



RAINBOW RIDGE ESTATES

a Planned Community

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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RAINBOW RIDGE ESTATES

a Planned Community

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Bruns Concrete and Construction, Inc., a Colorado corporation ("Declarant") makes this Declaration on this 25th day of June, 2002.

STATEMENT OF PURPOSE:

A. Declarant is the Developer of certain real property in Boulder County, Colorado more particularly described as follows:

RAINBOW RIDGE ESTATES ACCORDING TO THE PLAT THEREOF RECORDED ON MAY 28, 2002, AS RECEPTION NO. 2291487, IN THE OFFICE OF THE COUNTY CLERK AND RECORDER OF BOULDER COUNTY, COLORADO. ("Rainbow Ridge Estates" or the "Property")

B. Declarant desires and intends to sell or transfer Lots in the Property described above and to impose upon said Lots mutually beneficial covenants, conditions and restrictions under a general plan of improvement and development to enhance the value, desirability, attractiveness and salability of such Lots and for the benefit of all the Lots.; and

C. The Declarant therefore establishes this Declaration for this new residential planned community for the following purposes:

- To create a planned community with Common Areas for the benefit of the community and its owners;
- To provide for the preservation and maintenance of the Common Areas;
- To provide a guide for development that will preserve certain values while allowing change when appropriate;
- To allow for self governing of Rainbow Ridge Estates by its owners; and
- To create a common interest community that conforms to the Colorado Common Interest Ownership Act.



ARTICLE I. DECLARATION, DEFINITIONS AND LOTS

Section 1.01 Declaration

The Declarant, who is the owner of all the property described in the Plat, hereby submits the Plat and this Declaration of Covenants, Conditions and Restrictions for establishment of a planned community under the Colorado Common Interest Ownership Act. The Declarant hereby declares that Rainbow Ridge Estates shall be held, sold and conveyed subject to the covenants, conditions, restrictions and easements of this Declaration, which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having right, title or interest in all or any part of Rainbow Ridge Estates.

Section 1.02 Definitions

(a) "Act" refers to the Colorado Common Interest Ownership Act as set forth in Colorado Revised Statutes § 38-33.3-101 et. seq., the statute which governs the development and operation of this planned community

Each capitalized term not otherwise defined in this Declaration or in the Plat shall have the meaning specified or used in the Act.

(b) "Assessments" is the collective term for the following charges:

- "General Assessment" is the amount allocated among all Members to meet the Association's annual budgeted expenses, as described in Section 5.03 .
- "Individual Lot Assessment" is a charge made to a particular Owner for charges relating only to that Lot, as provided in Section 5.04 .
- "Special Assessment" may be charged to each Lot for capital improvements or emergency expenses, in accordance with the provisions of Section 5.04 .

(c) "Association" is the Rainbow Ridge Estates Homeowners' Association, Inc., a Colorado nonprofit corporation, its successors and assigns. The Association, whose members are the Owners, is responsible for maintaining Rainbow Ridge Estates and enforcing the Declaration.

(d) "Board" is the Executive Board of the Association.

(e) "Building" shall mean any vertical structure, including but not limited to, buildings, sheds, walls, fences, light poles, and parking structures.

(f) "Bylaws" are the Bylaws of the Association.

(g) "Change in Existing State" shall mean and include, but without limitation:



- (i) The construction or expansion of any Building, structure or other improvement, including the utility facilities, upon any Lot;
 - (ii) The destruction by voluntary action or the abandonment of any Building, structure or other improvement upon the Lot;
 - (iii) The excavation, filling or similar disturbance of the surface land;
 - (iv) The landscaping or planting of trees, shrubs, lawns or plants or the clearing, marring, defacing or damaging of trees, shrubs or other growing things upon any Lot; and
 - (v) Any change or alteration of any improvement upon any Lot, including without limitation, any change of color, texture or exterior appearance, of any previously approved Change in Existing State.
- (i) “**Common Area**” is all real and personal property, including but not limited to easements, rights-of-way, and common elements as defined in the Act, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners.
- (j) “**Declarant**” or “**Developer**” shall mean and refer to **Bruns Concrete and Construction, Inc.**, or such other person or entity that purchases all or a portion of the Property if such person or entity assumes the obligations of Declarant under this Declaration and is designated successor Declarant in an instrument recorded with the Clerk and Recorder of Boulder County, Colorado.
- (k) “**Declaration**” is this Declaration of Covenants, Conditions and Restrictions for Rainbow Ridge Estates.
- (l) “**Design Guidelines**” are the Rainbow Ridge Estates Design Guidelines attached hereto as Exhibit A.
- (m) “**Development**” shall mean and refer to Rainbow Ridge Estates and all improvements thereon.
- (n) “**Dwelling**” means the residence constructed on each Lot within Rainbow Ridge Estates and any replacement thereof. Dwelling shall include the Lot upon which such Dwelling is constructed.
- (o) “**Improvements**” shall mean any construction or facilities existing or to be constructed on the land included in Rainbow Ridge Estates, including but not limited to buildings, paving, fences, sidewalks, utility wires, pipes, light poles, and structures.
- (p) A “**Lot**” is the smallest parcel of land which may be separately conveyed and is equivalent to a “unit” under the Act. Ordinarily, Lots are designated as numbered, separately identifiable parcels on the recorded subdivision plat of Rainbow Ridge Estates. However, the Declarant may redefine Lots



prior to sale to third parties by combining Lots or portions of Lots and adjusting the boundary of a Lot.

(q) **"Member."** Each Owner is a Member of the Association, as provided in Section 3.03 of this Declaration.

(r) **"Owner"** is the owner of record, whether one or more persons or entities, of the fee simple title to any Lot. Owners shall not include those having such interest merely as security for the performance of an obligation.

(s) **"Period of Declarant Control"** shall be that period as more particularly described in Paragraph Section 3.04 below.

(t) **"Rainbow Ridge Estates"** is the real property shown in the Plat plus any additional property added by Supplemental Declaration.

Section 1.03 Number, Identification, Boundaries and Subdivision of Lots.

The number of Lots in Rainbow Ridge Estates is 69. The 69 Lots shall be platted by Declarant in several phases. Declarant reserves the right to increase or decrease the number of lots within the project. The identification number of each Lot is shown on the Plat of the First Filing and shall be shown on all future filings. The boundaries of each Lot are located as shown on the Plat. The subdivision of Lots within Rainbow Ridge Estates is prohibited.

ARTICLE II. THE COMMON AREAS AND GENERAL MAINTENANCE OBLIGATIONS

Section 2.01 General Common Elements

The General Common Elements of Rainbow Ridge Estates are all Common Areas as defined in the Declaration, as indicated on the Plat, or as defined in the Act.

Section 2.02 Limited Common Elements

All portions of Rainbow Ridge Estates that meet the definition of a limited common element as described in Sections 38-33.3-202(1)(b) and (d) of the Act, are designated as Limited Common Elements:

Maintenance, repair and replacement of any Limited Common Elements shall be the responsibility of the Owner or Owners of the Lot or Lots to which such Limited Common Elements are allocated. If Limited Common Elements are allocated to more than one Lot, all associated expenses shall be shared equally by the Owners of such Lots. In addition to any other rights or powers conferred upon the Association by this Declaration or the Act, in the event that such Owners fail to maintain, repair or replace such Limited Common Elements, the Association may, in its sole discretion, take any action it deems necessary to maintain, repair or replace such Limited Common Elements and charge the cost of such maintenance, repairs or replacement to the Owners as a Special Assessment.

Section 2.03 Maintenance Program, Common Areas and Drainage Facilities.

The Association shall establish a reasonable regular maintenance program for the Common Areas, and



drainage facilities.

Section 2.04 Routine Safety Inspections: Correction of Unsafe Conditions.

The Association shall cause routine safety inspections to be made of the Common Areas and promptly make reasonable corrections of unsafe conditions.

Section 2.05 Common Maintenance Costs.

Common Maintenance Costs shall be those costs necessary for the maintenance, repair and/or replacement of Common Areas. Such Common Areas include, but are not limited to the following:

- (a) Streets and roads;
- (b) Riparian areas, if any;
- (c) Selected easements owned or held by the Association;
- (d) Designated open space;
- (e) Outlots;
- (f) Stormwater retention and/or detention facilities;
- (g) Stormwater conveyance facilities including drop structures, if any, inlet and outlet structures, stormwater conveyance swales and/or ditches in Common Areas, excluding swales and structures running through, over, under and/or adjacent to Lots held in private ownership;
- (h) Site identification signs;
- (i) Site informational and/or directional signage;
- (j) Incidental facility lighting, excluding street area lighting;
- (k) Irrigation systems, excluding such systems owned by individual Lot Owners;
- (l) Common gardens and/or entry features;
- (m) Security gates, if any;
- (n) Perimeter fencing, if any;
- (o) Security fencing, if any;
- (p) Any other facilities, area, features, or elements the maintenance responsibility for which the majority of the Association may accede.

The cost and expense of all maintenance assumed by the Association shall be paid for with Association funds



collected by Assessments or otherwise as elsewhere provided in this Declaration.

Section 2.06 Streets.

It shall be the obligation of the Association to maintain the streets unless or until such streets are dedicated or accepted for maintenance by any governmental agency having jurisdiction over the Development. Such streets shall include the paved circulator streets and the secondary access road. Such maintenance shall include, but not be limited to, snow removal, routine maintenance such as regular sweeping and cleaning, necessary repairs to maintain a high level of quality including patching, resurfacing, repair and maintenance of the shoulder areas between the Lot lines and street flow lines, ballast placement and maintenance of the emergency access road (pavement maintenance and repair if and when the emergency access road is paved in the future) and all landscaping appurtenant to the streets and ways.

Section 2.07 Complaints.

Complaints shall be made to the President of the Association, or the President's delegate; or to the Executive Board of the Association. All complaints made to the Association shall be disposed of pursuant to policies established by the Board of Directors of the Association.

ARTICLE III. THE ASSOCIATION

Section 3.01 Authority.

The Association, through its Executive Board, shall manage the business affairs of Rainbow Ridge Estates as provided in this Declaration so as to further the interests of the residents of the Development and Members of the Association. The Association shall be governed by its Bylaws, amended from time to time.

Section 3.02 Powers

- (a) The Association shall have such powers and authority that are permitted by the Act and necessary and proper to manage the business and affairs of Rainbow Ridge Estates.
- (b) The Association may assign its future income, including its right to receive Common Expense assessments, only by the affirmative vote of the Lot Owner of Lots to which at least 51 percent of the votes in the Association are allocated, at a meeting called for that purpose.

Section 3.03 Membership and Voting Rights

Every record owner of a Lot subject to this Declaration shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Where more than one person holds interest in any Lot, all such persons shall be Members. The Association shall have one class of voting membership. The Owner or Owners of each Lot shall be entitled to one vote.

Section 3.04 Developer Control of the Association

Subject to the provision of Section 3.05 hereof, there is a "Period of Declarant Control" during which Period the Declarant may appoint and remove any officer of the Association or any member of the



Executive Board. The Period of Declarant Control shall terminate no later than (a) sixty days after the conveyance of seventy-five percent of the Lots to Owners other than the Declarant; (b) two years after the last conveyance of a Lot by the Declarant in the ordinary course of business to Owners other than the Declarant; or (c) two years after any right to add new Lots was last exercised.

A Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the Period of Declarant Control. In that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Section 3.05 Election by Owners

Not later than sixty days after conveyance of twenty-five percent of the Lots to Owners other than Declarant, at least one member but not less than twenty-five percent of the members of the Executive Board must be elected by Owners other than the Declarant.

Not later than sixty days after conveyance of fifty percent of the Lots to Owners other than Declarant, not less than thirty-three and one-third percent of the members of the Executive Board must be elected by Owners other than the Declarant.

Not later than the termination of the Period of Declarant Control as set forth in Section 3.04 hereof, the Owners shall elect an Executive Board consisting of three members, at least a majority of whom must be Owners other than the Declarant.

Section 3.06 Delivery of Documents by Declarant

Within sixty days after the Owners other than the Declarant elect a majority of the members of the Board of Directors, the Declarant shall deliver without charge to the Board of Directors all personal property of the Owners and of the Association relating to Rainbow Ridge Estates held by or controlled by the Declarant, including, without limitation, the following items:

- (i) The original or a certified copy of the recorded Declaration as amended, the Association's Articles of Incorporation, Bylaws, minute books, other books and records, and any rules and regulations which may have been promulgated;
- (ii) An accounting for Association funds and financial statements, from the date the Association received funds and ending on the date the period of Declarant control ends. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the accountant's letter, expressing either the opinion that the financial statements present fairly the financial position of the Association in conformity with generally accepted accounting principles or a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles and the reasons therefor. The expense of the audit shall not be paid by or charged to the Association;
- (iii) The Association funds or control thereof;



- (iv) All of the Declarant's tangible personal property that has been represented by the Declarant to be the property of the Association or all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the common elements, and inventories of these properties;
- (v) A copy, for the nonexclusive use by the Association, of any plans and specifications used in the construction of the improvements in the common interest community;
- (vi) All insurance policies then in force, in which the Owners, the Association, or its directors and officers are named as insured persons;
- (vii) Copies of any certificates of occupancy that may have been issued with respect to any improvements comprising the common interest community;
- (viii) Any other permits issued by governmental bodies applicable to the common interest community and which are currently in force or which were issued within one year prior to the date on which Owners other than the Declarant took control of the Association;
- (ix) Written warranties of the contractor, subcontractors, suppliers, and manufacturers that are still effective;
- (x) A roster of Owners and mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records;
- (xi) Employment contracts in which the Association is a contracting party; and
- (xii) Any service contract in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the persons performing the services.

ARTICLE IV. ASSOCIATION BUDGET

Section 4.01 Fiscal Year.

The fiscal year of the Association shall begin January 1 of each year and end on December 31 of that year, unless the Board selects a different fiscal year.

Section 4.02 Preparation and Approval of Annual Budget.

(a) **Initial Budget.** The Declarant shall determine the budget for the fiscal year in which a Lot is first conveyed to an Owner other than the Declarant.

(b) **Annual Budget.** Within thirty days after adoption of any proposed budget for the common interest community, the executive board shall mail, by ordinary first-class mail, or otherwise deliver a



summary of the budget to all the unit owners and shall set a date for a meeting of the unit owners to consider ratification of the budget *not less than fourteen nor more than sixty days* after mailing or other delivery of the summary. Unless at that meeting a majority of all unit owners, or any larger percentage specified in this Declaration, rejects the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the unit owners must be continued until such time as the unit owners ratify a subsequent budget proposed by the executive board.

(c) **Approval.** If General Assessments are to be increased to greater than 125% of the previous year's General Assessment, if said previous year was not a year in which General Assessments were guaranteed in whole or in part by Declarant, and petitions signed by at least 10% of all Members request review within thirty days after the budget is delivered to Members, the Board shall call an Association Meeting to present the budget and to answer any questions. After presentation, the budget shall be deemed approved unless a quorum is present and the budget is rejected by a majority of the Members present. If the budget is rejected, the Board shall approve a new budget within ten (10) days and send a copy to each Member.

Section 4.03 Budget Items.

The budget shall estimate total expenses to be incurred by the Association in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering of all services required by this Declaration or properly approved in accordance with this Declaration. The budget may also include reasonable amounts, as determined by the Board, for working capital for the Association and for reserves. If the Common Area is taxed separately from the Lots, the Association shall include such taxes as part of the budget. Fees for professional management of the Association, accounting services, legal counsel and other professional services may also be included in the budget.

Section 4.04 Reserves.

The Association may build up and maintain reserves for working capital, contingencies and replacement, which shall be included in the budget and collected as part of the annual General Assessment. Extraordinary expenses not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the Members. If the reserves are inadequate for any reason, including nonpayment of any Member's assessment, the Board may at any time levy an emergency assessment in accordance with the provisions of Section 5.04 ("Special Assessment"). If there is an excess of reserves at the end of the fiscal year and the Board so determines, the excess may be returned on a prorata basis to all Members who are current in payment of all assessments due the Association, or may be used to reduce the following year's assessments, at the Board's discretion.

Section 4.05 Effect of Failure to Prepare or Adopt Budget.

The Board's failure or delay in preparing or adopting the annual budget for any fiscal year, or review of the budget under Section 4.02 shall not waive or release a Member's obligation to pay General Assessments whenever the amount of such assessments is finally determined. In the absence of an annual Association budget each Member shall continue to pay the assessment at the rate established for the



previous fiscal period until notified otherwise.

Section 4.06 Capital Improvements.

Any substantial capital improvement to the Common Area approved by the Board must be ratified by a majority of the Members. If the substantial capital improvement is approved by the Members, the Board shall determine whether it shall be paid from General Assessments or by Special Assessment. A capital improvement shall be considered substantial if the cost to the Association of the improvement is more than six percent (6%) of the Association's annual budget, or if, when added to other capital improvements for the fiscal year, totals more than ten percent (10%) of the Association's annual budget. However, any repair or replacement of existing improvements shall not be considered a capital improvement. Approval of the Architectural Control Committee is required for all capital improvements. This paragraph shall not limit the right of the Declarant to make improvements to the Common Area.

Section 4.07 Accounts.

Reserves shall be kept separate from other Association funds, either in a single account for all reserves or separated by purpose. All other sums collected by the Board with respect to Assessments and charges of all types may be commingled in a single fund.

ARTICLE V. ASSESSMENTS

Section 5.01 Assessments.

The Declarant and each Owner covenant and agree, or are deemed to covenant and agree by acceptance of a Deed to a Lot, to pay to the Association such Owner's allocated share of the Common Expenses. In addition to the definition included in the Act, the term "Common Expenses" shall include the following items levied against a particular Owner or Lot: (i) the Owner's allocated interest in the Common Expenses; (ii) late charges, attorneys' fees, fines, and interest charged by the Association at the rate as determined by the Board; (iii) charges against a particular Owner and the Lot for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation of these Covenants or other governing documents of the Association or Rainbow Ridge Estates; and (iv) any sums permitted by these Covenants, other governing documents of the Association or Rainbow Ridge Estates and the Act to be assessed against a particular Owner or Lot.

Common Expenses shall be assessed to the Owners in one or more of the following categories (to be known collectively as "Assessments"):

- (a) General Assessments for expenses included in the budget,
- (b) Special Assessments for the purposes provided in this Declaration, and
- (c) Individual Lot Assessments for any charges particular to that Lot.

Upon default in the payment of any one or more installments, the Board may accelerate the entire balance of such Assessment, which shall be declared due and payable in full.



Section 5.02 Allocation of Common Expenses.

Common Expenses shall be allocated equally among the Lots in Rainbow Ridge Estates with each Lot bearing an equal share of such expenses.

Section 5.03 General Assessments.

The Board shall set the date or dates such assessments become due and may provide for collection of assessments annually or in monthly, quarterly or semiannual installments. During the initial year of ownership, each Owner shall be responsible for their prorata share of the annual General or Special Assessment charged to each Lot, prorated to the month of closing.

Section 5.04 Special Assessment.

In addition to the General Assessment, the Board may levy in any fiscal year a Special Assessment applicable to that year and not more than the next four succeeding years as follows:

(a) **Capital Improvements.** Any substantial capital improvement which has been approved in accordance with this Declaration, the Bylaw, Rules and Regulations ("Capital Improvements"), or any capital improvement not required to be approved by the Members, may be paid by Special Assessment.

(b) **Emergency Assessment.** By a two-thirds (2/3) vote, the Board may impose a Special Assessment for any unusual or emergency maintenance or repair, or other expense required by this Declaration or the law (including, after depletion of reserves, any unexpected expenditures not provided by the budget or unanticipated increases in the amounts budgeted).

Section 5.05 Individual Lot Assessment.

The Association may levy at any time an Individual Lot Assessment against a particular Lot for the purpose of defraying, in whole or in part, the cost of any special services to that Lot, for expenses approved by the Association, or any other charges designated in this Declaration as an Individual Lot Assessment.

Section 5.06 Effect of Non Payment of Assessment; Remedies.

(a) **Personal Obligation.** All Assessments, together with any late fee, interest and cost of collection when delinquent, including reasonable attorneys' fees whether or not suit is brought (collectively the "Assessment Charge") shall be the personal obligation of the person or entity who was the Owner of the Lot at the time when the assessment was levied, and of each subsequent Owner. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the Lot.

(b) **Creation of Lien.** The Assessment Charge shall also be charged on the land and shall be a continuing lien upon the Lot against which the Assessment Charge is made, which may be enforced upon recording of a claim of lien, which lien shall be superior to all other liens excepting any tax lien, any first mortgage (including Deed of Trust) recorded prior to the recording of the lien provided for herein. This lien, in favor of the Association, shall secure the Assessment Charge which is then due and which may accrue subsequent to the recording of the claim of lien and prior to entry of final judgment of foreclosure. Any subsequent owner of the Lot shall be deemed to have notice of the Assessment



Charge on the land, whether or not a lien has been filed.

(c) If the Assessment is not paid within thirty (30) days after the delinquency date, the Assessments shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, plus a late payment charge of Ten Dollars (\$10.00) per month, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property subject thereto; and there shall be added to the amount of such Assessment, interest as above provided, plus all costs of collection, including the Association's reasonable attorney's fees incurred in connection with the default and collection of amount due.

(d) If the Association elects to file a lien, the Association may file with the Clerk and Recorder of Boulder County, Colorado, a Statement of Lien with respect to the Lot, setting forth the name of the Owner, the legal description of the Lot, the name of the Association, and the amount of delinquent Assessments then owing, which Statement shall be duly signed and acknowledged by the President or Vice President of the Association, and which shall be served upon the Owner of the property by certified mail to the address of the property or at such other address as the Association may have in its records for the Owner of the property. Thirty (30) days following the mailing of such notice, the Association may proceed to foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Colorado.

(e) A First Mortgagee is entitled to written notification of any default by the Owner of a Lot upon which their mortgage exists when there is a default in the performance of such Owner's obligations and such default has continued for a period of thirty (30) days.

(f) In either a personal or foreclosure action, the Association shall be entitled to recover as a part of the action the interest, costs and reasonable attorney's fees with respect to the action. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas, Common Facilities or abandonment of his/her Lot.

(g) **Perfection and Notice of Lien.** Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for Assessments under this Article is required. The Executive Board may prepare, and record in the county in which the Lot is located, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot, and a description of the Lot. If a lien is filed, the cost thereof shall be considered an Assessment Charge.

(h) **Suit for Payment; Foreclosure of Lien.** The Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge, or may foreclose the lien in a manner similar to a mortgage lien (as further provided above), or both. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Lot foreclosed at such foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot.



Section 5.07 Other Remedies.

The Association shall have the right to assess fines and suspend the voting rights and right to use of the Common Area by an Owner for any period during which any Assessment against his/her Lot remains unpaid.

Section 5.08 Certification of Payment.

The Treasurer of the Association, upon request of any Owner, shall furnish a certificate signed by a member of the Board stating whether any assessments are paid to date by that Owner. Such certificate, when co-signed by the Secretary of the Association, may be relied upon by a good faith purchaser or mortgagee as conclusive evidence of payment of any assessment therein stated to have been paid.

Section 5.09 Examination of Books and Records.

A first mortgagee shall have the right to examine the books and records of the Association upon reasonable advance notice.

Section 5.10 Notice to Mortgagee.

Upon request of a mortgagee of any Lot, the Association shall report to such mortgagee any unpaid Assessments or other default under the terms of this Declaration which are not cured by said mortgagee's mortgagor within thirty (30) days. A report fee may be charged by the Association to the mortgagee to cover the cost of these services.

Section 5.11 Notice of Meetings.

Any first mortgagee of a Lot, upon written request, shall be entitled to written notice of all Association meetings and be permitted to send a representative to such meetings.

Section 5.12 Mortgagee as Proxy.

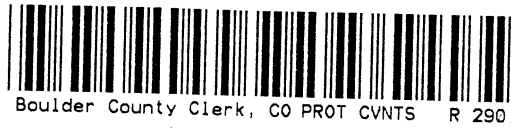
Each Owner shall have the right to irrevocably constitute and appoint the beneficiary of a trust deed to his/her true and lawful attorney to cast his/her vote in this Association at any and all meetings of the Association and to vest in the beneficiary any and all rights, privileges and powers that he has as Owner under the Articles of Incorporation and Bylaws of the Association or by virtue of the recorded Declaration of Covenants, Conditions, and Restrictions. Such proxy shall become effective upon the filing of notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reasons of failure, neglect or refusal of the Association, the managing agent or the Owners to carry out their duties as set forth in the Declaration of Covenants, Conditions and Restrictions. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein shall be construed to relieve an Owner as mortgagor of his/her duties and obligations as an Owner or to impose upon the beneficiary of the deed of trust the duties and obligations of an Owner.

Section 5.13 Payment of Assessments by Mortgagees.

Mortgagees of a Lot may, jointly or singly, pay taxes, Assessments or other charges which are in default and which may or have become a charge against any Lot.

Section 5.14 FHLMC Restriction.

Unless at least seventy-five percent (75%) of the first mortgagees have given their prior written approval,



the Association shall not be entitled to change the method of determining the obligations, Assessments due or other charges which may be levied against a Lot.

ARTICLE VI. ARCHITECTURAL CONTROL AND DESIGN REVIEW

Section 6.01 Architectural Control Committee.

The Architectural Control Committee shall consist of one or more persons, not to exceed three persons appointed by the Declarant, its successors or assigns. The Declarant, its successors or assigns shall have the absolute right to remove and appoint members of the Architectural Control Committee at any time. The members of the Architectural Control Committee shall, as long as the restrictions, covenants, and conditions herein set forth are in force and effect, perform the duties imposed on it as herein set forth. At any time while the restrictions, covenants, and conditions herein set forth remain in force and effect, the Declarant, its successors or assigns, may relinquish its powers to determine the number and members of the Architectural Control Committee to the Association. Such relinquishment may be accomplished by recording a declaration of such relinquishment in the office of the County Clerk and Recorder of Boulder County, Colorado, and such relinquishment must occur no later than the sale of the last Lot in Rainbow Ridge Estates to someone other than Declarant. From and after such relinquishment, the number and members of the Architectural Control Committee shall be determined by the Board of the Association.

Each member of the Architectural Control Committee shall have one (1) vote to be cast on any issue brought before the Committee for action. The quorum required for any action of the Architectural Control Committee shall be a simple majority of the members of the Architectural Control Committee. Assent of a simple majority of votes of the Committee members attending any meeting of the Architectural Control Committee shall constitute approval of any Committee action.

Section 6.02 Powers of the Architectural Control Committee.

So long as the Restrictions, Covenants, and Conditions herein set forth are in force and effect, the Architectural Control Committee shall have the following powers and privileges:

- (a) The Architectural Control Committee shall have such powers, privileges and immunities as are set forth in this Declaration and shall, additionally, have the power to adopt, from time to time, rules and regulations for the conduct and exercise of its business and rules and regulations for the conduct and exercise of its powers, privileges and immunities which shall not be in conflict with these Covenants.
- (b) The Architectural Control Committee shall have sole authority to approve or disapprove any Change in Existing State.
- (c) The Architectural Control Committee shall have the power to adopt or amend Design Guidelines providing such adoptions or amendments do not conflict with this Declaration or the quality and character of the Properties.
- (d) The Architectural Control Committee shall have the power to delegate the responsibility for reviewing any application submitted to the Architectural Control Committee to a professional architect,



landscape architect, engineer or other professional person who is qualified to pass on the issues raised in the application. The Architectural Control Committee shall also have the power to require that the applicant pay the fees reasonably incurred by the Architectural Control Committee in retaining such professional to review the application submitted.

(e) The approval by the Architectural Control Committee of any proposal or plan and specifications for any work to be done on a Lot shall not be deemed to constitute a waiver of any right to withhold approval or consent to any similar proposals, plans, specifications, drawings, or other matters subsequently or additionally submitted for approval by the same Owner or by any other Owner.

Section 6.03 Approval Required.

The approval of the Architectural Control Committee shall be required for any Change in Existing State and no work shall be commenced to effect any Change in Existing State until the Architectural Control Committee shall approve the change. No proposed Change in Existing State shall be deemed to have been approved by the Architectural Control Committee unless such approval is in writing; provided, however, that such approval shall be deemed granted if the Architectural Control Committee fails to approve or disapprove any such proposed Change in Existing State or to make additional requirements or request additional information within thirty (30) days after a full and complete description of the proposed Change in Existing State has been furnished, together with a specific request for such approval. Any such request shall contain plans and specifications in such form and with such information as may be required by the Architectural Control Committee in its Design Guidelines.

Section 6.04 Design Guidelines.

The Architectural Control Committee shall interpret and enforce the Design Guidelines attached hereto as **Exhibit A** in reviewing proposed Changes in Existing State, basic building and landscaping restrictions and requirements, architectural review procedures and requirements, and regulations pertaining to construction.

Section 6.05 Fee.

Each Owner may be required to pay a fee to the Architectural Control Committee as a condition to approval of any Change in Existing State to cover costs and expenses in reviewing and commenting on proposals for any Change in Existing State. The amount of such fees shall be established by the Architectural Control Committee and shall be set forth in the Design Guidelines.

Section 6.06 Completion of Work After Approval.

After approval by the Architectural Control Committee of any proposed Change in Existing State, such a Change in Existing State shall be accomplished promptly and diligently and in complete conformity with the description of the Change and with any plans and specifications therefor given to the Architectural Control Committee. Failure to accomplish a Change in Existing State within six (6) months after the date of such approval or to complete the proposed Change strictly in accordance with the description thereof and the plans and specifications therefore shall operate automatically to revoke the approval of the Change in Existing State and, upon the demand by the Architectural Control Committee, the subject Lot shall be restored as nearly as possible to the state existing prior to any work in connection with the proposed Change. The Architectural Control Committee shall have the right and authority to record a notice reflecting that any Change in Existing State has not been approved or that any approval granted



therefore has been revoked in accordance with this Article VI.

Section 6.07 Commencement of Initial Construction.

The initial construction of a residence on a Lot shall be commenced no later than the earlier of forty-eight (48) months from the purchase of that Lot by an Owner other than Declarant or twelve (12) months following the issuance of a Certificate of Occupancy for any residence on an immediately adjacent Lot. Notwithstanding the foregoing, the Architectural Control Committee may grant variances to this deadline in the case of hardship or special circumstances, as determined by its sole and absolute discretion. FAILURE TO COMMENCE CONSTRUCTION IN ACCORDANCE WITH THE PROVISION OF THIS PARAGRAPH SHALL SUBJECT THE LOT OWNER TO A FINE OF \$100 PER DAY TOGETHER WITH INTEREST AT 18% PER ANNUM (THE "FAILURE TO COMMENCE ASSESSMENT"). Such Failure to Commence Assessment, together with all attorneys' fees and other costs of collection may be enforced by the Association, Architectural Control Committee or Declarant in the same manner as provided in Section 5.06 .

Section 6.08 Violations.

If there is any Change in Existing State of any Lot otherwise than in accordance with plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article, such Change in Existing State shall be deemed to have been undertaken in violation of this Article and without Approval required herein, and upon written notice from the Architectural Control Committee any such Change in Existing State upon any Lot in violation hereof shall be removed or altered so as to extinguish such violation or violations.

Section 6.09 Lien Right.

If the Owner of the Lot upon which such a violation exists shall not have taken reasonable steps toward the removal or remedy of said violation within fifteen (15) days of notice thereof, or at any time thereafter said Owner fails to diligently remove or terminate said violation, and upon approval of seventy-five percent (75%) vote of the Board or the Architectural Control Committee, the Association or the Committee shall have the right, but not the obligation, through its agents and employees to enter upon such Lot and to take such steps as may be necessary to remedy such violation. The cost to correct such violation ("Violation Cost") shall be a binding personal obligation of such Owner. The Violation Cost shall include all costs of collection, including engineering fees, architectural fees, attorneys' fees, or other professional fees incurred by the Association in connection with said violation. If the Violation Cost is not paid within ten (10) days after the date of billing, the Violation Cost shall bear interest at the rate of eighteen percent (18%) per annum. The Association is hereby granted a lien against the Owner's Lot for the costs to correct any such Violation or Violations together with interest thereon and costs of collecting same which lien shall be superior to all other liens excepting any tax lien, any first mortgage (including Deed of Trust) recorded prior to the recording of the lien provided for herein, any lien resulting from delinquency or non-Payment of required assessments and any non-payment of default charges. Said lien shall be Properly recorded in the office of the Clerk and Recorder of Boulder County, Colorado. Said lien may be foreclosed upon as provided by the laws of the state of Colorado for foreclosure of mortgages on real property.

Section 6.10 Fines.

In addition to any other rights enumerated in the Act, this Declaration or other governing documents of Rainbow Ridge Estates or the Association, the Association, by and through its board, and the



Architectural Control Committee shall have the power to levy such fines as it shall from time to time deem appropriate for violations of this Declaration or the provisions of the Design Guidelines. Such fines may be considered Assessments and may be enforced and collected in any and all manner provided for in the Act, this Declaration, or other governing documents of Rainbow Ridge Estates or the Association.

Section 6.11 Right of Inspection.

Any agent or employee of the Declarant, the Association and/or Architectural Control Committee may at any reasonable time or times enter upon and inspect any Lot or any Change in Existing State thereon for the purpose ascertaining whether the maintenance of such Lot and the maintenance, construction, or Change in Existing State are in compliance with the provisions hereof; and neither the Architectural Control Committee or the Association, nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

Section 6.12 No Liability.

No Member of the Architectural Control Committee, the Declarant, the or any agent or employee thereof, shall be liable for any loss, damage or injury rising out of or in connection with the performance of the duties of the Architectural Control Committee under this Declaration, unless such action constitutes willful misconduct or bad faith on the part of such party. Review and consideration of any application submitted to the Architectural Control Committee shall be pursuant to this Declaration and any approval granted shall not be considered approval of the structural safety or integrity of the improvements to be constructed or conformance of such improvements with building codes, zoning resolutions, subdivision regulations, or any other governmental rules or regulations applicable to the Property.

ARTICLE VII. LAND USE AND OTHER RESTRICTIONS

Section 7.01 Lot Owner to Maintain Entire Lot.

Each Owner is responsible for maintenance and landscaping of the entire Lot, including portions subject to any utility and drainage easements.

Section 7.02 Prohibition Against Dumping.

Dumping of any rock, grass clippings, dead trees, shrubbery, or other landscaping refuse ("Landscaping Refuse") within any Lot or on any property adjacent to Rainbow Ridge Estates, including but not limited to property located adjacent to Lots 1 & 2, Block 4 and Lots 1 - 9, Block 3, is expressly prohibited. If any Landscaping Refuse" is dumped on Association property or other open land such refuse shall be cleared and removed by the owner of the Lot immediately adjacent to the location of such dumping. Failure of any Lot Owner to comply with the provisions of this Section 7.02 shall subject the Owner to the maximum penalties provided in this Declaration or the Design Guidelines, including but not limited to, the right of the Architectural Control Committee or the Association to enforce these restriction by fines, liens, injunctive actions or any other legal remedies available



ARTICLE VIII. EASEMENTS

Section 8.01 Utility Easement.

Easements for public utilities over and across the property shall be those shown upon the recorded plat of the Property and such other easements as may be established pursuant to the provisions of this Declaration, or as may hereinafter be granted over and across the Property by the Board of Directors of the Association.

Notwithstanding any other provisions of this Declaration, the Declarant reserves the right to grant easements for the installation, repair, and maintenance of water mains, sewers, drainage courses, and other public utilities, provided that such utilities shall be installed in such manner as to minimize damage to the natural features of the Property.

Section 8.02 Declarant's Easements.

Notwithstanding any other provisions of this Declaration, the Declarant, its successors and assigns and/or Declarant's agents, hereby reserve an easement and right-of-way over all Lots not conveyed, for the sole use of construction improvements, utilities and other matters including the right to erect temporary buildings. This reservation shall terminate upon conveyance of the last Lot platted in the Property.

Section 8.03 Solar Easements.

It is possible that certain Lots within the Properties will be appropriate locations for solar collector panels. To encourage the use of solar energy, it is required that so long as it does not cause an alteration of plans or an undue hardship on adjoining Lots, Owners of such Lots cooperate fully in the granting of solar easements over their Lots, without charge, for the purposes of allowing uninterrupted sunlight to the collector panel.

Section 8.04 Drainage and Ditch Easements.

All stormwater conveyance facilities shall be located in easements created expressly for the conveyance and management of stormwater runoff. All such easements shall be conveyed to the Association.

Section 8.05 Members' Easements of Enjoyment.

Every Member shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Lot. However, no right or easement of enjoyment shall arise in any portion of the Common Areas until that portion of said Common Area has been conveyed to the Association and the deed conveying the same has been recorded on the records of the Clerk and Recorder of Boulder County, Colorado.

The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) All easements, reservations, restrictions, covenants and agreements of record affecting the Development as of the date and time of the recording of this document; and
- (b) The right of the Association to prescribe reasonable rules and regulations governing use of the Property and the Common Area and providing rules for use by Members, Members' families, tenants,



tenants' families and guests; and

(c) The right of the Association to limit the number of guests of Members; and

(d) The right of the Declarant and the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and in aid thereof to mortgage the Common Area, or parts thereof, provided that any such mortgage shall require the written approval of seventy-five percent (75%) of the first mortgagees. In the event of a default upon any such mortgage, the lender's rights hereunder shall be limited to a right, after taking possession of such properties, to charge admissions and other fees as a condition to continued enjoyment by the Members until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association, and all rights of the Members hereunder shall be fully restored; and

(e) The right of the Association to take such steps as are reasonably necessary to protect the Common Areas against foreclosure; and

(f) The right of the Association, as provided in its Articles and Bylaws, to suspend the enjoyment rights of any Member or his/her family, tenant, tenant's family or guests for any period during which any Assessment on the Member remains unpaid and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(g) The right of the Association to charge Members, Members' families, tenants and guests reasonable admission and other fees for the use of the Common Areas; and

(h) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by not less than 75% of the Members. No such dedication or transfer shall be effective unless an instrument signed by seventy-five percent (75%) of the first mortgagees has been recorded agreeing to such dedication or transfer.

(i) The right of the Declarant, or its assigns, employees and contractors to enter upon the Common Areas and install, construct, maintain, repair, replace and operate drainage facilities.

Section 8.06 Title to Common Areas; Additions to Common Areas.

The Declarant covenants for itself, its successors and assigns that Declarant will convey fee simple title to the Common Areas to the Association, free and clear of all encumbrances and liens on or before the end of the Period of Declarant Control.

The Declarant, or the Declarant's successors or assigns, may convey additional property to the Association, which property shall be accepted by the Association and held as part of the Common Areas; provided, however, that the Association shall not be required to accept the conveyance of any such additional property unless the said additional property is located within the Development and, unless at the time of conveyance of the said additional property, said property is improved and landscaped to meet all requirements of the governmental authorities having jurisdiction, or unless the Executive Board shall



have obtained assurances satisfactory to it that such work will be accomplished.

The Board may at any time accept the conveyance of additional properties which do not meet the foregoing standards if the Board determines that such action would be beneficial to the Members.

The Association agrees to accept the Common Areas as conveyed and to operate, maintain and repair all structures, landscaping, paths and related facilities and amenities now or hereafter constructed, installed or planted thereon, using its powers of assessment granted herein to raise funds with which to do so. Specifically, the Association shall be responsible for the following:

- (a) The operation, maintenance and repair of any structures, signs, landscaping and related facilities and amenities now or hereafter constructed, installed or planted upon the Development; and
- (b) The operation, maintenance and repair of any structures, facilities, landscaping and appurtenances thereto (including, specifically, drainage or storm sewer facilities, and inlet or outlet structures therefor) constructed or installed in or on the Common Areas, and in or on easements attaching or appurtenant thereto; and
- (c) The acquisition and maintenance of the liability insurance described and provided for in this Declaration.

Section 8.07 Delegation of Use.

Any Member may delegate, in accordance with this Declaration, his/her rights of enjoyment to the Common Areas to the members of his/her family, his/her tenants, or contract purchasers who reside on his/her Lot.

Section 8.08 Charges Against Common Areas.

Mortgagees, jointly or singularly, may pay over-due premiums on hazard insurance policies or secure new hazard insurance coverage on a lapse of a policy for such Common Areas and may also pay taxes and other charges which are in default or which may or have become a charge against such Common Areas. A first mortgagee making such payments shall be owed immediate reimbursement therefore from the Association.

ARTICLE IX. DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

Section 9.01 Development Rights

Developer reserves the right to add real estate and or Lots to Rainbow Ridge Estates, create additional Lots, Common Elements or Limited Common Elements, subdivide lots and withdraw real estate from Rainbow Ridge Estates.

Section 9.02 Special Declarant Rights

Developer reserves the right to complete the improvements within Rainbow Ridge Estates, exercise the Development Rights described in Section 9.01 above, maintain sales offices, models, spec buildings, or management offices within Rainbow Ridge Estates, use easements through common areas for the



purpose of making improvements, appoint or remove officers or directors during the period of Declarant control, make Rainbow Ridge Estates subject to a Master Association, or merge or consolidate Rainbow Ridge Estates with another common interest community.

ARTICLE X. GENERAL PROVISIONS

Section 10.01 Duration.

The Covenants, Conditions and Restrictions of this Declaration shall run with the land, and shall inure to the benefit of the Association and the Owner of any Lot subject to this Declaration, their respective legal representatives, heir, successors, and assigns, in perpetuity until this Declaration is terminated in accordance with Section 10.03 below.

Section 10.02 Amendments.

These Covenants and Restrictions may be amended by an instrument executed on behalf of the Association by the President and attested by the Secretary; provided that, any amendment shall have the assent of seventy-five percent (75%) of the votes of the Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting. Any amendment must be properly recorded.

The quorum required for any action authorized by this Section shall be as follows:

At the first meeting called, as provided for in this Section, the presence at the meeting of Members or of proxies entitled to cast sixty percent (60%) of all the votes of the Membership shall constitute a quorum. If the required quorum is not forthcoming at this meeting, another meeting may be called, subject to the notice requirements set forth above and the required quorum at such subsequent meeting shall be fifty percent (50%) of the required quorum at the preceding meeting; provided, that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 10.03 Termination.

Except in the case of a taking of all the Lots by condemnation, the Development may be terminated only by agreement of the Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated, as more fully set forth in §38-33.3-218 of the Act.

The proceeds of any sale of the real estate together with assets of the Association shall be held by the Association as trustee for the Owners and holders of liens upon the Lots as their interests may appear, as more fully set forth in §38-33.3-218 of the Act.

Section 10.04 Enforcement.

The Association, any Owner, Architectural Control Committee and/or the Declarant, may enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or thereafter imposed by the provisions of the Declaration, either to prevent or restrain any violation of same, or to recover damages or other dues for such violation, or to obtain such other relief as may be available. Failure by the Association or by any Owner to enforce any covenant or restriction



herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 10.05 Notices.

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

Section 10.06 Attorneys' Fees and Costs.

If any action is brought in a court of law or put into arbitration as to the enforcement, interpretation, or construction of any of these Covenants, Conditions and Restrictions, the prevailing party in such action shall be entitled to recovery of engineering fees, architectural fees, attorney's fees, or other professional fees as well as all costs incurred in the prosecution or defense of such action.

Section 10.07 Binding Effect.

The benefits and duties herein accrued to or imposed upon the Declarant shall be binding upon and inure to the benefit of the Declarant and its successors and assigns.

Section 10.08 Power to Assign and Delegate.

Declarant shall have the right and power to assign and delegate to any person or entity its successors and assigns, at any time and from time to time, all or part of any of the rights, powers, authorities, title, interest, and duties contained in this Declaration.

Section 10.09 Mergers.

Upon a merger or consolidation of the Association with another Association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration except as provided herein.

Section 10.10 Zoning and Specific Restrictions.

The restrictions contained in this Declaration shall not be taken as permitting any action prohibited by the applicable zoning laws, or the laws, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease. In the event of any conflict between the provisions of this Declaration and restrictive provisions of such laws, rules, regulations, deeds, and/or leases, the most restrictive provision or provisions shall apply.

Section 10.11 Compliance with Federal Fair Housing Availability Act (FFHAA).

In order to comply with the requirements of the FFHAA (as hereto and hereafter amended);

- (a) The Board may, to the extent permitted by law, make reasonable accommodations in the rules and



regulations to the extent such accommodations are necessary under the FFHAA or are otherwise appropriate, to afford a Person With a Disability equal opportunity to use and enjoy a unit the Limited Common Elements appurtenant thereto, and/or the Common Elements. Such accommodations may include waivers and modifications of such rules and regulations that are applicable only to a particular Person With a Disability or to a particular category of Persons With a Disability. Unless required by law, (i) the Board need not follow procedural requirements in making such waivers and modifications, and (ii) such waivers and modifications need not be approved by, or be subjected to disapproval by, the members of the Association.

(b) No rule or regulation of the Community shall be interpreted or enforced in such a way as to make unavailable or deny a Unit to any person, or to discriminate against any person in the provision of services or facilities in connection with the sale or rental of a Unit to such person, because of the familial status of such person, as the term "familial status" is defined under the aforesaid FFHAA.

Section 10.12 Severability.

If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, void or unenforceable, such provision shall be deemed to be severable, and all other provisions of this Agreement shall remain fully enforceable, and this Agreement shall be interpreted in all respects as if such provision were omitted.

Section 10.13 No Waiver.

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

Section 10.14 Arbitration.

Any dispute arising under this Declaration which cannot be resolved by the parties shall be submitted to binding arbitration in Longmont, Colorado. The parties to such dispute shall agree upon a single arbitrator who shall be an experienced professional property manager of a condominium association. In the event the parties are unable to agree upon an arbitrator within 30 days after written notice, the presiding judge of the Boulder County District Court shall appoint an arbitrator qualified as set forth above upon application of a party. The arbitrator shall be required to follow substantive law in reaching a decision under this Section. The prevailing party may file such award with the Clerk of the District Court of Boulder County who shall enter judgment thereon, and if such award requires the payment of money, execution shall issue on such judgment. The arbitrator shall have authority, in the sound exercise of discretion, to award the prevailing party such party's costs and expenses, including reasonable attorney's fees.

Section 10.15 Governing Law.

This Declaration shall be construed in accordance with the laws of the State of Colorado.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]



IN WITNESS WHEREOF, the undersigned does hereby make this Declaration of Covenants, Conditions and Restrictions for Rainbow Ridge Estates and has caused this Declaration to be executed as of the day and year first above written.

DECLARANT:

Bruns Concrete and Construction, Inc.
a Colorado corporation

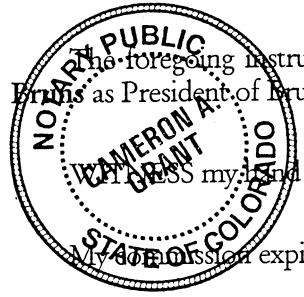
By: Dale A. Bruns
Dale A. Bruns, President

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this 25th day of June, 2002, by Dale A. Bruns as President of Bruns Concrete and Construction, Inc.

I attest my hand and official seal.

My commission expires: 6/13/09



[Signature]
Notary Public