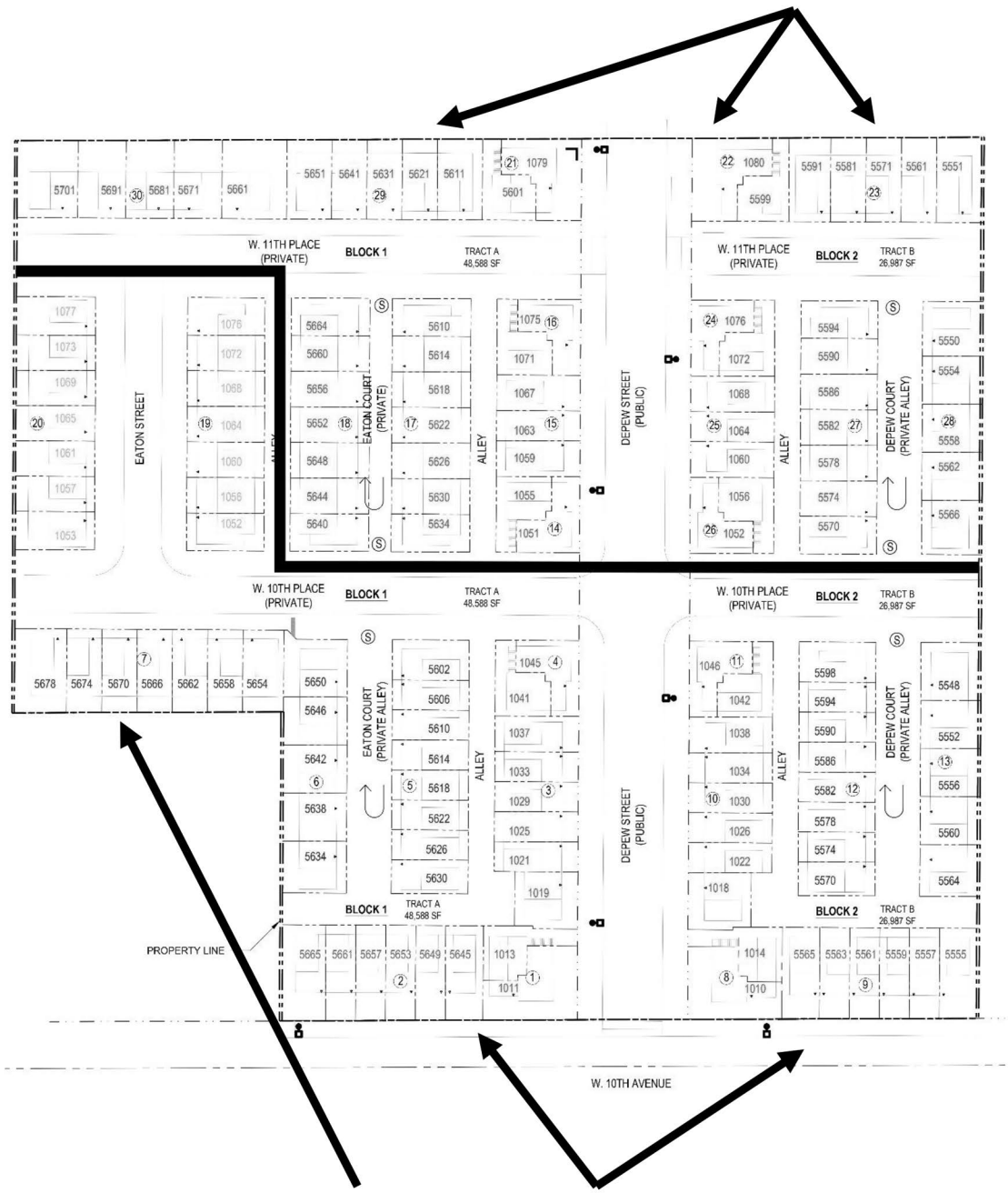
R&R ENGINEERS-SURVEYORS, INC.
710 WEST COLFAX AVENUE
DENVER, COLORADO 80204
PH: 303-753-6730 - FAX: 303-753-6568
WWW.RRENGINEERS.COM

EXHIBIT B

East Lakewood Sanitation District Sewer Service Area for the Property

West Line Village - Sewer Service Providers

City of Lakewood Sewer Service



East Lakewood Sanitation District Service

EXHIBIT C

Information Regarding ELSD

- ELSD's website is: http://www.eastlakewoodsd.org/ ("**ELSD Website**").
- Copies of the ELSD Regulations and ELSD Rates may be obtained from ELSD and are also available on the ELSD Website.
- As of the date of this Resolution, the then-current ELSD Regulations are available here: http://www.eastlakewoodsd.org/wp-content/uploads/2016/07/AMENDED-AND-RESTATED-RULES-AND-REGULATIONS-JULY-2015_2015.pdf.
- As of the date of this Resolution, the then-current ELSD Rates are available here: http://www.eastlakewoodsd.org/wp-content/uploads/2018/03/ELSD-2018-fees.pdf .
- ELSD's District Manager is CliftonLarsonAllen, LLP, 8390 E. Crescent Pkwy., Suite 300, Greenwood Village CO, (303) 779-4525.
- General questions regarding ELSD can be directed to: (303) 779-4525.
- Questions regarding billing for ELSD can be directed to: (303) 265-7949.

SHERIDAN STATION WEST METROPOLITAN DISTRICT
141 Union Boulevard, Suite 150
Tel: 303-987-0835 * 800-741-3254
Fax: 303-987-2032

Resolution Regarding the Imposition of District Fees for Operations & Maintenance

RESOLUTION NO. 2018-08-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SHERIDAN STATION WEST METROPOLITAN DISTRICT REGARDING THE IMPOSITION OF DISTRICT FEES FOR OPERATIONS AND MAINTENANCE

A. Sheridan Station West Metropolitan District (the "**District**") is a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Lakewood (the "**City**"), Jefferson County (the "**County**"), Colorado.

B. The District was organized pursuant to a Service Plan approved by the City on August 22, 2016 (the "**Service Plan**").

C. The District's boundaries are described in the legal description attached hereto as **Exhibit A**, which legal description may be amended from time to time, pursuant to the inclusion and/or exclusion of property into or from the District (the "**Property**").

D. The District is authorized, pursuant to the Service Plan, to provide for the ownership, operation, maintenance and construction of facilities to benefit the Property, as well as design review and covenant enforcement services (the "**Improvements and Services**").

E. The District is authorized by the Service Plan, and pursuant to Section 32-1-1001(1)(j), C.R.S., to fix and impose fees, rates, tolls, charges and penalties for services of facilities provided by the District, which, until paid, shall constitute a perpetual lien on and against all property served.

F. The Property will benefit from the Improvements and Services and the District's operation and maintenance of the same.

G. The District has determined that, to meet the costs associated with the Improvements and Services and the cost of operating and maintaining the Improvements and Services, it is necessary to impose District Fees for Operations and Maintenance on the Property, as set forth in the attached **Exhibit B** – Schedule of District Fees for Operations and Maintenance, as may be amended from time to time, and District Fees for Late Payment and Lien Enforcement, as set forth in the attached **Exhibit C**, as may be amended from time to time (collectively, "**District O&M Fees**").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SHERIDAN STATION WEST METROPOLITAN DISTRICT:

1. The Board of Directors of the District hereby finds, determines and declares that it is in the best interests of the District, its inhabitants and taxpayers, to exercise its power by imposing District Fees for Operations and Maintenance as set forth in the attached **Exhibit B** – Schedule of District Fees for Operations and Maintenance, as may be amended from time to time.

2. Failure to make payment of any District Fees for Operations and Maintenance due hereunder shall constitute a default in the payment of such District O&M Fees. Upon default,

Owner shall be responsible for a late payment ("**Late Payment Fee**") as set forth in the attached **Exhibit C** – Schedule of District Fees for Late Payment and Lien Enforcement.

3. District O&M Fees shall not be imposed on real property conveyed or dedicated to non-profit owners' associations, governmental entities or utility providers.

4. NOTICE IS HEREBY GIVEN THAT FAILURE TO MAKE PAYMENT OF ALL PAST DUE AMOUNTS, INCLUDING INTEREST, MAY SUBJECT AN OWNER'S PROPERTY TO A LIEN PURSUANT TO Section 38-22-109(3), C.R.S., as more particularly described below and in the attached **Exhibit C** – Schedule of District Fees for Late Payment and Lien Enforcement.

5. District O&M Fees shall constitute a statutory and perpetual charge and lien upon the Property pursuant to Section 32-1-1001(1)(j), C.R.S., from the date the same becomes due and payable until paid. The lien shall be perpetual in nature as defined by the laws of the State of Colorado on the Property and shall run with the land and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens. This Resolution shall be recorded in the real property records of the Clerk and Recorder of Jefferson County, Colorado.

6. The District shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting Owner shall pay all costs, including attorneys' fees, incurred by the District in connection with the foregoing. In foreclosing such lien, the District will enforce the lien only to the extent necessary to collect the delinquent balance of unpaid District Fees, Late Payment Fees, interest and costs of collection (including, but not limited to, reasonable attorneys' fees).

7. Judicial invalidation of any of the provisions of the Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances shall not affect the validity of the remainder of the Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

8. Nothing herein shall be interpreted or construed as limiting the Board's authority, in its sole and absolute discretion, to supplement or amend this Resolution from time to time.

9. Any inquiries pertaining to the District Fees may be directed to the Manager for the District at: Lisa Johnson, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, phone number: 303-987-0835.

10. This Resolution shall take effect immediately upon its adoption and approval.

[SIGNATURE PAGE FOLLOWS]

APPROVED AND ADOPTED this 24th day of August, 2018.

SHERIDAN STATION WEST METROPOLITAN DISTRICT

By: _____
President

Attest:

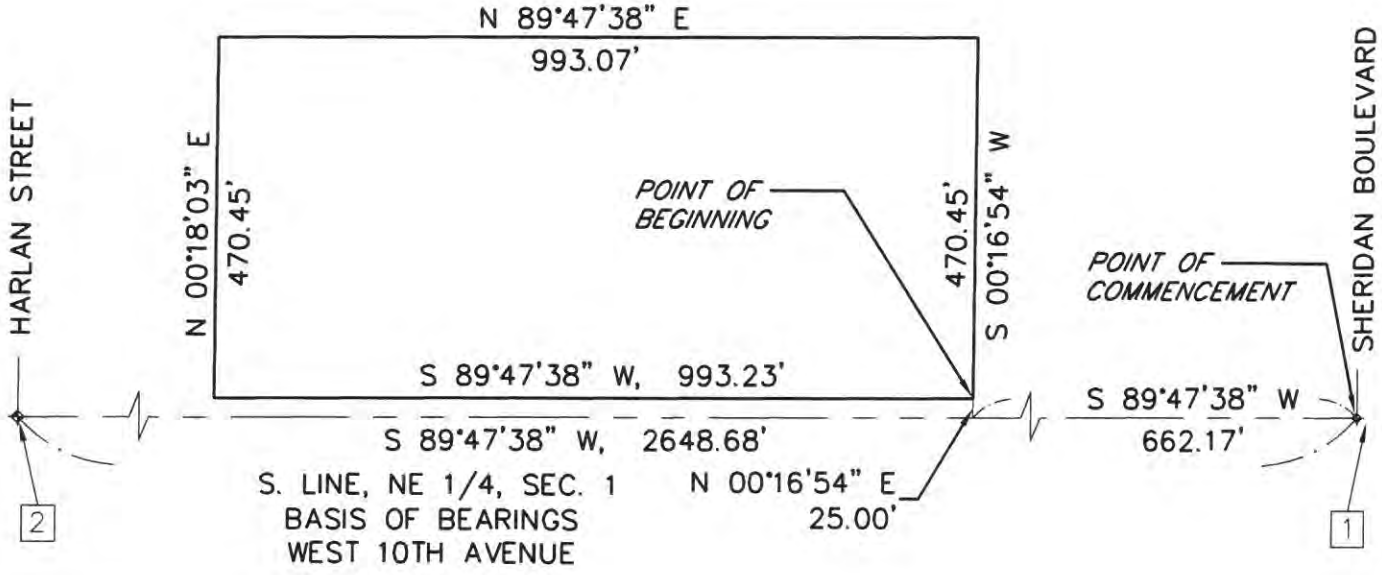
_____
Secretary or Assistant Secretary

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY SUBJECT TO DISTRICT FEES FOR OPERATIONS AND MAINTENANCE

EXHIBIT C-2
INCLUSION AREA DISTRICT BOUNDARY MAP

A PORTION OF THE S1/2 OF THE S1/2 OF THE NE1/4 , SECTION 1, T.4S., R.69W., 6TH P.M.
CITY OF LAKEWOOD, JEFFERSON COUNTY, COLORADO



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SCALE: 1"=200'

PARCEL CONTAINS 467,213 SQ. FT. OR 10.725 ACRES

INCLUSION AREA BOUNDARY MAP		
	Date: 05/15/2016	Sheet 2 of 2
	Drawn: DF	
	Checked: AWS	
	Job No.: TP15066.1	

R&R ENGINEERS-SURVEYORS, INC.
710 WEST COLFAX AVENUE
DENVER, COLORADO 80204
PH: 303-753-6730 - FAX: 303-753-6568
WWW.RRENGINEERS.COM

EXHIBIT B

SCHEDULE OF DISTRICT FEES FOR OPERATIONS AND MAINTENANCE

Fee Description	Fee Cycle	Fee Amount per Cycle
District O&M Fees	Monthly	$31.60

EXHIBIT C

SCHEDULE OF DISTRICT FEES FOR LATE PAYMENT AND LIEN ENFORCEMENT

District Fee Type	District Fee Amount	District Fee Billing Schedule
Late Payment Fee	$15 per billing cycle	Upon failure to pay the District O&M Fees
Lien Process	Delinquent balance of unpaid District O&M Fees; Late Payment Fees; Interest; and Costs of collection (including, but not limited to, reasonable attorneys' fees).	Upon failure to pay the delinquent balance, and pursuant to Section 38-22-109(3), C.R.S., the District may serve a Notice of Intent to File a Lien Statement (a "**Lien Notice**") upon the Owner by certified mail, return receipt requested. The Lien Notice shall give notice to the Owner that the District intends to perfect its lien against the property by recording a Lien Statement in the office of the Jefferson County Clerk and Recorder if the delinquent balance is not paid in full within thirty (30) days after the Lien Notice is served.

SHERIDAN STATION WEST METROPOLITAN DISTRICT
141 Union Boulevard, Suite 150
Tel: 303-987-0835 * 800-741-3254
Fax: 303-987-2032

Resolution Regarding Potable Water Fees

RESOLUTION NO. 2018-08-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SHERIDAN STATION WEST METROPOLITAN DISTRICT REGARDING POTABLE WATER FEES

A. Sheridan Station West Metropolitan District (the "**District**") is a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Lakewood (the "**City**"), Jefferson County (the "**County**"), Colorado.

B. The District was organized pursuant to a Service Plan approved by the City on August 22, 2016 (the "**Service Plan**").

C. The District's boundaries are described in the legal description attached hereto as **Exhibit A**, which legal description may be amended from time to time, pursuant to the inclusion and/or exclusion of property into or from the District (the "**Property**").

D. Pursuant to the Service Plan, the District is authorized to provide water services (the "**Services**").

E. In connection with the development of the Property, potable water meters will be installed within or upon residential units within the Property (each, a "**Water Meter**" and collectively, the "**Water Meters**").

F. The District is authorized by the Service Plan, and pursuant to Section 32-1-1001(1)(j), C.R.S., to fix and impose fees, rates, tolls, charges and penalties for services of facilities provided by the District, which, until paid, shall constitute a perpetual lien on and against all property served.

G. The District shall impose fees on the Property, as such boundaries may be changed from time to time, to provide funding for the Services (the "**Potable Water Fees**").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SHERIDAN STATION WEST METROPOLITAN DISTRICT:

1. The Board hereby determines that it is in the best interests of the District to impose the Potable Water Fees.

2. There shall be assessed and charged a Potable Water Fee pursuant to Section 32-1-1001(1)(j), C.R.S., for use of the District's Services, in the amounts set forth in the attached **Exhibit B**, as may be amended from time to time. The owners of all land within the District, other than governmental owners, shall be subject to the Potable Water Fees.

3. Failure to make payment of any Potable Water Fees due hereunder shall constitute a default in the payment of such Potable Water Fees. Upon default, Owner shall be responsible for a late payment ("**Late Payment Fee**") as set forth in the attached **Exhibit C** – Schedule of District Fees for Late Payment and Lien Enforcement.

4. NOTICE IS HEREBY GIVEN THAT FAILURE TO MAKE PAYMENT OF ALL PAST DUE AMOUNTS, INCLUDING INTEREST, MAY SUBJECT AN OWNER'S

PROPERTY TO A LIEN PURSUANT TO Section 38-22-109(3), C.R.S., as more particularly described below and in the attached **Exhibit C** – Schedule of District Fees for Late Payment and Lien Enforcement.

5. Potable Water Fees shall constitute a statutory and perpetual charge and lien upon the Property pursuant to Section 32-1-1001(1)(j), C.R.S., from the date the same becomes due and payable until paid. The lien shall be perpetual in nature as defined by the laws of the State of Colorado on the Property and shall run with the land and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens. This Resolution shall be recorded in the real property records of the Clerk and Recorder of Jefferson County, Colorado.

6. The District shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting Owner shall pay all costs, including attorneys' fees, incurred by the District in connection with the foregoing. In foreclosing such lien, the District will enforce the lien only to the extent necessary to collect the delinquent balance of unpaid Potable Water Fees, Late Payment Fees, interest and costs of collection (including, but not limited to, reasonable attorneys' fees).

7. Judicial invalidation of any of the provisions of the Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances shall not affect the validity of the remainder of the Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

8. Nothing herein shall be interpreted or construed as limiting the Board's authority, in its sole and absolute discretion, to supplement or amend this Resolution from time to time.

9. Any inquiries pertaining to the Potable Water Fees may be directed to the Manager for the District at: Lisa Johnson, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, phone number: 303-987-0835.

10. This Resolution shall take effect immediately upon its adoption and approval.

APPROVED AND ADOPTED this 24th day of August, 2018.

SHERIDAN STATION WEST METROPOLITAN DISTRICT

By: _____
President

Attest:

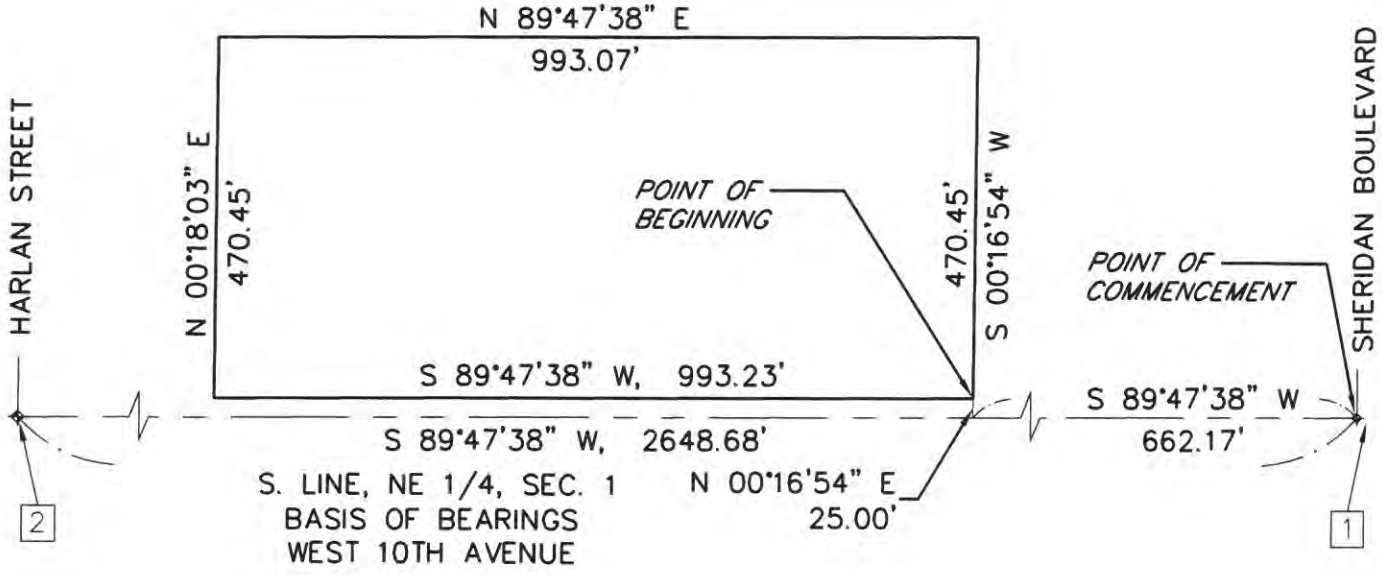
_____
Secretary

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY SUBJECT TO POTABLE WATER FEES

EXHIBIT C-2
INCLUSION AREA DISTRICT BOUNDARY MAP

A PORTION OF THE S1/2 OF THE S1/2 OF THE NE1/4 , SECTION 1, T.4S., R.69W., 6TH P.M.
CITY OF LAKEWOOD, JEFFERSON COUNTY, COLORADO



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DENVER, COLORADO 80204
PH: 303-753-6730 - FAX: 303-753-6568
WWW.RRENGINEERS.COM

EXHIBIT B

SCHEDULE OF POTABLE WATER FEES

Fee Description	Fee Cycle	Fee Amount per Cycle
1.5" Meter Fee	Monthly	$45.75*
1" Meter Fee	Monthly	$27.00*
5/8" Meter Fee	Monthly	$15.75*
3/4" Meter Fee	Monthly	$19.50*
Usage Fee	Per 1,000 gallons, regardless of usage	$4.75*
Service Fee	Monthly	$6.00
Meter Tampering Fee	Per tampering	$3,000.00

*These fees are set as the then-current rates set by Consolidated Mutual Water Company and are subject to change.

EXHIBIT C
SCHEDULE OF DISTRICT FEES FOR LATE PAYMENT AND LIEN ENFORCEMENT

District Fee Type	District Fee Amount	District Fee Billing Schedule
Late Payment Fee	$15 per billing cycle	Upon failure to pay the Potable Water Fees
Lien Process	Delinquent balance of unpaid Potable Water Fees; Late Payment Fees; Interest; and Costs of collection (including, but not limited to, reasonable attorneys' fees).	Upon failure to pay the delinquent balance, and pursuant to Section 38-22-109(3), C.R.S., the District may serve a Notice of Intent to File a Lien Statement (a "**Lien Notice**") upon the Owner by certified mail, return receipt requested. The Lien Notice shall give notice to the Owner that the District intends to perfect its lien against the property by recording a Lien Statement in the office of the Jefferson County Clerk and Recorder if the delinquent balance is not paid in full within thirty (30) days after the Lien Notice is served.

SHERIDAN STATION WEST METROPOLITAN DISTRICT
141 Union Boulevard, Suite 150
Tel: 303-987-0835 * 800-741-3254
Fax: 303-987-2032

Resolution Adopting Consolidated Mutual Water Company's Rules & Regulations

RESOLUTION NO. 2018-08-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SHERIDAN STATION WEST METROPOLITAN DISTRICT ADOPTING CONSOLIDATED MUTUAL WATER COMPANY'S RULES AND REGULATIONS

A. Sheridan Station West Metropolitan District (the "**District**") is a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Lakewood (the "**City**"), Jefferson County, Colorado.

B. The District was organized pursuant to a Service Plan approved by the City on August 22, 2016 (the "**Service Plan**").

C. The District's boundaries are described in the legal description attached hereto as **Exhibit A**, which legal description may be amended from time to time, pursuant to the inclusion and/or exclusion of property into or from the District (the "**Property**").

D. **Consolidated Mutual Water Company** is a private stockholder mutually owned non-profit water company with a service area of 27 square miles, and serving a population of approximately 95,000 people, in the City, the City of Wheat Ridge, and unincorporated Jefferson County, Colorado.

E. The Property is within **Consolidated Mutual Water Company**'s service area.

F. **Consolidated Mutual Water Company has adopted rules and regulations concerning water use and service within its service area ("ConMu Rules & Regulations"), which may be amended from time to time.**

G. Pursuant to Section 32-1-1001(1)(m), C.R.S., the District has the power "to adopt, amend and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objects, and affairs of the board and of the special district."

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SHERIDAN STATION WEST METROPOLITAN DISTRICT:

1. The Board hereby determines that it is in the best interests of the District to adopt the ConMu Rules & Regulations, attached as **Exhibit B, which may be amended from time to time.**

2. The Board hereby adopts the ConMu Rules & Regulations, which shall apply to the Property.

3. Judicial invalidation of any of the provisions of the Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances shall not affect the validity of the remainder of the Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

4. Nothing herein shall be interpreted or construed as limiting the Board's authority, in its sole and absolute discretion, to supplement or amend this Resolution from time to time.

5. Any inquiries pertaining to this Resolution may be directed to the Manager for the District at: Lisa Johnson, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, phone number: 303-987-0835.

6. This Resolution shall take effect immediately upon its adoption and approval.

APPROVED AND ADOPTED this 24th day of August, 2018.

SHERIDAN STATION WEST METROPOLITAN DISTRICT

By: _____
President

Attest:

_____
Secretary or Assistant Secretary

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO CONSOLIDATED MUTUAL WATER COMPANY RULES & REGULATIONS

EXHIBIT C-2
INCLUSION AREA DISTRICT BOUNDARY MAP

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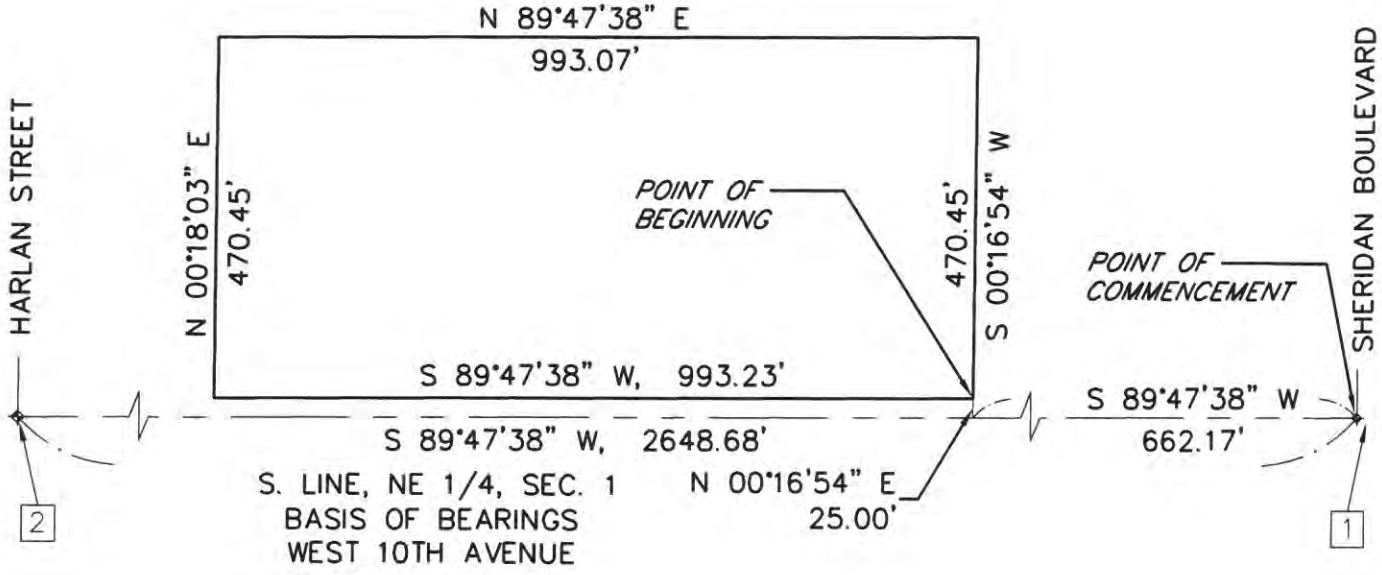
CITY OF LAKEWOOD, JEFFERSON COUNTY, COLORADO



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DENVER, COLORADO 80204
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EXHIBIT B

CONSOLIDATED MUTUAL WATER COMPANY RULES & REGULATIONS

THE CONSOLIDATED MUTUAL WATER COMPANY

OPERATING RULES & REGULATIONS

The Operating Rules of The Consolidated Mutual Water Company provided herein are effective as of September 28, 2017, and supersede all former rules and regulations. These rules may be amended with or without notice and shall be binding, in full force, and effective as of the date of approval of such amendments.

As of September 28, 2017, the majority of the current version of the Operating Rules and Regulations is under review. An update to these rules will be available no later than January 1, 2018, and may be obtained by the District on behalf of any property owner within the West Line Village Development.

TABLE OF CONTENTS

CHAPTER 1 - GENERAL

1.01 Authority. Pursuant to Article VII, Section 1 of the By-Laws of The Consolidated Mutual Water Company ("Company") these Rules have been accepted and approved pursuant to Resolution # 2009-05 adopted by the Company's Board of Directors ("Board") of the Company effective May 1, 2009.

1.02 Effectiveness. These Rules shall become effective on and after February 1, 2009 and supersede all former rules and regulations which are or may be in conflict with these Rules.

1.03 Amendment of Rules. These Rules may be altered, amended or added to from time to time by the Board, and such alterations, additions, or amendments shall be binding and of full force and effect as of the date of approval.

1.04 Severability. If any provision of these Rules or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision or application, and to this end, the various provisions of these Rules are declared to be severable.

1.05 Definitions. As used in these Rules, unless the context otherwise requires, the words defined in this paragraph shall have the following meanings. Definitions are provided as a matter of convenience and do not limit the authority of the Board.

a. Board. The Board of Directors of The Consolidated Mutual Water Company.

b. By-Laws. The By-Laws of the Company as amended from time to time.

c. Service Area. The Company has two (2) distinct service areas generally referred to as the Denver Service Area and the Maple Grove Service Area. The Denver Service Area is served with treated water purchased from Denver Water by virtue of a Potable Water Lease Agreement with the Board of Water Commissioners. The Maple Grove Service Area is served with raw water, a raw water collection system, water treatment and a distribution system that is independently owned and operated by the Company.

d. Company. The Consolidated Mutual Water Company. The term "Company" as used herein is interchangeable with the term "distributor."

e. Conduits. Those pipes 24 inches in diameter and larger used to carry potable, non-potable or raw water in large volumes, from which the water moves between facilities or into water mains for further distribution to licensees.

f. Days. Calendar days, unless otherwise specified.

g. Denver Water. The terms "Denver Water Department", "Water Department", "Denver Water", and "Department" as utilized in these Rules are synonymous and refer to the property and personnel under control of the Board as defined by Article 10.1.6 of the Charter for Denver Water.

h. Distributor. An entity located outside the City and County of Denver but inside the Combined Service Area, which contracts with Denver Water for delivery of potable water and does not commingle such water with potable water from any other source. The terms "Distributor" and Company as used herein are interchangeable.

i. Distribution Water System. All water mains, valves and other appurtenances owned by Consolidated and used to deliver potable water within the Denver and Maple Grove service area.

j. Engineering Standards. The Company has adopted and applies the Denver Water Engineering Standards for the installation, operation and maintenance of water facilities and the materials and equipment used for such facilities. The Company will, at its discretion, interpret and modify application of the Standards as appropriate for efficient operation of the water system within the Company's service area.

k. Fixed Service Charge. A fixed, per account charge based on meter size, imposed whenever the water service to the premises is active or inactive, regardless of water consumption during a billing period. The Fixed Service Charge is set by the Company By-Laws.

l. Inside Denver. Inside the territorial limits of the City and County of Denver.

m. Integrated System. The Denver Water system, all Total Service Distributor Water Systems, and those Read and Bill and Master Meter Distributor Water Systems that meet all Denver Water operational and maintenance standards and are therefore treated as part of the Denver Water system for testing and reporting to the state health department under Denver Water's Public Water System Identification Number (PWSID).

n. Non-potable Conduit. Large pipeline for carrying water of a quality lower than potable water.

o. Non-potable Water. Water such as treated domestic wastewater, groundwater or raw water, which is suitable for various beneficial uses excluding human consumption.

p. Outside Denver. Outside the territorial limits of the City and County of Denver.

q. President. The chief operating officer in overall control of the Company.

r. Potable Water. Water that conforms to state and federal regulations applicable to drinking water.

s. Private System. A water distribution system not owned or maintained by the Company.

t. Service Pipe or Service Line. All pipe, fittings, and appurtenances needed to convey water from the tap on the Company's facilities to the plumbing of a stockholder's premises.

u. Stockholder: any person(s), association, corporation, entity or governmental agency owning property (premises) that is in the Company's service area that is eligible to receive domestic water service subject to the Company's rules, regulations and requirements for such service, has paid all applicable fees and a stock certificate has been issued representing the tap right to the subject premises.

v. Stockholder's Premises. The area described by a specific legal description to which water service is limited under a particular stock certificate representing a domestic tap right, including the contiguous land area and any improvements.

w. Stub-In. A connection to a main intended to allow installation of a service line prior to setting a meter.

x. Sub-metering. Use of individual water meters for individual dwelling units within a multi-family, residential or commercial development, which allows the property owner or manager to assess occupants of the units for water usage.

y. Suspension. Temporary interruption of water service to a stockholder's premises for nonpayment of fees or charges or for other reasons.

z. Tap. A physical device, pipe fitting or connection that connects a stockholder owned service line to a distribution main owned by the Company.

aa. Water Main or Distribution Main. Pipes located within public streets or appropriate easements that distribute water directly to the service pipes serving a stockholder's premises.

bb. Water System. The plant, facilities, water rights, water works and other assets controlled by the Company pursuant to its By-Laws.

cc. Capital Stock. The capital stock of the Company is sold in units of five (5) shares only and transfers of shares of stock shall only be made in units of five

(5) shares each or multiples thereof. Each five (5) shares of stock shall represent either the right to enter into a service contract with the company or the right to tap the mains of the Company's system.

dd. Water Development Fee. The fee assessed on new taps for the purpose of obtaining and maintaining the Company's water rights. Water Development Fees are in addition to the Capital Stock purchase.

ee. Unauthorized Use. Any use of water that occurs without proper measurement of the quantity used. This may include removing, bypassing, disabling or otherwise tampering with the meter or register, taking water from a hydrant without a valid permit, or using water off the licensed area or for a use not authorized by the license or permit. Failure to eliminate the unauthorized use of water within the stated deadline shall constitute an additional violation.

CHAPTER 2 – TAP APPLICATIONS AND CONDITIONS FOR WATER SERVICE

2.01 Application of this Chapter. This Chapter describes the conditions necessary to obtain a domestic tap right to premises located within The Consolidated Mutual Water Company's Service Areas. This Chapter does not deal with water, potable or non-potable, provided by the Company to entities outside these Service Areas.

2.01.1 General Conditions.

a. Stock Required. No person or entity may obtain or use water directly or indirectly from the Company's system without purchasing the required number of shares of Capital Stock and paying all other applicable fees necessary to acquire a stock certificate representing a domestic tap right. The stock certificate represents a tap right for a specific premise so it may lease and use water from the Company's water system. (By-Law Reference: Article VII, Section1.(a).

b. Compliance with the Company's Rules. Acceptance of a stock certificate shall constitute an agreement on the part of the holder thereof to abide by all provisions of the Articles of Incorporation, By-Laws, and rules, regulations and requirements of this Company. (By-Law reference: Article VII, Section 1.(m).

c. Compliance with Application Terms. Applications are usable only in accordance with the terms of the application and grant the right to use water only on the premises and only for the purposes specified in the application. No water user at any premises shall supply or permit water to be used on any other premises without the permission of the Company. Applications for some uses such as water fountains and irrigation will be subject to restrictions under Company Operating Rules.

d. No Private Redistribution. Redistribution of the Company's domestic water by anyone other than the Company is prohibited. However, this section does not prohibit arrangements for allocation, collection or reimbursement of water charges between or among occupants of a premises where a tap right is evidenced by a stock certificate, including sub-metering.

e. Transfer of Stock. Transfer of a stock certificate to a new owner shall be made only on the transfer books of the Company upon surrender of the certificate, duly endorsed and upon payment of the required transfer fee. No transfer of the water tap right represented hereby to a new location shall be permitted, but the same shall be deemed appurtenant to the premises for which it was issued. (By-Law reference: Article VII, Section 1.(b).

f. No Transfer of Ownership of Water. Neither the issuance of a stock certificate nor the use of water there under shall constitute a relinquishment by the Company of title to, dominion or control of any water or water right. No act, circumstance or condition of use or service shall be deemed to constitute a

conveyance or operate to create in a stock certificate any vested or proprietary right to water. (By-Law reference: Article VII, Section 1.(h).

2.01.2 Eligibility for Service.

a. The property to be served must be within the Company service area boundaries and front a Company water main by a minimum of 8 feet. Easements do not constitute "frontage" and will not be allowed unless, at the discretion of the Company President, it is considered to be the best option for the Company's overall water system operation.

b. Water Facilities Required. Eligibility for water service does not mean that the Company is obligated to extend or modify its existing facilities. Any required extension, modification, replacement or relocation of the Company's facilities shall be at the expense of the applicant for stock certificate or the person or entity creating the need for such modifications. The Company will decide in its sole discretion the extent and costs of any necessary changes to the water system.

2.02 Activation.

Upon application and receipt of payment of all required fees for domestic water service, the service must be activated within 365 days from the date of the application. Failure to activate as required will result in cancellation of the application and no stock certificate will be issued. Activated service occurs when all of the following conditions have been satisfied.

a. All charges have been paid.

b. The tap to the water main has been made and the meter pit or vault has been installed.

c. The service line has been installed from the distribution main to a point five feet past the meter pit or vault.

d. A meter has been set, inspected and approved in accordance with the Company's standards in effect at the time of inspection including the completion of the soil amendment as required. The Company will provide standard detail drawings for the various sizes of meter settings.

e. All necessary backflow prevention devices have been installed and the initial test performed in the presence of a Company inspector.

f. The first placement of concrete for the building foundation has been completed, as evidenced by documentation of an inspection of concrete pouring by the

appropriate regulatory agency; however, this condition shall not apply to applications issued only for irrigation or water fountains.

g. A stock certificate has been issued.

2.02.1 Continuous metering required. Once activated, the water service must be metered at all times unless the water service is physically disconnected.

2.03 Fire Line Agreement. The Company may allow for the use of water for private (stockholder-owned) fire protection service only, subject to compliance with the following: The Company assumes no obligation for adequacy of private fire protection service and will not operate or maintain such service.

2.03.1 Conditions for Issuance of Fire Line Agreement:

a. The Company may allow private fire protection service only to a premises or premises having a domestic water tap represented by a stock certificate. The stockholder shall have executed the Company's Fire Line Agreement and complied with the terms and conditions thereof, for fire protection water service from the Company and approval from the local fire department or district. The Company shall allow for stockholder-owned fire hydrants only in extraordinary circumstances and only with approval of the appropriate fire protection district and the Company's Board of Directors. Private fire sprinkler systems shall be installed at the expense of the stockholder at such locations as may be designated by the stockholder and approved by the appropriate fire protection district.

b. Water taken under a Fire Line Agreement shall only be used for fire suppression. Any other use of water, except routine testing, shall be deemed unauthorized use of water, which may result in suspension or revocation of the Fire Line Agreement for the subject premises.

c. The Company does not allow the water for fire protection service to be supplied through the same service line used to supply domestic water for other purposes. The Company will provide standard drawing for fire line installations. The design of a private fire line system must be reviewed and sealed by a Colorado Licensed Professional Engineer with expertise in this area of design and approved by the appropriate fire protection district.

d. The stockholder will be required to install on the fire service line an approved RP Device and a single detector check equipped with a meter that will detect and record usage of water at flow rates lower than those used for fire protection.

2.04 Stub-In Permit.

2.04.1 Stub-In Tap Installed Prior to Meter Setting.

Under special circumstances, the Company may issue a stub-in permit to allow installation of a service pipe prior to setting a meter. Issuance of a permit will be contingent upon payment of all applicable fees, as set forth in the By-Laws, Article VIII, Section 3. A stub-in shall include a tap, a valve at the property line and all fittings and pipe necessary to extend the service pipe to the valve from the tap on the main. Use of water from a stub-in before the meter is set is prohibited. Any use of water from a stub-in shall cause the permit to be cancelled. Stub-ins shall be valid for a five (5) year time period or any written extensions granted by the Company.

2.04.2 Conversion Required.

If, within the five (5) year time period as stated in the stub-in permit, all applicable fees are not paid and the stub-in is not activated, then the permit shall be cancelled without refund of any fees paid. When a stub-in permit is cancelled, the Company may, in its discretion, disconnect the stub-in at the main. Any cost to the Company associated with the disconnection of the stub-in must be paid prior to activation of water service to the premises.

2.04.3 Compliance with Standards.

Prior to activation of a stub-in, the stub-in and all appurtenances must be brought into compliance with the then-current Operating Rules and Engineering Standards of the Company. If necessary, the stub-in will have to be excavated and modified or relocated as necessary to obtain full compliance at the sole expense of the applicant.

2.05 Requirements for Obtaining a Domestic Water Tap.

2.05.1 General Requirements.

a. Eligibility. In order to receive domestic water service, the premises must be eligible for service from the Company as specified in Rule 2.01.2.

b. Main Accepted. No tap or meter shall be installed or stock or water development fees accepted until the main on which the tap will be installed to serve the particular premises has been approved for use by the Company.

c. Separate Applications. Each independent structure requiring water service, whether or not under common ownership, shall be individually tapped and metered, unless the Company, in the exercise of its reasonable discretion, determines that other means are more suitable. For the purpose of this Section, structures shall be considered to be independent if they do not have a common foundation, walls, and roof. All duplexes must have a separate tap and meter installed to serve each side of the duplex.

d. Single Tap for Each Premises. Each structure on a premises eligible for domestic water service should be served by a single tap, unless the Company in the exercise of its reasonable discretion determines that other means are more suitable.

e. Multiple Taps for Single Premises. The Company may require an additional tap, service line and meter supported by the appropriate number of shares of capital stock for the same premises for fire protection service or for separate irrigation-only service.

f. Required Information. A stock certificate representing the domestic tap right for a premises shall be issued only upon completion by the applicant or the applicant's agent of an application form providing the following information and final inspection of the water service, including soil amendment:

(1) Description of the premises to be served, by providing a legal description, land survey, or recorded plat acceptable to the Company.

(2) Statement of the purpose for which the water is to be used and a listing of all cold water fixture units in the structure.

(3) An acknowledgment and agreement by the applicant that use of the domestic water tap will comply with the Company's By-Laws, these operating rules, and the Company's Engineering Standards.

(4) Payment of all required fees by the applicant and other such rates, fees, charges, or combinations thereof as are established pursuant to these Rules.

(5) An agreement that any charge due is a charge against the premises and that water service may be discontinued whenever any charge is past due.

2.05.2 Tap Allocations.

The Board reserves the right to restrict the number of taps to be sold within a given time frame to be determined by the Board.

2.05.3 Common Service for Three or More Individual Units.

Three (3) or more individual units within an independent structure are not generally required to have separate water service. If an owner of an individual unit within an independent structure requests a separate water service, all costs of providing separate water service shall be borne solely by the owner. If each individual unit does not have a separate water service, then all the units must be governed by a Homeowners' Association Agreement recorded in the county of Jefferson, State of

Colorado, and which clearly provides that it holds the Capital Stock representing the tap right and is responsible for all billing, maintenance, repair and/or replacement of the domestic water service line and all related appurtenances.

a. All two unit structures (duplex units) shall be required to have separate taps to each unit pursuant to Board policy as outlined in Exhibit "A".

2.06 Domestic Water Tap Charges.

2.06.1 Purchase of Stock.

The Company will not issue a stock certificate without prior purchase of the appropriate shares of Capital Stock and payment of all applicable fees. The required number of shares of Capital Stock is based on the tap/meter size or the number of individual units within the structure, which ever is greater. (By-Law reference VIII, Section 3.(a).

2.06.2 Changes to Purchase Price of Stock.

The Board may increase the stated selling price of Capital Stock or other domestic tap related fees at any time without notice. Generally the Board will review and approve any adjustment in the stock price and related fees in December of any given year and the adjustment would become effective on February 1, the start of the next fiscal year. The Company will make a reasonable effort to notify all potential domestic tap purchasers prior to any price adjustment, but assumes no liability for failure to provide notification.

2.06.3 Deferred Purchase of Capital Stock and Fees.

If a stub-in permit is issued under Rule 2.04.1, payment of the required shares of capital stock for the premises may be deferred until the stub-in is converted as required by Rule 2.04.2.

a. Permit Fees. No stub-in permit will be issued until the applicant has paid the following fees:

(1) Incurred Costs. Fees sufficient to cover the Company's costs in administering the stub-in permit and installing the connection, including the cost of materials and labor for the requested stub-in. These fees are nonrefundable and will not be applied to offset the required stock and fee payment if the permit is converted.

(2) Disconnection Deposit. An amount sufficient to cover the cost of disconnecting the stub-in if it is not converted to a full application as required by Rule 2.04.2. The deposit is not refundable, but will be applied to offset the required stock purchase if the permit is converted.

b. Payments at Time of Conversion. To activate a stub-in permit the applicant must purchase the required Capital Stock and pay all applicable fees in effect at the time of conversion.

2.06.4 Stock Credits When Water Service Modified.

This section applies when redevelopment of a premises with an existing tap and stock requires replacement, enlargement or reconfiguration of the domestic water tap to the premises. Any increase in meter size shall require the purchase of the applicable shares of additional stock and payment of all applicable fees. No refund will be granted if the redevelopment requires a smaller tap and meter. The use of stock credit rather than direct purchase of stock does not alter any of these Rules and deadlines applicable to water service at the subject premises.

a. Calculation of Stock Credit. The stock required for the redevelopment will be the difference between the stock requirements applicable to the new domestic water tap and meter and the existing stock representing the existing domestic water tap. The same requirement shall apply to all other applicable fees.

b. Eligibility for Stock Credit. To be eligible for a stock credit, the following conditions must be satisfied.

(1) The old service connection at the subject premises must be physically disconnected from the main and inspected by a company representative.

(2) The Stock credit applies only when the new modified service connection is activated to serve the applicant's premises which incorporates all or part of the original licensed premises, or is entirely contained within the original premises.

(3) All outstanding water bills, fees and charges must be paid.

(4) The existing tap right must still be valid and must not have been cancelled for any reason under Rule 2.11, including non-use, failure to activate or failure to convert a stub-in to a tap.

c. Consolidation of Stock Credits. Whenever redevelopment involves modification of more than one service connection and construction of a new building, stock credits may be combined and moved within the redevelopment project, except that Stock credits may only be used within an area bounded by dedicated streets or ways. Stock credits may not be transferred across an existing dedicated street or way without the express written approval by the Board. Water service is based upon the ownership of Capital Stock and stock ownership is based upon meter size. If the domestic water tap represented by a stock certificate for the premises has been kept active and billings to save the tap have been paid on a timely basis and a new application is received and approved for re-development of the

premises, that applicant will not be subject to the Water Development Fees or Capital Stock purchase in effect at the time of the application unless the meter size increases and additional Capital Stock is required. Then only the additional shares of Capital Stock will be assessed a Water Development Fee.

2.07 Participation Charges.

2.07.1 Participation Policy.

It is the Board's policy that all infrastructures needed to serve a specific area or customer should be financed by the beneficiaries, not through the rates of other stockholders. Therefore, applicants for a domestic water tap may, as a prerequisite to service, be required to participate in the costs of constructing certain Company facilities needed to extend water service to the particular property to be served. The participation facilities may already have been constructed in order to serve the area, or new facilities may need to be constructed. In either case, the Company will own and operate the participation facilities as part of its water system.

a. Participation. Applicants for domestic water service may be required to fund all or part of the cost of the water infrastructure needed to serve an applicant's property. The Company shall design and construct, unless otherwise approved by the Board, the required water system improvements and determine the funding by the applicant.

2.08 Other Fees and Charges as Conditions of Service.

2.08.1 In order to facilitate the development of an integrated water system and accommodate future requirements, the Company shall require an applicant for water service or any person requesting modification to the water system, to install at the applicant's expense, extensions, modifications, replacements or relocations to the Distribution System. The Company, in its sole discretion, may participate in the cost of such modifications if it determines that a design change would be beneficial for existing stockholders. In addition, the Company shall solely determine the extent and amount of its participation.

2.08.2 Cost of Service Lines.

a. All costs required to connect the subject premises to the Company's water main shall be paid by the applicant. Such costs typically include, but are not limited to, labor charges, corporation stop, service insulator, curb stop, stop box, service saddle, meter pit or vault, meter setting, water meter, automatic meter reading devices, and service pipe.

b. A refundable construction deposit will be collected for each connection to the Company's water main. Any charges accrued during the construction process for damaged materials, additional inspections, fines, etc will be deducted from the

deposit once the setting has passed final inspection. The remainder of the construction deposit will be refunded. If the installation of the service does not pass final inspection within 365 days from the date of application, the deposit will be forfeited.

2.08.3 Cost of Fire Hydrants.

The applicant or owner of a subject premises is responsible for the cost of the materials required to install fire hydrants as required by the local fire department or fire protection district. The Company absorbs the cost of design, labor and overhead associated with the hydrant installation. All hydrants become a part of the distribution system to which they are connected and are owned and maintained in the same manner as other parts of the distribution system.

a. Standard Location of Fire Hydrants. Fire hydrants shall be located as specified by the appropriate fire protection district in general conformance with Denver Water's Engineering Standards as adopted by the Company.

b. Relocation of Fire Hydrant. Relocation of a fire hydrant shall be approved by the appropriate fire protection district. The cost of relocation is the responsibility of the party requesting the relocation or whose activities necessitate the relocation. The Company does not participate in the cost of relocating a fire hydrant.

2.09 Suspension of Service.

2.09.1 Causes for Suspension of Service. The Company may physically suspend the supply of water including fire protection service to a premises having a domestic water tap represented by stock without any obligation to refund any payment received from the stockholder, for any of the following reasons:

a. Failure to pay when due, proper charges for water delivered, or failure to pay any other charges relating to the provision of water service the stockholder's premises, or to any user of a domestic water tap represented by a stock certificate (By-Law reference: VII,Section 1.(f).

b. Failure to comply with any of the Operating Rules or Engineering Standards of the Company, where applicable, including any unauthorized cross connection or failure to install or maintain a required backflow prevention device, a detector check valve and meter, or a meter on the service line.

c. Any unauthorized use of water, including use of water for purposes or on property not included under a specific tap right.

2.09.2 Suspension for Non-Payment.

a. Notice of Proposed Suspension. When charges remain unpaid after sufficient notice, the Company will provide notice of proposed suspension in writing to the subject premises; to the person normally billed for water service at the premises; and if not the same person, to the stockholder of record. The notice of proposed suspension shall include the following information:

(1) The effective date of the proposed suspension, which shall be no sooner than ten (10) days following the date of the notice;

(2) The amount of payment due, including any additional fees, which must be paid prior to the effective date to avoid suspension of service;

(3) A contact phone number for questions about the proposed suspension.

b. Reinstatement of Water Service After Suspension. Water service will not be resumed after suspension unless and until the payment set forth in the Notice of Proposed Suspension has been made and all costs of suspension and reinstatement and other special charges, as determined by the Company, have been paid.

c. Occupant is not the Stockholder. Effective on and after April 1, 2014, the Company will no longer bill tenants of the Stockholder/Owner or mail duplicate billings and final notices for delinquent payments to tenants of the Stockholder/Owner. The Company's legal relationship exists only with the Stockholder/Owner who is entitled to receive water service to their property and who is bound by all requirements of the Company By-Laws including timely payment for the Company's water service. (By-Law reference: Article VII, Section 1.(f) and Payment Responsibility & Delinquent Account Policies attached as Exhibit "B" & Exhibit "D").

2.09.3 Suspension for Reasons other than Non-Payment. This section applies to suspension of water service for reasons other than non-payment, emergencies, or unauthorized use of water.

a. Notice of Proposed Suspension. The Company will provide notice in writing to the subject premises, to the person normally billed for water service at the premises, and to the stockholder of record. The notice of proposed suspension shall include the following information:

(l) The effective date of the proposed suspension, which shall be no sooner than fifteen (15) days following the date of the notice;

(2) The reasons for suspension and the corrective action that must be resolved in order to avoid suspension of service;

(3) A contact phone number for questions about the proposed suspension; and

b. Reinstatement of Water Service After Suspension. Water service will not be resumed after suspension until the following conditions have been satisfied.

(1) The corrective action necessary to resolve the problem described in the Notice of Proposed Suspension has been taken, as verified by an inspection conducted by the Company.

(2) The service connection is in compliance with the Company's and Denver Water's Engineering Standards as adopted by the Company.

c. Fees and Charges. The actual cost of suspension and reinstatement, plus any special charges for the suspension and resumption of service, to be determined by the Company, shall be added to the account and payment received prior to reinstatement as stated in 2.09.2 b.

2.09.4 Suspension of Service for Emergencies or Unauthorized Use. This section applies when the cause for the proposed suspension involves personal observation by the Company's employees of unauthorized use of water including failure to have or maintain a functioning accessible water meter in accordance with the Engineering Standards or of an immediate threat of harm to property, or the public health, safety or welfare.

a. Notice. The Company will make every reasonable effort to contact the occupant and/or the stockholder of record verbally prior to discontinuing water service. A notice of the suspension shall be posted in a conspicuous location at the premises. As soon as possible after the suspension, the Company will provide notice in writing to the occupant of the subject premises, to the person normally billed for water service at the premises, and if not the same person as the occupant, to the stockholder of record. The notice of suspension shall include the following information.

(1) The reasons for suspension that must be resolved for water service to be resumed;
(2) A contact phone number for questions about the suspension; and

(3) Notice that the owner or occupant is entitled to use the procedures contained in Chapter 12 of these Rules.

b. Reinstatement of Water Service After Suspension. Water service will remain suspended during the pendency of Chapter 12 procedures. Water service will be resumed if the Chapter 12 process results in a determination that reasonable grounds did not exist for the suspension of service. If the Chapter 12 process determines that the suspension was justified, the water service will not be resumed after suspension until the following conditions have been satisfied.

(1) The corrective action described in the Notice of Suspension has been taken, as verified by an inspection conducted by the Company.

(2) The service connection is in compliance with the Company's and, Denver Water's Engineering Standards as adopted by the Company.

c. Fees and Charges. The cost of suspension and reinstatement and special charges for the suspension and resumption of service, to be determined by the Company, shall be added to the next regular billing for the premises.

2.10. Revocation of Domestic Water Service. The Company may revoke domestic water service to any premises having a domestic water tap represented by a stock certificate, without any obligation to refund any payment received from the occupant and/or stockholder of record, when repeated, deliberate or willful violations of the conditions of service or of these Rules have occurred at the licensed premises.

2.10.1 Notice of Proposed Revocation. Prior to revoking any license and/or stock certificate, the Company will provide notice in writing to the subject premises; to the person normally billed for water service at the premises; and, if not the same person, the stockholder of record. The notice of proposed revocation shall include the following information:

a. The effective date of the proposed revocation, which shall be no sooner than thirty (30) days following the date of the notice;

b. The reasons for revocation that must be resolved prior to the effective date in order to avoid revocation of the license and/or stock certificate.

c. A contact phone number for questions about the proposed revocation.

2.10.2 New Application Required.

After domestic water service has been revoked, the subject premises shall not thereafter be served with water unless and until a new application for service is issued. The shares of stock represented by the existing stock certificate shall apply to the new application. The application shall not be approved and water service shall not be restored until the following conditions have been satisfied:

a. The corrective action described in the Notice of Proposed Revocation has been taken, as verified by an inspection conducted by the Company.

b. The service connection is in compliance with the Company's and Denver Water's Engineering Standards as adopted by the Company.

c. The applicant has paid the cost of revocation and reinstatement, including the costs incurred by the Company to disconnect the service, and special charges

reasonably calculated by the Company to be necessary to prevent the recurrence of the kind of violations which caused the revocation of the previous license.

2.11 Cancellation of Applications and/or stock for Inactivity.

2.11.1 Failure to Activate a Domestic Water Tap.

If a domestic water tap is not activated as required by Rule 2.02 the application will be void. The applicant shall arrange to have the service connection disconnected at the main prior to any refunds being made. Once the service connection is disconnected from the main, the Company will refund the purchase price of the stock and any other deposit previously paid in connection with the application under the following conditions:

a. The tap must be disconnected from the main at the applicant's expense.

b. Any costs incurred by the Company in cancelling the tap and disconnecting the service will be deducted from any monies on deposit for the purchase of stock or other applicable fees and the balance shall be refunded to the applicant or his legal representative.

c.The request for a refund must be received by the Company within five (5) years of the date of cancellation of the application. No refunds will be made after five (5) years from the date of cancellation.

2.11.2 Failure to Convert Stub-in Permit.

If a stub-in permit is not converted to a domestic water tap before the permit expires, a domestic water meter will not be installed and a stock certificate will not be written for the premises. At the discretion of the Company, the applicant may be required to disconnect the stub-in at the main. The disconnection deposit paid for the permit under Rule 2.04.2 will be forfeited.

2.11.3 Inactive Domestic Water Tap.

Pursuant to the Company's Inactive Tap Policy (Exhibit "C") if a previously active domestic water tap represented by a stock certificate for any premises has been inactive for a period of five (5) consecutive years, the tap and certificate for that premises will be void. For the purposes of this section, inactive shall mean that for five (5) consecutive years, revenue has not been generated through payment of bi-monthly customer fixed service charges based upon the meter size. At the discretion of the Company, the tap and service may be disconnected at the main. After a tap and certificate has been cancelled under this section, the subject premises shall not thereafter be served with water until a new application has been received and approved and the required stock has been purchased and all

applicable fees have been paid. No application shall be approved until the following conditions have been satisfied.

a. Within the Company's Service Area, when a domestic water tap represented by a stock certificate for any premises has been inactive for a period of five (5) consecutive years, a new tap application is required and the applicant will be subject to the Company's then current Capital Stock and Water Development Fees in effect at the time of the new application.
b. All components of the service connection must comply with the Company's and Denver Water's Engineering Standards as adopted by the Company in effect at the time the new application is made, as verified by a Company inspection.
c. The water service must be physically turned on and available for use at the premises.
d. All charges due against the property must be paid.
e. All costs associated with the reactivation of the tap.

CHAPTER 3 – TEMPORARY WATER SERVICE

3.01 Temporary Use of Water. The Company may grant permission to use water from the Company's Distribution System for limited periods of time, subject to the provisions of this Chapter.

3.02 Hydrant Use Permit. The Company may issue a permit to take water from a fire hydrant for limited periods of time for such uses as construction, dust control, cleaning or special events.

a. Permit Required. Water to be used for purposes other than extinguishing fires may be withdrawn from fire hydrants only if a permit has been issued by the Company.

b. Limits on Use. Permits shall be issued for specific hydrants or specific tank vehicles and may be limited to specific uses. Meters shall be required for most uses, however the Company may accept load counts in lieu of metering, subject to the Company's review and prior approval which shall be noted on the permit. Permits shall be valid only during the dates specified in the permit.

c. Access. Employees of the Company shall be permitted to examine the permit at any time a hydrant is being used.

d. Backflow Prevention. All connections to fire hydrants must have an approved back-flow prevention device.

e. Permit Fee and Damage Deposit. The Company will charge a non-refundable permit fee to recover the costs of meter testing, billing, collecting and monitoring a hydrant permit and a damage deposit that may be refunded once the hydrant meter is returned, tested and found to be in good condition. The permit fee may be established for use of a specified hydrant for a limited period of time; or may be an annual charge for unlimited usage of hydrants. Charges for water used under hydrant permits shall be calculated based on the minimum usage fee along with the actual usage or load counts.

f. Penalties for Violation of Permit. Any person involved in the unauthorized use of hydrant water shall pay for all water taken, together with the costs incurred by the Company to discover and correct the unauthorized use, and any penalty fees imposed. Such payments shall not in any way affect the right of the Company to pursue such other remedies as may be authorized by law or approved by the Company. Any person or entity involved in previous unauthorized use of hydrant water will be ineligible for new hydrant water use permits until the Company is fully compensated for past hydrant water use and penalties for unauthorized use have been paid. Any unauthorized use may result in suspension of all permits issued to the particular permit holder.

3.03 Construction Water Use. Construction water may not be taken from a domestic water tap unless the stock has been purchased, all applicable fees have been paid and the tap and meter has been installed, inspected and activated pursuant to these Rules. All water used for construction purposes shall be metered and billed at the domestic water rate in effect at the time of activation. The rates may be adjusted from time to time without notice.

a. Requirements for Domestic Water Use. No water may be used at a premises before the stock is purchased and all applicable fees have been paid.

b. Backflow Prevention Required. During construction, the potable water system must be protected from backflow and potential contamination. At any premises where a permanent backflow prevention device would be required but cannot be installed immediately, a temporary backflow prevention device must be installed, tested, inspected and used until the permanent device is installed.

c. Penalties for Violation of Restrictions. Any person or premises involved in the unauthorized use of construction water shall pay for all water estimated to have been taken, together with the costs incurred by the Company to discover and correct the unauthorized use, and any penalty fees imposed. Such payments shall not in any way affect the right of the Company to pursue such other remedies as may be authorized by law or approved by the Company. Any person or entity involved in previous unauthorized use of construction water will be ineligible for domestic water service until the Company is fully compensated for past construction water charges and penalties for unauthorized use have been paid. The Company may also require a deposit, and may pursue such legal remedies as are available pursuant to state law or municipal ordinance.

3.04 Temporary Water Use Permit. The Company may issue a temporary water use permit to take and use water from a fire hydrant for special purposes and for limited periods of time. This permit shall have the same requirements as a permit for construction water as described above. Such special purposes include, but are not limited to service to temporary buildings, temporary irrigation, and special events.

CHAPTER 4 – THE COMPANY'S WATER SERVICE AGREEMENT WITH DENVER WATER

4.01 Contractual Relationships. Inside Denver, Denver Water provides water supply pursuant to the Charter of the City and County of Denver. Outside Denver, Denver Water provides water supply pursuant to contract. Each contract is subject to the Charter, Denver Water's Operating Rules and Engineering Standards and amendments thereto. The Charter, Rules and Standards and any amendments are part of every contract for water supply.

4.02 Master Meter Contracts (Water Service Agreements). Within the Combined Service Area, which includes the Company's Denver Service Area, the Company purchases a potable water supply from Denver Water pursuant to a Master Meter Contract. Under that contract, which was modified after 1993, Denver Water agrees to furnish all potable water necessary to serve the full development of the land within the Company's Denver Service Area. A Distributor Contract does not give the Distributor the exclusive privilege of supplying water service to a given service area.

4.02.1 Master Meter. A Master Meter Distributor owns and is responsible for construction, operation, maintenance, and replacement of its water system. Denver Water delivers water to the Distributor through one or more master meters and bills the Distributor at the established "Wholesale (Master Meter)" rate. The Distributor, not Denver Water, is responsible for reading the meters of its individual customers and for billing its individual customers according to rate schedules established by the Distributor.

4.03 Integrated and Consecutive Systems.

4.03.1 Water Quality Regulation. Under the Colorado Primary Drinking Water Regulations, every public drinking water system must engage individually in monitoring, reporting and certification unless it is part of an Integrated System, using a common set of standards for protecting drinking water quality. Denver Water's goal is to treat all Distributors and their customers as part of an Integrated System installed, operated and maintained in a common manner. Denver Water's Operating Rules and Engineering Standards establish the minimum operational requirements, but individual Distributors may adopt their own rules and regulations.

4.03.2 Integrated System. Denver Water's Integrated System consists of the City and County of Denver, all systems under Total Service or Total Service Improvement Distributor contracts, and those systems under Read and Bill, Master Meter, or Master Meter Maintenance Distributor contracts that meet all Denver Water operational and maintenance standards. These systems are treated as part of the Denver Water system for testing and reporting under water quality regulations.

4.03.3 Consecutive Systems.

a. Distributors. Any water system operated under a Read and Bill or Master Meter Distributor contract that does not conform to integrated system requirements as defined by Denver Water shall be considered a Consecutive System. Consecutive System Distributors are a different class of customer from Integrated System Distributors, and may have different rates, cross-connection control requirements and water quality testing and reporting requirements. A Consecutive System Distributor is responsible for meeting all regulatory requirements for water quality testing and reporting under its own Public Water System Identification (PWSID) number.

b. Private Systems. A water system controlled by an individual entity, such as a government installation, large industrial operation, apartment complex or shopping center, is a Consecutive System. The customer is responsible for all aspects of the water distribution system and for meeting all regulatory requirements for water quality within its property.

c. Backflow Prevention Required. Any Consecutive System must be completely isolated from the Integrated System by means of adequate backflow prevention.

4.03.4 Change in Status. If an Integrated Distributor fails to maintain its water distribution system in compliance with Denver Water's Engineering Standards and Operating Rules, Denver Water may, in its discretion, designate the Distributor's water system as a Consecutive System.

a. Opportunity to Correct Deficiencies. Denver Water will provide written notice to the Distributor of deficiencies in its operation or maintenance practices that must be corrected to maintain Integrated System status. Depending on the degree of hazard to the Integrated System posed by the Distributor's water system, the Distributor will be provided from 24 hours to 30 days to isolate its distribution system or complete remedial action.

b. Corrective Action by Denver Water. If the deficiency poses an imminent threat to public health, Denver Water may take immediate corrective action. Denver Water may charge the Distributor for any expenses incurred to isolate or protect the Integrated System

CHAPTER 5 - RATES AND BILLING

5.01 Payment Responsibility. Rates and charges are assessed against the stockholder's premises. It is the responsibility of the stockholder to pay all charges against the premises, even in the absence of receiving a bill. (By-Law reference: Article VII.)

5.01.1 Payment Required for Continued Service. Water service including fire protection service may be suspended, using the procedures described in Chapter 2, at any premises against which any charge becomes delinquent and remains unpaid. Charges include any rate, fee, cost, charge, surcharge or rent relating to the provision of water service to the stockholder's premises. For those premises against which bankruptcy or other legal actions are pending or filed the Company will abide by the law and orders of the court.

5.01.2 Billing Address. Bills for water service will normally be sent to the stockholder at the address shown on the stock certificate unless the Company receives a written request that billing be sent to a different address. Mailing of a bill for water service to an address other than the premises being served shall in no way affect the power of the Company to enforce payment of charges by discontinuing service to the stockholder's premises being served.

5.02 Metered Service Rates. The Company periodically establishes rate schedules, including Consumption Charges and Fixed Service Charges, for all metered service. Rates are reviewed and approved by the Board at least annually. The Board may adjust rates as necessary to meet the expenses of the Company and do so without notice.

5.03 Other Types of Rates.

5.03.1 Fire Protection Service. The Company periodically establishes a rate schedule for unmetered fire protection service, which may be made available to a stockholder's premises. Billing charges are due and payable on a date established by the Company. If a detector check meter detects unauthorized water use on a fire line, the stockholder will be charged a service charge, the applicable consumption charge for any water consumed, as well as a charge for unauthorized use. Delinquency charges against fire protection services may be assessed against a domestic water service to the same stockholders premises.

5.04 Billing Procedures.

5.04.1 Billing Frequency.

a. Bimonthly Accounts. Bimonthly accounts will be billed (6) times per calendar year. Most residential accounts will be billed bimonthly. The due dates for payments for water service billed on a bimonthly basis are shown on the billing statement.

b. Other Billing Periods. The Company may require or permit billing at intervals established by an agreement or as determined by the Board.

5.04.2 Billing for Separately Owned Structures or Units Within a Structure. Where independent structures or separate units within a structure on a licensed premises are supplied through a common service pipe with a single meter, only one bill will be generated, even if the structures have different ownership. If a charge against the premises becomes delinquent, the delinquency is attributed to all users at the stockholder's premises served through the common service pipe.

5.04.3 Account Adjustments. When an error has been made in an account, the Company may adjust the amount due or the consumption on the account.

a. Inaccurate Meter. If a meter has become inaccurate, the Company may charge the account for an estimated level of consumption. The Company will remove and test a meter at the request of the customer or if the Company suspects that the meter has become inaccurate. If a meter is removed and tested at the request of the customer and found to be accurate, the customer shall be subject to special charges to recover the Company's reasonable costs for removing and testing the meter.

b. Difference between Meter and AMR Device. If a difference in readings occurs between an automatic meter reading (AMR) device installed at a premises and the register of the water meter, billing will be based on the reading from the register of the water meter. The Company will test an AMR device at the request of the customer or if the Company suspects that the device has become inaccurate or has malfunctioned. If a device is tested at the request of the customer and found to be accurate, the stockholder's premises shall be subject to special charges to recover the Company's reasonable costs in testing the device. If the reading on the AMR device matches the reading on the meter register, the AMR device shall be considered accurate.

c. Service Line Leaks. If a leak occurs between the meter and the structure, no adjustment will be made to the account. All water delivered through the meter, regardless of how it is used, must be paid for by the stockholder owning the meter to prevent these costs from being absorbed by all stockholders.

d. Time Limit for Adjustments. Any account adjustment shall be retroactive no longer than 50 days prior to the date any error is discovered.

5.04.4 No Authorization to Accept Payment. The Company's employees are not authorized to accept payment for water service at the stockholder's premises or in any manner other than in the usual course of business. All payments are to be paid at the Company's business office during posted office hours.

5.05 Delinquency in Payment of Charges. The failure to pay charges for water service in a timely manner shall result in assessment of a delinquency charge and may result in suspension of water service to the premises under the procedures described in Chapter 2.

5.05.1 Timing of Delinquency. Charges for water service not paid by the due date shown on the bill shall be delinquent.

5.05.2 Delinquency Charge. All consumption charges and service charges that become delinquent during a billing period or remain delinquent from a prior billing period shall be assessed a delinquency charge on the next billing statement of the account The amount of the delinquency charge to be assessed against delinquent consumption and service charges is as shown on Exhibit "D".

5.05.3 Billing Questions and Concerns.

5.05.4 Suspension of Service for Delinquency. Whenever the billing statement of an account includes a delinquency charge or a past due amount, the entire amount of the bill, including delinquent charges, must be paid in full by the due date of the billing statement.

5.05.5 Suspension of Service by Stockholder Request. A stockholder may request that service be suspended to their premises at any time, for any reason and as long as their account is current and remains current.

5.06 Other Charges.

5.06.1 Special Service Fees. Where employees of the Company perform special services for or at the request of a stockholder, or where special services are performed at or in connection with the stockholder's premises to establish compliance with the Company's and/or Denver Water's Operating Rules and Engineering Standards which the stockholder refuses or fails to perform, the Company shall be reimbursed for such work.

a. The Company will bill the stockholder for reimbursement. However, upon failure of the stockholder to pay, the cost of the work shall be charged to the stockholder's premises at which such work was accomplished. The special service charge will be included in the water bill and will become subject to delinquency charges and suspension of service for nonpayment under Rule 2.09

b. The cost of the reimbursement shall be either in accordance with a standard schedule of special fees, or based on actual cost of the services with respect to services not included in the schedule.

5.06.2 Penalty Fees.

a. Charges for Unauthorized Use. The Company may assess a penalty fee for any unauthorized use of water or any diversion of utility service. The fee will be established in an amount intended to discourage future violations of these Operating Rules and may be charged directly to the stockholder's premises.

b. Charges for Unauthorized Operations. The Company may assess civil penalties, including revocation of permits, against any person who operates any valve or fire

hydrant or modifies any portion of the Water System without approval from the Company.

c. Subject to Delinquency. Penalty fees will be included in the water bill and will become subject to delinquency charges and suspension of service for nonpayment under Rule 2.09.

CHAPTER 6 - WATER MAINS

6.01 Ownership. The Company owns, operates, maintains and replaces all water mains located within its Denver Contract Service Area and its Maple Grove Service Area, together with all raw water collection and transmission facilities.

6.02 Operation and Maintenance.

6.02.1 Mains Owned by the Company. The Company operates and maintains all mains and appurtenances it owns. The Company will repair any mains damaged by the acts of third parties and will charge the expense of repair to the responsible third party.

6.02.2 Mains Owned by the Company. All mains owned by the Company shall be operated and maintained by the Company in conformity with the Company's Operating Rules and, where applicable, Denver Water's Engineering Standards and their Operating Rules.

6.02.3 Unauthorized Operation. The Company may assess civil penalties against any person who operates any valve or fire hydrant or modifies any portion of the Water System without the Company's approval.

6.02.4 Variations in Operation. Water pressure and water flow in a main may vary as part of normal operations of the Water System. The Company reserves the right at any time, without notice, to modify water pressure or shut off the water in a main as part of its operation, repair, replacement, modification and maintenance of the Water System. The Company is not responsible or liable for damage resulting from pressure changes or stoppage of the flow of water through the Water System. (By-Law reference: Article VII, Section 1. (g).

6.03 Construction of Water Mains.

6.03.1 The Company May Require Construction. In order to provide adequate water service to property within its service area, the Company may, in its sole discretion require construction of new mains or modifications to existing mains. Such required construction may include oversizing of new mains, up to 20 inches in diameter. The applicant for service or the party whose activities create the need for modifications shall pay the full costs of construction, including the costs of any oversizing. The Company reserves the right to design and install mains and to install connections to its conduits or mains, at its discretion and at the responsible party's cost.

a. Enlargement of Mains. If an applicant requests new or increased service which, in the determination of the Company, will impose a demand in excess of the capacity of the existing main, the Company may require that the existing main be replaced with one of appropriate size, which may be larger than required solely for the applicant's needs.

b. Extension of Mains. No person may extend, modify, replace or relocate any main without the specific permission of the Company. The Company will establish procedures for applying for main extensions or modifications.

c. Looping and System Improvements. In order to provide an adequate water supply to protect water quality and system integrity, and at the direction of the appropriate fire protection district for required fire flows, the Company may require that the water system be replaced, extended or otherwise modified. Except in rare circumstances, the Company will require that mains be "looped", i.e., connected to more than one main owned or controlled by the Company. The Company, in its sole discretion, will determine the extent of looping required.

6.03.2 Main Extensions Inside Denver and Total Service Improvement Areas.

6.04 Engineering Standards. The criteria and scope of extensions or modifications shall be determined and recommended by the Company's Engineer and approved by the Vice President or the President. Specific requirements for minimum design or operating criteria, preparation of plans and specifications, and construction practices are prescribed in the Engineering Standards of the Company and, where applicable, Denver Water.

CHAPTER 7 – SERVICE CONNECTIONS

7.01 Service Connection Defined. Water is conveyed from mains owned by the Company to premises with a domestic water tap represented by a stock certificate through service lines and meters. The service connection is comprised of the tap, service line, curb stop, meter and related appurtenances which together move water from the Company's main to the plumbing within a structure located on the stockholder's premises. Meters are installed on the service line, as described in Chapter 8.

7.01.1 Ownership. The service line and fittings through which a stockholder receives water service from the facilities of the Company's water system, including the meter pit and the meter, shall be owned by and installed at the expense of the stockholder.

7.01.2 Dividing Point. The dividing point between Company owned mains and stockholder owned service lines shall be defined as the outlet connection on the corporation stop tapped into the main or the discharge side of the valve closest to the Company owned main. At the dividing point, water irrevocably leaves the common, public system and enters privately owned facilities to serve the stockholder's premises.

7.02 Taps.

7.02.1 Authorized Persons. No connection may be made to any main carrying water from the Company's water system except as authorized by the Company and/or Denver Water.

7.02.2 Procedure.

a. Service Line Required. Except as permitted under a stub-in permit issued pursuant to Rule 2.04, no tap may be made to any main carrying water from the Company's water system until the service pipe with fittings, including the meter setting, has been installed.

b. Installation Charge. In addition to the fees applicable to licenses under Chapter 2, the applicant shall pay to the Company at the time of submitting an application for domestic water service, a fee to cover the cost of installing a tap, including the cost of materials and labor for the requested connection.

c. Location and Size of Tap. At the time of application, the Company will specify the main to be tapped and the location of the tap. The Company shall size the domestic water tap to assure that it is adequate to serve the applicant's proposed use based on data provided by the applicant which shall include at a minimum, the size of the premises, the structure and its uses, and the applicant's projected water demand, and conformance with the applicable Engineering Standards.

d. Notice for Tap Connection. Once the prerequisites in subsection (a) have been satisfied, the Company will authorize installation of the tap on the main. The stockholder or other party responsible for the installation of the service connection shall make arrangements for tapping of the main by providing notice to Denver Water not less than 3 business days before the desired date of the tap installation or to the Company if the tap is to be made within the Company's Maple Grove system.

7.02.3 Abandoned, Cancelled or Unused Taps. If an application or stub-in permit is canceled pursuant to Rule 2.11, the tap must be cut off at the water main at the applicant's expense. The Company may require a deposit of the estimated cost to cut off a tap. All cut-offs must be inspected by the Company, and, under special circumstances, may be cut off by the Company at the applicants expense. If the Company cuts off the tap, the cost of the work will be charged to the property and must be paid before any future domestic water tap application will be accepted.

7.03 Service Lines.

7.03.1 Definitions. Service lines include all pipe and fittings up to and including the curb stop valve.

7.03.2 Location. No connection between the water system and the water facilities of the stockholder may be made except in a public street adequate to accommodate water works facilities, or in an easement to which the Company has a free right of vehicular access as it would have in a public street. The curb stop, service box and meter pit or vault must be conveniently accessible by a vehicle from the street or from an easement to which the Company has a free right of access as it would have in a public street.

7.03.3 Installation. All service pipes, valves, and appurtenances shall be installed by and at the sole cost of the applicant and/or stockholder. The Engineering Standards shall prescribe standards relating to the number, location, size and strength of pipes and the number, location, size and type of valves, to enable the Company to control the water supply to the premises.

7.03.4 Maintenance. The maintenance and protection of privately owned piping, including service pipe and fittings, fixtures and water-using appliances, except meters, whether located in or upon public or private property, is the exclusive responsibility of the owner thereof, except as set forth in these Operating Rules. By policy, the Company maintains the stockholder's service line from the main through the meter pit to a point one (1) foot outside the house side of the meter pit.

7.03.5 No Guarantee of Pressure or Continuous Flow. The Company is not responsible or liable for damage from any cause whatsoever to service connections, fixtures, and water-using appliances, and no person is entitled to damages or payment of refunds by reason of temporary, permanent pressure changes or stoppage of the flow of water through the Water System. Dirt or debris can enter water lines for any number of reasons under normal operations of the Water System, and no person is entitled to damages by reason of dirt or debris entering a stockholder's service connection. (By-Law reference: Article VII, Section 1. (g).)

7.03.6 Protection of Water-Using Devices. The protection of water-using devices and systems which require limited or sustained water pressure or a continual water supply is the responsibility of the stockholder and/or the owner of the device or system. The stockholder or owner of any such device or system shall take suitable protective measures at the stockholder's and/or owner's expense. The stockholder and/or owner should also protect water-using devices and systems from dirt or debris that may enter the service connection.

7.03.7 Maintaining Conformity with Standards. If at any time an existing service connection does not conform to these Rules or the Engineering Standards, the stockholder is responsible for bringing the connection into compliance.

7.04 Modification of Existing Service Connections.

7.04.1 Convenience of the Company. When proper management, operation or maintenance of the water system requires it, the Company may relocate the service pipe and fittings through which the stockholder receives water service at the Company's expense. All service pipes and fittings so relocated shall be the property of the stockholder.

7.04.2 Redevelopment. In case of redevelopment or "scrape-off" of an existing premises having a domestic water tap represented by a stock certificate, the Company will require the replacement or upgrade of any existing service connection or portion thereof to meet then current Engineering Standards. Existing water service must be metered at all times during redevelopment activity, or the tap must be physically disconnected at the main until a new meter can be installed. If a service line is to be abandoned, it must be cut off at the main before any demolition begins. If a service line is to be replaced in order to supply the same premises, it must be cut off at the point designated by the Company before or at the same time a new service line is connected.

7.04.3 Unused Service Line. If any domestic tap right has been cancelled pursuant to Rule 2.11, the service line must be cut off at the main by the property owner of the premises, or by the Company, in which case the cost of cut-off will be added to the water bill at the stockholder's premises. In any event, the total cost of the tap/service line cut-off must be paid prior to a new application being accepted by the Company.

7.05 Leak Repair Service.

7.05.1 Repair Services Available. Although the stockholder owns and is responsible for maintaining the service connection, the Company provides leak repair services to the stockholder's service connection from the main to a point one (1) foot past the meter setting on the house side of the premises. The availability of leak repair services as a service to stockholders under this Rule shall not impose any duty upon the Company and the Company shall not be liable for any consequence of not providing such service.

a. Normal Wear and Aging. The repair service described in this section shall be provided only for those leaks attributed to normal wear and aging of the service pipe. Leaks caused by actions such as excavation, demolition, landscaping, or the Company's operation of the stockholder's facilities as required to enforce these rules, are not included in the repair service provided by the Company. The repair of such leaks is the sole responsibility of the stockholder.

b. Notice and Availability. The Company will perform the repairs described in this section only if (1) the Company has actual notice of the leak; and (2) the Company determines that sufficient manpower and equipment are available to make repairs.

c. Without Cost. The leak repair service described in this section will be performed by the Company without cost to the stockholder.

7.05.2 Stockholder Responsibility. Regardless of the repair service provided by the Company under this section, the stockholder shall be responsible for all damage to persons or property resulting from leaks on the stockholder's service line or appurtenances. All service line fixtures replaced or installed by the Company hereunder shall upon installation become the property and the responsibility of the owner of the premises served thereby.

7.05.3 Extent of Leak Repair Services. Pursuant to current operating directives set by the Board, which the Board may modify or delete at any time without notice and shall incur no liability for such action, leak repair service will consist of the following:

a. Service Line and Appurtenances. The Company shall repair leaks on service lines, curb stops, and/or meter pits that originate between the water main and one (1) foot outside of the outlet or house side of the meter pit.

7.06 Access to Property. Authorized employees of the Company shall be allowed free and unimpeded access at all reasonable hours to any building or premises where water is used, for purposes of inspection, repair and meter reading. Where a meter or fireline is installed inside a building or in another location where access is limited, the stockholder shall provide access to the meter or fireline upon notice to do so. All Company employees shall carry an identification card signed by the President and containing a picture of the employee. Unless a Company employee presents a current identification card, the employee need not be admitted to the premises involved.

CHAPTER 8 – METERS AND METER PITS

8.01 Ownership. Meters read by the Company and the meter pits in which they are located shall be owned by and installed at the expense of the applicant and/or stockholder, except as otherwise provided in these Operating Rules.

8.02 Specifications.

8.02.1 Meter Pits or Vaults. Meter pits are manholes or vaults intended to house meters and protect them from contact and from the elements. Meter pits must comply with specifications in the Engineering Standards, including requirements dealing with proper materials, frost and freeze protection, and the pit being set to and maintained at final grade of the ground or surrounding property.

8.02.2 Meters. A meter, as distinguished from a meter pit, is a device used to measure a stockholder's water consumption. Meters must comply with specifications in the Engineering Standards.

a. Size and Type. The Engineering Standards will establish specifications for all meters. These standards shall provide for accurate measurement of water flow, excellence of material and minimum line loss under all anticipated conditions of use for each size meter.

b. AMR. All new meter installations located within the Solterra Development area that are read by the Company must have an electronic digital encoder or pulsar register and an automatic meter reading device as specified by the Engineering Standards.

c. Purchase. All meters shall be purchased from the Company.

8.02.3 Interconnection of Meters. The Company, in its sole discretion, may permit the interconnection of two or more meters to serve a single distribution system on a stockholder's premises if the combined capacity of the meters is at least equal to the anticipated service demand of the premises. Approval of a combination or interconnected meter installation will require review by the Company of the hydraulic calculations for the premises as well as detailed design of the installation. Backflow prevention must be installed after each meter. Billing for interconnected meters is governed by Rule 5.04.

8.03 Location.

8.03.1 Accessibility Required. All meters, whether located in meter pits or inside buildings, must be located so as to allow the Company unimpeded and non-hazardous access to the meter at reasonable times.

8.03.2 Meter Pit or Inside Building. The specific location of meters installed at stockholder expense shall be designated by the stockholder, subject to the provisions of this section.

a. Meter Pit. All meters shall be installed outside the structure being served, unless specifically approved by the Company. Meters shall be installed in a frost proof meter pit or vault: (1) within the boundaries of a public street or in an easement as accessible to the Company as a public street would be; or (2) in front of the premises to be served, either in the right-of-way or on the property of the premises, not more than five (5) feet from the property line and adequately protected from hazards and interferences. Meters may not be installed in paved areas without prior approval by the Company.

8.03.3 Maintain Conformity. If at any time an existing meter location does not conform to the standards enumerated in this section or the Engineering Standards, the installation shall be modified at the stockholder's expense so that it does conform.

8.04 Meter Installations. Specifications for meter settings and automatic meter reading devices shall be prescribed by the Engineering Standards, including but not limited to such standards as necessary to provide for prior approval of meter settings and location of the meter or meter pit before installation.

a. Obstructions in Meter Pit and/or Meter Vault. Failure to keep any meter within a pit and/or a vault free from obstructions pursuant to Exhibit "G" of the Company rules and regulations may result in suspension of water service to the property served by the Company.

8.05 Maintenance.

8.05.1 Meter Pit. The maintenance and protection of privately owned meter pits and appurtenances, including maintaining the meter pit at grade, is the responsibility of the stockholder.

8.05.2 Maintenance of Meter.

a. Ordinary Wear and Tear. In order to provide for the accurate measurement of water, the Company will maintain, at it's cost, against ordinary wear and tear, all meters it reads for billing purposes. The Company will repair or replace meters in need of maintenance, testing, or replacement. Upon installation, the replacement meter and the automatic meter reading device will become the property of the stockholder of the premises served thereby. The timing of meter replacement and the extent of modifications required to accommodate the installation of a new meter is at the discretion of the Company.

b. Damage Due to Other Causes. The maintenance service described in this section shall be provided only for damage to meters or automatic meter reading devices attributed to normal wear and aging. Damage to meters or automatic meter reading devices caused by actions such as excavation, demolition, landscaping, freezing, hot water, tampering, water hammer, construction, or any cause other than ordinary wear and tear are not included in the maintenance service provided by the Company. When a meter has been damaged as a result of any such causes, the stockholder shall bear the entire expense of removing, repairing, resetting and replacing the meter or AMR device.

8.05.3 Convenience of the Company. When proper management, operation or maintenance of the Water System requires, the Company may relocate meters and automatic meter reading devices, or modify meter settings at the Company's expense. All meters and devices so relocated shall be the property of the stockholder.

8.05.4 Stockholder Responsibility. Regardless of the maintenance service provided by the Company under this section, the stockholder shall be responsible for all damage to persons or property resulting from the stockholder's meter or meter pit.

CHAPTER 9 - CROSS-CONNECTIONS

9.01 Protection of Potable Water Quality. The Company is responsible for protecting the potable public water supply from contamination or pollution that could enter the Water System through a connection from another water system or by means of backflow from a stockholder's system.

9.02 Commingling Prohibited. Except as specifically permitted by written agreement, potable water from the Water System shall not be commingled with water from any other source. Water from other sources shall be distributed only through an entirely independent system. Interconnection of another source of water with the Company's distribution system or a stockholder's water facilities is prohibited.

9.02.1 Dual Supply Premises. Premises supplied with water from a non-Company source will not be eligible for domestic water service unless the stockholder of record for such premises enters into a Dual Water Supply Agreement (Exhibit "E"). Said Agreement is binding upon the stockholder and any successors and is recorded in the public records of the County in which the premises is situated, not to make or permit any cross-connection between any non-Company water source and the stockholder's service connection and water system supplied from the Company's potable water distribution system. Any single structure may not receive water from both a non-Company source and the Company's potable water system.

9.03 Backflow Prevention. Backflow from any connection into the Company's potable system or the facilities of a stockholder is prohibited.

9.03.1 Backflow Prevention Devices Required. No water service connection to serve a stockholder's premises will be installed or maintained by the Company unless the potable water supply is protected from backflow as required by the Engineering Standards. An approved backflow prevention device shall be installed on each service line within a stockholder's water system. The device must be tested annually, with evidence in the form of a successful test report provided to the Company, and maintained on a regular basis. During construction, a temporary backflow prevention device may be required under Rule 3.03(b).

9.03.2 Enforcement.

a. Inspection. The stockholder's system will be subject to inspection by the Company at all reasonable times to determine whether cross-connections or other structural or sanitary hazards exist.

b. Suspension of Service. Water service to any premise may be discontinued if a required backflow prevention device is not installed, tested and maintained, or if a backflow prevention device has been removed or bypassed. An unprotected

cross-connection on a stockholder's premises may also result in suspension of service. Service will not be restored until such conditions or defects are corrected.

c. Procedures for Suspension of Service. When one of the conditions described above becomes known, the Company will follow the procedures outlined in Rule 2.09 for suspension of water service. The absence of a proper backflow prevention device, or the existence of an unprotected cross connection, may constitute an immediate threat of harm to the public health, safety or welfare, in which case the procedures in Rule 2.09.4 for suspension of service for emergencies may apply.

9.04 General Backflow Prevention Requirements: Colorado State Law C.R.S. 1973 Title 25-1-114, 25-1-114.1, the Colorado Primary Drinking Water Regulations, Article 14 and Company Policy require that a Backflow Prevention Device (BPD) be installed in accordance to the State of Colorado Cross Connection Control Manual, Current Edition. NO EXCEPTIONS WILL BE GRANTED.

The backflow prevention device (BPD) is designed to eliminate reverse flow from the user's system back into the purveyor's supply system, thereby preventing any potential source of contamination in the public water supply.

The BPD for all non-residential installations, including non-residential irrigation, shall be a Reduced Pressure Backflow Prevention Device (RP) that must have University of Southern California Foundation for Cross Connection Control and Hydraulic Research (USC) approval. The RP device for commercial use must be installed immediately prior to or immediately after the point of entry of the service line to the structure. **UNDER NO CIRCUMSTANCES will any connection be allowed on the service line prior to the RP device, excluding irrigation taps.** Proof of current USC certification must be provided prior to the installation of any BPD device. The BPD for residential installations shall be a dual check valve, which is included in the meter package. All residential irrigation systems require a pressure vacuum breaker. The Company reserves the right to require an RP device, if in its sole discretion, the use of an RP is warranted.

Prior to installation of the water service, the owner may be required to submit mechanical drawings to Consolidated, with sufficient detail to assure the installation of the BPD meets Company and State requirements. The drawings shall be prepared by a Professional Engineer registered in the State of Colorado, and carry the certification that the proposed installation meets all applicable Company, local and State requirements.

After flushing of the service line and installation of the BPD, the BPD(s) shall be successfully tested by a Colorado State Health Department certified BPD tester. After the initial test, the requirements of the State, according to their manual the owner shall have the BPD tested at least once a year by a State Certified Cross Connection Control Technician, and that a copy of the successful test shall be

forwarded to Consolidated Mutual Water Company. Failure to comply may result in the discontinuance of water service.

Caution Notice to Residential Owner and/or Plumber

In accordance with applicable laws and regulations, the water service to all residential structures within the Company's service area are equipped with a check valve and/or other applicable BPD to prevent backpressure or siphoning into the company's potable water system. The owner/plumber is advised to install a pressure relief valve and/or expansion tank on the house side of any backflow prevention device and to check and operate the hot water heater pressure relief valve at least every three (3) months to insure its proper operation.

CHAPTER 10 - WATER CONSERVATION

10.01 Water Waste Prohibited. Water shall be used only for beneficial purposes and shall not be wasted.

10.01.1 Water Waste Defined. Prohibited water waste includes, but is not limited to:

a. Applying more water than is reasonably necessary to establish and maintain a healthy landscape. Routine watering of turf shall be limited to three days per week, except for watering for up to 21 days to establish new turf from sod or seed; and except for syringing golf course greens when necessitated by weather conditions.

b. Watering with spray irrigation between the hours of 10.00 a.m. and 6.00 p.m. during the period from May 1 to October 1, except for the following uses:

(1). Watering for up to 21 days to establish turf from seed or sod.

(2) Watering new plant material such as flowers, trees and shrubs on the day of planting.

(3) Watering essential to preserve turf subject to heavy public use.

(4) Operating an irrigation system for installation, repair or reasonable maintenance, so long as the system is attended throughout the period of operation.

c. Watering landscaped areas during rain or high wind.

d. Applying water intended for irrigation to an impervious surface, such as a street, parking lot, alley, sidewalk or driveway.

e. Using water instead of a broom or mop to clean outdoor impervious surfaces such as sidewalks, driveways and patios, except when cleaning with water is necessary for public health or safety reasons or when other cleaning methods are impractical.

f. Allowing water to pool or flow across the ground or into any drainage way, such as gutters, streets, alleys or storm drains.

g. Failing to repair, for a period of more than five (5) business days after notice, leaking or damaged irrigation components, service lines or other plumbing fixtures.

h. Washing vehicles with a hose that lacks an automatic shut-off valve.

10.01.2 "Water Use Restriction" Distinguished. These prohibitions on water waste are not related to drought response, insufficient water supply or system emergency and therefore do not constitute water use restrictions.

10.02 Irrigation Uses.

10.02.1 Xeriscape.

a. Definition. Xeriscape is a set of seven horticultural principles that combine climate-compatible vegetation and other techniques to conserve irrigation water.

b. Policy. It is the Company's policy to encourage Xeriscape landscapes throughout the service area. Prohibitions on the use of Xeriscape are contrary to public policy.

10.02.2 Irrigation of More Than One Acre. In order to extend the yield of the Company's water supply and to encourage the efficient use of water, the irrigation of landscape of more than one acre may be subject to special review.

a. Contiguity Not Required. "Open space of more than one acre" may include contiguous parcels or, in the discretion of the Company, several non-contiguous parcels located in close proximity to one another.

b. Raw Water. The Company may require water service from raw water sources for irrigation of open space of more than one acre if the Company determines, in its sole discretion that. (1) alternative raw water service can be made available by the Company, and (2) the cost of raw water service is competitive with the cost of additional potable or recycled water supply and is financially practical.

c. Potable or Recycled Water. Irrigation of open space of more than one acre with potable water will be permitted only after plan review and upon a finding by the Company that the proposed landscape and irrigation design will use water efficiently in view of the intended uses of the open space.

10.02.3 Irrigation of Narrow Strips of Land. Spray irrigation of narrow strips of land almost inevitably results in water waste. Therefore, the following irrigation system and design requirements apply to irrigation of any strip of land less than 25 feet in width, including medians, parkways, traffic islands, parking lot islands and perimeters, rights-of-way along streets and other public or private areas along roadways.

a. For strips of land less than 6 feet in width - Spray irrigation shall be prohibited. Low-flow irrigation systems are required.

b. For strips of land between 6 feet and 15 feet in width - Only low-flow irrigation, or spray irrigation using low-angle spray nozzles designed for the specific width to be irrigated shall be permitted. All spray heads must be pressure reducing and designed to prevent low head drainage.

c. For strips of land between 15 feet and 25 feet in width - Only gear-driven rotors with low angle nozzles may be used to irrigate turf areas. Planting beds may be irrigated with low-flow or spray irrigation. All spray heads must be pressure reducing and designed to prevent low head drainage.

10.02.4 Soil Amendment for Irrigation of Turf at Newly Constructed Premises. The setting and inspection of the meter, as required by Rule 2.02(d) to activate a domestic water tap at premises where turf will be irrigated, is contingent upon proof of proper soil preparation before installation of turf. Proper soil amendment is the equivalent of adding compost at a rate of four (4) cubic yards per one thousand (1,000) square feet of planted area, incorporated (rototilled) to a depth of six (6) inches.

10.03 Industrial, Commercial and Public Use.

10.03.1 Best Management Practices. The Company encourages all industrial, commercial and public use stockholders to implement Best Management Practices (BMPs) for efficient use of water. A list of BMPs is available from the Company or Denver Water.

10.03.2 Heating or Process Water. A water conservation device conforming to such specifications as may be required by the Company or Denver Water, shall be installed on heating, processing or other industrial or commercial uses of water whenever the Company or Denver Water determines in its discretion that recycling of the water without treatment is practical.

a. Water Conservation Device. For purposes of this section, a water conservation device is any equipment, process or procedure whereby all water used for heating or processing is either consumed in the intended use, or is recycled for the same purpose until it is unusable.

10.03.3 Cooling. All evaporative or refrigerated cooling uses and air conditioning facilities that deliver water to a drain or other discharge facility without recycling or further use are prohibited. This includes any equipment, process or procedure which relies upon the temperature of the water supply for cooling purposes.

10.03.4 Car Washing.

a. Fleet Vehicles. Vehicles contained in commercial operations or fleets may be washed only by means of car wash or washing equipment certified by the Company or Denver Water.

10.03.5 Commercial Power Washing. Commercial enterprises for which cleaning with water is an essential element of their business shall use only high efficiency equipment that uses 1.6 gallons per minute or less and is certified by Denver Water.

10.04 Decorative Water Features. Decorative water features or similar water operating devices using potable or recycled water shall recirculate water within the device. Each device connected to the Water System must have an approved back-flow prevention assembly as required by the Engineering Standards.

10.05 Emergency Water Use Restrictions. If conditions of supply or quality so limit the water supply of the water system that unrestricted water use may endanger the adequacy of that supply or quality, the Company may, by resolution, adopt emergency water use restrictions. Emergency water use restrictions shall remain in force and effect until the Company determines that the conditions requiring their imposition no longer exist. The Company may also adopt such regulations and restrictions as are reasonably calculated under all conditions to conserve and protect its supply and to insure a regular flow of water through its system. Water use restrictions that may be imposed during drought conditions are contained in Chapter 11 of these Rules.

10.06 Enforcement. The stockholder of record of the premises shall be responsible for complying with the Company's regulations and restrictions. Those who violate these regulations or restrictions will be subject to the penalties in force at the time of the violation. Penalties may include:

a. In the event of a first violation, the owner or occupant will be advised in writing and informed that a monetary charge will be added to the water bill for subsequent violations.

b. In the event of a second violation at the same premises, the owner or occupant will be advised in writing and a $50 charge may be added to the water bill.

c. In the event of a third or any subsequent violation at the same premises, the owner or occupant will be advised in writing and a $100 charge may be added to the water bill.

d. Continuing waste of water or willful violation of the Company's regulations or restrictions is cause for temporary suspension of service.

10.06.1 Enforcement During Drought Conditions. During a drought response program water waste may be deemed a drought violation and penalized as provided in that chapter.

CHAPTER 11 - PUBLIC RECORDS

11.01 Purpose. It is the policy of the Company's Board of Directors to make records available for inspection by stockholders or their legal representatives at reasonable times in accordance with the provisions of the Board's Inspection of Records policy attached hereto as Exhibit "F". This chapter is also intended to establish reasonable fees for providing copies of records as authorized by the Board and to recover a portion of the cost of staff time spent in responding to public records requests.

11.02 Official Custodian. The President is the official custodian of all records maintained by the Company.

11.03 Fees for Copies, Printouts, or Photographs. The official custodian shall charge for any copies, printouts or photographs of public records requested. The fee for a standard page shall be $0.25 per page. The fee for records provided in a format other than a standard page will not exceed the actual cost of providing the copy, printout or photograph.

11.04 Record Generation Fees. The Company may also charge an hourly fee of $40.00 per hour for the following:

a. The manipulation of data in order to generate a record in a form not used by Denver Water, including redaction of documents to excise privileged material. Persons making a later request for the same record shall be charged the same fee.

b. A record that must be generated by computer output other than word processing.

c. Time spent responding in performing research, including but not limited to searching voluminous files for specific information, manipulating data, and redacting documents.

11.05 Exemptions. No person shall be permitted to inspect or copy any records of the Company unless the requirements of the "Inspection of Records Policy" are complied with.

CHAPTER 12 - PROCEDURES FOR DISPUTE RESOLUTION UNDER THE OPERATING RULES

12.01 Application of this Chapter Chapter 12 shall apply to all complaints concerning suspension of service or the interpretation, application or enforcement of these Operating Rules. The hearing and appeal procedures established by this Chapter 12 shall not apply to the following matters:

(a) Personnel matters, which shall be governed exclusively by Company personnel rules and policies.

(b) The administration of Denver Water's Engineering Standards, including interpretation, enforcement, revision, waiver and variance, which rests within the jurisdiction of Denver Water, within the Distributors Contract Service Area, and with the Company, within the Maple Grove Service Area.

(c) Any claim not arising from the Operating Rules, such as claims for damages.

12.02 Informal Resolution. Complaints concerning interpretation, application, or enforcement of the Operating Rules must be presented in writing to a customer services representative. Customers affected by billing problems or potential suspension of service may contact a customer service representative by telephone. The customer service representative shall conduct a full and complete review of the complaint. After completing such investigation, as may be necessary, the customer service representative shall take such action as may be warranted and shall notify the customer of the resolution of the matter by telephone within two (2) business days after receipt of the complaint.

12.03 Appeals (Level 1). If a customer is not satisfied with the decision of the customer service representative after the informal resolution process, the customer may request review of that decision by the customer service manager, by telephone request to the customer service representative. The customer service manager will review the decision of the customer service representative and contact the customer before rendering a decision. A decision shall be made within two (2) business days of receipt of the appeal request.

12.04 Appeals (Level 2). If the customer is dissatisfied with the decision of the customer service manager, the customer may submit a written request within 48 hours of receipt of the decision to the customer service manager for an appeal hearing before a Company officer.

12.04.1 The customer shall be notified of the date and time of hearing before a company officer, which hearing shall be held within five (5) business days of receipt of the appeal request.

12.04.2 Attendance. The customer shall be permitted to appear in person. The customer and the Company may have authorized representatives at the hearing, which may include legal counsel.

12.04.3 Rights of the Parties. The customer and the Company shall have the right to present evidence, testimony and argument and the right to confront and cross-examine the other party's witnesses.

12.04.4 Evidence. The Company officer may receive and consider any evidence having probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs. The Company officer will endeavor to consider only relevant and trustworthy evidence and will reject any evidence that the Company determines is irrelevant or untrustworthy.

12.04.5 Burden of Proof. Company shall have the burden of showing that reasonable grounds exist to support the challenged interpretation, application or enforcement of the Operating Rule or proposed service termination. The customer shall have the burden of showing sufficient extenuating circumstances to justify an exception to the challenged service termination, interpretation, application or enforcement of rule(s).

12.04.6 If the appeal involves a proposed suspension of service for non-payment of charges due, service will not be suspended until the informal resolution process and Level 1 (13.3) appeal is completed. If a level 2 appeal is filed, the customer shall deposit the amount of disputed charges and shall pay current bills during the appeal. If no such deposit is made to the Company, service may be suspended prior to disposition of the appeal.

Decision. After review of all relevant materials provided by the customer and the Company and all testimony at hearing, the Company officer shall issue a written decision. A copy of the decision shall be mailed to customer within two (2) business days of the appeal hearing.

12.04.6.1 Decision. The decision of the Company Officer shall be final.

Exhibits:

"A" Duplex Policy 2.05.4.a

"B" Billing Notification Policy 2.09.2.c

"C" Inactive Account Rule 2.11.3

"D" Delinquency Charges 5.05.2

"E" Dual Water Supply Agreement 9.02.1

"F" Inspection of Records Policy 11.01

"G" Obstruction in Meter Pits / Vaults 8.04.a.

The Consolidated Mutual Water Company
Rules and Regulations
Chapter 2.05.3a.

EXHIBIT "A"

Pursuant to policy set by the Board of Directors meeting of April 28, 1997, the following policy shall apply to new and existing duplexes:

1) Any existing duplex that is subdivided into two (2) separate lots or units that may or can be owned and sold as separate lots or units, shall, prior to recording the subdivision of the property, or at the time of the real estae closing, be required to purchase an additional water tap and meter, so that each independent unit has a separate tap and meter.

   Any property containing multiple duplex structures served by one or several taps, shall, prior to recording the subdivision of the property, or at the time of the real estate closing, be required to purchase an additional water tap and meter, so that each independent unit has a separate tap and meter.

2) The cost of the additional tap(s) and meter(s) will be at the prices in effect at the time the application for the additional tap and meter is received.

3) To assure compliance of this policy for existing duplex structures, the Company requires that the current Stockholder(s) execute a Special Water Service Agreement.

4) Any duplex structure, whether new construction or change of use, applied for on or after April 28, 1997, will require a separate tap and meter for each unit.

The Consolidated Mutual Water Company
Rules and Regulations
Chapter 2.09.2c

EXHIBIT "B"

Payment Responsibility Policy

Article VII, Section 1.(f) under *Conduct of Business* of the Company's By-Laws as excerpted below places the responsibility of unpaid water bills on the Stockholders:

"Stockholders are responsible for unpaid water bills incurred by a tenant or other user (such as under a purchase contract) of the tap right represented by this certificate, and any unpaid sums, whether for water or otherwise, due the Company incident to service under such tap right shall constitute a paramount lien in favor of the Company against the stock represented hereby. No stock representing a tap right can be transferred until any delinquency in connection therewith is paid in full".

Effective on and after **July 1, 2007**, water bills for water service will be mailed to the service address as shown on the Stock Certificate of the Stockholder/Owner unless the Company receives a written request from the Stockholder/Owner directing that the water bill be sent to an address of the Stockholder other than the service address served by the Company. Mailing of the water bill for water service to an address other than the Stockholder's address shall in no way relieve the Stockholder/Owner of unpaid water bills or other unpaid charges nor shall it affect the Company's power to enforce payment for any unpaid charges by discontinuing water service to the property at which the charges derived. Unpaid charges constitute a paramount lien in favor of the Company against the stock. Stock cannot be transferred until all charges are paid in full. After reasonable notice has been given, no water will be furnished to the service address against which any charge remains unpaid beyond the due date.

Upon receipt of a written request only from the Stockholder/Owner, the Company will accept account name changes for the purpose of billing the tenant(s) who shall receive and pay water bills only until the tenant(s) become delinquent and water service is discontinued for non-payment. At that time, arrangements for the payment of the unpaid water bills and any unpaid charges will be and remain the responsibility of the Stockholder/Owner pursuant to Article VII, Section 1.(f) of the Company's By-Laws. The Company will not accept verbal directions from the Stockholder/Owner and all subsequent water bills will be the responsibility of the Stockholder/Owner.

Effective July 1, 2007

The Consolidated Mutual Water Company
Rules and Regulations
Chapter 2.11.3

EXHIBIT "C"

THE CONSOLIDATED MUTUAL WATER ACCOUNT

INACTIVE ACCOUNT RULE

Any water tap right, either on the Company's Denver or Maple Grove Water System, physically off and/or non-revenue producing for five (5) consecutive years, shall be considered inactive and that tap right and the Stock Certificate evidencing said tap right shall be canceled unless the following terms and conditions are complied with:

1) The Stockholder/User will be notified by the Company prior to the expiration of the five year period, that the account must be activated and will be billed the monthly minimum corresponding to the meter size to preserve the tap right.

2) All outstanding balances must be paid prior to activating the account.

3) Once the account is activated, it must remain so, or the tap right and Stock Certificate evidencing said tap right will be canceled.

4) Stockholder/Users not wanting to preserve the tap right may surrender the Stock Certificate to the Company and will be paid $50 for each Certificate turned in. The water tap right and surrendered Stock Certificate evidencing that tap right, will be considered canceled.

5) Stockholder/Users refusing to activate the account or surrender the Stock Certificate will be assessed the monthly minimum based on the appropriate meter size.

6) Any activated account progressing to a delinquent status will result in the water tap right and Stock Certificate evidencing that tap right being canceled.

Approved by the Board of Directors of The Consolidated Mutual Water Company on February 22, 1993.

The Consolidated Mutual Water Company
Rules and Regulations
Chapter 5.05.2

EXHIBIT "D"

Delinquent Account Policy

The Company will discontinue service to a service address whose account is delinquent after reasonable notice without incurring any liability therefore. An account will be considered delinquent at any time charges remain unpaid beyond the Due Date on the face of the Water Bill or Statement. Once an account becomes delinquent, partial payments will not be accepted, and the entire amount must be paid in full to avoid discontinuance of service.

Any property owned by a Stockholder/Owner and served by the Company whose account was in the name of a tenant prior to **July 1, 2007** may continue this status until that account becomes delinquent and water service is discontinued for non-payment. At that time, the account will automatically be changed back into the name of the Stockholder/Owner and all subsequent water bills will be and shall remain the responsibility of the Stockholder/Owner.

To minimize delinquent accounts and reduce the financial burden of delinquencies upon the Company, accounts not paid before the scheduled turn off date will incur a **$50.00** service charge to cover the cost of the special service required. Repeat delinquencies will be subject to incremental increases in service charges as follows:

- First Delinquency **$50.00**
- Second Delinquency **$75.00**
- Third Delinquency **$100.00**
- After the third delinquency, each delinquency will incur a service charge of **$100.00** and only cash or certified funds will be accepted.

The service charge and entire bill must be paid in full before service is restored. Payments received between 7:00 a.m. and 4:00 p.m. Monday through Friday (except Holidays) will result in restoration of service the same day. Payments received after 4:00 p.m. Monday through Friday (except Holidays) will result in restoration of service the next working day. Service terminated for non-payment will not be restored outside normal business hours.

Settlement of an account with a check that does not clear the bank will result in a $30.00 returned check charge. A returned check on a delinquent account will result in immediate discontinuance of service. The amount of the returned check, the $30.00 returned check charge and any service charge must be paid in cash or certified funds before service is restored.

Revised December 31, 2011

EXHIBIT "E"

THE CONSOLIDATED MUTUAL WATER COMPANY
12700 West 27th Avenue - P.O. Box 150068
Lakewood, Colorado 80215 Telephone - (303) 238-0451

DUAL WATER SUPPLY AGREEMENT

THIS AGREEMENT; made and entered into this ____ day of _____, 20___ by and between The Consolidated Mutual Water Company, hereinafter called "Consolidated", and _____with residence at _____ hereinafter called "Stockholder".

WITNESSETH:

WHEREAS, the hereinafter described property has a source of water supply other than Consolidated's and

WHEREAS, the Stockholder is served by Consolidated at the address known and numbered as _____ ___;

NOW, THEREFORE, in the consideration of the premises, and the promises and Agreement hereinafter contained, the parties here to agree as follows:

1. Consolidated agrees that the existing ____tap, numbered _____, serving _____, may be used in the customary manner when the Stockholder has fulfilled Consolidated's requirements, which includes but is not limited to this Agreement, said tap to furnish water to the following described property, to wit:

_____

2. The Stockholder agrees that they will not cause or permit the presence of any connection or condition on the above-described property through which any water or other substance may be introduced into the water system serviced or controlled by Consolidated. If, in the opinion of Consolidated, the Stockholder fails to perform the agreements herein contained, the above-mentioned tap and all service to the Stockholder may be completely cut off forthwith, without notice.

3. All well cut offs are subject to inspection by an authorized Consolidated employee.

4. For inspection purposes, authorized employees of Consolidated shall be allowed free access at all reasonable hours to any building or other structure where water is used. All such employees shall carry an identification card signed by the President of Consolidated and containing a picture of the employee.

5. This Agreement is subject to the rules, regulations, and requirements of THE CONSOLIDATED MUTUAL WATER COMPANY now or hereafter made as it pertains specifically to not allowing any cross – connection between the Stockholder's well(s) and the domestic water supplied by Consolidated.

6. This Agreement shall be binding upon its heirs, successors, and assigns of the Stockholder.

IN WITNESS WHEREOF, the parties hereto have executed the within Agreement, as of the day and year first written above.

_____
Stockholder

_____
Stockholder

State of Colorado)
) ss.
County of Jefferson)

The within and foregoing instrument was acknowledged before me by James B. Flood and Patricia K. Flood on this _____day of _____, 2004.

My commission expires: _____.
Witness my hand and official seal.

_____
Notary Public

{SEAL}

THE CONSOLIDATED MUTUAL WATER COMPANY

_____
Michael E. Queen
President

ATTEST:

_____
Reneé S. Allen
Secretary -Treasurer

EXHIBIT "F"

THE CONSOLIDATED MUTUAL WATER COMPANY, a Colorado nonprofit corporation, 12700 W. 27th Ave., Lakewood, CO 80215 ("Company")

Statutory Reference: C.R.S. § 7-136-102, Inspection of Corporate Records by Members. "Member" includes Stockholders of the Company identified as such in the Articles of Incorporation or Bylaws or by a Resolution of the Board of Directors and who are entitled to vote at a Shareholder Meeting; including a beneficial owner whose membership interest is held in a voting trust and any other beneficial owner of a membership interest who establishes beneficial ownership. Note: The Company is not subject to the provisions of the Colorado Open Records Act.

POLICY ON INSPECTION OF COMPANY RECORDS

A member is entitled to inspect and copy, during regular business hours at the Company's principal office, any of the following records of the Company, if the member gives the Company written demand for inspection at least five business days before the date on which the member wishes to inspect and copy such records.

- Articles of Incorporation and Bylaws of the Company;
- Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of members of any class or category of members;
- Minutes of all Members' Meetings (also known as Shareholders' Meetings), and records of all action taken by members without a meeting, for the past three years;
- All written communications by the Company within the past three years to members generally as members;
- List of the names and business or home addresses of the Company's current directors and officers;
- Copy of the Company's most recent periodic report filed with the Colorado Secretary of State;
- The Company's annual financial statements prepared for periods ending during the last three years, and its most recently published financial statements, if any, showing in reasonable detail its assets and liabilities and results of its operations.

In addition, a member is entitled to inspect and copy, during regular business hours at the Company's principal office, any of the other records of the Company if the member gives the Company written demand at least five business days before the date on

which the member wishes to inspect and copy such records and meets the following requirements:

1. The member has been a stockholder for at least three months immediately preceding the demand to inspect or copy, or is a member holding at least five percent of the voting power as the date the demand is made.

2. The member's demand is made in good faith and for a proper purpose.

3. The member describes with reasonable particularity the purpose and the records the member desires to inspect.

4. The records identified by the member are directly connected with the described purpose.

"Proper purpose" means a purpose reasonably related to the demanding member's interest as a member. The President and General Manager, or his designee, shall grant or deny the demand for inspection, and may set reasonable time limits to prevent interference with the conduct of the Company's affairs.

The provisions of this Policy do not affect the right of a member to inspect a Members List for a meeting and action by written ballot, as provided by C.R.S. §7-127-201. Without the consent of the Board of Directors, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a member's interest as a member and may not be (a) used to solicit money or property, unless such money or property will be used solely to solicit the votes of the members in an election to be held by the Company; (b) used for any commercial purpose; or (c) sold to or purchased by any person.

A member's agent or attorney has the same inspection and copying rights as a member. An agent or attorney must submit written proof, signed by the member, that he or she represents the member and seeks to make such inspection for the member.

The right of a member to copy records includes, if reasonable, the right to receive copies made by photographic, xerographic, electronic, or other means. The Company may impose a reasonable charge not to exceed (Recommend: $0.25 per page), covering the costs of labor and material, for paper copies of any documents provided to the member. A charge may also be imposed for copies provided in other formats. Any charge imposed may not exceed the estimated cost of production and reproduction of the records. Any expense expected to be incurred by the Company in responding to any demand for inspection shall be paid in advance by the member making the demand. In no event may the books and records of the Company be removed from the principal office of the Company for copying or for any other purpose.

The Consolidated Mutual Water Company
Rules and Regulations
Chapter 8.04.a.

EXHIBIT "G"

Obstructions in Meter Pits/Vaults

Pursuant to policy set on June 1, 2012, the following shall apply to all properties with existing obstructions discovered within the meter pit or vault serving the property including but not limited to irrigation or sprinkler system connections:

1) Any existing obstruction such as an irrigation or sprinkler system connection discovered by the Company within the Stockholder owned meter pit/vault and installed prior to January 1, 2002 will be allowed to remain so long as the Company is allowed unimpeded and non-hazardous access to the meter at reasonable times pursuant to Chapter 8.03.1 even though any obstruction within the meter pit is a violation of current Company Operating Rules and Engineering Standards.

2) Any change of use on the property will require that the obstruction be removed from the meter pit/vault and relocated a minimum of five (5) feet downstream or on the Stockholder side of service line at the sole cost of the Stockholder.

3) Any existing obstruction such as an irrigation or sprinkler system connection within the meter pit/vault which begins to leak or interferes with the maintenance and repair of the meter, must be removed and relocated a minimum of five (5) feet downstream of the meter pit/vault and inspected by Company personnel at the sole cost of the Stockholder. Relocation of the irrigation or sprinkler system connection must be completed within 10 days of notification to avoid additional water waste.

4) Failure by the Stockholder to comply with this Company rule may cause the Company to perform the maintenance or relocation work to achieve compliance and charge the cost of the work to the Stockholder owning the property or the Company may suspend water service until the repairs and/or removal of the obstruction is completed to the Company's satisfaction.

SHERIDAN STATION WEST METROPOLITAN DISTRICT
141 Union Boulevard, Suite 150
Tel: 303-987-0835 * 800-741-3254
Fax: 303-987-2032

Declaration of Covenants, Conditions & Restrictions

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF WEST LINE VILLAGE

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF WEST LINE VILLAGE

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF WEST LINE VILLAGE is made and entered into by Sheridan Station Transit Village LLC, a Colorado limited liability company (the "**Declarant**," as hereinafter more fully defined).

RECITALS

A. Declarant owns that certain real property situated in the City of Lakewood (the "**City**"), County of Jefferson, State of Colorado, which is described on **Exhibit A** and **Exhibit B** attached hereto and incorporated herein by this reference (the "**Property**") as hereinafter more fully defined.

B. Declarant desires to subject and place upon the Property certain covenants, conditions, easements, architectural guidelines, reservations, rights-of-way, obligations, liabilities and other provisions and restrictions, for the development, improvement, use, operation, maintenance, repair and enjoyment of the Property, that run with the land.

C. This Declaration is exempt from the provisions of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 et seq. ("**Act**") because there are no mandatory assessments created under this Declaration, and there is no obligation created under this Declaration to pay for real estate taxes, insurance premiums, maintenance, or improvements for other real estate or District Property and, accordingly, no common interest community is created.

D. Pursuant to C.R.S. § 32-1-1004 and other provisions of Title 32 of C.R.S., the Declarant, in imposing this Declaration on the Property, intends to empower the District (as defined in **Section 1.9** below) with the authority to provide governmental services, including but not limited to the provision of covenant enforcement and architectural review services and trash collection services, to the Community and to use revenues that are derived from the Community for such purposes.

DECLARATION

NOW, THEREFORE, the Declarant hereby declares that all of the property described on the attached **Exhibits A** and **B**, as supplemented and amended (including by all annexations to this Declaration), shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions, easements, reservations, rights-of-way, obligations, liabilities, charges and other provisions set forth herein.

ARTICLE 1. DEFINITIONS

Section 1.1 ***Architectural Review Committee or ARC.***

"**Architectural Review Committee**" or "**ARC**" means the committee appointed by the Declarant or by the Board, as provided in Section 4.1 of this Declaration. The ARC shall review and approve or disapprove plans for Improvements, as more fully provided in this Declaration.

Section 1.2 ***Board of Directors or Board.***

"**Board of Directors**" or "**Board**" means the body, regardless of name, designated in this Declaration, to act on behalf of the District.

Section 1.3 ***Builder.***

"**Builder**" means any Owner other than the Declarant who acquires one or more Lots for the purpose of constructing one or more residential structures thereon, and who is designated as a "Builder" by the Declarant in its sole discretion from time to time (including the right to withdraw such designation), with such designation to be made by a written instrument Recorded.

Section 1.4 ***Community.***

"**Community**" means all real estate and Improvements described on the attached **Exhibits A** and **B**, as supplemented and amended; all such real estate and Improvements are, by the recording of this Declaration, made subject to the provisions of this Declaration. Community also means all real estate and Improvements that are hereafter annexed to the Community pursuant to Section 12.2; any such property is not part of the Community until it is annexed pursuant to Section 12.2. All real estate and Improvements that are hereafter annexed to the Community are then subject to this Declaration. The name of the Community is West Line Village.

Section 1.5 ***Consolidated.***

"**Consolidated**" means The Consolidated Mutual Water Company, as more specifically identified in Section 13.2 hereof

Section 1.6 ***Consolidated Water Infrastructure.***

"**Consolidated Water Infrastructure**" means that portion of the Water System owned, operated and/or maintained by Consolidated, consisting of any and all portions of the water service line (including but not limited to the main water lines, meters, fire hydrants, as well as related water collection, storage, pipelines, conveyance and measurement facilities, wells, and pump stations, storage and storage rights, ground and renewable water and water rights), through and including that portion of the water service line from the water main through the meter pit to a point that is one foot (1') outside of the meter

pit towards the unit side and/or the District side of a water meter, but not including the District Water Infrastructure nor any private portion of the water service lines, as may be more specifically identified in Rules and Regulations to be adopted by the Declarant and/or District, as the same may be amended from time to time.

Section 1.7 ***Declarant.***

"**Declarant**" means Sheridan Station Transit Village LLC, a Colorado limited liability company, as well as any other Person(s) to whom the Declarant (or any subsequent Declarant), by Recorded document, expressly assigns one or more rights of the Declarant under this Declaration (which shall be the extent of the Declarant's rights to which such assignee succeeds). Use of the word "**Declarant**" in the Governing Documents denotes the aforesaid entity or their designated assignee(s), as provided in the preceding sentence.

Section 1.8 ***Declaration.***

"**Declaration**" means this Declaration of Covenants, Conditions and Restrictions of West Line Village, as supplemented and amended.

Section 1.9 ***Development Rights.***

"**Development Rights**" means the following rights, or combination of rights, hereby reserved by the Declarant, as such Development Rights may be further described in this Declaration, to:

1.9.1 add real estate to this Community and make such real estate subject to the Governing Documents;

1.9.2 create Lots and/or District Property;

1.9.3 subdivide or replat Lots; and

1.9.4 withdraw real estate from this Community.

The Declarant may exercise its Development Rights in all or any portion of the Community or real estate proposed to be added to the Community, subject to and in accordance with the terms and conditions of this Declaration, and no assurances are made that any Development Rights will be exercised or, if exercised, as to the boundaries or order of exercise of any Development Rights. The Declarant's rights to exercise Development Rights shall terminate automatically as provided in Section 1.24 of this Declaration (Use Rights).

Section 1.10 ***District.***

"**District**" means the Sheridan Station West Metropolitan District, created pursuant to §32-1-101, *et. seq.*, C.R.S., and/or any other metropolitan district or other governmental entity to which

the then-District may transfer or assign any or all of the rights and duties of the District under this Declaration. Each assignment or transfer, if any, shall be effective upon recording in Jefferson County, Colorado, of a document of transfer or assignment, duly executed by the then-District. In addition to the authority granted to the District in this Declaration, the District has such other authority with respect to the exercise of such authority, as may be permitted by the Special District Act, C.R. S. 32-1-101 *et seq.,* including but not limited to the right to adopt rules and regulations, fees, rates, tolls, penalties and charges, and to undertake enforcement actions.

Section 1.11 ***District Property.***

"**District Property**" means any property located within the Community now or hereafter owned or leased by the District. District Property shall be open to Owners and their Permittees and shall be open to the general public, subject to rules, regulations and closure by the District. Those areas described on **Exhibit B** are, or are anticipated to become, District Property.

Section 1.12 ***District Water Infrastructure.***

"District Water Infrastructure" means that portion of the Water System owned, operated and/or maintained by the District, consisting of that portion of the public water service line that commences at the point where the Consolidated Water Infrastructure terminates. The District Water Infrastructure does not include any private portion of the water service lines and does not include the Consolidated Water Infrastructure. For certain Lots, the District Water Infrastructure may potentially include a sub-meter within the unit.

Section 1.13 ***Enforcement Committee.***

"**Enforcement Committee**" means a committee appointed by the Board to enforce the Governing Documents, as provided in Section 11.1.

Section 1.14 ***Fees.***

"**Fees**" means, collectively, (i) any type of charge for any services or facilities provided by or through the District, or (ii) any charges imposed by the District for the fulfillment of any of its rights or obligations hereunder.

Section 1.15 ***Fines***

"**Fines**" means any monetary penalty imposed by the District against an Owner due to a violation of the Governing Documents.

Section 1.16 ***Governing Documents.***

"**Governing Documents**" means this Declaration and any Rules and Regulations (as hereinafter defined), and any policies and procedures and other documents now or hereafter adopted by the District, as amended or supplemented from time to time relating to design review and/or covenant enforcement.

Section 1.17 ***Improvements.***

"**Improvements**" means all exterior improvements, structures, and any appurtenances thereto or components thereof of every type or kind, all landscaping features and hardscaping features, including but not limited to buildings, outbuildings, car ports, solar equipment, hot tubs, satellite dishes, antennae, tree houses, gazebos, garages, sheds, signs, patios, patio covers, awnings, solar collectors, yard art (including but not limited to statues, fountains, bird baths, and decorative pieces), paintings or other finish materials on any visible structure, additions, walkways, sprinkler systems, garages, driveways, dog runs, fences, including gates in fences, basketball backboards and hoops, swing sets and other play structures, screening walls, retaining walls, walkways, stairs, decks, landscaping, hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, groundcover, excavation and site work, removal of trees or plantings, exterior light fixtures, poles, signs, exterior tanks, exterior air conditioning, cooling, heating and water softening equipment, if any. The term "Improvements" includes both original Improvements and all later changes, modifications, and replacements of Improvements.

Section 1.18 ***Lot***

"**Lot**" means each platted lot shown on any Recorded subdivision map of the Property described on the attached **Exhibit A**, which is subject to this Declaration, as the same may be resubdivided or replatted from time to time (subject to the restrictions contained in this Declaration); and any other lot platted and subsequently annexed into the Community and subjected to this Declaration pursuant to Section 12.2 with the exception of any property publicly dedicated on a Recorded plat. Lots do not include any District Property or any other property that has been dedicated to any other governmental authority.

Section 1.19 ***Owner.***

"**Owner**" means each fee simple title holder of a Lot, including Declarant, each Builder, and each other Person who owns a Lot, but does not include a Security Interest Holder. There may be more than one (1) Owner of a Lot.

Section 1.20 ***Permittees.***

"**Permittees**" means any family members, tenants, subtenants, licensees, occupants, invitees, guests or visitors, of an Owner.

Section 1.21 ***Person.***

"**Person**" means a natural person, a corporation, a limited liability company, a partnership, a trust, a joint venture, an unincorporated association, or any other legal entity or any combination thereof and includes each Owner, the Declarant, any Builder, the ARC, and the District.

Section 1.22 ***Property.***

"**Property**" means the real estate and Improvements described on the attached **Exhibits A** and **B**.

Section 1.23 ***Records.***

"**Records**" means the official real property records of Jefferson County, Colorado; "**to Record**" or "**to be Recorded**," means to file for recording in the Records; and "**of Record**" and "**Recorded**" means having been recorded in the Records.

Section 1.24 ***Rules and Regulations.***

"**Rules and Regulations**" means rules and regulations concerning, without limitation, (i) the appointment of members to the ARC and any Enforcement Committee, (ii) the use of the Property, (iii) certain use restrictions on the Lots, and/or (iv) other restrictions governing the conduct of Owners, as such rules and regulations are adopted by the Declarant or the Board and as may be amended from time to time. The Rules and Regulations are binding upon all Owners and Permittees. The Declarant and the District shall have the authority to enact, issue promulgate, modify, amend, repeal, and re-enact Rules and Regulations during the period set forth in Section 1.24 hereof. Thereafter, only the District shall have such authority.

Section 1.25 ***Security Interest.***

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

Section 1.26 ***Security Interest Holder.***

"**Security Interest Holder**" means any Person named as a mortgagee or beneficiary, or in a similar capacity, under any Security Interest or any successor to the interest of any such Person under such Security Interest.

Section 1.27 ***Use Rights.***

"**Use Rights**" means the following rights, which rights are hereby reserved for the benefit of the Declarant or, as applicable, the District and which rights may be further described in this Declaration: to build and complete Improvements; to exercise any Development Right; to maintain sales offices, construction offices, management offices, model homes and signs advertising the Community and/or Lots; to use easements through the Community for the purpose of making Improvements within the Community or within real estate which may be added to the Community. All of the Use Rights may be exercised by the Declarant or the District with respect to any portion of the real estate and Improvements now or hereafter within the Community. The Declarant or the District may exercise any or all of these Use Rights at any times. The District's right to exercise the Use Rights does not expire. The Declarant's right to exercise the Use Rights shall terminate automatically either twenty (20) years after the date of Recording of this Declaration or at such time as neither the Declarant nor any Builder no longer owns any portion of the property described on the attached **Exhibit A** or **C**, whichever occurs first.

Section 1.28 ***Water System.***

"Water System" means, collectively, the District Water Infrastructure and the Consolidated Water Infrastructure. Additional information concerning the Water System may be included in Rules and Regulations to be adopted by the Declarant and/or District, as the same may be amended from time to time.

ARTICLE 2. DISTRICT

Section 2.1 ***Authority of the District to Appoint ARC.***

Except as provided in Section 4.1, the District (through the Board) shall appoint all members of the ARC and may remove all or any of the members of the ARC which have been appointed by the District as provided in Sections 4.1.1 and 4.1.2. The foregoing agreement of the District to appoint members of the ARC shall be enforceable by the Owners pursuant to Section 11.5 below.

Section 2.2 ***Cooperation and/or Delegation.***

The Board of Directors shall have the right and authority to cooperate with, contract with and/or delegate to, any community, or other district(s), the City and other units of state and local government, and/or any other Person(s), in order to increase consistency or coordination, reduce costs, or as may otherwise be determined by the Board of Directors.

Section 2.3 ***Trash Collection Services.***

Trash removal services may be subscribed to by the District on behalf of the residents of the Community and, if so: the Board may determine the scope, frequency, and all other matters, with regard to such trash removal services; and the Owners shall pay their proportionate share of such

trash removal services, as determined by the Board or, if arranged by the Board with the vendor, each Owner shall pay the vendor directly for trash collection services provided to each Owner.

Section 2.4 ***Rules and Regulations and Policies and Procedures.***

From time to time, the District (through the Board of Directors) may adopt, amend, repeal and enforce rules and regulations ("**Rules and Regulations**") and policies and procedures concerning and governing the Community and may establish penalties for the infraction thereof, including the levying and collecting of fines for the violation of any of such Rules and Regulations or policies and procedures. The foregoing agreement of the District to promulgate Rules and Regulations shall be enforceable by the Owners pursuant to Article 10 below. The Rules and Regulations and policies and procedures may include: procedural requirements; interpretations and applications of this Declaration and law, including blanket requirements, blanket interpretations, and blanket applications; and covenants, conditions, restrictions, requirements, and/or other provisions, pertaining to any matters, including vehicles and animals. Such rules and regulations and policies and procedures may be different for different types or prices of Lots, construction or homes. No Rules and Regulations or policies and procedures that are adopted shall be contrary to this Declaration.

Section 2.5 ***Notice of Meetings and Other Matters of the District.***

Notices of any meetings, newsletters and other correspondence or documents concerning the ARC shall be sent to the Declarant at the same time that such notices, newsletters, and other correspondence or documents are sent to the Owners. However, the foregoing shall expire upon automatic termination of the Declarant's right to exercise the Use Rights as provided in Section 1.24 of this Declaration (Use Rights).

Section 2.6 ***Authenticated Electronic Representation.***

Notwithstanding anything to the contrary contained in the Governing Documents, to the extent not prohibited by applicable law, the District may use technology or electronic representation in completing its duties and responsibilities. In this regard, any reference in any of such documents to action, attendance, representation, notice, quorum, voting or acknowledgement, as well as any and all other matters, may be conducted by authenticated electronic activity and, to the extent not prohibited by applicable law, the provisions of all of such documents shall be deemed to include provisions which permit such authenticated electronic activity.

ARTICLE 3. FINES

Section 3.1 ***Personal Obligation for Fines.***

Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees, and shall be personally obligated, to pay to the District any and all fines and penalties, as provided in this Declaration; with such fines and penalties

to be established and collected as hereinafter provided. All Owners of each Lot shall be jointly and severally liable to the District for the payment of all fines and penalties attributable to their Lot.

Section 3.2 ***Purpose of Fines and Penalties.***

The fines and penalties levied by the District are used to protect and maintain the health, safety and welfare of the residents of the Community through enforcement of this Declaration, the Rules and Regulations and the Guidelines.

Section 3.3 ***Liens.***

The District has the right and authority to levy and collect fines, to impose liens (as provided in C.R.S. Section 32-1-1001(1)(j)(I), as amended), to negotiate, settle and/or take any other actions with respect to any violation(s) or alleged violations(a) of the Governing Documents. No further Recordation of any claim of lien is required. However, the Board of Directors or any officer of the ARC or any managing agent of the District, may prepare and Record, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner(s) of the Lot, and a description of the Lot. If a lien is filed, the reasonable costs and expenses thereof shall be added to the due amount for the Lot against which it is filed and collected as part and parcel thereof. The District's lien may be foreclosed as provided by law. Notwithstanding anything to the contrary set forth herein, in no event shall any transfer or other fee or charge be levied upon the sale of a Lot.

Section 3.4 ***Certificate of Status of Fines and Penalties.***

The District shall furnish to an Owner, or such Owner's designee, or to a Security Interest Holder or its designee, upon written request delivered personally or by certified mail, first class postage prepaid, return receipt, to the District's registered agent, a written statement setting forth the amount of unpaid fines and penalties, if any, currently levied against such Owner's Lot. The statement shall be furnished within a reasonable time after receipt of the request and is binding on the District, the Board of Directors and every Owner. The District or its agents shall have the right to charge a reasonable fee for the issuance of such certificates.

Section 3.5 ***Other Charges.***

To the extent permitted by law, the District may levy and assess charges, costs and fees, for matters such as, but not limited to, the following, in such amounts(s) as the Board of Directors may determine, including: reimbursement of charges that are made to the District by its managing agent or other Person; copying of District or other documents; returned checks; telefaxes; long distance telephone calls; transfer charges or fees upon transfer of ownership of a Lot; notices and demand letters; and other charges incurred by the District.

ARTICLE 4. ARCHITECTURAL REVIEW

Section 4.1 ***Composition of ARC; Authority of Representative.***

4.1.1 The Architectural Review Committee shall consist of three (3) or more natural persons. The Declarant shall have the authority to appoint the members of the ARC during the period set forth in Section 1.24 hereof; provided, that the Declarant may, during such period, relinquish the authority to appoint members of the ARC, but only by a written instrument signed by the Declarant that expressly relinquishes such authority. After the period set forth in Section 1.24, or if the Declarant earlier relinquishes its authority to appoint members of the ARC, the Board shall have the authority to serve as, or to appoint the members of, the ARC and/or to delegate some or all architectural authority, as provided in Section 4.1.2 hereof. The power to "**appoint**" the Architectural Review Committee shall include the power to: constitute the membership of the Architectural Review Committee; appoint member(s) to the Architectural Review Committee on the occurrence of any vacancy therein, for whatever reason; and remove any member(s) of the Architectural Review Committee, with or without cause, and appoint the successor(s) thereof. Each such appointment may be made for such term(s) of office, subject to the aforesaid power of removal, as may be set by the Board.

4.1.2 Except as provided in Section 4.1.1, the District shall have the right and authority to: (a) delegate, in writing, some or all of the architectural authority to one or more other Persons, who shall be the ARC's representative to act on its behalf. If the ARC delegates any authority, then the actions of such representative shall be the actions of the ARC, subject to the right of appeal as provided below. However, if such a representative is appointed, the District shall have the power to withdraw from such representative any of such representative's authority, and shall also have the power to remove or replace such representative.

Section 4.2 ***Required Review and Approval; Reimbursement for Expenses.***

4.2.1 Except as provided in Sections 4.10 and 4.13 of this Declaration, no Improvements shall be constructed, erected, placed, planted, applied or installed upon any Lot, unless complete plans and specifications therefor (said plans and specifications to show exterior design, height, materials, color, and location of the Improvements, plotted horizontally and vertically, location and size of driveways, location, size, and type of landscaping, fencing, walls, retaining walls, windbreaks and grading plan, as well as such other materials and information as may be required by the Architectural Review Committee), shall have been first submitted to and approved in writing by the Architectural Review Committee.

4.2.2 The Architectural Review Committee shall endeavor to exercise its judgment to the end that Improvements generally harmonize with the existing surroundings, residences, landscaping and structures.

4.2.3 In its review of such plans, specifications and other materials and information, the Architectural Review Committee may require that the applicant(s) reimburse the ARC for the actual expenses incurred, or reasonably anticipated to be incurred, by the ARC, in the review and/or approval process.

4.2.4 In addition to the required approvals by the Architectural Review Committee as provided in this Article, the construction, erection, addition, deletion, change or installation of any Improvements shall also require the applicant to obtain the approval of all governmental entities with jurisdiction thereover, and issuance of all required permits, licenses and approvals by all such entities. Without limiting the generality of the preceding sentence, issuance of building permit(s) by the City, if required, shall be a precondition to commencement of construction of, alteration of, addition to or change in, any Improvement. The ARC shall not review or approve any proposed Improvements for compliance with governmental requirements.

4.2.5 In addition to the authority that is given to the ARC in this Declaration, as well as such authority as may be implied from any provision(s) of this Declaration, the ARC shall have all authority and to receive and review complaints from one or more Owners, any Declarant, a Builder, or any other Person(s), alleging that a violation of any of the Governing Documents has occurred or is occurring.

Section 4.3 ***Procedures.***

The Architectural Review Committee shall decide each request for approval within forty-five (45) days after the complete submission of the application or request and all plans, specifications and other materials and information which the ARC may require in conjunction with such application or request. If the Architectural Review Committee fails to decide any application or request within forty-five (45) days after the complete submission of the plans, specifications, materials and other information with respect thereto, then such application or request for approval shall be deemed to have been approved by the ARC.

Section 4.4 ***Vote and Appeal.***

The affirmative vote of a majority vote of the Architectural Review Committee is required to approve a request for approval pursuant to this Article (which may be with conditions and/or requirements), unless the ARC has appointed a representative or committee to act for it, in which case the decision of such representative or committee shall control. In the event a representative or committee acting on behalf of the Architectural Review Committee denies a request for approval, then any Owner shall have the right to an appeal of such decision to the full ARC, upon a written request therefor submitted to the ARC within ten (10) days after such decision by the ARC's representative. The Owner may request a hearing before the ARC by including the request for a hearing in or with such Owner's appeal request. If a hearing is requested within the ten (10) day period, the hearing shall be held before the full ARC. At the hearing, the Owner shall be afforded a reasonable opportunity to be heard. The ARC may adopt rules for the conduct of such hearings that

may include, without limitation, rules that govern presentations. The minutes of the hearing shall contain a written statement of the results of the hearing. The decision of the ARC shall be final. No additional or further appeals are permitted, nor will any be recognized.

Section 4.5 ***Prosecution of Work After Approval.***

After approval of any proposed Improvement by the ARC, the proposed Improvement shall be accomplished as promptly and diligently as possible and in complete conformity with the terms and conditions of the approval. Failure to complete the proposed Improvement within ninety (90) days after the date of approval of the application, or failure to complete the Improvement in complete conformance with terms and conditions of the approval, shall constitute noncompliance with the requirements for approval issued by the ARC and a violation of this Article; provided, however, that the ARC may grant extension(s) of time for completion of any Improvement(s). Upon the completion of an Improvement, the applicant for approval of the same shall give a written "**Notice of Completion**" to the ARC. Until the date of receipt of such Notice of Completion, the ARC shall not be deemed to have notice of completion of any Improvement on which approval (which may be with conditions and/or requirements) has been sought and granted as provided in this Article.

Section 4.6 ***Inspection of Work.***

The ARC, or its duly authorized representative or committee, shall have the right to inspect any Improvement at any time, including prior to, during, or after completion during reasonable hours after reasonable notice to the Owner(s) or occupant(s) of any affected Lot; except that no such notice shall be required in connection with any exterior, non-intrusive maintenance. Such inspections may be made in order to determine whether or not the proposed Improvement is being completed, or has been completed, in compliance with the approval granted pursuant to this Article. However, such right of inspection shall terminate sixty (60) days after the ARC has received a Notice of Completion from the applicant.

Section 4.7 ***Notice of Noncompliance.***

If, as a result of inspections or otherwise, the ARC determines that any Improvement has been done without obtaining the required approval (which may be with conditions and/or requirements), or was not done in substantial compliance with the approval that was granted, or has not been completed within ninety (90) days after the date of approval, subject to any extensions of time granted pursuant to Section 4.5 hereof, then the ARC shall notify the applicant in writing of the noncompliance. Such notice of noncompliance shall be given not later than sixty (60) days after the ARC receives a Notice of Completion from the applicant. The notice of noncompliance shall specify the particulars of the noncompliance.

Section 4.8 ***Correction of Noncompliance.***

If the ARC determines that a noncompliance exists, the Person responsible for such noncompliance shall remedy or remove the same within not more than forty-five (45) days from the date of receipt of the notice of noncompliance. If such Person does not comply with the ruling within such period, the District may, at its option, record a notice of noncompliance against the Lot on which the noncompliance exists, may impose fines, penalties and interest, may remove the noncomplying Improvement, or may otherwise remedy the noncompliance, and the Person responsible for such noncompliance shall reimburse the District, upon demand, for all costs and expenses, as well as anticipated costs and expenses, with respect thereto.

Section 4.9 ***Standards/Guidelines.***

The District has the authority to enact, issue, promulgate, modify, amend, repeal, re-enact, and enforce architectural standards, guidelines, rules and regulations (collectively, "**Guidelines**") to interpret and implement the design review provisions of this Declaration. Thereafter, except as provided in the last sentence of this Section, the Architectural Review Committee shall have such authority. Such provisions of the Guidelines may include: clarifying the types of designs and materials that may be considered in design approval; requirements for submissions in order to obtain review by the ARC, procedural requirements, and acceptable Improvement(s) that may be installed without the prior approval of the ARC; architectural standards, design guidelines, requirements, and/or other provisions pertaining to architectural design and approvals; provisions that are different for different types, sizes or prices of Lots, construction or residences (including garages, porches and overhangs); and permitting the ARC, with respect to any violations or alleged violations of any of the Governing Documents, to send demand letters and notices, levy and collect fines and interest, and negotiate, settle and take any other action. In addition, such provisions may provide for blanket approvals, interpretations or restrictions on Improvements. By way of example, and not by way of limitation, such provisions may state that a certain type of screen door will be acceptable and will not require approval. All Improvements proposed to be constructed, and any Guidelines that are adopted, shall be done and used in accordance with this Declaration. However, after appointment of the ARC by the District, any architectural standards, guidelines, rules and regulations, or any modifications to existing architectural standards, guidelines, rules and regulations, proposed by the Architectural Review Committee, shall not be effective until the same have been approved by the Board of Directors.

Section 4.10 ***Variance.***

The Architectural Review Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article or Article 7 of this Declaration (Restrictions) of the Guidelines, in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of any such conditions and restrictions. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or Improvements in the neighborhood and shall not militate against

the general intent and purpose hereof. However, any variance that may be granted under this Section is only a variance from the requirements of the applicable Governing Document for the individual applicant, and is not a variance from the requirements of any applicable governmental or quasi-governmental agency or entity. No granting of a variance or adjustment to any one applicant/Owner shall constitute a variance or adjustment, or the right to a variance or adjustment, to any or all other applicants/Owners.

Section 4.11 ***Waivers; No Precedent.***

The approval or consent of the Architectural Review Committee or any representative thereof, to any application for approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by the ARC, or any representative thereof, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent as to any other matter.

Section 4.12 ***No Liability.***

Neither the ARC, nor any members, employees, agents or representative or committee thereof, nor any Declarant, Builder or District, nor any owners, officers, employees or agents thereof, shall be liable in equity or damages to any Person submitting requests for approval or to any Person by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove. In reviewing any matter, neither the ARC, nor any Declarant, Builder or District, shall be responsible for the safety, whether structural or otherwise, of any item(s) submitted for review, nor the conformance with applicable building codes or other governmental laws or regulations, and any approval of an Improvement by the ARC, District, or the Declarant, shall not be deemed an approval of any such matters. No Member or other Person shall be a third party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval or disapproval granted by, the ARC, District or the Declarant.

Section 4.13 ***Declarant's and District's Exemption; Builder's Exemption.***

4.13.1 Notwithstanding anything to the contrary, the Declarant and the District are exempt from all provisions of this Article and all other provisions of the Governing Documents and any other matters that require ARC review and/or approval, except the requirements to obtain approval of the governmental entities (other than the District or any other governmental entity that enforces any of the Governing Documents) with jurisdiction thereover as provided in Section 4.2.4 of this Declaration.

4.13.2 Notwithstanding anything to the contrary, each Builder is exempt from the provisions of this Article and all other provisions of the Governing Documents and any other matters that require ARC review and/or approval, except for the requirements to obtain approval from the governmental entities (other than the District or any other

governmental entity that enforces any of the Governing Documents) with jurisdiction thereover as provided in Section 4.2.4 of this Declaration.

ARTICLE 5. INSURANCE

Section 5.1 ***Insurance.***

The District may maintain insurance in connection with its functions. Such insurance to be maintained by the District may include property insurance, commercial general liability insurance, fidelity coverage and personal liability insurance to protect directors and officers of the District from personal liability in relation to their duties and responsibilities in acting as directors and/or officers on behalf of the District. In addition, the District may maintain insurance against such other risks as the Board of Directors may determine. Nothing herein shall be construed or interpreted as a waiver of the District's governmental immunity as provided by law.

Section 5.2 ***Insurance to be Maintained by Owners.***

Insurance coverage on each Owner's Lot, and the Improvements thereon, as well as on personal property belonging to an Owner to provide for replacement cost coverage, and public liability insurance coverage on each Lot, is the responsibility of the Owner of such Lot.

ARTICLE 6. EASEMENTS

Section 6.1 ***Access Easement.***

The Declarant hereby reserves, and each Owner hereby grants, to the District, the ARC, and the Enforcement Committee, if any, including the agents, representatives, employees and contractors of the District, the ARC and the Enforcement Committee, if any, and each such Person an access easement on, over, under and across each Lot, excluding any habitable structure and the interior of any residence thereon, for performing any of the actions contemplated in the Governing Documents, including maintenance, repair and replacement referred to in Section 10.1 and inspections and enforcement of each of the terms and provisions of the Governing Documents. The rights and easements granted in this Section may be exercised only during reasonable hours after reasonable notice to the Owners of any affected Lot; except that no such notice is required (i) in connection with any exterior, non-intrusive inspections and maintenance; and (ii) in emergency situations. Each Owner hereby grants to the District, and to its agents, employees and contractors, a right and easement on, over, under, across and through such Owner's Lot for and incidental to inspection and/or enforcement, incidental to any term or provision of any of the Governing Documents. The rights and easements granted in this Section may be exercised only during reasonable hours after reasonable notice to the Owner(s) or occupant(s) of any affected Lot; except that no such notice shall be required in connection with any exterior, non-intrusive entry. The interior of any residence shall not be subject to the easements provided for in this Section.

Section 6.2 ***Utilities Easements.***

The Declarant and the District hereby grant and reserve a blanket easement upon, across, over and under the District Property for utilities and the installation, replacement, repair and maintenance of utilities, including, but not limited to, water, sewer, gas, telephone, electricity, cable, and television antenna or cable or satellite television systems, if any. By virtue of this blanket easement it shall be expressly permissible to erect and maintain the necessary facilities, equipment and appurtenances on the District Property and to affix, repair, maintain and replace water and sewer pipes, gas, electric, telephone, computer and television wires, cables, circuits, conduits and meters, regardless of whether the aforesaid constitute portions of main distribution systems or individual services. In the event any utility or quasi-utility company furnishing a service covered by the general easement created herein requests a specific easement by separate recordable document, Declarant and the District reserves and is hereby given the right and authority to grant such easement upon, across, over and/or under any part or all of the District Property without conflicting with the terms hereof; provided, however, that such right and authority in the Declarant shall automatically cease at such time as the Declarant's right to exercise the Use Rights terminate as provided in Section 1.24 of this Declaration. The easement provided for in this Section shall in no way affect, avoid, extinguish or modify any other Recorded easement(s) on the District Property.

Section 6.3 ***Drainage Easement.***

The Declarant hereby reserves, and the District and each Owner hereby grants, to the District and its agents, representatives, employees and contractors an easement on, over, under and across each Lot, excluding any habitable structure and the interior of any residence thereon, for drainage and drainage facilities, including, without limitation, installation, construction, maintenance, repair, enlargement, and replacement of drainage channels, swales, pipes and other drainage facilities across each Lot. No Improvements shall be placed or permitted to remain on any Lot nor shall any change in grading be permitted to exist which may change the direction of flow or obstruct or retard the flow of water or other moisture through channels or swales within such rear, front and side yard drainage easements. The Declarant reserves to itself and to the District the right to enter in and upon each such drainage easement to construct, repair, replace or change drainage pipes, structures or drainage ways, or to perform such grading, drainage or corrective work as the Declarant or the District may deem necessary or desirable; provided, however, that such right and authority in the Declarant shall cease at such time as the Declarant's right to exercise the Use Rights automatically terminate as provided in Section 1.24. Nothing in this Section 6.3 in any way limits the City's rights with respect to the drainage easements.

Section 6.4 ***Additional Easements.***

If the Declarant withdraws any portion of the Property from this Declaration, Declarant shall retain whatever easements are reasonably necessary or desirable across the Property for access to and utility services for the portion of the Property withdrawn.

Section 6.5 ***Easement for Unannexed Property.***

The Declarant and the District hereby reserves, for the use and benefit of any property owned by Declarant and located proximately to the Community which may be annexed pursuant to Section 12.2 ("**Annexable Area**"), a non-exclusive, perpetual easement for pedestrian and vehicular access, ingress and egress, on, over and across the roads, driveways, streets, alleys, sidewalks, access ways and similar District Property, now or hereafter constructed, erected, installed or located in or on the Community, and on, over, across and under the District Property for utilities and the construction, location, erection, installation, storage, maintenance, repair, renovation, replacement, reading, and use of any utilities Improvements that may now or hereafter serve the Annexable Area or any portion thereof (herein collectively the "**Annexable Area Easement**"). By virtue of this Annexable Area Easement, Declarant and the District generally intends to provide for pedestrian and vehicular access and for utilities services to those portion(s) of the Annexable Area which have not been included in the Community. Hence, the Annexable Area Easement shall be in effect for each portion of the Annexable Area, from and after Recording of this Declaration, but shall cease to be effective as to each portion of the Annexable Area at such time as the following have occurred with respect to such portion of the Annexable Area: annexation of such portion of the Annexable Area to this Declaration; and expiration of the Declarant's right to withdraw such portion of the Annexable Area from this Declaration.

ARTICLE 7. RESTRICTIONS

Section 7.1 ***Restrictions Imposed.***

The Community shall be held and shall henceforth be sold, conveyed, used, improved, occupied, owned, resided upon and transferred, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in this Declaration.

Section 7.2 ***Compliance with Law.***

All Owners, all Permittees, and all other Persons, who reside upon or use any Lot or any other portion of the Community, shall comply with all applicable statutes, ordinances, laws, regulations, rules and requirements of all governmental and quasi-governmental entities, agencies and authorities with jurisdiction over the Community.

Section 7.3 ***Residential Use; Certain Permitted Business Activities.***

Subject to Section 10.4 of this Declaration (Declarant's and Each Builder's Use), Lots shall be used for residential use only, including uses which are customarily incident thereto, and shall not be used at any time for business, commercial or professional purposes. Notwithstanding the foregoing, however, Owners may conduct business activities within their homes provided that all of the following conditions are satisfied, as determined by the Board:

7.3.1 The business conducted is clearly secondary to the residential use of the residence on the Lot and is conducted entirely within the residence;

7.3.2 The existence or operation of the business is not detectable from outside of the residence by sight, sound, smell or otherwise, or by the existence of signs;

7.3.3 The business does not result in an undue volume of traffic or parking that affects the Community;

7.3.4 The business conforms to all zoning provisions and is lawful in nature; and

7.3.5 The business conforms to all Rules and Regulations and policies and procedures.

Section 7.4 ***Nuisances.***

No nuisance shall be permitted which is visible within or otherwise affects the Community or any portion thereof, nor any use, activity or practice which interferes with the peaceful enjoyment or possession and proper use of the Lots in the Community or any portion thereof. As used herein, the term "**nuisance**" shall include each violation of any of the Governing Documents or law, but shall not include any activities of the Declarant or District which are incidental to the development and construction of, and promotion, marketing, and sales activities in, the Community. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done or placed on any Lot which is a nuisance.

Section 7.5 ***Animals.***

No animals, horses, livestock, birds, poultry, reptiles or insects of any kind shall be raised, bred, kept or boarded in the Community; provided, however, that the Owners of each Lot may keep a reasonable number of bona fide household pets (including dogs, cats or other domestic animals), so long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident of the Community. All pets shall be reasonably controlled by the pet's owner whenever outside a structure and shall be kept in such a manner as to not become a nuisance by barking or other acts. The owner of the pet shall be responsible for all of the pet's actions and shall promptly clean up after the pet. The District shall have, and is hereby given, the right and authority to do the following, as well as take such other action(s) with regard to these matters as the Board of Directors may determine: set a maximum number of household pets; regulate the type(s) of pets that are permitted to be kept; determine that any animals or pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance; determine that an Owner is in violation of the leash laws of the applicable jurisdiction or other governmental laws, ordinances, or other provisions related to animals or pets; or determine that an Owner is otherwise in violation of any provision of the Governing Documents. If the District determines that any of the foregoing have been or are

being violated, the District may take any action(s) to correct the same, including requiring removal of the animal. An Owner's right to keep household pets is coupled with the responsibility to pay for any damage caused by such pets, as well as all costs incurred by the District as a result of such pets. In addition to the foregoing, the Board may, but is not obligated to, adopt Rules and Regulations to address dangerous animals or animals that are a nuisance or repeated barking by a particular dog.

Section 7.6 ***Miscellaneous Improvements.***

7.6.1 No advertising or signs of any character shall be erected, placed, permitted or maintained other than: a name plate of the occupant and a street number; and a "**For Sale**," "**Open House**," "**For Rent**" or security sign(s) of not more than a total of six (6) square feet posted only for the purpose of selling, renting or evidencing the existence of a security system on such Lot; and political signs and other signs, in conformance with all other laws and regulations; and such other signs, for such length(s) of time, which have the prior written approval of the Board or are otherwise expressly permitted by the Rule and Regulation or Guidelines or by law; provided, however, that any and all such advertising or signs shall be subject to any and all specifications and/or Rules and Regulations adopted by the Board of Directors. Notwithstanding the foregoing, any signs, advertising, or billboards, may be used by the Declarant, the District, or a Builder, without regard to any specifications or any Rules and Regulations, and without the prior written approval of the Board, the ARC, or any other Person.

7.6.2 Any wood piles must be stored inside the Owner's garage.

7.6.3 Except as may otherwise be permitted in writing by the ARC, no exterior radio antenna, television antenna, or other antenna, satellite dish, or audio or visual reception device of any type shall be placed, erected or maintained on any Lot, except inside a residence (including garages, porches and overhangs) or otherwise concealed from view; provided, however, that any such devices may be erected or installed by the Declarant, the District, or a Builder during its development, sales or construction; and provided further, however, that the requirements of this subsection are subject to the Telecommunications Act of 1996 and applicable regulations, as amended from time to time.

7.6.4 No fences shall be permitted without the prior written approval of the ARC, except such fences as may be constructed, installed or located, in the Community, by the Declarant, the District, or a Builder.

7.6.5 This Section 7.6 shall be construed and applied in accordance with all applicable laws.

Section 7.7 ***Vehicular Parking, Storage and Repairs; Use of Garages.***

7.7.1 No house trailer, camping trailer, boat trailer, hauling trailer, jet ski, boat, or accessories thereto, truck (excluding, except as hereinafter provided, pickup trucks that are rated 1 ton or less), self-contained motorized recreational vehicle, or other type of recreational or commercial vehicle or equipment, may be parked or stored on a Lot, unless such parking or storage is entirely within the garage area of such Lot or will be suitably screened from view in accordance with the Rules and Regulations or prior written approval of the Board. A "**commercial vehicle**" means a vehicle that: is used to transport cargo or passengers for profit or hire, or otherwise to further the purposes of a business or commercial enterprise; and may (but is not required to) contain signage, advertising, or written information on the vehicle or extending from the vehicle. However, any such vehicle may be otherwise parked as a temporary expedient for loading, delivery, or emergency. This restriction, however, shall not restrict trucks or other commercial vehicles that are necessary for construction or maintenance of any portion of the Community or any Improvements located thereon. "**Recreational vehicle**" includes, but is not limited to, motor homes, pick-up trucks with camper shells, trailers, self-contained recreational vehicles, motorcycles, motorbikes, snowmobiles, jet skis, all-terrain vehicles, and other apparatus intended for use on land, water, or in the air, and the trailers used for their transportation.

7.7.2 No abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked in the Community. An "**abandoned or inoperable vehicle**" shall be defined as any automobile, truck, motorcycle, or other similar vehicle, which has not been driven under its own propulsion for a period of seventy-two (72) hours or longer, or which does not have an operable propulsion system installed therein, or which is not then currently registered and licensed; provided, however, that otherwise permitted vehicles may be parked for such length(s) of time as determined by the Board and/or as provided in the Rules and Regulations and/or policies and procedures of the District.

7.7.3 In the event the District shall determine that a vehicle is parked or stored in violation of Section 7.7 hereof, then a written notice describing such violation may be conspicuously placed upon the vehicle, and if the vehicle is not removed within a reasonable time thereafter, as determined by the District, the District shall have the right to remove the vehicle at the sole expense of the owner thereof.

7.7.4 No maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of vehicles, trailers or boats, may be performed or conducted in the Community, except that changing of oil or batteries and washing and polishing of vehicles, trailers or boats, may be performed, provided that any such activity must be conducted on the Owner's Lot and may not be conducted on any driveway, alley or street.

7.7.5 Section 7.7 shall be construed and applied in accordance with all applicable laws.

Section 7.8 ***No Hazardous Activities; No Hazardous Materials or Chemicals.***

No activities shall be conducted on any Lot, or within Improvements constructed on any Lot, which are unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Lot, and no open fires shall be permitted on any Lot. Gas-fired barbeques are permitted; charcoal barbeques are not permitted. Further, no hazardous materials or chemicals shall at any time be located, kept or stored in, on or at any Lot except such as may be contained in household products normally kept at homes for use of the residents thereof and in such limited quantities so as to not constitute a hazard or danger to person or property.

Section 7.9 ***No Annoying Lights, Sounds or Odors.***

No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any Lot which is unreasonably loud or annoying; and no odor shall be permitted from any Lot which is noxious or offensive to others. Further, no annoying light, sound or odor shall be permitted in any portion of the Community that may be seen, heard or smelled from any other Lot.

Section 7.10 ***Restrictions on Trash and Materials.***

No refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind shall be kept, stored, or allowed to accumulate, except inside a suitable, tightly-covered container inside the Owner's garage, on any Lot, nor shall any such items be deposited on a street or sidewalk, unless placed in a suitable, tightly-covered container that is suitably located solely for the purpose of garbage pickup. Further, no trash or materials shall be permitted to accumulate in such a manner as to be visible from any other portion of the Community. No trash, garbage or other refuse shall be burned in outside containers, barbecue pits or the like. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No garbage cans, trash cans or other trash receptacles shall be maintained in an exposed or unsightly manner.

Section 7.11 ***Sightly Condition of Lots.***

Each Lot shall at all times be kept, maintained, repaired and replaced in a good, clean and sightly condition by the Owner thereof.

Section 7.12 ***Leases.***

The term "**lease**," as used herein, shall include any agreement for the leasing or rental of a Lot, Improvements thereon, or any portion thereof, and shall specifically include month-to-month

rentals and subleases and short term rentals (such as, without limitation, those available through Airbnb, VRBO and similar services) according to local ordinances and regulations; provided, however, that reference to month-to-month and short term rentals does not mean that such month-to-month and short term rentals are permitted; in fact, month-to-month and short term rentals may be prohibited by the Rules and Regulations and/or by local ordinances and regulations. Subject to the Rules and Regulations and local ordinances and regulations, any Owner shall have the right to lease his Lot, or any portion thereof, under the following conditions:

7.12.1 All leases shall be in writing; and

7.12.2 All leases shall provide that the terms of the lease and lessee's occupancy of the leased premises shall be subject in all respects to the Governing Documents; and that any failure by the lessee to comply with any of the aforesaid documents, in any respect, shall be a default under the lease.

Section 7.13 ***Non-Interference with Grade and Drainage.***

Each Owner agrees, for themselves and their heirs, personal representatives, successors and assigns, that they will not in any way interfere with or obstruct the established drainage pattern over any real property. Except as to the Declarant, the District, and each Builder, in the event that it is necessary or desirable to change the established drainage over any Lot or District Property, then the party responsible for the maintenance of such real property shall submit a plan to the ARC for its review and approval, in accordance with Article 4 of this Declaration (Architectural Review), and any such change shall also be made in accordance with all laws, regulations and resolutions of all applicable governmental entities. For purposes of this Section, "**established drainage**" is defined as the drainage which exists at the time final grading is completed by the Declarant, District, or a Builder.

Section 7.14 ***Restrictions on Mining or Drilling.***

No portion of the surface of any property within the Community may be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas or other hydrocarbons, minerals, rocks, stones, gravel, earth or water.

ARTICLE 8. PROPERTY RIGHTS

Section 8.1 ***Use of District Property by the Declarant.***

An easement is hereby reserved by the Declarant on, over, across and through the District Property, and each portion thereof, as may be desirable for the purpose of exercising or discharging any of the Declarant's rights or obligations, or exercising any Use Rights, and no Owner shall engage in any activity which will temporarily or permanently interfere with the Declarant's easements on, over, across and through the District Property.

ARTICLE 9. DISPUTE RESOLUTION

Section 9.1 ***Resolution of Disputes Without Litigation; Intent and Applicability of Article and Statutes of Limitation.***

9.1.1 Bound Parties. The Declarant, all Owners, and any person or organization not otherwise subject to this Declaration who agrees to submit to this chapter (collectively, "**Bound Parties**"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Community without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees to resolve all Claims by using the procedures in this Article 9 and not by litigation, and each Bound Party agrees not to file suit in any court with respect to a Claim. If a Bound Party commences any action in a court of law or equity against any person or organization that is not a Bound Party, such Bound Party shall nevertheless be required to comply with the provisions of this Article 9 with respect to any Claim it wishes to assert against a Bound Party, even if such Claim is the same or substantially the same, or arises from the same or similar facts, as the claim against the non-Bound Party. Each Bound Party agrees that the procedures in this Article 9 are and shall be the sole and exclusive remedy that each Bound Party shall have for any Claim. The provisions of this Article 9 shall be deemed a contract between and among all Bound Parties, as well as covenants and equitable servitudes that run with the Property. EACH OWNER BY ACCEPTANCE OF A DEED OR OTHER INSTRUMENT OF CONVEYANCE FOR A HOME AGREES TO HAVE ANY AND ALL CLAIMS RESOLVED IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE 9, WAIVES HIS/HER RIGHTS TO PURSUE ANY CLAIM IN ANY MANNER OTHER THAN AS PROVIDED IN THIS ARTICLE 9, AND ACKNOWLEDGES THAT, BY AGREEING TO RESOLVE CLAIMS AS PROVIDED IN THIS ARTICLE 9, HE/SHE IS GIVING UP HIS/HER RESPECTIVE RIGHTS TO HAVE SUCH CLAIMS TRIED BEFORE A COURT OR JURY.

9.1.2 Claims. As used in this Article 9, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to:

9.1.2.1 the interpretation, application, or enforcement of this Declaration;

9.1.2.2 the rights, obligations, and duties of a Bound Party under this Declaration; or

9.1.2.3 the physical condition and/or the design and/or construction of one or more residences. Any Claim described in this Section 9.1.2.3 is referred to below as a "Defect Claim."

9.1.3 Exempt Claims. The following suits ("Exempt Claims") shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in this Article 9:

9.1.3.1 any suit by the District to collect fines or other sums from any Owner, or to obtain relief against any Owner on account of any violation(s) or alleged violations of the Governing Documents or to foreclose any lien in favor of the District described in Section 3.3;

9.1.3.2 any suit or action by an Owner that involves the protest of real property taxes;

9.1.3.3 any suit to challenge condemnation proceedings;

9.1.3.4 any suit by an Owner or the Declarant to enforce the provisions of Article 7;

9.1.3.5 any suit to compel mediation or arbitration of a Claim or to enforce any award or decision of an arbitration conducted in accordance with this Article 9;

9.1.3.6 any suit to enforce a settlement agreement reached through negotiation or mediation pursuant to this Article 9; and

9.1.3.7 any dispute in which a party to the dispute is not a Bound Party and has not agreed to submit to the procedures set forth in this Article 9.

9.1.4 Amendment. This Article 9 shall not be amended unless such amendment is consented to in writing by not less than 75% of the Owners and by not less than 75% of all first lien priority Security Interest Holders, and by the Declarant if such amendment is proposed less than 20 years after the date of recordation of this Declaration. Any amendment to this Article 9 shall not apply to Claims based on alleged acts or omissions or circumstances that predate the recording of the amendment.

9.1.5 Reformation. All Bound Parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving Claims. Accordingly, they recognize that one of the essential purposes of this Article 9 is to provide for the submission of all Claims to mediation and final and binding arbitration. Therefore, if any court concludes that any provision of this Article 9 is void, voidable or otherwise unenforceable, all Bound Parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the express desire of the Bound Parties that the merits of all Claims be resolved only by mediation and final and binding arbitration and, to the greatest extent possible and permitted by law, in

accordance with the principles, limitations, procedures and provisions set forth in this Article 9.

9.1.6 Dispute Resolution Procedures. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice ("Notice") by mail or personal delivery to each Respondent, and if the Claim is a Defect Claim involving a Lot and/or the residence or other Improvements on such Lot, then to the first lien priority Security Interest Holder, if any, with a lien against such Lot, and to the Declarant if such Defect Claim is asserted less than 15 years after the date of recordation of this Declaration, stating plainly and concisely:

9.1.6.1 The nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

9.1.6.2 If the Claim is a Defect Claim, (i) a list of all alleged design and/or construction defects or other physical conditions that are the subject of the Defect claim and a detailed description thereof specifying the type and location of such defects or conditions (identified by the specific room or room where the alleged defects or conditions exist if contained within a structure or identified on a plat plan or map where the defects or conditions exist outside a structure, in either case with a legend that identifies the type of defect), (ii) a description of the damages claimed to have been caused by the alleged defects or conditions, and (iii) a list of the Persons involved and a description of the Respondent's role in the Defect Claim;

9.1.6.3 The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

9.1.6.4 The Claimant's proposed resolution or remedy; and

9.1.6.5 The Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

9.1.7 Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

9.1.8 Right to Inspect. If the Claim is a Defect Claim, the Claimant shall permit each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Lot and the residence and other Improvements on such Lot at reasonable times, to permit each Respondent to inspect the matters identified in the Defect Claim. Declarant hereby reserves for itself and grants to each Respondent, an easement to enter the Claimant's Lot and the residence and other Improvements on such Lot for the purposes of making inspections pursuant to this Section 9.1.8. Each Respondent shall

make reasonable efforts to schedule convenient times with the Claimant for such inspections, but the Claimant's refusal to schedule such times shall not relieve the Claimant of its obligations set forth in this Section 9.1.8. If the Claimant refuses to allow each Respondent, its employees, agents, contractors and consultants to enter the Claimant's Lot and the residence and other Improvements on such Lot in order to make such inspections, the Claimant shall be deemed to be in breach of its obligations set forth in this Section 9.1.8 and shall be liable to each Respondent that has been denied access, and each such Respondent shall be entitled to recover from the Claimant, liquidated damages in the amount of $300.00 per day for each day after the Claimant's receipt of the Respondent's written request for access to the Lot and/or the residence and other Improvements on such Lot, until the Claimant provides such access; provided that the amount of liquidated damages shall increase by five percent (5%) on each January 1 beginning with January 1, 2018. For example, but without limitation, on January 1, 2018, the amount of liquidated damages required by this Section 9.1.8 shall be $315 per day. Liquidated damages provided in this 9.1.8 are separate from and independent of liquidated damages provided in Section 9.1.9 and a Respondent that is in breach of its obligations under each Section will be liable for liquidated damages under each Section. By acquiring ownership of any Lot, each Owner acknowledges and agrees that the actual damages to a Respondent arising from a Claimant's breach of its obligations set forth in this Section 9.1.8 would be extremely difficult and impractical to ascertain, including, without limitation, loss of reputation and goodwill, and that the liquidated damage amount referenced in the preceding sentence is a fair and reasonable estimate thereof.

9.1.9 Right to Remedy. If the Claim is a Defect Claim, if a Respondent informs the Claimant in writing that the Respondent intends to repair, remedy or otherwise cure one or more matters described in the Claim, the Claimant shall provide access to its Lot and the residence and other Improvements on such Lot to such Respondent, its employees, agents, contractors and consultants for the purpose of making such repair, remedy or cure. The Declarant hereby reserves for itself, and grants to each Respondent, an easement to enter the Claimant's Lot and the residence and other Improvements on such Lot for the purposes of making any repair, remedy or cure pursuant to this Section 9.1.9. The Respondent shall make reasonable efforts to schedule convenient times with the Claimant for the performance of such work, but the Claimant's refusal to schedule such times shall not relieve the Claimant of its obligations set forth in this Section 9.1.9. The Claimant agrees that each Respondent has an absolute right to attempt to repair, remedy or otherwise cure one or more matters described in the Claim. The Claimant further agrees that nothing contained in this Section 9.1.9 creates any obligation upon any Respondent to attempt to repair, remedy or otherwise cure any matters described in the Claim and each Respondent's obligations in that respect are limited to those obligations, if any, imposed by any written express warranty separately provided to the Claimant (and which, by its terms, may not run to the benefit of succeeding owners of the property) and by applicable law. If the Claimant refuses to allow each Respondent, its employees, agents, contractors and consultants to enter the

Claimant's Lot and the residence and other Improvements on such Lot in order to perform such work, the Claimant shall be deemed to be in breach of its obligations set forth in this Section 9.1.9 and shall be liable to such Respondent, and such Respondent shall be entitled to recover from the Claimant, liquidated damages in the amount of $300.00 per day for each day after Claimant's receipt of Respondent's written notice that it intends to repair, remedy or otherwise cure one or more matters described in the Claim until the Claimant provides such access; provided that the amount of liquidated damages shall increase by five percent (5%) on each January 1, beginning with January 1, 2018. For example, but without limitation, on January 1, 2018, the amount of liquidated damages required by this Section 9.1.9 shall be $315 per day. Liquidated damages provided in this Section 9.1.9 are separate from and independent of liquidated damages provided in Section 9.1.8 and a Respondent that is in breach of its obligations under each Section will be liable for liquidated damages under each Section. By acquiring ownership of any Lot, each Owner acknowledges and agrees that the actual damages to a Respondent arising from a Claimant's breach of its obligations set forth in this Section 9.1.9 would be extremely difficult and impractical to ascertain, including, without limitation, loss of reputation and goodwill, and that the liquidated damage amount referenced in the preceding sentence is a fair and reasonable estimate thereof.

9.1.10 Enforcement. Without limiting any other remedy available to a Respondent (including, without limitation, the liquidated damages provided for in this Sections 9.1.8 and 9.1.9), if the Claimant fails to perform or observe any provision of this Section 9, each Respondent shall be entitled to enforce such provision by specific performance or injunction, as may be applicable. The Claimant's obligations set forth in this Section 9 may not be waived, except only by a written instrument signed by each Respondent and identifying in detail in what respects provisions of this Section 9 have been waived.

9.1.11 Mediation. If the parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or within any other agreed upon period), the Claimant shall have 30 additional days to submit the Claim to mediation with an organization (a "Dispute Resolution Service") that is not controlled by or affiliated with the Claimant or any Respondent and which provides, and has experience in providing, dispute resolution services in the Denver, Colorado metropolitan area, including, without limitation, the American Arbitration Association, the Judicial Arbiter Groups and JAMS, Inc. Each Bound Party shall present the mediator with a written summary of the Claim.

9.1.11.1 If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent(s) shall be relieved of any and all liability to the Claimant on account of such Claim.

9.1.11.2 If the parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (a "Termination of Mediation") indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to commence binding arbitration on the Claim, pursuant to and as provided in Section 9.1.13.

9.1.11.3 Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall pay an equal share of the mediator's fees.

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

9.1.13 Arbitration. After receiving a Termination of Mediation, if the Claimant wants to pursue the Claim and the Claim is not otherwise barred as provided elsewhere in this Article 9, the Claimant shall initiate final, binding arbitration of the Claim under the auspices of a Dispute Resolution Service (which does not necessarily have to be the same Dispute Resolution Service that provided mediation with respect to the Claim), and the Claimant shall provide to the Respondent(s) a "Notice of Intent to Arbitrate," all within 20 days after the Termination of Mediation. If the Claimant does not initiate final, binding arbitration of the Claim and provide a Notice of Intent to Arbitrate to the Respondent(s) within 20 days after the Termination of Mediation, then the Claimant shall be deemed to have waived the Claim, and the Respondent(s) shall be relieved of any and all liability to the Claimant on account of such Claim. In addition, if a Claim is a Defect Claim, the Claimant shall promptly disclose the Defect Claim and its details to his/her prospective purchasers and prospective mortgagees. If a Claim is a Defect Claim, an Owner shall not join any other Owner or other person complaining of the same or similar defects in other property without the prior written consent of all Respondents. The Claimant and each Respondent shall have the right to join any contractors or other design professionals that the Claimant alleges are responsible, in whole or in part, for the Claim, if such contractor or other design professional is, or agrees to become, a Bound Party. The term "Party" when used in this Section 9.1.13 shall mean a party to an arbitration proceeding to resolve a Claim and the term "Parties" shall mean all the parties to such

arbitration proceeding. The following arbitration procedures shall govern each Claim submitted to arbitration:

9.1.13.1 The arbitration shall be presided over by a single arbitrator.

9.1.13.2 The arbitrator must be a person qualified to consider and resolve the Claim with the appropriate industry and/or legal experience.

9.1.13.3 No person shall serve as the arbitrator where that person has any financial or personal interest in the arbitration or any family, social or significant professional acquaintance with any Party to the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all Parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the arbitration ("Arbitrator Disclosure"). If any Party objects to the service of any arbitrator with fourteen (14) days after receipt of the Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner as the initial arbitrator was selected.

9.1.13.4 The arbitrator shall have the exclusive authority to, and shall, determine all issues about whether a Claim is covered by this Article 9. Notwithstanding anything herein to the contrary (including, but not limited to, Section 9.1.13.9 below), if a Party contests the validity or scope of arbitration in court, the arbitrator or the court shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Party.

9.1.13.5 The arbitrator shall hold at least one (1) hearing in which the Parties, their attorneys and expert consultants may participate. The arbitrator shall fix the date, time and place for the hearing. The arbitrator is not required to hold more than one (1) hearing. The arbitration proceedings shall be conducted in Lakewood, Colorado unless the Parties otherwise agree.

9.1.13.6 No formal discovery shall be conducted without an order of the arbitrator or express written agreement of all Parties.

9.1.13.7 Unless directed by the arbitrator, there shall be no post hearing briefs.

9.1.13.8 The arbitration award shall address each specific Claim to be resolved in the arbitration, provide a summary of the reasons therefore and the relief granted, and be rendered no later than fourteen (14) days after the close of the hearing, unless otherwise agreed by the Parties. The arbitration award shall be in writing and shall be signed by the arbitrator.

9.1.13.9 The arbitrator shall apply the substantive law of Colorado and may award injunctive relief or any other remedy available in Colorado but shall not have the power to award punitive damages, consequential damages, exemplary damages, treble damages, indirect or incidental damages, attorneys' fees, expert's fees and/or costs to the prevailing Party. Each Party is responsible for any fees and costs incurred by that Party, including, without limitation, the fees and costs of its attorneys, consultants and experts. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court of competent jurisdiction.

9.1.13.10 The Parties shall pay their pro rata share of all arbitration fees and costs, including, without limitation, the costs for the arbitrator.

9.1.13.11 With respect to a Defect Claim, the arbitrator shall have authority to establish reasonable terms regarding inspections, destructive testing and retention of independent consultants and may require that the results of any such inspections and testing and the reports of independent consultants be submitted to the arbitrator and to the other Parties, whether or not the Party that ordered such inspections or testing or engaged the consultant intends to present such results or reports to the arbitrator as evidence.

9.1.13.12 Except as may be required by law or for confirmation of an arbitration award, neither a Party nor an arbitrator may disclose the existence or contents of any arbitration without the prior written consent of all Parties to the arbitration.

Notwithstanding any other provision of this Article 9 or this Declaration, arbitration with respect to a Claim must be initiated within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings in a court based on such Claim would be barred by the applicable statute of limitations or statute of repose, except that any claim based on breach of a written express warranty must be made within the time specified in the express warranty document. If any Claim is not timely submitted to arbitration, or if the Claimant fails to appear and participate in good faith for the arbitration proceeding when scheduled, then the Claimant shall be deemed to have waived the Claim, and the Respondent(s) shall be relieved of any and all liability to the Claimant on account of any such Claim.

Section 9.2 ***Liability for Certain Failures of District or District.***

No director or officer of the District or ARC or the Enforcement Committee shall be liable to any Person for failure to institute or maintain or bring to conclusion a cause of action, mediation, arbitration, or other dispute resolution, if the following criteria are satisfied: (a) the director or officer was acting within the scope of his or her duties; (b) the director or officer was not acting in bad faith; and (c) the act or omission was not willful, wanton or grossly negligent.

ARTICLE 10. MAINTENANCE

Section 10.1 ***General.***

The maintenance, repair and replacement of the landscaping (but not including any potted plants, which is the responsibility of the Owner), irrigation systems, and sidewalks constructed on each Lot (up to the riser of the first step nearest the street) and located outside of the building footprint of the residence on the Lot (which footprint shall include any patios, porches, which include the stairs leading to such porches, and/or decks constructed as part of the residence) shall be performed by the District. The District shall also maintain all perimeter fencing and fencing separating Lots, except that the Owner, rather than the District, shall maintain modifications, if any, to such fencing that have been approved by the ARC and made by such Owner. The governing board of the District shall determine the specifications, scope, extent, nature and parameters of the District's maintenance obligations. For purpose of performing such obligations, the District has been granted an access easement pursuant to Section 6.1.

The maintenance, repair and replacement of all other Improvements on each Lot, including exterior building surfaces, roofs, patios, porches, decks, utilities and the interiors of the residence on the Lot, shall be performed by the Owner thereof at such Owner's sole cost and expense. Any Improvements constructed or erected upon the Lot by any Owner after the initial construction of the residence on the Lot by the Declarant or a Builder shall be maintained, repaired and replaced by the Owner of the Lot.

Section 10.2 ***District's Right to Repair, Maintain and Reconstruct.***

In the event any Owner shall fail to perform his or her maintenance, repair and/or reconstruction obligations in a manner satisfactory to the Board, the District may, if said failure continues for a thirty (30) day period after written notice to said Owner by the District, enter upon said Lot subsequent to the expiration of said thirty (30) day time period to perform any or all of such maintenance, repair or reconstruction. The cost of such maintenance, repair or reconstruction shall be the personal obligation of the Owner of the Lot on which such work is performed.

Section 10.3 ***Owner's Acts or Omissions.***

Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or reconstruction of any property owned and/or maintained by the District, a Lot, or any Improvements located thereon, is caused by the act or omission of any Owner, or by the act or omission of any member of such Owner's family or by a tenant, guest or invitee of such Owner, the cost of such repair, maintenance, reconstruction or expense to avoid such damage shall be the personal obligation of such Owner to the extent that said Owner would be liable for the acts of such Persons under the laws of the State of Colorado. A determination of the act or omission of any Owner, or any member of an Owner's family or a tenant, guest or invitee of any Owner, and the amount of the Owner's liability therefor, shall be made by the governing board of the District at a hearing after notice to the Owner.

ARTICLE 11. COVENANT ENFORCEMENT

Section 11.1 ***Enforcement Committee.***

The District (through the Board) shall have the right to establish a committee to enforce the Governing Documents (the "**Enforcement Committee**") and, upon its establishment, the members of the Enforcement Committee will be appointed and removed by the Board and shall have the same rights as the District under this Article 11 and as elsewhere set forth in this Declaration in relation to the enforcement of the Governing Documents. The District shall be responsible for the ministerial administration and enforcement of the Governing Documents, and has the right to: (a) accept complaints for violations of the Governing Documents; (b) submit complaints regarding violations of the Governing Documents; (c) inspect the Property for violations of the Governing Documents; (d) issue various notices to Owners regarding the Governing Documents; and (e) provide all ministerial administration and enforcement of the Governing Documents.

Section 11.2 ***Purpose and General Authority.***

The District or the Enforcement Committee, if any, shall review all complaints and notifications provided by the Declarant, a Builder, an Owner, a resident within the Property, or the ARC regarding any alleged violation of the Governing Documents. The District or the Enforcement Committee, if any, also has the right to make an investigation on its own regarding potential violations. The District or the Enforcement Committee, if any, has the authority to determine whether a violation has occurred by any Owner or Occupant, and upon such determination, may issue to an Owner a notice of violation identifying the particular circumstances or conditions of the violation and require Owner to take such action as may be necessary to correct, remedy or otherwise remove the violation, including the time period in which the violation is to be remedied as further set forth in Section 6.4.

Section 11.3 ***Fees and Expenses.***

All expenses of the District or the Enforcement Committee, if any, must be paid by the District with revenues derived from that portion of the Property with respect to which the District's or the Enforcement Committee's services are required or performed. The District has the right to charge Fees and Fines for costs of enforcement of the Governing Documents and the costs incurred to correct, remedy or otherwise remedy violations, in amounts which may be established by the District from time to time.

Section 11.4 ***General Inspections; Violation Identified by Another Owner; Notice and Hearing; Remedies.***

11.4.1 Any member or authorized agent or consultant of the Enforcement Committee or the ARC, or any authorized officer, director, employee or agent of the District may enter upon any Lot, at any reasonable time after notice to Owner, as more fully provided in Section 4.2, without being deemed guilty of trespass, in order to

investigate or inspect any portion of the Property for alleged violations of the Governing Documents, or to read a utility meter or to verify any utility matter.

11.4.2 If (i) an investigation or inspection reveals that any part or portion of a Lot is not in compliance with the Governing Documents or any action is being taken in violation of the Governing Documents, (ii) the ARC has submitted a notice of noncompliance with respect to a Lot, or (iii) another Owner or Occupant has submitted a complaint in accordance with the Rules and Regulations, the District or the Enforcement Committee, if any, may send a notice of alleged violation (a "**Notice of Alleged Violation**") to the Owner of such Lot in accordance with the Rules and Regulations.

11.4.3 If, after receipt of the Notice of Alleged Violation the Owner fails to remedy the violation within the time period specified in the Notice of Alleged Violation or thereafter violates the same covenant or rule, the District shall have all remedies available to it at law or in equity, including, without limitation, the following remedies and any other remedies set forth herein:

11.4.3.1 the District may record a notice of violation against the Lot on which the violation exists;

11.4.3.2 the District has the right to remove, correct or otherwise remedy any violation in any manner the District deems appropriate;

11.4.3.3 the District may file an action for injunctive relief to cause an existing violation to be brought into compliance with the Governing Documents and the District shall recover all costs and attorneys' fees associated with bringing the action;

11.4.3.4 the District may levy and collect Fees, charges, penalties and Fines for the violation of any provisions of the Governing Documents. Prior to the imposition of any Fines, the District or the Enforcement Committee, if any, shall give the Owner to be subject to the Fine notice and the opportunity for a hearing before the governing board of District or the Enforcement Committee, if any. The Rules and Regulations may further define the process by which such Fines may be imposed, including but not limited to establishing the schedule of Fines to be imposed.

11.4.3.5 the District may collect, and shall have a statutory perpetual lien pursuant to § 32-1-1001(1)(j)(I), C.R.S. against the Lot subject to the violation to secure, (1) payment for reimbursement by the violating Owner for any remedial work performed by the District to remove, correct or otherwise remedy the violation, (2) payment for expenses incurred in obtaining injunctive relief, including costs and attorneys' fees, (3) payment of any Fines levied by the District against such Lot, plus the following amounts, to the extent not

inconsistent with applicable laws, (4) interest on such amount at a rate equal to eighteen percent (18%), and (5) all costs and expenses of collecting the unpaid amount, including, without limitation, reasonable attorneys' fees.

Section 11.5 ***Enforcement.***

11.5.1 This Section 11.5 is subject to Article 9 of this Declaration (Dispute Resolution).

11.5.2 Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in any of the Governing Documents, as amended, may be by any proceeding at law or in equity against any Person(s) violating or attempting to violate any such provision. Remedies shall be cumulative and no remedy shall be exclusive of other remedies that may be available. The District shall enforce the provisions of the Governing Documents and such covenant shall be enforceable by the Owners pursuant to this Section 11.5.2. Declarant and any aggrieved Owner shall have the right, but not the duty, to institute, maintain and prosecute any such proceedings. For each claim, including counterclaims, cross claims and third-party claims, in any proceeding to enforce the provisions or any of the Governing Documents, the prevailing party shall be awarded its reasonable collection costs and attorney fees and costs incurred in asserting or defending the claim; except that, any Person who brings an action against any Declarant, any Builder, the District, or the ARC, regarding enforcement, or non-enforcement, of any provision(s) of the Governing Documents, shall not be awarded their costs or any attorney fees. Failure by Declarant, the District or any Owner to enforce any covenant, restriction or other provision contained in any of the Governing Documents, shall in no event give rise to any liability for damages, nor shall such non-enforcement be deemed a waiver of the right to thereafter enforce any covenant, restriction or other provision of the Governing Documents, regardless of the number of violations or breaches that may occur.

11.5.3 The foregoing right of enforcement shall include the right of the District, to send demand letters and notices, to charge interest and/or late charges, to levy and collect fines, to impose liens (as provided in C.R.S. Section 32-1-1001(i)(j)(I), as amended), to negotiate, settle and/or take any other actions, with respect to any violation(s), or alleged violation(s), of any of the Governing Documents. Prior to collection of any fines, the District or the ARC shall mail a notice or demand to the Person(s) alleged to be in violation of any provision of the Governing Documents and such notified Person(s) has a right to a hearing upon submission to the Board of Directors of a written request for hearing, which is properly signed by such Person(s) and dated, within fourteen (14) days after the notice of violation has been mailed or such other time as the District or the ARC may decide; failure of a notified Person to request a hearing in writing within the required time period shall constitute a waiver of such right to a hearing.

Section 11.6 ***No Liability.***

Neither the District, the ARC, any representative appointed by the ARC, nor the Enforcement Committee, if any, are liable to any Person by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove, in regard to any matter whether for damages or in equity. In reviewing any alleged violation, the District, the ARC, and/or the Enforcement Committee, if any, are not responsible for any issue related to the alleged violation. No Owner or other Person is a third party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval granted by the District, the ARC, and/or the Enforcement Committee, if any. Each Owner (i) waives and releases the District, the ARC, and the Enforcement Committee, if any, from all claims related to the actions of the District, the ARC, and/or the Enforcement Committee, if any and (ii) waives and releases all claims against the District, the ARC, and/or the Enforcement Committee, if any. The foregoing release and waiver are made by each Owner to the fullest extent permitted by the law and for and on behalf of itself, its assigns, executors, heirs, occupants, personal representatives, representatives, and successors. The members of the governing board of the District, the ARC, and the Enforcement Committee members, acting in that capacity, shall not be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The members of the governing board of the District, the ARC, and the Enforcement Committee members, acting in that capacity, shall have no personal liability with respect to any contract or other commitment made or action taken on behalf of the District, the ARC and/or the Enforcement Committee, if any.

ARTICLE 12. GENERAL PROVISIONS

Section 12.1 ***Severability.***

All provisions of this Declaration are severable. Invalidation of any of the provisions of this Declaration or any of the Governing Documents, by judgment, court order or otherwise, shall in no way affect or limit any other provisions which shall remain in full force and effect.

Section 12.2 ***Annexation; Withdrawal.***

12.2.1 The Declarant may annex to the Property additional property, including, without limitation, any or all of the property described on **Exhibit C** attached hereto and incorporated herein by this reference, and including any property which may previously have been withdrawn from the Property. Each such annexation, if any, shall be accomplished by recording of an annexation document that expressly states that the property described therein shall be subject to this Declaration and all terms and provisions hereof.

12.2.2 The Declarant hereby reserves the right to Record one or more documents in order to clarify the effect of any annexation(s). Each such document(s), if any such document(s) are Recorded by the Declarant, may state the legal description(s) of any

property which has been annexed, and may include such other provisions as the Declarant may determine.

12.2.3 The Declarant reserves the right to withdraw the Property, or any portion thereof, including one or more Lots, from this Declaration, so long as the Declarant owns the portion of the Property to be withdrawn. Each withdrawal, if any, may be effected by the Declarant recording a withdrawal document in the Records. A withdrawal as contained in this paragraph constitutes a divestiture, withdrawal, and de-annexation of the withdrawn property from this Declaration so that, from and after the date of recording a withdrawal document, the property so withdrawn shall not be part of the Property or the Community, or in any way subject to the terms hereof.

Section 12.3 ***Declarant's and Each Builder's Use.***

Notwithstanding anything to the contrary herein, it shall be expressly permissible for the Declarant and each Builder, and their respective employees, agents, and contractors, to perform all activities, and to maintain Improvements, tools, equipment, and facilities, on the portion of the Property owned by them and also on public property, incidental to development, construction, use, rental, sale, occupancy, and/or advertising. The foregoing includes locating, maintaining and relocating management offices, signs, sales offices, model Lots and construction offices and trailers, in such numbers, of such sizes, and at such locations as the Declarant or Builder determines, and for access to, from, and incidental to such uses. Nothing contained in this Declaration shall limit the rights of the Declarant or a Builder to conduct all construction, promotion, sales, and marketing activities as the Declarant or such Builder determines, and to use the easements provided in this Declaration for those and other purposes. Further, nothing contained in this Declaration shall limit the rights of the Declarant or a Builder, or require the Declarant or a Builder to obtain any approvals:

12.3.1 to excavate, cut, fill or grade any property or to construct, alter, demolish or replace any Improvements;

12.3.2 to use any Improvements on any property as sales offices, management offices, model Lots and/or construction offices; and/or

12.3.3 to require the Declarant to seek or obtain any approvals for any activity.

Section 12.4 ***Duration, Revocation, and Amendment.***

12.4.1 Each and every provision of this Declaration shall run with and bind the land perpetually from the date of Recording of this Declaration. Except as otherwise provided in this Declaration, this Declaration may be amended by the affirmative vote or agreement of Owners holding at least sixty-seven percent (67%) of the Lots; provided, however, prior to the termination of the Declarant's right to exercise the Use Rights as provided in Section 1.2.4, no amendment of this Declaration shall be effective without

the prior written approval of the Declarant. Further, amendments shall be applicable only to disputes, issues, circumstances, events, claims or causes of action that arose out of circumstances or events that occurred after the Recording of such amendment; and no amendment shall be applied retroactively to any earlier occurring disputes, issues, events, circumstances, actions, claims or causes of action.

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12.4.2 Notwithstanding anything to the contrary, any of the Governing Documents may be amended, in whole or in part, by the Declarant without the consent or approval of any other Person, in order to comply with the requirements, standards, or guidelines of any recognized secondary mortgage markets, including the department of housing and urban development, the federal housing administration, the veterans administration, the federal home loan mortgage corporation, the government national mortgage association, and the federal national mortgage association. Such right of amendment shall terminate automatically upon the termination of the Declarant's right to exercise the Use Rights as provided in Section 1.2.4 of this Declaration.

12.4.3 Notwithstanding anything to the contrary, any of the Governing Documents, or any map or plat, may be amended in whole or in part, by the Declarant without the consent or approval of any other Person in order to correct clerical, typographical, or technical errors. Such right of amendment shall terminate automatically upon the termination of the Declarant's right to exercise the Use Rights as provided in Section 1.2.4 of this Declaration.

12.4.4 Except as to amendments which may be made by the Declarant, amendments to this Declaration may be prepared, executed, Recorded, and certified by any officer of the District designated for that purpose. Such certification shall, in the case of an amendment requiring the approval of Owners, certify that the District has received the requisite approvals. Amendments to this Declaration which may be made by the Declarant pursuant to this Declaration may be signed by the Declarant and shall require no other signatory.

Section 12.5 ***Registration of Mailing Address.***

Each Owner and each Security Interest Holder, insurer or guarantor of a Security Interest, shall register his mailing address with the District, and all statements, demands and other notices intended to be served upon an Owner, or upon a Security Interest Holder, insurer or guarantor of a Security Interest shall, subject to Section 2.5 of this Declaration (Authenticated Electronic Representation), be sent by U.S. mail, postage prepaid, addressed in the name of such Person at such registered mailing address. However, if any Owner fails to notify the District of a registered address, then any statement, demand or other notice may be delivered or sent, as aforesaid, to such Owner at the address of such Owner's Lot. All statements, demands, or other notices intended to be served upon the Board of Directors shall be sent by U.S. mail, postage prepaid, to Declarant who then owns any portion of the Property at its registered address.

Section 12.6 ***Limitation on Liability.***

The Declarant, any Builder, the District, the ARC, and their respective directors, officers, shareholders, members, partners, agents and employees, shall not be liable to any Person for any action or for any failure to act arising out of any of the Governing Documents, unless the action or failure to act was not in good faith and was done or withheld with malice. Further, the District does not waive, and no provision of this Declaration shall be deemed a waiver of, the immunities and limitations to which the District is entitled as a matter of law, including the Colorado Governmental Immunity Act, §24-10-101, et seq. C.R.S., as amended. The release and waiver set forth in Section 12.10 (Waiver) shall apply to this Section.

Section 12.7 ***No Representations, Guaranties or Warranties.***

No representations, guaranties or warranties of any kind, express or implied, shall be deemed to have been given or made by the Declarant, any Builder, the District, the Board of Directors, the ARC, or their respective owners, officers, directors, members, partners, agents or employees, in connection with any portion of the Community, or any Improvement, its or their physical condition, structural integrity, freedom from defects, zoning, compliance with applicable laws, fitness for intended use, or view, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing. The release and waiver set forth in Section 12.10 (Waiver) shall apply to this Section.

Section 12.8 ***Disclaimer Regarding Safety.***

THE DECLARANT, EACH BUILDER, THE DISTRICT, THE BOARD OF DIRECTORS, THE ARC, THE ENFORCEMENT COMMITTEE, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, OWNERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMUNITY. BY ACCEPTING A DEED TO PROPERTY WITHIN THE COMMUNITY, EACH OWNER ACKNOWLEDGES THAT DECLARANT, EACH BUILDER, THE BOARD OF DIRECTORS, THE ARC, AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE GOVERNING DOCUMENTS, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMUNITY. THE RELEASE AND WAIVER SET FORTH IN SECTION 12.10 (WAIVER) SHALL APPLY TO THIS SECTION.

Section 12.9 ***Development Within and Surrounding the Community.***

Each Owner acknowledges that development within and surrounding the Community may continue for an indefinite period, and that plans for the density, type and location of improvements,

developments or land uses, may change over time. Such development may entail changes to or alterations in the access to the Community, views of or from the Community or the Lots, surrounding land uses, open space or facilities, traffic volumes or patterns, privacy or other off-site aspects or amenities. Development also may entail noise, odors, unsightliness, dust and other inconveniences or disruptions. By accepting a deed to a Lot, each Owner waives and releases any claim against the Declarant, any Builder, the District, the Board of Directors, the ARC, and their respective owners, officers, directors, members, partners, agents and employees, heirs, personal representatives, successors and assigns, arising out of or associated with any of the foregoing. The release and waiver set forth in Section 12.10 (Waiver) shall apply to this Section.

Section 12.10 ***Waiver.***

By acceptance of a deed to a Lot, each Owner hereby releases, waives, and discharges Declarant, each Builder, the District, the Board of Directors, the ARC, and their respective owners, officers, directors, members, partners, agents and employees, heirs, personal representatives, successors and assigns, from all losses, claims, liabilities, costs, expenses, and damages, arising directly or indirectly from any hazards, disclosures or risks set forth in this Declaration, including those contained in Sections 12.6, 12.7, 12.8 and 12.9.

Section 12.11 ***Headings.***

The Article, Section and subsection headings in this Declaration are inserted for convenience of reference only, do not constitute a part of this Declaration, and in no way define, describe or limit the scope or intent of this Declaration or any of the provisions hereof.

Section 12.12 ***Gender.***

Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular and the use of any gender shall be applicable to all genders.

Section 12.13 ***Use of "Include," "Includes" and "Including".***

All uses in the Governing Documents of the words "**include**," "**includes**" and "**including**" shall be deemed to include the words "**without limitation**" immediately thereafter.

Section 12.14 ***Action.***

Any action that has been or may be taken by the Declarant, the District, a Builder, the Board, the ARC, any Member, any director, any committee, or any other Person, may be taken "**at any time, from time to time**". Each provision that authorizes, directs or permits action shall be deemed to include such language.

Section 12.15 ***Sole Discretion.***

All actions which are taken by the Declarant, the District, a Builder, the Board, the ARC, any Member, any director, any committee, or any other Person, shall be deemed to be taken "**in the sole discretion**" of each of such parties.

Section 12.16 ***Run with Land; Binding Upon Successors.***

The benefits, burdens and all other provisions contained in this Declaration shall be covenants running with and binding upon the Community and all real property and Improvements which are now or hereafter become a part thereof. The benefits, burdens and all other provisions contained in this Declaration shall be binding upon, and inure to the benefit of the Declarant, each Builder, the District, and all Owners, and upon and to their respective heirs, personal representatives, successors and assigns.

ARTICLE 13. DISCLOSURES.

Section 13.1 ***Sheridan Station West Metropolitan District.***

13.1.1 The District is a unit of government formed pursuant to Colorado Revised Statutes Title 32, Article 1. Specifically, the District is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado. **THE DISTRICT IS NOT A HOMEOWNER'S ASSOCIATION. THE TAXES, FEES, RATES, TOLLS, PENALTIES AND CHARGES LEVIED OR IMPOSED BY THE DISTRICT ARE NOT HOMEOWNER ASSOCIATION DUES OR ASSESSMENTS.**

13.1.2 The District has the power to impose and collect property taxes against the Lots, as more fully described in the Service Plan for the District. The Service Plan for the District was approved by the City Council of the City of Lakewood. The City Council has the legal power to approve changes to the Service Plan.

13.1.3 Pursuant to the Service Plan, the District is responsible for the ownership, construction and maintenance of the streets, alleys, curbs, gutters and sidewalks on the Property, except that streets may, after construction, be dedicated to the City and after acceptance of such dedication by the City, the City will be responsible for maintenance of such streets ("City Maintained Streets"). It is anticipated that Depew Street will be a City Maintained Street, but Depew Street will not become a City Maintained Street if the City does not accept dedication of Depew Street; other streets could become City Maintained Streets if the City accepts dedication; all streets and alleys in the Community for which the City does not accept a dedication will be owned and maintained by the District.

13.1.4 The District is governed by a Board of Directors consisting of five (5) directors. The Board of Directors are elected by owners of property located within the District.

Section 13.2 ***Water Service.***

13.2.1 Water service to the Community is provided by The Consolidated Mutual Water Company ("**Consolidated**"), which is a Colorado non-profit corporation and is a mutual company (i.e., it is owned by its stockholders); Consolidated is not a governmental authority.

13.2.2 The District has entered or will enter into a water service agreement with Consolidated to set forth the provisions by which Consolidated will provide water service within the Community through the Water System. Consolidated sets the rates for water service, which are subject to change from time to time in accordance with the Consolidated Rules (defined below in Section 13.2.4).

13.2.3 The District does not provide water service and is not responsible for the quality and quantity of water provided. The District does not set rates for water service, but shall have the authority to set and collect fees from the Owners for payment on behalf of the Owners for Consolidated's charges for water service.

13.2.4 All Owners and the District are subject to all of the Articles of Incorporation, Bylaws, Engineering Standards, rules, regulations, policies and procedures (the "**Consolidated Rules**") promulgated by Consolidated from time to time, including, without limitation, Consolidated Rules concerning failure to pay water service bills and Consolidated's right and procedure to suspend and to disconnect service from customers and /or stockholders that are delinquent in payment or use water in an unauthorized manner, regardless of the District's rules. All Owners and the District are required to observe, abide by, and comply with the Consolidated Rules. At such time as an Owner desires to sell his/her residence, that Owner shall provide his/her buyer with copies of the Consolidated Rules as part of the due diligence documents provided to his/her buyer or shall inform his/her buyer in writing that the Consolidated Rules are available from the District upon request. Copies of the Consolidated Rules shall also be available from the District upon request.

13.2.5 Ownership, operation and/or maintenance of the Water System is divided as between the District and Consolidated. Consolidated owns or will own and be responsible for maintenance and repair of the Consolidated Water Infrastructure. The District owns or will own and be responsible for maintenance and repair of the District Water Infrastructure. Water service lines that are not part of the Water System shall be the responsibility of the respective Owner(s).

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13.2.6 Additional information concerning the Water System may be included in Rules and Regulations to be adopted by the Declarant and/or District, as the same may be amended from time to time.

Section 13.3 ***No Liability for Condition of the Property/Nuisances/Hazards Associated with Adjacent Lands.***

By accepting a deed to a Lot, or any portion thereof, each Owner acknowledges that the Lot may be located adjacent to or in relatively close proximity to property utilized for commercial and other non-residential uses (collectively the "**Adjacent Properties**"); commercial and retail uses may or may not exist now or in the future, and there is no assurance that any particular commercial or retail use (for example, without limitation, a grocery store, coffee shop or church) presently or in the future will exist in the vicinity of the Community, and further the Lot may be built on land affected by amendment to the land or soil conditions (including expansive soils corrections) resulting from construction, engineering, grading, and soil preparation. Owners recognize and assume the risks of owning property adjacent to or within relatively close proximity to the Adjacent Properties and the risks of the condition of the land and soils. Such risks include, without limitation: (i) risks that an Owner's use and enjoyment of his/her residence may be subject to or impacted by matters associated with commercial and retail uses, such as, without limitation: (A) higher traffic volume, both vehicular and pedestrian; (B) frequent deliveries, including deliveries by truck, and deliveries occurring during the evening and early morning hours; (C) increased levels of activity, noise, light and similar impacts: (D) limited on-street parking availability; and (E) security issues; (ii) expansive soils conditions and drainage issues on or under the Property and (iii) injury to person and property arising out of, or resulting from, the operation, maintenance and use of the Adjacent Properties, noise associated with the Adjacent Properties, noise, odors, and attractive nuisances to children (all of the above being collectively referred to as the "**Property Risks**"). The Declarant and the District shall have no liability for any personal injury or property damage resulting from the Property Risks. By accepting a deed to a Lot, each Owner for him/herself and his/her heirs, personal representatives, executors, tenants, successors, assigns, invitees and licensees: (i) assumes the risk of loss, injury or damage to property or persons resulting from the Property Risks; (ii) agrees to obtain such policies of insurance as may be necessary to insure such Owner and Permittee from injury or damage to property or person resulting from the Property Risks; (iii) releases and holds harmless the Declarant and the District and discharges from any liability for any personal injury or property damage resulting from the Property Risks, including, without limitation, arising from the negligence of the Declarant and/or the Declarant's agents, contractors, subcontractors, employees, officers, successors, assigns, guests, or invitees, and (iv) indemnifies (including the payment of reasonable costs and attorneys' fees) the Declarant and the District from and against any claims, actions, suits, demands and compensations, either at law or in equity, brought against or incurred by the Declarant or the District for or on account of any damage, loss, or injury either to person or property, or both, resulting directly or indirectly from the Declarant or the District.

Section 13.4 ***Land Use Documents.***

The Property is being developed in accordance with the land use regulations of the City. The Declarant, for itself, its successors and assigns, reserves the right to obtain modifications and amendments to all land use documents, subject to the approval of the City. Such modifications and amendments could change the uses of the Property and adjacent and nearby land from the uses which are set forth in the land use documents. The Declarant makes no warranties or representations whatsoever that the plan presently envisioned for the Property can or will be carried out, or that any such land, whether or not it has been subjected to this Declaration, is or will be committed to or developed for a particular use, or that such use will continue in effect.

Section 13.5 ***Future Development and Views.***

By accepting a deed to a Lot, each Owner acknowledges that existing views, if any, of the immediate and surrounding areas and mountains may be subject to change or elimination as a result of future development of nonresidential and residential uses, road construction, tree growth and landscaping. Neither the Declarant nor the District guarantee or represent that any view over and across the Lots or other Improvements, or that any open space will be preserved without impairment, nor is there any obligation to relocate, prune, or thin trees or other landscaping. The Declarant has the right to add trees, walls, fences, berms, or other structures, signs, lighting, water features and other landscaping from time to time, without regard to any view impairment. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. The Declarant and/or Builders may charge premium prices for similar houses or lots depending on a variety of factors, which may include location, lot size, cul-de-sac frontage, solar orientation or proximity to open space. The market value of these factors may be subjective. No Builder is authorized to represent a premium price as a "view" premium. Neither the Declarant nor the District assumes any responsibility for any representation or promise made by a Builder, sales counselor, independent broker or other agent or employee of a homebuilder with regard to premium prices. Each Owner acknowledges that development within and surrounding the Property may continue for an indefinite period, and that plans for the density, type and location of improvements, developments or land uses, may change over time. Such development may entail changes to or alterations in the access to the Property, views of or from the Property, the Lots, surrounding land uses, open space or facilities, traffic volumes or patterns, privacy or other off-site aspects or amenities. Development also may entail noise, odors, unsightliness, dust and other inconveniences or disruptions. By accepting a deed to a Lot, and waives and releases any claim against the Declarant or the District arising out of or associated with any of the foregoing.

Section 13.6 ***Separate Ownership of Surface and Subsurface Rights.***

Ownership of subsurface rights, including mineral rights, oil, gas, and other hydrocarbons, underlying the Property may be separate from surface rights. The owners of such mineral rights, oil, gas and other hydrocarbons and their successors, assignees and lessees reserve the right to exercise all rights of exploration, extraction and removal of the same as allowed by applicable laws.

Section 13.7 ***Safety and Security.***

Each Owner and Permittee is responsible for their own personal safety and the security of their property in the Property. The District may, but shall not be obligated to, maintain or support certain activities designed to enhance the level of safety or security in accordance with applicable law. Neither the Declarant nor the District shall in any way be considered insurers or guarantors of safety or security within the Property, nor be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

Section 13.8 ***Disruption from Development and Construction.***

Each Owner agrees that there are inconveniences which will accompany the construction of Improvements within the Property, including, without limitation, construction noise, portable toilets, construction traffic, uncompleted buildings, areas not landscaped, potholes and construction supplies stored in plain view and general inconvenience associated with construction sites and related issues. Each Owner, by accepting a deed to a Lot, waives and releases any claim against the Declarant and the District associated with the inconveniences, nuisance and hazards associated with such construction.

Section 13.9 ***Noise Transmission.***

By accepting a deed to a Lot, each Owner acknowledges that: (i) in close living situations, such as in row homes, duplexes, triplexes and paired homes, one commonly hears noises from other homes or outside noises; (ii) sound tends to carry through pipes, air-conditioning, heating, wood studs and flooring; (iii) perceptions of sound is highly subjective and variable; (iv) the Community is located near public and private streets so that Owners may hear the noise generated thereby; (v) Owners may hear noise from commercial and retail uses located nearby; (vi) some or all residences in the Community may have some tile or other hard flooring which transmits more impact noise than a carpeted floor; and (vii) even with sound insulation, Owners will hear certain noises from adjoining residences, including, without limitation, the sound of plumbing, televisions, stereos and impact sounds (like footfalls). **Residences in the Community are not "soundproof."** By accepting a deed to a Lot, each Owner waives and releases any claim against the Declarant and the District from any and all claims arising from or related to the transmission of noise.

Section 13.10 ***Soils.***

Soils within Colorado consist of both expansive soils and low density soils which may result in some degree of shifting or other movement of the foundation or otherwise result in damage to the structural or other parts of residences in the Community. By accepting a deed to a Lot, each Owner waives and releases any claim against the Declarant and the District arising from the soil conditions of such Owner's Lot and the foundation design and floor slabs and footings installed thereon.

Section 13.11 ***Utility Lines.***

By accepting a deed to a Lot, each Owner understands that Consolidated has or will construct the Consolidated Water Infrastructure, including hydrants, main water lines and other water equipment in the Community; provided, however, that the Declarant or a Builder will install the connection from such Owner's meter and/or submeter to the Consolidated Water Infrastructure and the meter and/or submeter between the meter housing and the residence. By accepting a deed to a Lot, each Owner waives and releases any claim against the Declarant and the District arising from any defect or deficiency in, or the breakage or failure of, or leakage from, any water lines and equipment installed by Consolidated.

Section 13.12 ***NORM.***

The Colorado Department of Health and the United States Environmental Protection Agency have detected elevated levels of naturally occurring radon gas in certain residences throughout Colorado. These agencies have expressed concern that prolonged exposure to high levels of radon gas may result in adverse effects on human health. By accepting a deed to a Lot, each Owner waives and releases any claim against the Declarant and the District arising from the presence or absence of radon gas.

Section 13.13 ***Electric Transmission Lines.***

There are high voltage overhead electric transmission lines adjacent to or near the Community. Electric transmission lines cause electric fields and magnetic fields, commonly referred to as electromagnetic fields ("**EMF**"). Neither the District nor the Declarant owns the electric transmission lines, and they have no control over the operation of the lines, the flow of electricity, the locations of the lines or the EMFs they cause. By accepting a deed to a Lot, each Owner waives and releases any claim against the District and the Declarant for personal injury, property damage or death, arising from or associated with the existence of EMFs or other effects of electrical transmission lines, known or unknown.

Section 13.14 ***Mold.***

Certain types of mold and fungus have been discovered in residences in Colorado. Such organisms may or may not be toxic, and may have different adverse health effects. Typically, mold and fungus result from, or are caused by, the accumulation of water, condensation or moisture. By accepting a deed to a Lot, each Owner acknowledges that mold and fungus and their growth can be caused by both natural and unnatural conditions throughout a building or the Community, and may be introduced through soils, building materials, or other sources over which the Declarant has no control. The Declarant makes no representation or warranty, express or implied, concerning whether mold or fungus is present, or is likely to develop for any reason at the Community. By accepting a deed to a Lot, each Owner waives and releases any claim against the Declarant and the District arising from the presence or development of mold or fungus at the Community, irrespective of cause or source.

[Signature Pages Follow.]

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IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 7 day of September, 2017.

DECLARANT:

SHERIDAN STATION TRANSIT VILLAGE LLC,
a Colorado limited liability company

By: _____
Name: Douglas Elenowitz
Title: West 10th Partners GP, LLC as Manager
Authorized Signor

STATE OF COLORADO)
) ss.
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 7 day of September, 2017 by Douglas Elenowitz as Authorized Signer of Sheridan Station Transit Village LLC, a Colorado limited liability company.

Witness my hand and official seal.
My Commission Expires: 12/01/20

(S E A L)

_____
Notary Public

Gabriela Ocampo
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164045526
MY COMMISSION EXPIRES 12/01/20

Gabriela Ocampo
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164045526
MY COMMISSION EXPIRES 12/01/20

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CONSENT OF DISTRICT

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The undersigned, Sheridan Station West Metropolitan District, hereby consents to the foregoing Declaration of Covenants, Conditions and Restrictions of West Line Village.

THE DISTRICT:

Sheridan Station West Metropolitan District,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Name: Douglas Elenowitz
Title: President

Attest: _____
Secretary

STATE OF COLORADO)
) ss.
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 1 day of September, 2017 by Douglas Elenowitz as president Authorized signer of Sheridan Station West Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado.

Witness my hand and official seal.

(S E A L)

Notary Public _____
My Commission Expires: 12/01/20

Gabriela Ocampo
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164045526
MY COMMISSION EXPIRES 12/01/20

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LENDER CONSENT

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The undersigned, the beneficiary under that certain Deed of Trust and Security Agreement dated April 12, 2017, and recorded April 12, 2017 at Reception No. 2017038544 in the office of the Clerk and Recorder for the County of Jefferson, Colorado, as the same may be amended or supplemented from time to time (collectively, the "**Deed of Trust**"), and is the secured party under that certain Colorado UCC-1 Financing Statement recorded April 12, 2017 at Reception No. 2017038547 in the office of the Clerk and Recorder for the County of Jefferson, Colorado, as the same may be amended or supplemented from time to time (collectively, the "**Financing Statement**"), and is the lender under that certain Assignment of Rents and Other Rights recorded April 12, 2017 at Reception No. 2017038545 in the office of the Clerk and Recorder for the County of Jefferson, Colorado (the "**Assignment of Rents**") which Deed of Trust, Financing Statement and Assignment of Rents encumber a portion of the Property subject to this Declaration, hereby consents to and approves, but does not subordinate its lien or any rights or interests in the Property to, the Declaration; provided that the Declaration shall not be extinguished, limited or affected to any extent by any foreclosure of the Deed of Trust.

FIRSTBANK,
a Colorado banking corporation

By: _____
Sarah Rivard, Senior Vice President

STATE OF COLORADO)
) ss.
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 7 day of September, 2017, by Sarah Rivard, as Senior Vice President of FirstBank, a Colorado banking corporation.

Witness my hand and official seal.

My commission expires: 12/01/20

Gabriela Ocampo
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164045526
MY COMMISSION EXPIRES 12/01/20

_____
Notary Public

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EXHIBIT A
TO
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF WEST LINE VILLAGE

Lots 1-29, inclusive, Block 1
West Line Village Filing No. 1
City of Lakewood, Jefferson County, Colorado

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EXHIBIT B
TO
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF WEST LINE VILLAGE

(Tracts owned or to be owned by District)

Tracts A, B, C, D, E, F, G, H and J
West Line Village Filing No. 1
City of Lakewood, Jefferson County, Colorado

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EXHIBIT C
TO
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF WEST LINE VILLAGE

Legal Description of Certain Property That is Eligible for Annexation*

Lots 30-81, inclusive, Block 1
West Line Village Filing No. 1
City of Lakewood, Jefferson County, Colorado

And

Lots 1-55, inclusive, Block 2
West Line Village Filing No. 1
City of Lakewood, Jefferson County, Colorado
And

LOT 1, MCCONNELL SUBDIVISION, TOGETHER WITH THOSE EASEMENT RIGHTS AS CONTAINED IN EASEMENT RECORDED SEPTEMBER 14, 2005 UNDER RECEPTION NO. 2005082374, AND
LOT 2, MCCONNELL SUBDIVISION,
COUNTY OF JEFFERSON, STATE OF COLORADO,
also known as 5501 West 10th Avenue and 5540 West 11th Avenue, Lakewood, Colorado 80214

* NOTE: Other property may be eligible for annexation and may be annexed pursuant to Section 12.2

The land described above is not presently subject to the terms of the Declaration and is not a part of the Community and there is no assurance that any or all of this land will be made subject to the terms of the Declaration and therefore become a part of the Community.

NOTE TO CLERK AND TITLE EXAMINERS:
This Declaration is not intended to create an encumbrance on title to the property described in this Exhibit C. Such title may be encumbered only with the consent of the owner by recording an annexation document in accordance with Section 12.2.1.

SHERIDAN STATION WEST METROPOLITAN DISTRICT
141 Union Boulevard, Suite 150
Tel: 303-987-0835 * 800-741-3254
Fax: 303-987-2032

Resolution Adopting the Declaration of Covenants, Conditions & Restrictions

RESOLUTION NO. 2017-06-01

RESOLUTION OF THE BOARD OF DIRECTORS OF SHERIDAN STATION WEST METROPOLITAN DISTRICT ACKNOWLEDGING AND ADOPTING THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF WEST LINE VILLAGE

A. Sheridan Station West Metropolitan District (the "**District**") is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 of the Colorado Revised Statutes, as amended ("**C.R.S.**").

B. Section 32-1-1004(8), C.R.S., authorizes Title 32 metropolitan districts to furnish covenant enforcement and design review services within the district if the declaration, rules and regulations, or similar document containing the covenants to be enforced for the area within the metropolitan district name the metropolitan district as the enforcement or design review entity.

C. Sheridan Station Transit Village LLC, a Colorado limited liability company (the "**Developer**"), the owner and master developer of West Line Village has executed a Declaration of Covenants, Conditions and Restrictions of West Line Village (the "**Declaration**") to be recorded in the real property records of Jefferson County, Colorado, as may be amended from time to time, which Declaration declares that the property subject to the Declaration (the "**Property**") is and shall be and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, altered and otherwise enjoyed in accordance with and subject to the covenants and use restrictions contained in the Declaration.

D. The Declaration assigns to the District duties, rights and obligations to enforce the terms and provisions of the Declaration and to promulgate Guidelines and Rules and Regulations (as those terms are defined in the Declaration) with respect to the Property that is within the boundaries and/or service area of the District.

E. The Board of Directors for the District (the "**Board**") wishes to adopt the Declaration as an official policy of the District, to acknowledge the duties, obligations and rights assigned to the District pursuant to such Declaration, and to execute the Acknowledgment and Consent Block of the Declaration accordingly.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SHERIDAN STATION WEST METROPOLITAN DISTRICT AS FOLLOWS:

1. The foregoing Recitals are incorporated into and made a substantive part of this Resolution.

2. The Board hereby determines that it is in the best interests of the District and its property owners and users of the District to accept the assignment of all duties, rights and obligations under the Declaration and to provide the covenant enforcement and design review services established thereby.

3. The Board hereby: (a) authorizes and directs the officers of the District and District staff to take all actions necessary to execute the duties, rights and obligations assigned to the District by the Declaration; and (b) authorizes the President and Secretary of the District to execute the Acknowledgment and Consent Block to the Declaration.

4. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word hereof, or the application thereof in any given circumstance, shall not affect the validity of the remainder of this Resolution, which shall be given effect in accordance with the manifest intent hereof.

5. This Resolution shall be effective upon the date set forth below .

Dated this 20th day of June, 2017.

SHERIDAN STATION WEST METROPOLITAN DISTRICT

By: _____
President

Attest:

_____
Secretary

CERTIFICATION

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2017-06-01, Resolution of the Board of Directors of Sheridan Station West Metropolitan District Acknowledging and Adopting the Declaration of Covenants, Conditions and Restrictions of West Line Village.

SHERIDAN STATION WEST METROPOLITAN DISTRICT

Date: 6/20/17

By: _____
Secretary

SHERIDAN STATION WEST METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150

Tel: 303-987-0835 * 800-741-3254

Fax: 303-987-2032

Amended Rules and Regulations

RESOLUTION NO. 2018-08-05

RESOLUTION OF THE BOARD OF DIRECTORS OF SHERIDAN STATION WEST METROPOLITAN DISTRICT ADOPTING THE AMENDED RULES AND REGULATIONS OF SHERIDAN STATION WEST METROPOLITAN DISTRICT RELATED TO WEST LINE VILLAGE

A. Sheridan Station West Metropolitan District (the "**District**") is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 of the Colorado Revised Statutes, as amended ("**C.R.S.**").

B. The District was organized pursuant to a Service Plan approved by the City of Lakewood (the "**City**") on August 22, 2016 (the "**Service Plan**").

C. Pursuant to Section 32-1-1001(1)(m), C.R.S., the District has the power "to adopt, amend and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objects, and affairs of the board and of the special district."

D. Sheridan Station Transit Village LLC, a Colorado limited liability company (the "**Developer**"), the owner and master developer of West Line Village has executed a Declaration of Covenants, Conditions and Restrictions of West Line Village, to be recorded in the real property records of the County of Jefferson, State of Colorado, as the same may be amended and/or modified from time to time (the "**Declaration**").

E. The property encumbered by the Declaration (the "**Property**") either is, or is anticipated to be, included within the boundaries of the District.

F. The Declaration provides that the District shall enforce each of the provisions provided therein.

G. Section 32-1-1004(8), C.R.S. authorizes Title 32 metropolitan districts to furnish covenant enforcement and design review services within the district if the declaration, rules and regulations, or similar document containing the covenants to be enforced for the area within the metropolitan district name the metropolitan district as the enforcement or design review entity.

H. Pursuant to the Declaration, the District has the right to send demand letters and notices, to levy and collect fines, to negotiate, to settle, and to take any other actions with respect to any violation(s) or alleged violation(s) of the Declaration.

I. The Declaration provides for Guidelines and Rules and Regulations, as those respective terms are defined in the Declaration (collectively, herein, the "**Rules and Regulations**"), to be promulgated, amended, revised from time to time, administered and enforced by the District.

J. The Board of Directors for the District (the "**Board**") adopted Resolution 2017-06-01, Resolution Acknowledging and Adopting the Declaration of Covenants and Restrictions

for West Line Village, which acknowledged the District's authority to administer and enforce the Declaration, and the Guidelines and Rules and Regulations for the Property.

K. The Board of Directors for the District (the "**Board**") previously adopted Resolution 2017-06-02, Resolution Adopting the Rules and Regulations of Sheridan Station West Metropolitan District Related to West Line Village ("**Original Rules and Regulations**").

L. The District desires to provide for the orderly and efficient enforcement of the Declaration by adopting the Amended Rules and Regulations of Sheridan Station West Metropolitan District Related to West Line Village ("**Amended Rules and Regulations**"), which shall replace and supersede in their entirety the Original Rules and Regulations.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SHERIDAN STATION WEST METROPOLITAN DISTRICT AS FOLLOWS:

1. The Board hereby adopts the Amended Rules and Regulations of Sheridan Station West Metropolitan District Related to West Line Village as described in **Exhibit A**, attached hereto and incorporated herein by this reference.

2. The Board declares that the Amended Rules and Regulations of Sheridan Station West Metropolitan District Related to West Line Village are effective as of August 24, 2018.

3. The Board declares that the Original Rules and Regulations dated June 20, 2017 are hereby replaced and superseded in their entirety by the Amended Rules and Regulations dated August 24, 2018.

4. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances, shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

Dated this 24th day of August, 2018.

SHERIDAN STATION WEST METROPOLITAN DISTRICT

By: _____
President

Attest:

_____
Secretary

EXHIBIT A

Amended Rules and Regulations of Sheridan Station West Metropolitan District
Related to West Line Village

RULES AND REGULATIONS

OF

WEST LINE VILLAGE

Adopted by the Board of Directors on June 13, 2019

TABLE OF CONTENTS

1. INTRODUCTION

1.1 Basis for Rules and Regulations

These Rules and Regulations (the "Rules") are intended to assist Owners living in the West Line Village community (the "Community"). Pursuant to the Declaration of Covenants, Conditions and Restrictions of West Line Village ("Declaration"), recorded at Reception No. 2017_____, the Sheridan Station West Metropolitan District ("District") is authorized to adopt rules and regulations for the Community.

1.2 Definitions

All capitalized words and phrases used in these Rules shall have the meaning provided in the Declaration unless otherwise defined herein.

1.3 Contents of Rules

In addition to the introductory material, these Rules contain (A) a summary of procedures for obtaining approval from the ARC (see Section 2); and (B) a listing of specific types of improvements that Owners might wish to make with specific information as to each of these types of improvements (see Section 3).

1.4 Architectural Review Committee or Representative

The ARC consists of persons, representatives or a committee appointed to review requests for approval of architectural or site changes.

1.5 ARC Contact Information

The contact information of the ARC, persons, committee or representative authorized to administer the architectural review process is:

COMPANY NAME	OFFICE	FAX	E-MAIL
Special District Management Services	(303) 987-0835	(303) 987-2032	cm@sdmsi.com

1.6 Effect of Declaration

The Declaration governs the Community. Each Owner should review and become familiar with the Declaration. Nothing in these Rules supersedes or alters the provisions or requirements of the Declaration and, if there is any conflict or inconsistency, the Declaration will control.

1.7 Effect of Governmental and Other Regulations

Use of property within the Community and any Improvements must comply with any applicable building codes and other governmental requirements and regulations. Owners are encouraged to contact Jefferson County ("County") and the City of Lakewood ("City") and the Consolidated Mutual Water Company ("Consolidated") for further information and requirements for Improvements they wish to make.

APPROVAL BY THE ARC DOES NOT CONSTITUTE ASSURANCE THAT IMPROVEMENTS COMPLY WITH APPLICABLE GOVERNMENTAL REQUIREMENTS OR REGULATIONS OR THAT A PERMIT OR APPROVALS ARE NOT ALSO REQUIRED FROM APPLICABLE GOVERNMENTAL BODIES.

1.8 Water Service

Water service to the Community is provided by Consolidated, which is a Colorado non-profit corporation and is a mutual company (i.e., it is owned by its shareholders); Consolidated is not a government authority. All Owners and the District are subject to all of the Articles of Incorporation, Bylaws, Engineering Standards, rules, regulations, policies and procedures (the "Consolidated Rules") promulgated by Consolidated from time to time, including, without limitation, Consolidated Rules concerning failure to pay water service bills and Consolidated's right and procedure to suspend and to disconnect service from customers that are delinquent in payment or use water in an unauthorized manner. All Owners and the District are required to observe, abide by, and comply with the Consolidated Rules. At such time as an Owner desires to sell his/her home, that Owner must provide his/her buyer with copies of the Consolidated Rules as part of the due diligence documents provided to his/her buyer or shall inform his/her buyer in writing that the Consolidated Rules are available from the District upon request. Copies of the Consolidated Rules shall also be available from the District upon request.

1.9 Interference with Utilities

In making Improvements to property, Owners are responsible for locating all water, sewer, gas, electrical, cable television, or other utility lines or easements. Owners should not construct any Improvements over such easements without the consent of the utility involved, and Owners will be responsible for any damage to any utility lines. All underground utility lines and easements can be located by contacting:

Utility Notification Center of Colorado

1-800-922-1987

1.10 Goal of Rules

Compliance with these Rules and the provisions of the Declaration will help preserve the inherent architectural and aesthetic quality of the Community. It is the responsibility of the ARC to ensure that all proposed Improvements meet or exceed the requirements of

these Rules and to promote the highest quality design for the neighborhood. It is important that Improvements to property be made in harmony with and not detrimental to the rest of the Community. A spirit of cooperation with the ARC and neighbors will go far in creating an optimum environment, which will benefit all Owners. By following these Rules and obtaining prior written approval for Improvements to property from the ARC, Owners will be protecting their financial investment and will help insure that Improvements to property are compatible with standards established for the Community. If a question ever arises as to the correct interpretation of any terms, phrases or language contained in these Rules, the ARC's interpretation shall be final and binding.

2. PROCEDURES FOR ARC APPROVAL

2.1 General

The procedures set forth in this Article 2 are intended to clarify the terms, provisions and requirements of Article 4 of the Declaration. In the event of any conflict between these rules and the Declaration, the terms of Article 4 in the Declaration shall control. As indicated in Section 3 of these Rules, there are some cases in which advance written approval of the ARC is not required if the Rules with respect to that specific type of Improvement are followed. In a few cases, as indicated in Section 3, a specific type of Improvement is not permitted under any circumstances. In all other cases, including Improvements not included in Section 3, advance, or prior written approval by the ARC is required before an Improvement to property is commenced.

2.2 Drawings or Plans

Owners are required to submit to the ARC a completed Architectural Review Request Form ("ARR"), which forms are available from the person or entity listed in Section 1.5, the current version of which is attached as Appendix A, and complete plans and specifications, in duplicate, (said plans and specifications to show exterior design, height, materials, color, location of the structure or addition to the structure, plotted horizontally and vertically, location and size of driveways, general plan of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required) prior to commencement of work on any Improvement to property. In most cases, the materials to be submitted will *not* have to be professionally prepared by an architect or draftsman, and a simple drawing with dimensions and description will be sufficient. In the case of major improvements, such as room additions, structural changes or accessory building construction, detailed plans and specifications, prepared by a licensed architect, may be required. Whether done by the Owner, or professionally, the following guidelines should be followed in preparing drawings or plans:

A. The drawing or plan should be done to scale and shall depict the property lines of your Lot and the outside boundary lines of the home as located on the Lot. If you have a copy of an improvement survey of your Lot obtained when you purchased it, this survey would be an excellent base from which to start.

B. Existing Improvements, in addition to your home, should be shown on the drawing or plan and identified or labeled. Such existing Improvements include

driveways, walks, decks, trees, shrubs, fences, etc. The proposed Improvements should be shown on the plan and labeled. Either on the plan or on an attachment, there should be a brief description of the proposed Improvement, including the materials to be used and the colors. For Example: Replacement of front steps.

C. The plan or drawing and other materials should include the name of the Owner, the address of the home, the lot, block and filing number of the Lot, and the e-mail address and telephone number where the Owner can be reached.

D. Additions to and expansions of homes are not permitted. Improvements that may be approved generally are limited to new roofing, exterior painting, and replacement of windows and doors.

E. The proposed Improvements must take into consideration the easements, building location restrictions and sight distance limitations at intersections.

F. Owners should be aware that many Improvements require a permit from the County, the City or other governmental entity. The ARC reserves the right to require a copy of such permit as a condition of its approval.

G. In some instances, elevation drawings of the proposed Improvement will be required. The elevation drawings should indicate materials.

H. Photographs of existing conditions and of proposed materials and colors are encouraged to be included, and are helpful to convey the intended design, but should not be used solely to describe the proposed changes.

2.3 Submission of Drawings and Plans

Two copies of the drawing or plans (minimum acceptable size 8.5" x 11") must be submitted to the ARC along with a completed ARR. Color photographs, brochures, paint swatches, etc. will help expedite the approval process. Specific dimensions and locations are required.

Any Submittal Fees required by the ARR, the current version of which is attached as Appendix A, and any costs incurred by the ARC for review of submittals shall be borne by the Owner and shall be payable prior to final approval. Any reasonable engineering consultant fees or other fees incurred by the ARC in reviewing any submission will be assessed to the Owner requesting approval of the submission.

2.4 Action by ARC

The ARC will meet as required to review plans submitted for approval. The ARC may require submission of additional information or material, and the request will be deemed denied until all required information and materials have been submitted. The ARC will act upon all requests in writing within forty-five (45) days after the complete submission of plans, specifications, and other materials and information as requested by the ARC. If the ARC fails to review and approve in writing (which may be with conditions and/or

requirements) or disapprove, a request for architectural approval within forty-five (45) days after the complete submission of the plans, specifications, materials and other information with respect thereto, such request is deemed approved by the ARC.

2.5 Revisions and Additions to Approved Plans

Any revisions and/or additions to approved plans made by the Owner or as required by any governmental agency, must be re-submitted for approval by the ARC. The revised plans must follow the requirements as outlined above.

2.6 Completion of Work

After approval (which may be with conditions and/or requirements) of any proposed Improvement by the ARC, the proposed Improvement shall be completed and constructed as promptly and diligently as possible, and in complete conformity with all conditions and requirements of the approval. Failure to complete the proposed Improvement within one year from the date of the approval or such other date as may be set forth in the approval or as set forth in the Declaration (the "Completion Deadline"), shall constitute noncompliance; provided, however, that the ARC may grant extensions of time to individual Owners for completion of any proposed Improvements, either (a) at the time of initial approval of such Improvements, or (b) upon the request of any Owner, provided such request is delivered to the ARC in writing and the Owner is diligently prosecuting completion of the subject Improvements or other good cause exists at the time such request is made.

2.7 Inspection of Work

The ARC, or its duly authorized representative, shall have the right to inspect any Improvement at any time, including prior to or after completion, in order to determine whether or not the proposed Improvement is being completed or has been completed in compliance with the approval granted pursuant to this Section.

2.8 Notice of Non-Compliance

If, as a result of inspections or otherwise, the ARC determines that any Improvement has been done without obtaining all required approvals (which may be with conditions and/or requirements), or was not done in substantial compliance with the approval that was granted, or has not been completed by the Completion Deadline, subject to any extensions of time granted pursuant to Section 2.6 hereof, then the ARC shall notify the District, and the District shall then notify the applicant in writing of the non-compliance (the "Notice of Non-Compliance"). The Notice of Non-Compliance shall specify the particulars of the non-compliance, shall state that the applicant is required to remedy or remove the non-compliance within not more than forty-five (45) days, and that if the non-compliance is not remedied or removed, that the District may impose fines upon the applicant as provided in Section 2.9. Proof of delivery of the Notice of Non-Compliance shall be placed in the records of the Board. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who gave such notice. The notice requirement

shall be deemed satisfied if the applicant files a response. The applicant shall respond to the Notice of Non-Compliance within ten (10) days after it receives the notice, regardless of whether the applicant is challenging the finding of non-compliance. The applicant may request a hearing before the Board by including the request for a hearing in or with such Owner's response to the Notice of Non-Compliance. If a hearing is timely requested, the hearing shall be held before the Board. At the hearing, the applicant shall be afforded a reasonable opportunity to be heard. The Board may adopt rules for the conduct of such hearings that may include, without limitation, rules that govern the presentation of evidence and witnesses and the ability of an applicant to question adverse witnesses. The minutes of the hearing, shall contain a written statement of the results of the hearing.

2.9 Correction of Non-Compliance

If the ARC determines that a non-compliance exists, the Person responsible for such non-compliance shall remedy or remove the same within not more than forty-five (45) days from the date of receipt of the Notice of Non-Compliance. If such Person does not comply with the ruling within such period, the ARC shall notify the District, and the District may, at its option and if allowed by applicable law, record a notice of non-compliance against the Lot on which the non-compliance exists, may impose fines in the amount of $15.00 for each day for the first thirty (30) days such non-compliance exists and thereafter fines in the amount of $30.00 for each day such non-compliance exists, penalties and interest, may remove the non-complying Improvement, or may otherwise remedy the non-compliance in accordance with the Declaration and applicable law. The Person responsible for such non-compliance shall reimburse the District, upon demand, for all costs and expenses, as well as anticipated costs and expenses, with respect thereto.

2.10 Amendment

These Rules may at any time, from time to time, be added to, deleted from, repealed, amended, and modified, reenacted, or otherwise changed by the District, by majority vote or written approval of the members of the Board, with the approval of the Person authorized to appoint the Board, as changing conditions and/or priorities dictate.

2.11 Questions

If you have any questions about the foregoing procedures, feel free to call the District at the phone number and address listed in the Section 1.5 of these Rules.

3. SPECIFIC TYPES OF IMPROVEMENTS / SITE RESTRICTIONS

3.1 General

The following is a listing, in alphabetical order, of a wide variety of specific types of Improvements which Owners typically consider installing, with pertinent information as to each. Unless otherwise specifically stated, drawings or plans for a proposed Improvement must be submitted to the ARC and written approval of the ARC obtained before the Improvements are made. In some cases, where it is specifically so noted, an

Owner may proceed with the Improvements without advance approval if the Owner follows the stated guideline. In some cases, where specifically stated, some types of Improvements are prohibited. ARC review and approval is required on any external items not be listed below.

3.1.1 Variances

Approval of any proposed plans by the granting of a variance from compliance with any of the provisions of these Rules is at the sole discretion of the ARC when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require.

3.1.2 No Unsightliness

All unsightly conditions, structures, facilities, equipment, and objects, including snow removal equipment and garden or maintenance equipment, when not in actual use, must be enclosed within a structure.

3.1.3 Waivers; No Precedent

The approval or consent of the ARC to any application for approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent as to any application or other matters whatsoever, as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent in any other matter.

3.1.4 Liability

The District, the Board and the ARC and the members thereof shall not be liable in damages to any person submitting requests for approval or to any approval, or failure to approve or disapprove in regard to any matter within its jurisdiction. The ARC shall not bear any responsibility for ensuring structural integrity or soundness of approved construction or modifications, or for ensuring compliance with building codes and other governmental requirements. The ARC will not make any investigation into title, ownership, easements, rights-of-way, or other rights appurtenant to property with respect to architectural requests and shall not be liable for any disputes relating to the same.

3.2 Accessory Buildings

Accessory buildings are not permitted. That includes, without limitation, storage sheds, gazebos, playhouses and play structures.

3.3 Additions and Expansions

Addition to or expansion of any home is not permitted.

3.4 Address Numbers

Approval is required to replace, alter or relocate existing address numbers, unless the address numbers are replaced using the same style, color and type of number currently on the home.

3.5 Air Conditioning Equipment

Approval is required for all air conditioning equipment including evaporative coolers (swamp coolers) and attic ventilators installed after the initial construction.

Approval is not required for replacement of existing air conditioning equipment with like equipment located in the same location as the equipment being replaced. Replacement with different equipment requires approval.

No heating, air conditioning, air movement (e.g. swamp coolers) or refrigeration equipment shall be placed or installed on rooftops, or extended from windows. Ground mounted or exterior wall air conditioning equipment installed in the side yard must be installed in a manner so as to minimize visibility from the street and minimize any noise to adjacent property Owners.

3.6 Antennae/Satellite Dishes

3.6.1 General Provisions

"Permitted Antennas" are defined as (a) an antenna which is less than one meter in diameter and is used to receive direct broadcast satellite service, including direct-to-home satellite services, or is used to receive or transmit fixed wireless signals via satellite; (b) an antenna which is less than one meter in diameter and is used to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instruction television fixed services, and local multipoint distribution services or is used to receive or transmit fixed wireless signals other than via satellite; (c) an antenna which is designed to receive broadcast television broadcast signals; or (d) other antennas which are expressly permitted under applicable federal statutes or regulations. In the event a Permitted Antenna is no longer expressly permitted under applicable federal statutes or regulations, such antenna will no longer be a Permitted Antenna for purposes of this Section. Installation of Permitted Antennas shall not require the approval of the ARC.

A. All Permitted Antennas shall be installed with emphasis on being as unobtrusive as possible to the Community. To the extent that reception is not substantially degraded or costs unreasonably increased, all Permitted Antennas shall be screened from view from any street and nearby Lots to the maximum extent possible, and placement shall be made in the following order of preference:

(1) Inside the structure of the house, not visible from the street

(2) Rear yard or side yard, mounted on the house, in the least visible location below roofline
(3) Back rooftop
(4) Any other location approved by the ARC.

B. If more than one (1) location on the Lot allows for adequate reception without imposing unreasonable expense or delay, the order of preference described above shall be used, and the least visible site shall be selected.

C. Permitted Antennas shall not encroach upon common areas or any other Owner's property.

D. Permitted Antennas may not be installed on balconies.

3.6.2 Installation of Antennae/Satellite Dishes

A. All installations must comply with all applicable building codes and other governmental regulations, and must be secured so they do not jeopardize the safety of residents or cause damage to adjacent properties. Any installation must strictly comply with FCC guidelines.

B. All Permitted Antennas shall be no larger, nor installed more visibly, than is necessary for reception of an acceptable signal.

C. Owners are responsible for all costs associated with the Permitted Antenna, including but not limited to costs to install, replace, repair, maintain, relocate, or remove the Permitted Antenna.

D. All cabling must be run internally when feasible, must be securely attached, and must be as inconspicuous as possible. Permitted Antennas, masts and any visible wiring may be required to be painted to match the color of the structure to which they are attached. The Owner should check with the installer/vendor for the appropriate type of paint.

E. All other antennas, not addressed above, are prohibited.

3.7 Awnings

Awnings, including, without limitation, cloth or canvas overhangs, and sunshades are not permitted.

3.8 Balconies and Decks

Balconies are not permitted, except for reconstruction of a balcony constructed by a builder as part of the original construction of the home. Reconstruction requires approval of the ARC.

Decks require approval by the ARC prior to installation. Consideration will be given to size, construction and color. Any proposed deck shall confirm with Section 3.17 Draining.

3.9 Barbecue/Gas Grills

Approval is not required. Only gas-fired barbeque grills are permitted; charcoal grills are not permitted. All barbecue grills, smokers, etc. must be stored in the Owner's garage or on a rear balcony or in a rear yard.

3.10 Basketball Backboards

Not permitted, whether portable or affixed.

3.11 Birdbaths

Approval is not required, subject to the following limitations. Placement in front or side yard is not allowed. Birdbaths are only permitted in the rear yard.

See Section 3.52, Statues or Fountains.

3.12 Birdhouses and Bird Feeders

Approval is not required, subject to the following limitations. If installed in the rear yard and the size is limited to one foot by two feet, no approval is required. No more than three of each of a birdhouse or bird feeder shall be installed on any Lot. Birdhouses or bird feeders may be mounted on a pole, provided the pole shall not exceed five (5) feet in height.

3.13 Clothes Lines and Hangers

Exterior clotheslines and hangers are not permitted.

3.14 Decks

See Section 3.8, Balconies and Decks.

3.15 Dog Houses

Approval is required. Dog houses are restricted to six (6) square feet and must be located in a fenced back yard. Dog houses must be installed at ground level, and must not be visible above the fence. Dog houses must also match the colors and materials of the exterior of the home. Limit of one dog house per Lot. Dog runs are not permitted.

3.16 Doors

Approval is not required for an already existing main entrance door to a home or an accessory building if the material matches or is similar to existing doors on the house and if the color is generally accepted as a complimentary color to that of existing doors on the

house. Complementary colors would be the body, trim or accent colors of the house or white (for storm/screen doors).

A. Storm Doors. Approval is required.

B. Security Doors and Windows. All security or security-type doors and windows must be approved prior to installation.

3.17 Drainage

The Declaration requires that there be no interference with the established drainage pattern over any property. The established drainage pattern means the drainage pattern which exists at the time final grading of a Lot by the Declarant or a Builder is completed. It is very important to ensure that water drains away from the foundation of the house and that the flow patterns prevent water from flowing under or against the house foundation, walkways, sidewalks, and driveways into the street. Therefore, changes to landscaping are not permitted. The ARC may require a report from a drainage engineer as part of improvement plan approval. Landscaping and all drainage from downspouts off the house should conform to the established drainage pattern. Sump pump drainage should be vented a reasonable distance from the property line, on the Owner's property, to allow for absorption. Adverse effects to adjacent properties, including District lands, sidewalks and streets, will not be tolerated. Potted plants are permitted in containers not exceeding 18 inches in diameter.

3.18 Evaporative Coolers

Approval is required. No rooftop or window mount installations are allowed.

See Section 3.5, Air Conditioning Equipment.

3.19 Exterior Lighting

See Section 3.29, Lights and Lighting.

3.20 Fences

Fences will be constructed by the Developer or Builder. Perimeter fences and fences between Lots may not be removed, replaced, painted a different color or altered by any Owner. Adding a gate to a fence requires the approval of the ARC. Fences are owned and maintained by the District. Owners with pets may install 4 inch x 2 inch weld wire mesh on front and/or rear yard fences only with the approval of the ARC.

3.21 Fire Pits

Fire pits are not permitted.

3.22 Firewood Storage

All firewood must be stored in the Owner's garage.

3.23 Flags/Flagpoles

Flags, pennants, banners and flagpoles are not permitted. However, an Owner or resident may display a service flag bearing a star denoting the Owner's or resident's or his family member's active or reserve U.S. military service during a time of war or armed conflict. The flag may be displayed on the inside of a window or door of the home. The flag may not be larger the nine (9) inches by sixteen (16) inches.

3.24 Gardens – Flower or Vegetable

Flower and vegetable gardens are not permitted. Potted plants are allowed in containers not exceeding 18 inches in diameter.

3.25 Grading and Grade Changes

See Section 3.17, Drainage.

3.26 Hanging of Clothes

See Section 3.13, Clothes Lines and Hangers.

3.27 Kennels

Approval will not be granted. Breeding or maintaining animals for a commercial purpose is prohibited.

3.28 Landscaping

Changes to landscaping are not permitted.

3.29 Lights and Lighting

Approval is not required for replacing existing lighting, including coach lights, with the same or similar lighting style and color as originally installed.

Approval is required to modify or add exterior lighting.

Approval is required to install motion detector spotlights, spotlights, floodlights or ballasted fixtures (sodium, mercury, multi-vapor, fluorescent, metal halide, etc.).

A. Considerations will include, but may not be limited to, the visibility, style and location of the fixture.

B. Exterior lighting for security and/or other uses must be directed at the ground and house, whereby the light cone stays within the property boundaries and the light

source does not cause glare to other properties (bullet type light fixtures are recommended).

C. Ground lighting along walks must be maintained in a working and sightly manner. Low- voltage or solar powered ground lighting fixtures which are typically affixed by stakes or similar posts are to be maintained in good aesthetic repair, be functional, not be a tripping or other physical hazard along pedestrian pathways, and remain generally vertical in their presentation.

D. Holiday lighting and decorations do not require approval. It is required that they not be installed more than thirty (30) days prior to the holiday. They shall be removed within thirty (30) days following the holiday.

3.30 Mailboxes

Communal mailboxes are owned and maintained by the District. Changes by Owners are not permitted.

3.31 Ornaments/Art - Landscape/Yard

Approval is not required for yard ornaments which are installed in the rear yard and which are of a height less than three (3) feet.

Up to three (3) small (less than 12 inches in height) front yard ornaments may be installed in the front yard without approval, as long as the ornament is installed at ground level and the color and design integrate into the landscape.

Approval is required for any other yard ornaments.

See Section 3.52, Statues or Fountains.

3.32 Painting

Approval is required. The ARC generally will approve repainting if it is satisfied that color and/or color combinations are identical to the original manufacturer color established on the home and/or accessory improvement. Any changes to the color scheme must be submitted for approval and must conform to the general scheme of the Community.

3.33 Patios - Enclosed

See Section 3.3, Additions and Expansions.

3.34 Paving

Approval is required, regardless of whether for walks, driveways, patio areas or other purposes, and regardless of whether concrete, asphalt, brick, flagstones, stepping stones, pre-cast patterned, or exposed aggregate concrete pavers are used as the paving material.

3.35 Pipes

Approval is required for all exterior pipes, conduits and equipment. Adequate screening may also be required.

3.36 Play Structures and Sports Equipment

Play structures and sports equipment (trampolines, swing sets, fort structures, etc.) are not permitted.

3.37 Playhouses

Playhouse are not permitted.

3.38 Poles

See Section 3.23, Flags/Flagpoles.

3.39 Ponds and Water Features

Ponds and water features are not permitted.

3.40 Radio Antennae

See Section 3.6, Antennae/Satellite Dishes.

3.41 Radon Mitigation Systems

Approval is required. Equipment must be painted a color similar or generally accepted as complimentary to the exterior of the house. All equipment shall be installed so as to minimize its visibility.

3.42 Roofing Materials

Approval is required for all roofing materials other than those originally used by the Builder. All buildings constructed on a Lot should be roofed with the same or greater quality and type of roofing material as originally used by the Builder.

Approval is not required for repairs to an existing roof with the same building material that exist on the building.

3.43 Rooftop Equipment

Approval is required. Equipment must be painted a color similar or generally accepted as complimentary to the roofing material of the house. All rooftop equipment shall be installed so as to minimize its visibility.

See Section 3.51 Solar Energy Devices.

3.44 Satellite Dishes

See Section 3.6, Antennae/Satellite Dishes.

3.45 Screen Doors

Screen doors require approval. See Section 3.16, Doors.

3.46 Seasonal Decorations

Approval is not required if installed on a lot within thirty (30) days of a holiday, provided that an Owner is keeping with the Community standards, and provided that the decorations are removed within thirty (30) days of the holiday.

See Section 3.29, Lights and Lighting.

3.47 Security Devices.

Approval is not required. Security devices, including cameras and alarms, must be selected, located and installed so as to be an integral part of the house and not distract from the home's architecture and appearance. Cameras and housing sirens, speaker boxes, conduits and related exterior elements should be unobtrusive and inconspicuous. Such devices should be located where not readily visible and should be a color that blends with or matches the surface to which it is attached.

3.48 Shutters - Exterior

Approval is required. Shutters should be appropriate for the architectural style of the home and be of the appropriate proportion to the windows they frame. Shutters should be the same color as the "accent" color of the home (typically the same as the front door or other accent details).

3.49 Siding

Approval is required.

3.50 Signs

Approval is not required for one (1) temporary sign advertising property for sale or lease or one (1) open house sign, which shall be no larger than five (5) square feet and which are conservative in color and style; one (1) yard/garage sale signs which is no larger than 36" x 48"; and/or burglar alarm notification signs, ground staked or window mounted which are no larger than 8" x 8" Such signs may be installed in the front yard or on the back yard fence of the Lot.

Political signs (defined as signs that carry a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue) may be displayed within the boundaries of

an Owner's or resident's Lot without approval, political signs shall not exceed 36" by 48" in size.

Approval is required for all other signs. No lighted sign will be permitted unless utilized by the Developer and/or a Builder.

3.51 Solar Energy Devices

Approval is required in order to review aesthetic conditions. Photovoltaic (PV) Solar panels must lay flat on the roof, meet all applicable safety, building codes and electrical requirements, including solar panels for thermal systems (solar water heaters). The ARC is allowed to request changes as long as they don't significantly increase the cost or decrease the efficiency of the proposed device and panels. Please also see Colorado Law C.R.S. 38-30-168, which governs the review and the Owner's installation of such devices.

3.52 Statues or Fountains

Approval is not required if statues or fountains are installed in the rear yard and are not greater than four (4) feet in height from the highest point, including any pedestal.

Approval is required if the statue or fountain is proposed for the front yard. Statue or fountain location in the front yard should be located close to the main entrance of the house.

See Section 3.11, Birdbaths and Section 3.31, Ornaments/Art – Landscape/Yard

3.53 Storage Sheds

See Section 3.2, Accessory Buildings.

3.54 Swamp Coolers

See Section 3.5, Air Conditioning Equipment, Section 3.18, Evaporative Coolers, and Section 3.43, Rooftop Equipment.

3.55 Television Antennae

See Section 3.6, Antennae/Satellite Dishes.

3.56 Trash/Garbage and Recycling Receptables

When not out for the purposes of pick-up, trash and recycling receptacles will be stored out of view. Trash cans/bags can be out from noon the day before collection day to noon the day after collection day.

3.57 Tree Houses

Approval will not be granted. Tree houses are not permitted.

3.58 Vanes

See Section 3.61, Weather Vanes and Directionals.

3.59 Vents

See Section 3.43, Rooftop Equipment.

3.60 Walls

See Section 3.20, Fences and Section 3.60, Walls, Retaining.

3.61 Walls, Retaining

New retaining walls are not permitted. Retaining walls installed by the Declarant will be maintained by the District.

3.62 Weather Vanes and Directionals

Approval is required.

3.63 Wind Electric Generators

Approval is required. In addition to ARC approval, windmills and any other type of fixture, which fall under the criteria of a wind generator, or are used to generate power etc., must meet the requirement of the C.R.S. §40-2-124 and any applicable regulations of the Colorado Public Utilities Commission.

3.64 Windows Replacement

Approval is required. Considerations will include, but may not be limited to, size, color, existing and proposed window style and style of home.

3.65 Windows: Tinting, Security Bars, etc.

Approval is required for any visible window tinting. Highly reflective and/or dark tinting is considered too commercial for residential applications and is not permitted.

Approval is required for security bars and may not be approved on second story windows and other windows visible to the street.

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Appendix A

APPENDIX A: Architectural Review Request Form

ARCHITECTURAL REVIEW REQUEST FORM

FOR OFFICE USE ONLY
Date Received_____
Crucial Date _____
Date Sent to Entity _____
Date Rcvd from Entity _____

Sheridan Station West Metropolitan District
141 Union Blvd., Suite 150
Lakewood, CO 80228
303-987-0835

HOMEOWNER'S NAME(S): _____
ADDRESS: _____
EMAIL ADDRESS: _____
PHONE(S): _____

My request involves the following type of improvement(s):

☐ Landscaping	☐ Deck/Patio Slab	☐ Roofing	☐ Drive/Walk Addition
☐ Painting	☐ Patio Cover		
☐ Weld Wire Mesh Fencing	☐ Other:		

Include two copies of your plot plans, and describe improvements showing in detail what you intend to accomplish (see Article 2 of the Rules and Regulations of West Line Village). Be sure to show existing conditions as well as your proposed improvements and any applicable required screening (see the Rules and Regulations for requirement details for your specific proposed Improvement).

I understand that I must receive approval from the ARC in order to proceed with installation of Improvements if Improvements vary from the Rules and Regulations or, are not specifically exempt. I understand that I may not alter the drainage on my lot. I understand that the ARC is not responsible for the safety of Improvements, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations, and that I may be required to obtain a building permit to complete the proposed Improvements. The ARC and the members thereof, as well as the District, the Board of Directors of the District, or any representative of the ARC, shall not be liable for any loss, damage or injury arising out of or in any way connected with the performance of the ARC for any action, failure to act, approval, disapproval, or failure to approve or disapprove submittals, if such action was in good faith or without malice. All work authorized by the ARC shall be completed within the time limits established specified below, but if not specified, not later than ninety (90) days after the approval was granted. I further understand that following the completion of my approved Improvement the ARC reserves to right to inspect the Improvement at any time in order to determine whether the proposed Improvement has been completed and/or has been completed in compliance with this Architectural Review Request.

Date:_____ Homeowner's Signature: _____

ARC Action:

☐ Approved as submitted

☐ Approved subject to the following requirements:

☐ Disapproved for the following reasons:

All work to be completed no later than: _____

DRC/ARC Signature: _____ Date: _____

SUBMITTAL FEES

Submittal Fees shall be charged $100 for each submittal: