

June Madrid
Archuleta County

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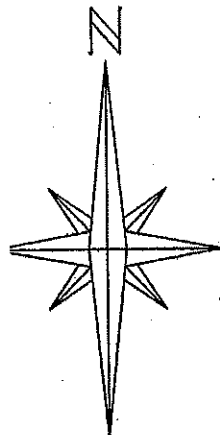
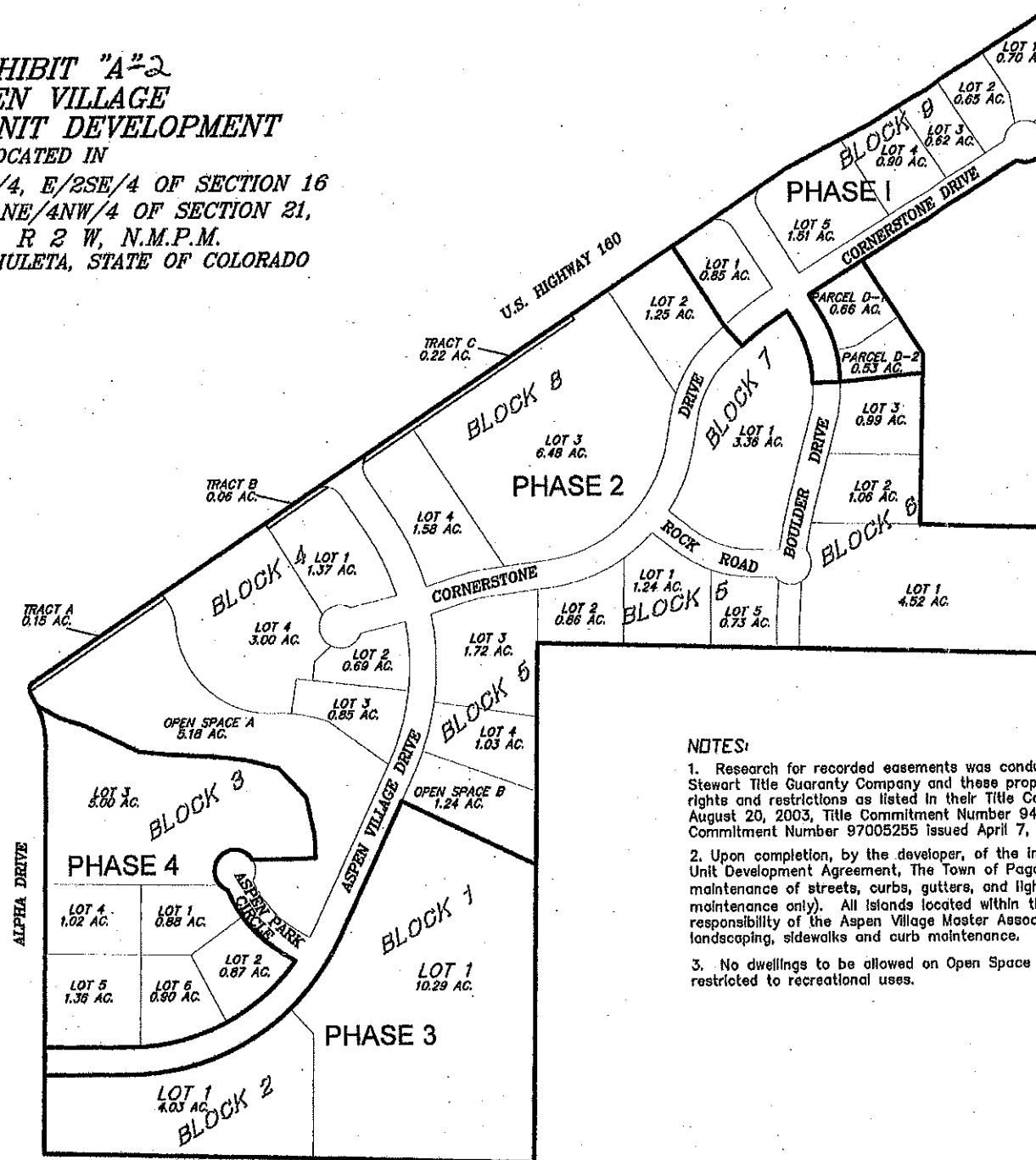


EXHIBIT "A" 2
ASPEN VILLAGE
PLANNED UNIT DEVELOPMENT
LOCATED IN

SW/4SE/4, SE/4SE/4, E/2SE/4 OF SECTION 16
AND NW/4NE/4, NE/4NW/4 OF SECTION 21,
T 35 N, R 2 W, N.M.P.M.
COUNTY OF ARCHULETA, STATE OF COLORADO



NOTES:

1. Research for recorded easements was conducted by Great Divide Title Company, and Stewart Title Guaranty Company and these properties may be subject to the easements, rights and restrictions as listed in their Title Commitment Number 9257-03 issued August 20, 2003, Title Commitment Number 9451-03 issued October 27, 2003 and Commitment Number 97005255 issued April 7, 1997.
2. Upon completion, by the developer, of the improvements required by the Planned Unit Development Agreement, The Town of Pagosa Springs will be responsible for the maintenance of streets, curbs, gutters, and lighting, (power and light bulb maintenance only). All islands located within the rights-of-way will be the responsibility of the Aspen Village Master Association for the purposes of landscaping, sidewalks and curb maintenance.
3. No dwellings to be allowed on Open Space A or Open Space B which shall be restricted to recreational uses.

EXHIBIT "A" ASPEN VILLAGE PLANNED UNIT DEVELOPMENT			
PINNACLE SURVEYING, INC.	DATE: 8/10/05	SCALE: 1" = 400'	
P.O. BOX 1093	REV:	DRAWN BY: SLC	
PAYFIELD, COLORADO 81122	REV:	CHECKED BY: TEA	
(970) 864-0363	PROJECT NO:	SHT 1 OF 1	
	OWNER: PAGOSA PARTNERS I		



**MASTER DECLARATION
FOR
ASPEN VILLAGE PLANNED DEVELOPMENT**

This Master Declaration (this "Master Declaration" or this "Declaration") is made as of the ____ day of _____, 2005, by PAGOSA PARTNERS I, INC., a Colorado Corporation, ("Declarant"), whose address is P.O. Box 4219, Pagosa Springs, Colorado 81147.

GENERAL

Section 1.1 Property. Declarant is the owner of the real property described as the Aspen Village Planned Unit Development, according to the plat thereof filed of record in the real property records of Archuleta County, Colorado on _____, 2005, as Reception No. _____, which is hereinafter defined in this Declaration as the "Project." Declarant intends that the Project be developed as a balanced, planned community accommodating a mix of residential, commercial and mixed-use lots.

Section 1.2 Purposes of Declaration. This Declaration is executed (a) in furtherance of a common and general plan for those portions of the Property which may become part of the Project; (b) to protect and enhance the quality, value, desirability and attractiveness of all property which becomes part of the Project; (c) to provide for mutual, common and reciprocal rights and easements in certain portions of the Property which becomes part of the Project; and (d) to define certain duties, powers and rights of Owners.

Section 1.3 Declaration. Declarant, for itself, its successors and assigns, hereby declares that the Project and each part or parcel thereof, shall, from the date the same becomes subject to this Declaration, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, easements, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration, for the duration thereof, all of which are declared to be a part of, pursuant to, and in furtherance of a common and general plan of development, improvement, enhancement and protection of the Project. The provisions of this Declaration are intended to and shall run with the land and, until their expiration in accordance with Section 8.1 hereof, shall bind, be a charge upon and inure to the benefit of (a) the Property (b) Declarant and its successors and assigns, and (c) all Persons having or acquiring any right, title or interest in the Project or any part or parcel thereof or any Improvement thereon, and their heirs, personal representatives, successors and assigns.

Section 1.4 CCIOA Exemption. The Project is a planned community which is exempt from the provisions of the Colorado Common Interest Ownership Act, pursuant to C.R.S. §38-33.3-116(2). Notwithstanding the foregoing, this Declaration incorporates certain terms and concepts contained within CCIOA.



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Section 1.5 No Merger. It is the intention of Declarant that the covenants, conditions, restrictions, limitations, reservations, exceptions, easements, equitable servitudes and other provisions set forth in this Declaration shall continue to burden or benefit, as applicable, all of the Project.

ARTICLE 2 DEFINITIONS

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

Section 2.1 Affiliate. "Affiliate" shall mean any Member or Manager of Declarant or any Person controlled by or under common control with Declarant or any such Member.

Section 2.2 Agencies. "Agencies" shall mean, collectively, the Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), the Colorado Housing Financing Authority (CHFA) or any other public, quasi-public or private agency or entity which performs (or may in the future perform) functions similar to those currently performed by the entities specifically listed herein.

Section 2.3 Association. "Association" shall mean the "Master Association" that may hereafter be established by the Declarant for the purpose of exercising the rights and obligations of the Declarant under this Declaration.

Section 2.4 CCIOA. "CCIOA" shall mean the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, et seq (the "Act" or "CCIOA") as amended from time to time.

Section 2.5 Commercial Site. "Commercial Site" shall mean all of the Lots shown in the PD Plat with the exception of the following Lots: Block 6, Lot 1; Block 2, Lot 1; and Block 1, Lot 1 which have been designated Residential Sites. A Commercial Site shall be designated for commercial/office uses.

Section 2.6 Common Elements. "Common Elements" shall mean all general common elements as designated on a recorded subdivision plat of any portion of the Property or as indicated in this Declaration, including all real estate and improvements within the Property that may be owned by the Association. Common Elements shall include, but not be limited to, the area comprising the Right of Way, common signage and entrance features, and such other common elements as may be conveyed, granted or dedicated to the Association by Declarant pursuant to Declarant's reserved rights, namely, trails and Open Space.

Section 2.7 Declarant. "Declarant" shall mean Pagosa Partners I, Inc., a Colorado limited liability company, its successors and assigns. A Person shall be deemed a



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"successor or assign" of Declarant only if specifically designated in a written and duly Recorded instrument as a successor or assign of Declarant under this Declaration, and shall be deemed a successor or assign of Declarant only as to the particular rights or interests of Declarant under this Declaration which are specifically designated in the written instrument. Notwithstanding the foregoing, however, a successor to Pagosa Partners I, Inc., by consolidation or merger, and any Person acquiring all or substantially all of the right, title and interest of Pagosa Partners I, Inc. in the Property by foreclosure, judicial sale, bankruptcy proceedings or by other similar involuntary transfer, shall automatically be deemed a successor or assign of Pagosa Partners I, Inc. as Declarant under this Declaration.

Section 2.8 Declarant Approval Period. "Declarant Approval Period" shall mean the period of time commencing on the date of Recordation of this Declaration and expiring on the earlier of (a) seven years from the date hereof or (b) the date upon which the last Privately Owned Site within the Project has been sold and conveyed to any Owner other than Declarant or an Affiliate of Declarant. Notwithstanding the foregoing, the Declarant Approval Period may expire on an earlier date at the discretion of the Declarant as provided in Section 3.4.

Section 2.9 Declaration. "Declaration" shall mean this instrument as the same may be amended from time to time.

Section 2.10 Design Review Criteria. "Design Review Criteria" shall mean the Design Review Criteria for Aspen Village Planned Development as the same may be amended from time to time.

Section 2.11 DRC. "DRC" shall mean the Design Review Committee provided for in Article 5 of this Declaration.

Section 2.12 Dwelling Unit. "Dwelling Unit" shall mean a residential building designed for occupancy on a Residential Site, but excluding any accessory building.

Section 2.13 Expansion Property. "Expansion Property" means the real property described on Exhibit A attached hereto which Declarant may submit to the terms of this Declaration by one or more supplemental Declarations. Declarant, however, is not obligated to submit the Expansion Property to this Declaration.

Section 2.14 First Mortgage. "First Mortgage" shall mean a Mortgage that has priority of Record over all other Recorded liens except those liens made superior by statute (such as general ad valorem tax liens and special assessments) and except as otherwise provided in this Declaration.

Section 2.15 First Mortgagee. "First Mortgagee" shall mean the Mortgagee under a First Mortgage.



Section 2.16 Improvements. "Improvements" shall mean all structures and any appurtenances thereto of every type or kind, including, but not limited to, buildings, outbuildings, swimming pools, patio covers, awnings, painting or other finish material of any exterior surfaces of any visible structure, additions, walkways, bicycle and/or equestrian trails, sprinkler pipes, utility lines, facilities and appurtenances, satellite dishes, antennae, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, solar equipment, and exterior air conditioning and water softener fixtures.

Section 2.17 Mortgage. "Mortgage" shall mean an interest in real estate or personal property created by contract or conveyance which secures payment or performance of any obligation. The term "Mortgage" 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 2.18 Mortgagee. "Mortgagee" shall mean any Person named as a mortgagee or beneficiary, or in a similar capacity, under any Mortgage or any successor to the interest of any such Person under such Mortgage.

Section 2.19 Multifamily Site. "Multifamily Site" shall mean a platted parcel of land within the Property as shown in the recorded PUD, which has been further subdivided to provide for the construction of Multifamily residences (including town homes, patio homes, and/or condominiums). The Multifamily Sites shall be permitted to be governed by their own Sub-Associations; however, subject to the restrictions and conditions of this Declaration. The Sub-Association shall exercise the vote and shall pay the assessments allocated to the Multifamily Site.

Section 2.20 Notice and Hearing. "Notice and Hearing" shall mean a written Notice given to an Owner in the manner for giving notices provided in this Declaration which Notice shall describe the nature of the matter to be heard and specify the date, time and place for hearing of the matter and a Hearing, at the date, time and place specified in the Notice, before the DRC and/or Association, as the case may be, who shall hear the matter and issue a written decision with respect to the matter.

Section 2.21 Notice of Completion. "Notice of Completion" shall mean written notice to the DRC of the completion of any Improvement to Property pursuant to Article 5 of this Declaration.

Section 2.22 Open Space. "Open Space" shall mean Open Space A and Open Space B as designated on the Plat. The use of Open Space is restricted to recreational purposes as provided in the Plat and this Declaration. Declarant reserves the right to convey Open Space to a third party or to the Association.



Section 2.23 Owner. "Owner" shall mean the Record title holder, whether one or more Persons, of fee simple title to a Privately Owned Site, including sellers under executory contracts of sale and excluding buyers thereunder. The Owner of a Privately Owned Site developed as rental apartments and the Owner of a Commercial Site shall be the Owner for purposes of this Declaration, and not the lessees or tenants of the apartments or Commercial Site.

Section 2.24 Person. "Person" shall mean a natural person, a corporation, a partnership, limited liability company, trust or any other legal entity.

Section 2.25 Plat. "Plat" shall mean, collectively: (a) the Aspen Village P.U.D. map, and (b) all of the subdivision plats for any portion or phase of the Project which may be Recorded from time to time, as the same may be amended from time to time.

Section 2.26 Privately Owned Site. "Privately Owned Site" shall mean any Lot or parcel of land within the Project which is shown upon any Recorded Plat, or any other parcel of land which may be sold or conveyed without violation of the provisions of Colorado law pertaining to the subdivision of land. "Privately Owned Site" shall include, without limitation, any parcel identified on the Aspen Village P.U.D. Plat developed for either commercial or residential purposes and shall include Multi-family Sites. Each Privately Owned Site constitutes a "unit" for purposes of CCIOA.

Section 2.27 Record or Recorded. "Record" or "Recorded" shall mean the recording of any documents in the real estate records in the office of the Clerk and Recorder of Archuleta County, Colorado.

Section 2.28 Default Assessment. "Default Assessment" shall mean a charge against a particular Owner and such Owner's Privately Owned Site for the purpose of reimbursing the DRC for expenditures and other costs of the DRC in curing any violation of this Declaration or Design Review Criteria by the Owner or a Related User of such Owner. Default Assessments shall also include any fines which the DRC, in its discretion, may impose on a per diem basis pursuant to Section 5.17.

Section 2.29 Related User. "Related User" shall mean any Owner who resides with such Owner on a Residential Site; guests, customers and invitees of an Owner of a Privately Owned Site; employees of an Owner of a Privately Owned Site; and occupants, tenants and contract purchasers of the Privately Owned Site of an Owner who claim by, through, or under an Owner.

Section 2.30 Residential Site. "Residential Site" shall mean any Privately Owned Site within the Project which is designated for residential uses in the Plat and/or this Declaration. The following Lots have been designated Residential Sites: Block 6, Lot 1; Block 2, Lot 1; and Block 1, Lot 1.



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Section 2.31 Restrictions. "Restrictions" shall mean covenants, conditions, restrictions, easements, limitations, reservations, exceptions and equitable servitudes affecting real property.

Section 2.32 Right of Way. "Right of Way" shall mean that strip of real property which is improved with trees and other landscaping which is located between the Privately Owned Sites and the curbing located adjacent to public streets within the Project as more particularly depicted on the Plat.

Section 2.33 Sub-Association. "Sub Association" means a property owners association that may be formed by Declarant or an Owner for the purpose of creating a multi-family community or commercial condominiums within the Project. All Sub-Associations must be approved by the Declarant and shall be subject to this Master Declaration and any assessments due hereunder.

Section 2.34 Supplemental Declaration. "Supplemental Declaration" means an instrument which amends this Declaration.

ARTICLE 3 DECLARANT'S RIGHTS AND RESERVATIONS

Section 3.1 Period of Declarant's Rights and Reservations. Declarant shall have retained and reserved certain rights as hereinafter set forth until the expiration of the Declarant Approval Period. Notwithstanding any other provisions of this Declaration, the rights and reservations hereinafter set forth in this Article 3 and in Sections 4.12, 4.19, 4.22, 5.4, 6.2, 11.1, 11.2, 11.5 and 11.12 (collectively, the "Special Declarant Rights"): (a) shall be deemed excepted and reserved in each conveyance of property within the Project, whether or not specifically stated therein, and in each deed or other instrument by which any property within the Project is so conveyed; (b) shall be prior and superior to any other provisions of this Declaration, and in the event of any inconsistency between the provisions of this Declaration pertaining to the Special Declarant Rights and any other provisions of this Declaration, the provisions pertaining to the Special Declarant Rights shall control; and (c) may not, without Declarant's prior written consent, be modified, amended, rescinded, or affected by any amendment of this Declaration during the Declarant Approval Period. Declarant's consent to any one such amendment shall not be construed as a consent to any other amendment.

Section 3.2 Declarant's Rights to Complete Development of Project. No provision of this Declaration shall be construed to prevent or limit Declarant's rights, and Declarant expressly reserves the right to complete the development of property within the boundaries of the Project; to construct or alter Improvements on any lots owned by Declarant within the Project; to maintain model homes, offices for construction, sales or leasing purposes or similar facilities on any property owned by Declarant; and to post signs incidental to development, construction, promotion, marketing, sales or leasing of Lots within the



boundaries of the Project. Declarant may maintain, or permit other Persons to maintain, management offices, signs, model homes, construction offices, trailers and sales offices, in such numbers, of such sizes and at such locations, as Declarant may determine in its reasonable discretion from time to time. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approvals to excavate, cut, fill or grade any property owned by Declarant or to construct, alter, demolish or replace any Improvements on any property owned by Declarant, or to use any structure on any Lot owned by Declarant as a construction, model home or real estate sales or leasing office in connection with the sale of any Lot within the boundaries of the Project, nor shall anything herein be deemed to require Declarant to seek or obtain the approval of the DRC for any such activity or Improvement to Lot (as defined in Section 5.3) by Declarant on any Lot owned by Declarant.

Section 3.3 Other Special Declarant Rights. In addition to the foregoing development rights, Declarant reserves the right for itself and any Successor Declarant at any time and from time to time to:

- (a) Construct underground utility lines, pipes, wires, ducts, conduits and other facilities across any portion of the Project for the purpose of furnishing utility and other services to buildings and Improvements to be constructed on the Property.
- (b) Withdraw and grant easements and licenses to public utility companies and to convey Improvements within those easements anywhere in the Property not occupied by buildings, for the purposes mentioned above.
- (c) Create Lots and Common Elements; subdivide, reconfigure, and/or consolidate Lots; convert Lots to General Common Elements; and withdraw property from the Project.
- (d) Create cross parking and shared-access easements where necessary, in order to provide suitable access among two or more Commercial Sites located within Block 8, Lots 1, 2, 3, and 4.
- (e) Approve and subject condominium or other multi-family development and ownership to the Project and ensure that condominium and multi-family owners sub-associations are subject to the Declarations.
- (f) Create and/or relocate or vacate access easements within the Project at such locations and configuration as determined by the Declarant.
- (g) Subject additional phases of the Expansion Property to the provisions of this Declaration by recordation of a Supplemental Declaration.
- (h) Develop the Property in any order of development or phasing, which Declarant, in its sole discretion, determines appropriate.
- (i) Subject the Project to governance by a master association.



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(j) Create trail and conservation easements across Open Space A and Open Space B and convey Open Space A and Open Space B to either the Master Association, an Owner or a governmental entity.

(k) Change the designation of a Residential Site to a Commercial Site and vice versa.

No assurances are made by Declarant as to whether Declarant will exercise the above-described Declarant Rights or the order in which such Declarant Rights will be exercised. The exercise of Declarant Rights as to some portions of the Property will not obligate Declarant to exercise them as to other portions.

Section 3.4. Termination of Rights Reserved. Except as otherwise expressly reserved in this Declaration, all rights reserved by and to the Declarant terminate 7 years after the date upon which this Declaration is recorded or, the date upon which the last Privately Owned Site within the Project has been sold and conveyed to any Owner other than Declarant or an Affiliate of Declarant, whichever shall first occur; provided, however, such reserved rights may be: (i) reinstated or extended by mutual agreement of the Association and Declarant, subject to whatever terms are agreed upon by the parties or (ii) terminated in whole or in part, at the discretion of the Declarant, by a written instrument executed by the Declarant and delivered to the Association.

ARTICLE 4 GENERAL RESTRICTIONS APPLICABLE TO PROPERTY

Section 4.1 Limitations and Restrictions. All of the Project shall be held, used and enjoyed subject to the following limitations and restrictions, and subject to the exemptions for Declarant set forth in this Declaration. The strict application of the following limitations and restrictions in any specific case may be modified or waived in whole or in part by the Association or DRC (whichever is applicable) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated by the DRC and/or Association. It is intended that the DRC have governing authority over all design and construction related aspects of the Project and that the Master Association govern the maintenance and upkeep of Common Elements and the imposition of assessments in connection therewith.

Section 4.2 Construction of Improvements.

(a) All work performed in the construction, maintenance, repair, replacement, alteration or expansion of any Improvement to Project shall be effected as expeditiously as possible and in such a manner as not to unreasonably interfere, obstruct or delay access to or from the Project, or any part thereof, to or from any public right-of-way. Staging for the construction, replacement, alteration or expansion of any Improvement



located in a Privately Owned Lot including, without limitation, the location of any temporary buildings or construction sheds, the storage of building materials, and the parking of construction vehicles and equipment shall be limited to that portion of the Privately Owned Lot approved in advance in writing by the DRC. Unless otherwise specifically stated herein, the Person contracting for the performance of such work ("Contracting Party") shall, at its sole cost and expense, promptly repair and restore or cause to be promptly repaired and restored to its prior condition all buildings, signs and Improvements damaged or destroyed in the performance of such work.

(b) The Contracting Party shall not permit any mechanics', material men's or other professional services liens (as contrasted against consensual monetary liens such as construction and/or permanent financing) to stand against any Privately Owned Site for any work done or materials furnished in connection with the performance of the work described in subparagraph (a) above; provided, however, that the Contracting Party may contest the validity of any such lien, but upon a final determination of the validity thereof, the Contracting Party shall cause the lien to be satisfied and released of record. The Contracting Party shall, within thirty (30) days after receipt of written notice from the Owner or Related User of any Privately Owned Site encumbered by any such lien or claim of lien, (i) cause any such outstanding lien or claim of lien to be released of record or transferred to bond in accordance with applicable law, or (ii) give such assurance as would enable a title insurance company to insure over such lien or claim of lien, failing which the Owner or Related User of the Privately Owned Site shall have the right, at the Contracting Party's expense, to transfer said lien to bond. The Contracting Party shall indemnify, defend and hold harmless the Owners and Related Users of Privately Owned Sites, from and against any and all liability, claims, damages, expenses (including reasonable attorneys' fees and costs and reasonable attorneys' fees and costs on any appeal), liens, claims of lien, judgments, proceedings and causes of action, arising out of or in any way connected with the performance of such work.

(c) Staging for any construction, maintenance, repair, replacement, alteration or expansion performed on any Privately Owned Site, including the location of any temporary buildings or construction sheds, the storage of building materials and the parking of construction vehicles and equipment, shall be limited to that Privately Owned Site unless the Owner of such Privately Owned Site requests and obtains the consent of the DRC and the Owner on whose Privately Owned Site the staging will occur. Such staging and storage areas shall also be fenced off at the request of DRC or Declarant.

Section 4.3 Maintenance of Property. No property within the Project shall be permitted to fall into disrepair, and all property within the Project, including any Improvements and landscaping thereon, shall be kept and maintained in a clean, safe, attractive and slightly condition and in good repair. Maintenance, repair and upkeep of each Privately Owned Site shall be the responsibility of the Owner of the Site and shall include, without limitation, maintenance, repair and replacement of all buildings and other structures located thereon; maintenance, repair and replacement of shrubs, trees, vegetation, irrigation systems and other landscaping on such Privately Owned Site, including, but not limited to, removal of snow, ice, dirt, mud and debris from any walkways, driveways and parking areas on such



Owner's site and any public sidewalks adjacent to such sites. Violation of this provision by an Owner shall permit the Association, after Notice and Hearing, to enter on the Privately Owned Site to cure the violation or cause compliance with this provision and to levy and collect a Default Assessment for the costs and expenses of the Association in so doing; provided, however, that there shall be no entry into the interior of an Improvement intended for human occupancy without the consent of the Owner thereof unless an Emergency Situation exists.

Section 4.4 Maintenance of Right of Way. The maintenance, repair and upkeep of the trees and landscaping located on the Right of Way shall be the responsibility of the Association and shall include, without limitation, maintenance, repair and replacement of sprinkler systems, trees, vegetation, and other landscaping on such portion of the Right of Way located adjacent to such Privately Owned Lot, including, but not limited to, fertilizing and trimming of trees, vegetation and other landscaping located on such portion of the Right of Way. Notwithstanding the foregoing, Owners shall be responsible for picking up trash and keeping the Right of Way in a neat and clean condition and free of debris. Owners shall be liable for all damages (for example, costs of repair and replacement of landscaping) arising out of the acts or omissions of an Owner in connection with the Right of Way. Failure by an Owner to reimburse the Association for the costs of repair and/or replacement of the Right of Way shall be deemed a violation of this provision. Violation of this provision by an Owner shall permit the Association after Notice and Hearing, to cure the violation or cause compliance with this provision and to levy and collect a Default Assessment for the costs and expenses of the Association in so doing. In addition, except in the case of negligence by Declarant and/or the Association, an Owner shall indemnify, defend and hold harmless the Declarant and the Association, from and against any and all liability, claims, damages, expenses (including reasonable attorneys' fees and costs and reasonable attorneys' fees and costs on any appeal), and causes of action, arising out of or in any way connected with the Right of Way.

Section 4.5 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any property within the Project, nor shall anything be done or placed thereon which is or may become a nuisance or which is or may cause an unreasonable embarrassment, disturbance or annoyance to others.

Section 4.6 No Annoying Light, Sounds or Odors. No light shall be emitted from any Privately Owned Site or Improvement thereon which is unreasonably bright or causes unreasonable glare, and no sound or odor shall be emitted from any property within the Project which would reasonably be found by others to be noxious or offensive. Without limiting the generality of the foregoing, no exterior spotlights, searchlights, speakers, horns, whistles, bells or other light or sound devices, other than security devices used exclusively for security purposes, shall be located or used on any property except with the prior written approval of the DRC and review and approval from The Town of Pagosa Springs.

Section 4.7 No Hazardous Activities. No activity shall be conducted on and no Improvement shall be constructed on any property within the Project which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the



foregoing, no firearms shall be discharged upon any property and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purposes or within an interior or exterior fireplace designed to prevent the dispersal of burning embers.

Section 4.8 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within a structure, including snow removal equipment and garden or maintenance equipment, except when actually in use.

Section 4.9 Restrictions on Garbage and Trash. No refuse, garbage, trash, lumber, grass, shrub or tree clippings, plant waste, compost, metal, bulk materials, scrap, refuse or debris of any kind shall be kept, stored or allowed to accumulate on any part of the Project, except within an enclosed structure or when appropriately screened from view.

Section 4.10 No Temporary Structures. No tent, shack, temporary structure or temporary building shall be placed upon any property within the Project, except with the prior written consent of the DRC and following review and approval from The Town of Pagosa Springs. Notwithstanding the foregoing, the DRC may permit the use of temporary structures during construction upon a Lot in accordance with the rules and regulations of the Design Review Criteria.

Section 4.11 Restriction on Antennae, Pipes and Utility Lines. Pipes for water, gas, sewer, drainage or other purposes, and wires, fiber optic and other cables, poles, antennae and other facilities for the transmission or reception of audio, visual or other electromagnetic signals or electricity, and utility meters or other utility facilities shall be kept and maintained underground or within an enclosed structure. No exterior radio antenna, television antenna, or other antenna of any type (including satellite dishes) shall be erected or maintained in the Project except that: (a) on Commercial Sites an Owner may erect an antenna if: (i) such antenna is necessary to carry on the business conducted by the Owner on the Site; (ii) the DRC gives its consent to the erection of such an antenna in accordance with the provisions of Article 5 hereof; and (iii) if the erection of such antenna is in compliance with all applicable statutes, ordinances and regulations; and (b) the requirements of this Section shall not apply to those "antenna" (including certain satellite dishes) which are specifically covered by the Telecommunications Act of 1996, as amended from time to time. As to "antenna" which is specifically covered by the Telecommunications Act of 1996, the DRC shall be empowered to adopt rules and regulations governing the types of "antenna" that are permissible hereunder and, to the extent permitted by the Telecommunications Act of 1996, as amended, establishing reasonable, non-discriminatory restrictions relating to appearance, safety, location and maintenance of such "antennae." Any project shall also comply with the District Zoning Ordinances (D4 Regulations) of The Town of Pagosa Springs.

Section 4.12 Restrictions on Signs and Advertising Devices. No sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere within the Project so as to be evident to public view, except such signs as may be approved in writing by the DRC and thereafter approved by the Town of Pagosa Springs and except



such signs as Declarant, or other Persons authorized by Declarant, shall be entitled to post or erect pursuant to Section 3.2. A sign advertising a Privately Owned Site for sale or for lease may be placed on such Privately Owned Site; provided, however, that standards relating to dimensions, color, style and location of such a sign shall be determined from time to time by the DRC and shall comply with the sign provisions of The Town of Pagosa Springs and with all other applicable statutes, ordinances and regulations.

Section 4.13 Restrictions on Mining or Drilling. No Owner of any Lot within the Project shall engage in mining, quarrying, drilling, boring or exploring for or removing oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, except drilling, exploring for or removing underground water by Declarant or any Person designated by Declarant for the purpose of providing water service to property within the boundaries of the Project, which drilling, exploring or removing underground water shall not disturb or subside the surface of the ground in any portion of the Project (other than any property within the Project which is owned by Declarant or by such Person so designated by Declarant).

Section 4.14 Maintenance of Drainage. There shall be no interference with or modification to the established drainage pattern over any property within the Project, except as approved in writing by the DRC, The Town of Pagosa Springs and in accordance with any master drainage study for the Project. Such approval shall not be granted unless provision is made for adequate alternate drainage in accordance with the recommendations, satisfactory to the DRC, of a Colorado Registered Professional engineer set forth in an engineer's report obtained by the Person desiring to interfere with or modify such established drainage pattern, at such Person's expense, and submitted by such Person to the DRC with the request by such Person for such approval. The "established drainage pattern" shall mean the drainage pattern which exists at the time the overall grading of any property has commenced by the homebuilder or other party performing such overall grading, and shall include any established drainage pattern shown on plans, if any, approved by the DRC.

Section 4.15 Compliance with Laws. Nothing shall be done or kept on any property within the Project in violation of any law, ordinance, rule or regulation of any governmental authority having jurisdiction.

Section 4.16 Restoration in the Event of Damage or Destruction. In the event of damage to or destruction of any Improvement on any Privately Owned Site, the Owner thereof shall, subject to the approval of the DRC, either: (i) cause the damaged or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the DRC; or (ii) the Owner shall cause the damaged or destroyed Improvement to be demolished and the Privately Owned Site to be suitably landscaped, so as to present a pleasing and attractive appearance.

Section 4.17 Vehicular Parking, Storage and Repairs.



(a) No house trailer, camping trailer, boat trailer, hauling trailer, boat or boat accessories, truck larger than three-quarter (3/4) ton, recreational vehicle or equipment, or commercial vehicle may be parked or stored anywhere in the Project or in the adjacent public street rights-of-way, except in garages, designated parking or storage areas, or except in emergencies or as a temporary expedience. No emergency or temporary parking or storage shall continue for more than twenty-four (24) hours.

(b) No abandoned or inoperable vehicles of any kind shall be stored or parked within the Project or in the adjacent public street rights-of-way, except in garages, designated parking or storage areas or except in emergencies. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, van, trailer, house trailer, camper, recreational vehicle or other device for carrying passengers, goods or equipment which has not been driven under its own propulsion for a period of two weeks or longer, or which does not have installed within it an operable propulsion system; provided, however, that any vehicle belonging to an Owner which is otherwise permitted will not be deemed to be abandoned while the Owner is ill or out of town. If the Association determines that a vehicle is abandoned or inoperable, a written notice describing the vehicle and calling for its removal shall be delivered to the owner of the vehicle if ownership can be reasonably be ascertained, or shall be placed in a conspicuous place on the vehicle if ownership is unknown. If any such inoperable vehicle is not removed within seventy-two hours after such notice is delivered or posted, the Association shall have the right to remove and store the vehicle at the sole expense of its owner, and any Owner determined after Notice and Hearing to be responsible for the vehicle shall be subject to a Default Assessment for the cost of such removal and storage.

(c) No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, painting or servicing any kind of vehicle shall take place within the Project, except within completely enclosed structures which prevent such activities from being seen or heard from the street and from adjoining property. This restriction shall not be deemed to prohibit washing and polishing of vehicles.

(d) No vehicle shall be parked on any street or roadway shown on any map of dedication, subdivision plat or similar Recorded instrument unless otherwise expressly provided for in or on such Recorded map of dedication, subdivision plat or similar instrument showing the street or roadway or in a separate Recorded instrument executed by the DRC. No Person may make use of a parking space which use in any way obstructs, interferes with or results in a safety hazard with respect to the streets and/or roadways within the Project or any other Person's parking rights. Without limiting the generality of the foregoing provisions, if the Association determines that a vehicle is parked on a street or roadway where parking is not permitted, the Association may have such vehicle immediately removed and stored at the expense of the Owner who owns, or whose Related User owns, the vehicle in question. Such Owner shall be subject to a Default Assessment for such removal and storage to be determined pursuant to Notice and Hearing.



Section 4.18 Household Pets. No animals, livestock, birds, poultry or insects, of any kind, shall be raised, bred, kept or boarded in or on any Residential Site; provided, however, that Owners of Residential Sites may keep a reasonable number of dogs, cats, or other domestic animals which are bona fide household pets, provided that (a) such pets are not kept for any commercial purpose and (b) are not kept in such number or in such manner as to violate any zoning ordinance or other governmental requirements or to create a nuisance. The DRC shall have, and is hereby given, the right and authority to determine in its sole discretion that dogs, cats or other household 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, or that an Owner is otherwise in violation of the provisions of this Section, and to take such action or actions as it deems reasonably necessary to correct the violation. An Owner's right to keep household pets shall be coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Association as a result of such pets, and any such costs and damages shall be subject to all of the Association's rights with respect to the collection and enforcement of Assessments as provided in Article 10 hereof.

Section 4.19 Restrictions on Further Subdivision, Property Restrictions and Rezoning. No part of the Project shall be further divided or subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Declarant during the Declarant Approval Period, thereafter without the prior written approval of the DRC and in either case, subject to review and approval by The Town of Pagosa Springs. Nothing herein shall be deemed to require the approval of the Declarant or the DRC for the transfer or sale of any Site or other parcel of land, including Improvements thereon, to more than one person to be held by them as tenants in common or joint tenants, or for the granting of any Mortgage. No application for approval of a final P.D. site plan, zoning amendment, subdivision plat, variance or use permit (or for modification to any of the same) pertaining to any portion of the Project shall be submitted to The Town of Pagosa Springs, Colorado until first approved in writing by the Declarant during the Declarant Approval Period and thereafter by the DRC. Notwithstanding the foregoing, the restrictions contained in this Section shall not apply to portions of the Project owned by Declarant during the Declarant Approval Period.

Section 4.20 Leases. The term "Lease," as used herein, shall include any agreement for the leasing or rental of a Privately Owned Site, or any portion thereof, and shall specifically include, without limitation, month-to-month rentals and subleases, whether or not the parties thereto comply with the terms of this Section. A Privately Owned Site, or any portion thereof, may be leased by its Owner only if the Lease shall provide that the terms of the Lease and the lessee's occupancy of the leased premises shall be subject in all respects to the provisions of this Declaration and that any failure by the lessee to comply with any of the provisions of this Declaration shall be a default under the Lease.

Section 4.21 Open Space. Open Space A and Open Space B shall be restricted to recreational uses only. No Dwelling Units or commercial buildings shall be located within Open Space A and Open Space B. Structures such as fencing, gazebos, park benches,



picnic tables, playground equipment and other recreational facilities may be located within the Open Space only with the prior approval of the Declarant or DRC, as the case may be.

Section 4.22 Commercial Uses. In order to promote a diverse and successful business community, any change in the use or business conducted on a Commercial Site must have the prior approval of the Declarant during the Declarant Approval Period. Heavy industrial and manufacturing shall only be permitted with the approval of the Declarant subject to any applicable zoning regulations of the Town of Pagosa. Notwithstanding anything to the contrary herein, no adult bookstores or medical facilities in the business of performing abortions shall be permitted on the Property. Nor shall liquor retail stores (excluding supermarkets, restaurants, performing arts, theaters or other commercial enterprises in which alcohol is not the predominant business purpose) shall be permitted on the Property.

Section 4.23 Restricted Sales. No sales of printed or visual materials containing "X-rated" content shall be permitted on the Property.

Section 4.24 Landscaping. An Owner shall cause its Privately Owned Site to be landscaped within 24 months of the date of purchase of the Lot. Landscaping shall be done in accordance with a landscape plan which has been approved by the DRC and which shall include trees, shrubs, native grasses and berms. In the event an Owner has not submitted a landscaping plan within a period of 18 months from the date the Lot was purchased from the Declarant, the DRC shall prepare and provide Owner with a DRC approved landscape plan. The DRC shall implement the DRC landscape plan and shall landscape Owner's Lot in accordance therewith, at the expense of the Owner. All costs of landscaping the Lot shall be subject to the DRC's rights of collection and imposition of a Default Assessment as provided in Section 10 hereof.

ARTICLE 5 DESIGN APPROVAL

Section 5.1 Membership of Design Review Committee. The DRC shall initially consist of five (5) members, all of whom shall be appointed by Declarant. Declarant shall have the continuing right to appoint the members of the DRC until the expiration of the Declarant Approval Period. Thereafter, the Owners shall have the right to appoint the members of the DRC as set forth in Section 5.27. Members of the DRC may, but shall not necessarily, be Owners or architects, engineers or other design professionals. Members of the DRC appointed by Declarant may be removed at any time by Declarant and shall serve until resignation or removal by Declarant. Members of the DRC appointed by the Owners may be removed at any time by the Owners as set forth in Section 5.27, and shall serve for such term as may be designated by the Owners or until resignation or removal by the Owners. Unless otherwise specified in this Declaration, the vote or written consent of a majority of the members of the DRC shall constitute the act of the DRC. During the period while Declarant has rights to appoint members of the DRC, Declarant shall give written notice to the Owners of the appointment or removal of any member of the DRC. After the



Declarant Approval Period, the Owners may at any time, and from time to time, change the authorized number of members of the DRC, but the number of members shall always be an odd number and shall not be less than three (3). Declarant may relinquish all or any part of the foregoing rights of Declarant to appoint the DRC by written notice given by Declarant to the Owners.

Section 5.2 Address of Committee. The address of the DRC shall be that of the principal office of the Declarant or to such other person or such other address designated by notice sent to the Owners.

Section 5.3 "Improvement to a Lot" Defined. "Improvement to a Lot," requiring approval of the DRC, shall mean and include, without limitation: (a) the construction, installation, erection or expansion of any building, structure or other Improvements, including, without limitation, Dwelling Units, utility facilities and signs; (b) the demolition or destruction, by voluntary action, of any building, structure or other Improvements; (c) the grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; (d) landscaping, planting, clearing or removing of trees, shrubs, grass or perennial plants; (e) the construction, installation, erection, placement or expansion of any temporary or other nonpermanent structure, improvement or facility such as, without limitation, any tent, shed, trailer or outdoor storage area or facility; and (f) any change or alteration to the exterior of any previously approved Improvement to a Lot, including any change of exterior appearance, finish material, color or texture.

Section 5.4 Approval of Improvements Required. The approval of the DRC shall be required prior to the construction, installation or alteration of any "Improvement to a Lot", as hereinafter defined, for any Improvement to a Lot on any Commercial Site or Residential Site, except for any Improvement to a Lot made by Declarant, and except as prior approval may be waived or certain Improvements to a Lot may be exempted in writing or under written guidelines or rules promulgated by the DRC, and except and to the extent that the requirement for such approval may otherwise specifically be prohibited pursuant to the provisions of applicable federal, state or local laws, statutes, ordinances, rules or regulations.

Section 5.5 Design Review Criteria. The DRC has issued the Design Review Criteria, and may issue additional guidelines or rules, relating to the procedures, materials to be submitted, design requirements or standards and additional factors which will be taken into consideration in connection with the approval of any proposed Improvement to a Lot. Such guidelines or rules may specify circumstances under which the strict application of limitations or restrictions under this Declaration will be waived or deemed waived in whole or in part. Such guidelines or rules may waive the requirement for approval of certain Improvements to a Lot or exempt certain Improvements to a Lot from the requirement for approval, if such approval is not reasonably required to carry out the purposes of this Declaration.

Section 5.6 Submission of Plans. Plans to accomplish any Improvement to a Lot must be submitted to the DRC within 18 months from the date of purchase of the Lot. Prior to commencement of work to accomplish any proposed Improvement to a Lot, the Person proposing to make such Improvement to a Lot ("Applicant") shall submit to the DRC at its offices such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications and samples of materials and colors as the DRC shall reasonably request, showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvement to a Lot. The Applicant shall be entitled to receive a receipt for the same from the DRC or its authorized agent. The DRC may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed Improvement to a Lot. Until receipt by the DRC of all required materials in connection with the proposed Improvement to a Lot, the DRC may postpone review of any materials submitted for approval by a particular Applicant. Additionally, all obligations of the DRC hereunder to review and approve all such plans, specifications and other materials with respect to a proposed Improvement to a Lot (but not the Applicant's obligation to obtain the DRC's approval thereof) shall be suspended during the period of time in which the Applicant shall be in default under the provisions of Articles 4 or 5 of this Declaration, and such default shall remain uncured by the Applicant, with respect to such Privately Owned Site. In the event an Applicant fails to submit plans within 18 months from the date of purchase of the Lot, the DRC shall require landscaping of the Lot pursuant to Section 4.24.

Section 5.7 Criteria for Approval. The DRC shall approve any proposed Improvement to a Lot only if it deems in its reasonable discretion that the Improvement to a Lot in the location indicated will not be detrimental to the appearance of the surrounding areas of the Project as a whole; that the appearance of the proposed Improvement to a Lot will be in harmony with the surrounding areas of the Project; that the Improvement to a Lot will not detract from the beauty, wholesomeness and attractiveness of the Project or the enjoyment thereof by Owners; and that the Improvements to a Lot are in conformity with the Design Review Criteria. The DRC may condition its approval of any proposed Improvement to Property upon the making of such changes therein as the DRC may deem appropriate.

Section 5.8 Design Review Fee. The DRC may, in its guidelines or rules, provide for the payment of a fee to accompany each request for approval of any proposed Improvement to a Lot. The DRC may provide that the amount of such fee shall be uniform for similar types of any proposed Improvement to a Lot or that the fee shall be determined in any other reasonable manner, such as based on the estimated cost of the proposed Improvement to a Lot.

Section 5.9 Decision of Committee. The decision of the DRC shall be made within thirty (30) days after the date the DRC receives all materials required by the DRC, unless such time period is extended by mutual agreement. The decision shall be in writing and, if the decision is to disapprove a proposed Improvement to Property, the reasons therefore shall be stated. The decision of the DRC shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the DRC.



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Section 5.10 Failure of Committee to Act on Plans. Any request for approval of a proposed Improvement to Property shall be deemed approved unless notice of approval or conditional approval or a request for additional information or materials is transmitted to the Applicant by the DRC within thirty (30) days after the date the DRC receives all required materials.

Section 5.11 Obtaining Governmental Approvals. Applicant shall obtain, prior to commencement of construction of any Improvements to a Lot, all permits, licenses, certificates, consents and any other approvals necessary or required pursuant to any law, ordinance, resolution, order, rule or regulation of any governmental authority having jurisdiction ("Governmental Approvals") in order for Applicant to construct, operate and maintain the Improvements to a Lot. The Governmental Approvals shall be deemed to include, but not be limited to, (i) issuance of a special use permit by The Town of Pagosa Springs along with an excavation and/or building permit issued by the Building Department for The Town of Pagosa Springs, (ii) approval of Improvement plans by The Town of Pagosa Springs's Department of Planning and Community Development, or (iii) a site specific development plan approved by The Town of Pagosa Springs planning commission along with an excavation and/or building permit issued by the Building Department for The Town of Pagosa Springs.

Section 5.12 Prosecution of Work After Approval. After approval of any proposed Improvement to a Lot, the proposed Improvement to a Lot shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed Improvement to a Lot, any materials submitted to the DRC in connection with the proposed Improvement to a Lot, any conditions imposed by the DRC and in compliance with the Restrictions contained in this Declaration. **Failure to complete any proposed Improvement to a Lot within one (1) year after the date work is commenced or to complete the Improvement to a Lot in accordance with the description and materials furnished to, and the conditions imposed by, the DRC, shall constitute a violation of this Article 5.**

Section 5.13 Notice of Completion. Upon completion of the Improvement to a Lot, the Applicant shall give written Notice of Completion to the DRC. Until the date of receipt of a Notice of Completion, the DRC shall not be deemed to have notice of completion of any Improvement to a Lot.

Section 5.14 Inspection of Work. The DRC or its duly authorized representative shall have the right to inspect any Improvement to a Lot prior to or after completion; provided that the right of inspection shall terminate one hundred and twenty (120) days after the DRC receives a Notice of Completion from the Applicant.

Section 5.15 Notice of Noncompliance. If, as a result of inspections or otherwise, the DRC finds that any Improvement to a Lot has been done without obtaining the approval of the DRC, or was not done in substantial compliance with the description and materials

furnished to, and any conditions imposed by, the DRC, or was not completed within one (1) year after the date of commencement of work, the DRC shall notify the Applicant in writing of the noncompliance; which notice shall be given, in any event, within one hundred and twenty (120) days after the DRC receives any Notice of Completion from the Applicant ("Notice of Noncompliance"). The notice shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance. In addition, the DRC shall send a copy of such notice to any "Interim Lender," as hereinafter defined, for the Privately Owned Site upon which the Improvement to a Lot is being constructed, who shall have previously requested in writing to the DRC that the DRC send to it a copy of any such notice of noncompliance. "Interim Lender" shall mean any Mortgagee providing the Owner with funds for the construction of an Improvement to a Lot.

Section 5.16 Failure of Committee to Act After Completion. If, for any reason other than the Applicant's act or neglect, the DRC fails to notify the Applicant of any noncompliance within one hundred and twenty (120) days after receipt by the DRC of written Notice of Completion from the Applicant, the Improvement to a Lot shall be deemed to be in compliance if the Improvement to a Lot was, in fact, completed as of the date of Notice of Completion.

Section 5.17 Fines or Remedies in Event of Noncompliance. If the DRC determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than forty-five (45) days from the date the DRC gives its notice. If the Applicant does not comply with the DRC notice within such 45 day period, the DRC may, at its option, do the following:

- (i) impose a fine of \$50.00 per day (or such other amount as implemented by the DRC after the Declarant Approval Period) against any Owner and such Owner's Privately Owned Site for each day the Owner fails to comply with the requirements of this Declaration or Design Review Criteria;
- (ii) enter upon the property and remove or cure the noncompliant Improvement to Property at the Owner's sole cost and expense; or
- (iii) otherwise remedy the noncompliance by taking such actions as the DRC determines are necessary or desirable, including a suit to enjoin such action and the Applicant shall reimburse the DRC, upon demand, for all expenses, including legal expenses, incurred in connection therewith.

If such fines or expenses are not promptly repaid by the Applicant or Owner to the DRC, the DRC may levy a Default Assessment against the Owner of the Site for reimbursement of such costs and expenses. The right of the DRC to impose a fine, or remedy or remove any noncompliance shall be in addition to all other rights and remedies which the DRC may have at law, in equity, or under this Declaration, including an award for damages or injunctive relief.

Section 5.18 Correction of Noncompliance by Interim Lender. If, within a period of not more than thirty (30) days after the date of receipt by the Interim Lender of the copy of

the Notice of Noncompliance as provided in Section 5.17, the Interim Lender notifies the DRC that it has begun, and will continue to diligently pursue, proceedings to obtain title to the Privately Owned Site upon which is being constructed the Improvement to a Lot pursuant to the remedies provided in the Mortgage held by such Interim Lender or pursuant to any foreclosure, or deed or assignment in lieu of foreclosure, of such Mortgage, then the DRC, at its option, may extend the period for remedy or removal of the noncompliance for a period expiring forty-five (45) days after the date the Interim Lender obtains title to the Privately Owned Site. If the Interim Lender does not comply with the DRC ruling within such extended period, or if at any time during such extended period the Interim Lender shall fail to diligently pursue proceedings to obtain title to the Privately Owned Site as aforesaid, the DRC may, at its option, exercise all of its rights and remedies provided in Section 5.17 hereof.

Section 5.19 No Implied Waiver or Estoppel. No action or failure to act by the DRC shall constitute a waiver or estoppel with respect to future action by the DRC with respect to any Improvement to a Lot. Specifically, the approval by the DRC of any Improvement to a Lot shall not be deemed a waiver of any right or an estoppel to withheld approval or consent for any similar Improvement to a Lot or any similar proposals, plans, specifications or other materials submitted with respect to any other Improvement to a Lot.

Section 5.20 Committee Power to Grant Variances. The DRC may authorize variances from compliance with any of the provisions of this Declaration, including restrictions upon height, size, floor area or placement of structures or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the DRC or by its authorized representative. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that no variance shall operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision covered by the variance nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned, including, but not limited to, zoning ordinances and setback lines or other requirements imposed by any governmental authority having jurisdiction.

Section 5.21 Authorized Representative. The powers and duties of the DRC may be delegated to one or more authorized representatives, who shall have the power to review and approve or disapprove proposed Improvements to Property and to grant variances and exemptions. Notwithstanding the foregoing, the authorized representative shall not have the authority to change the policies and guidelines of the DRC. The DRC may, from time to time, by resolution in writing adopted by a majority of the members, designate an authorized representative or representatives (who may, but need not, be members of the DRC). The action of such authorized representative or the written consent or the vote of a majority of the members of the DRC shall constitute the action of the DRC.