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**DECLARATION OF COVENANTS AND RESTRICTIONS  
FOR THE ASPENGLOW TOWNHOMES**

This Declaration of Covenants and Restrictions for The Aspenglow Townhomes (hereafter the "Declaration") is made as of August 20, 2009, by Aspenglow Townhomes, LLC, a Colorado Limited Liability Company ("Declarant").

**1. RECITALS AND DECLARATION.**

1.1 Declarant is the owner of the real property situated adjacent to the Town of Pagosa Springs, County of Archuleta, State of Colorado, more particularly described on Exhibit A, attached hereto and made a part hereof, and appurtenant interests in Common Elements as described on Exhibit A, attached hereto and made a part hereof (collectively the "Property").

1.2 Declarant has created a residential Townhome common interest community pursuant to the Colorado Common Interest Ownership Act as set forth in Colorado Revised Statutes 38-33.3-101 *et seq.* on the Property, the name of which is Aspenglow Townhomes. The community contains fifteen (15) Townhomes with Townhome improvements constructed thereon and general and limited common elements for the benefit of the community, subject to Reserved Declarant Rights to annex or withdraw property as set forth herein.

1.3 Declarant incorporates all of the terms, conditions, and plat notices of the Aspenglow Townhomes Subdivision Plat, recorded in office of the Archuleta County, Colorado Clerk and Recorder on April 5, 2007, as Reception No. 20702870. Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following covenants, restrictions and easements which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or any part of the Property, and any property annexed in accordance with the terms hereof. Additionally, Declarant hereby submits the Property and any property annexed in accordance with the terms hereof to the provisions of CCIOA.

**2. DEFINITIONS.**

2.1 Allocated Interests shall mean the interest of each Townhome in the Common Elements, as described on the recorded Plat of Aspenglow Townhomes, determined by a fraction, the numerator of which is one and the denominator of which is the total number of Townhomes in the Project. The allocated voting interests shall be one vote per Townhome (defined below).

2.3 Annual Assessments shall mean the charges levied and assessed each year against a Townhome.

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Teddy Herzog PO Box 2306 PS CO 81147



2.4 Articles shall mean Articles of Organization and any amendments thereto for The Aspenglow Property Owners Association, a Colorado non-profit corporation.

2.5 Assessments shall mean the Annual, Special and Default Assessments levied pursuant to Article 6 below. Assessments are also defined in CCIOA as a capital expense.

2.6 Association shall mean The Aspenglow Townhomes Property Owners Association, Inc., a Colorado non-profit association, and its successors and assigns.

2.7 Association Documents shall mean this Declaration, the Articles, the Bylaws, the Plat, and any procedures, rules, regulations or policies adopted under such documents by the Association.

2.8 Bylaws shall mean the Bylaws adopted by the Association, as amended from time to time.

2.9 Clerk and Recorder shall mean the office of the Clerk and Recorder in the County of Archuleta, Colorado.

2.10 CCIOA shall mean the Colorado Common Interest Ownership Act, § 38-33.3-101, *et seq.*

2.11 Common Expenses shall mean (i) all expenses as expressly declared to be common expenses by this Declaration or the Bylaws of the Association; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing or replacing the General Common Elements or Limited Common Elements and other Association expenses as set forth herein; (iii) insurance premiums for the insurance carried under Article 7; and (iv) all expenses lawfully determined to be common expenses by the Executive Board, which expenses shall be assessed based upon the Allocated Interests defined herein. "Allocated Interests" means the Common Expenses liability and the votes in the Association allocated to each Lot, which interests are allocated as follows:

(a) The Common Expenses liability for each Townhome is calculated on the basis of a fraction, the numerator of which is one (1) and the denominator of which is the total number of Townhomes in the Common Interest Community, with improvements for which a certificate of occupancy has been issued as of the date of the calculation. Such fraction is then multiplied by the Common Expenses or the Assessment in question to determine that Lot's share thereof. The Common Expenses liability of a Townhome is determined without reference to the size, location, value or use of the Townhome, except that assessments shall be allocated to and based upon the number of Townhomes (defined by issuance of certificate of occupancy) in the project.



(b) One vote in the Association is allocated to each Townhome in the Common Interest Community.

2.12 County shall mean Archuleta County, Colorado.

2.13 Declaration shall mean this Declaration and the Plat, and amendments and supplements to the foregoing.

2.14 Executive Board shall mean the governing body of the Association.

2.15 First Lienor shall mean any person named as a mortgagee or beneficiary in any First Mortgage or any successor to the interest of any such person under such First Mortgage.

2.16 General Common Element(s) shall mean all real and personal property of the project, and shall have the same meaning as Common Elements as set forth in the Act.

2.17 Limited Common Element(s) shall mean the portion of the General Common Elements assigned for the exclusive use and enjoyment for some, but not all Townhomes, and shall have the same meaning as set forth in the Act.

2.18 Manager shall mean a person or entity engaged by the Association to perform certain duties, powers or functions of the Association, as the Executive Board may authorize from time to time.

2.19 Owner shall mean the person or persons or legal entity holding record fee simple title to a Townhome. Declarant shall be entitled to treat the record titleholder of a Townhome as the Owner thereof for all purposes.

2.20 Pagosa Lakes Property Owner Association (PLPOA) shall mean the property owners' association which controls Pagosa Lakes and other subdivided lots within the Pagosa Lakes area subdivisions.

2.21 Pedestrian Easement shall mean the right of pedestrians for ingress to and egress from the Property.

2.22 Property shall mean the real property subject to this Declaration and which is described in Exhibit A and any property annexed in accordance with terms hereof.

2.23 Plat shall mean the final plat of Aspenglow Townhomes, recorded with the Archuleta County, Colorado Clerk and Recorder, on April 5, 2007, under Reception No. 20702870, and on any Supplemental Plat.

2.24 Project and The Aspenglow Townhomes Project shall mean the common interest community created by this Declaration and as shown on the Plat,



consisting of the Property, as subdivided, together with all General Common Elements and Limited Common Elements.

2.25 Town shall mean the Town of Pagosa Springs, Colorado.

2.26 Townhome shall mean an attached dwelling located on the Property and designed to be occupied as a single family residence.

2.27 Utilities shall mean those underground utilities that are constructed and installed under roads, other utility easements, or General Common Elements, which services, The Aspenglow Townhomes Project.

2.28 Withdrawal Property shall mean the portion of the Property that is subject to the Declarant Reserve Right to withdraw from the Project as described on the Plat.

### 3. RESTRICTIONS ON USE.

3.1 Residential Use. All Townhomes shall be used only for residential purposes, and such accessory or incidental uses thereto as may be permitted by the Plat and this Declaration. Owners of Townhomes may rent or lease such Townhomes to others for these purposes. On each Lot there shall be constructed one single-family Townhome residence not to exceed the height set forth in the plans and specifications designated by Declarant. The minimum Townhome construction size shall be 800 square feet of heated living area, exclusive of garage. The Townhomes' exterior colors, floor plan, architectural and aesthetic treatment, may not be modified without the consent of the Declarant, (during the Declarant Control Period) the Association, and the Town of Pagosa Springs.

3.2 Decks. Decks, although privately owned will be maintained by the Association as referenced in paragraph 7.3. Decks and balconies shall not be used for storage of any kind, including, but not limited to bicycles, kayaks, rafts, and firewood. No use of charcoal grills shall be allowed on decks or balconies. Use of natural gas or propane gas grills is permitted. No laundry, flags, banners, antennae, satellite dishes more than 18 inches in diameter or any other items shall be allowed to hang from or set upon decks, balconies, or outside windows. (In the event Federal Communications Commission regulations or other applicable government regulations limit the ability to prohibit certain small satellite dishes or antennae, the prohibition shall be enforced to the maximum extent allowed under such regulations and any allowed antennae or satellite dish shall be subject to being located in a manner approved by the Association.) Because the decks are not engineered to carry excessive weights beyond those required for snow loads and applicable building codes, no hot tubs, Jacuzzi's, soaking tubs, or large scale water features of any type shall be allowed on or upon the decks at any time. It shall be permissible to maintain patio furniture and planters on decks so long as same are maintained in a neat an orderly condition. There shall be no deck enclosures, roofs, or awnings constructed by any Owner other than the Declarant.



3.3 Windows and Window Coverings; Coolers; Satellite Dishes and Antennae; and Air Conditioners. No permanent decals or stickers shall be placed on any windows or exterior doors at any time, with the exception of alarm company identification. All window coverings, shades, blinds, curtains or drapes shall appear neutral or have the color of white to the extent visible from the exterior. No flags, banners, posters, signs, electric string lights or any other material shall be hung in front of windows in a manner that is visible from the exterior except during holiday seasons. Such items may only be displayed 10 days before the holiday and must be removed 10 days after the holiday. No window air conditioners or coolers shall be permitted within the Project.

3.4 Animals. Except as may be otherwise authorized in writing by the Executive Board, there shall be the following restrictions with respect to animals:

No animals, livestock, or poultry of any kind shall be raised, bred or kept on the Project except common small household pets, including dogs and cats. All dogs must be on a leash at all times when being walked outside a Townhome. There shall be no more than two (2) dogs or two (2) cats and no combination of dogs and cats exceeding three (3) in any one Townhome. No pets shall be kept, maintained or bred for any commercial purpose. All pets shall be maintained at all times so that they are not a nuisance to other residents in the Project. Owners must clean up all feces from their animals at all times and at all places within the Project. Owners agree to find new homes for their pets if the pet becomes a nuisance to other residents. Excessive barking shall be considered a nuisance for the purpose of this Section. Each Owner shall be responsible and liable for any damage to persons or property caused by the pets of the Owner.

3.5 Development Activity. All development within The Aspenglow Townhome Project shall be undertaken consistent with this Declaration, the Plat, any design review guidelines of the Association and applicable rules and regulations herein.

3.6 Building Envelope. All Townhome improvements shall be located within the boundaries of the Townhome as shown on the Plat.

3.7 Approval of Design. No Townhome improvements shall be constructed without the prior written approval of Declarant, (during the Declarant Control Period) or the Association. Additionally, no exterior Townhome improvements shall be constructed on any Townhome without the prior written approval of the County of Archuleta and PLPOA.

3.8 Further Subdivision. Townhomes shall not be further subdivided. Any amendment to this Declaration modifying this prohibition to further subdivision can only be amended with two-thirds majority consent of all Owners of The Aspenglow Townhomes Project, County of Archuleta, and PLPOA approval.

3.9 Utilities. All Utilities, including but not necessarily limited to, water, sewer, gas, electrical, telephone, and cable T.V., shall be underground to the service meter



or entry and shall be constructed and installed consistent with this Declaration. All Utilities shall be provided to The Aspenglow Townhome project by third party providers.

3.10 Parking. All parking for any vehicles must be in designated surface parking spaces. No parking shall be allowed except for immediately in front of each Townhome on the paved area extending out from each Townhome, parallel to each unit, no more than 20 feet from the front exterior wall of such a Townhome unit. No parking shall be permitted on Roads. Owners shall undertake good faith efforts to prevent vehicles that are owned by, under the control of, or invited by a Lot owner to be loaded, unloaded, or parked on the Roads. The Association shall have the right to remove or tow away any vehicle which is parked within or on the drive aisles within the Project. The cost for any removal or towing shall be charged to the responsible Owner. No overnight parking or storage of motor homes, trailers, or recreational vehicles shall be permitted on the Project. No inoperable vehicles shall be parked or maintained on the Project. All vehicles parked on the premises will be in good repair as to not leak fluids and soil the parking area. Any vehicle found to be leaking fluids will be given a warning and if not repaired, fined and charged for the cost of the cleanup.

3.11 Fire and Safety Obstruction of any driveway, walkway, or passageway is not allowed. Blocking a fire lane is against the law. Residents must ensure that smoke detectors in their Townhomes are in working order at all times. All cigarettes should be completely extinguished and disposed of in proper containers.

3.12 Noise and Safety. Loud music or noise is **PROHIBITED** at any time, but in particular between 10:00 p.m. and 8:00 a.m. Social gatherings must be confined to the individual Townhome, and must be immediately terminated if neighbors are disturbed. Every effort should be made by participants not to disturb neighbors. The fact that a complaint has not been made does not mean that your gathering is not disturbing neighbors and is not improper. Specific requirements are:

- Parties and social gatherings shall be held inside the Townhome or in designated picnic areas.
- No gatherings will be held in parking areas or on roadways.
- Absolutely NO "keg" parties or parties where an admission is charged are allowed. Charging admission is against the law!
- Stereos, televisions, etc. must not be audible outside of the Townhome.
- There shall be NO violation of any state of Town ordinance.
- There shall be NO underage drinking.
- Public profanity is strictly prohibited.
- If the Pagosa Springs Police or County Sheriff or other policing force with jurisdiction within Lake Pagosa must be called to quell a disturbance or party, the host-tenant or Owner will be held responsible and a citation may be issued. In addition, The Aspenglow Townhome Property Owner's Association (POA) may press charges against the host-tenant or Owner of the Townhome.



- Driving any vehicle in excess of 5 miles per hour on the project driveways is strictly prohibited.

3.13 Fences. No fences shall be constructed except as permitted by the Rules and Regulations, and unless approved by the County of Archuleta and PLPOA.

3.14 Signs. No signs shall exist except for those permitted by the Rules and Regulations, and unless approved by the County of Archuleta and PLPOA. No more than one sign shall be allowed on each Townhome. No sign shall exceed 4 square feet.

3.15 Garbage and Trash. All garbage and trash shall be dealt with consistent with the Rules and Regulations. All trash shall be deposited within the central dumpster(s) located on the Project. The maintenance of the central dumpster(s) and the expense of trash removal service shall be a Common Expense and paid for by the Association.

3.16 Landscaping. All landscaping and landscaping improvements shall be constructed and installed within The Aspenglow Townhome Project pursuant to a landscaping plan adopted by Declarant. All landscaping shall be installed within the General Common Elements. After the initial plan being fully implemented, thereafter all landscaping maintenance and repair shall be undertaken by the Association.

3.17 Association Responsibility. All General Common Elements and Limited Common Elements, including Roads and Utilities shall be owned, controlled and maintained, including snow and ice removal, by, and at the expense of, the Association.

3.18 Maintenance of Townhome Lots. All Townhomes, together with Townhome improvements constructed thereon, shall be kept at all times in a sanitary, healthful, safe and attractive condition and the Owner or occupants shall in no way use any outside area or decks for storage of materials and equipment except for normal residential requirements or incidental to the construction improvements thereon as herein permitted.

3.19 Compliance With Law. No Townhome shall be used, occupied, altered, changed, improved, or repaired except in compliance with (i) this Declaration, (ii) the Rules and Regulations, and (iii) all present and future laws, ordinances, regulations, and the like of the Loted States of America, State of Colorado, and County of Archuleta, or other governmental or lawful authority whatsoever effecting the Lot or the improvements thereon or any part thereof, and of all their departments, bureaus and officials.

3.20 Deviations. The Executive Board at its discretion is hereby permitted to approve deviations in this Declaration where, in its judgment, such deviations will result in a more common beneficial use. Such approvals must be granted in writing and when given, will become part of this Declaration; however, any such deviations are subject to the approval of the Declarant during the period of Declarant control and the Association.

3.21 Party Walls.



(a) for purposes of this Section 3.21, "Party Wall" shall mean and refer to any wall which is part of a Townhome and located between two or more Townhomes and is placed on or immediately adjacent to a Townhome and which separates two Townhomes.

(b) Mutual reciprocal easements are hereby established, declared and granted for all Party Walls between Townhome Lots which reciprocal easements shall be for mutual support and shall be governed by this Declaration. Every conveyance of a Townhome, whether or not expressly so stating, shall be deemed to convey and to be subject to such reciprocal easements.

(c) To the extent not inconsistent with the provisions of this Section 3.21, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions apply thereto.

(d) The cost of reasonable repair and maintenance of any Party Wall shall be borne equally by the Owners of Townhomes sharing the Party Wall. If the Owner of one Townhome sharing the Party Wall refuses to pay his proportionate share of the cost of repair or maintenance, then the other Owner may cause the Party Wall to be repaired and shall be entitled to assess the cost attributable against the non-paying adjoining Owner's Townhome Lot, and the same shall become and remain a lien against the Townhome Lot, until fully paid. Said lien may be foreclosed in the manner provided by law for the foreclosure of a mortgage on real property.

(e) If a Party Wall is destroyed or damaged by fire or other casualty, Owners of Townhomes sharing the Party Wall may restore it, and if other Owners thereafter make use of the Party Wall, they shall contribute to the cost of restoration thereof in proportion of such use, subject however, to the right of any such Owners to call for a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions. If one Owner causes the Party Wall to be restored and any other Owner uses the Party Wall and does not contribute his proportionate share to the costs of the Party Wall's restoration, the Owner who caused the wall to be restored shall be entitled to assess the cost attributable against the non-paying adjoining Owner's Townhome Lot, and the same shall become and remain a lien against such property until fully paid. The lien may be foreclosed in the manner provided by law for the foreclosure of a mortgage on real property.

(f) Notwithstanding any other provision of this Section 3.21, an Owner who by his negligent or willful act or omission causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements to the extent insurance proceeds are unavailable.

(g) The right of any Owner to contribution from any other Owner under this Section 3.21 shall be appurtenant to and run with the land and shall pass to such Owner's successors in title.





(h) If any dispute arises concerning a Party Wall under the provisions of this Section 3.21, such dispute shall be arbitrated in the manner hereinafter provided. Three individuals (including one or more members of the board of directors of the Association or one or more Owners or a combination of both) appointed by the President of the Association, none of whom may be a party to the dispute, shall act as a Board of Arbitration and the decision shall be by a majority vote of the Board of Arbitration after an arbitration proceeding. No legal action with respect to a Party Wall dispute shall be commenced or maintained unless and until the provisions of this arbitration clause have been met. The appointment of arbitrators hereunder shall be made within 20 days after notice by one party to the other party that a dispute exists, which notice shall not be given after any applicable statute of limitations concerning such dispute shall have expired. All arbitrations shall be subject to the Colorado Uniform Arbitration Act, C.R.S. 13-22-201, *et seq.*

(i) Notwithstanding any other provision of this Section 3.21, the Association may, in its sole discretion make any repairs to Party Walls which the Association deems necessary and the cost for such repairs shall be assessed equally against the Townhome units benefited by such repairs unless the repairs are necessitated by willful acts or omissions or negligence of one Owner in which case the Owner causing the damage shall pay for all costs of repairs.

3.22 Tenant Violations. In the event that tenants in a Townhome violate the Declaration or the Rules and Regulations for Investors and Landlords (referred to as Exhibit B) adopted by the Association from time to time, they will be provided with written notice of the violation with a copy to the Owner(s) of record. In the event the violation is not corrected or does not cease within 5 days of receipt of written notice or if the violation reoccurs within 12 months of the date of the first notice, the Association shall have the authority to terminate the tenant's lease and to, if necessary, remove the tenant from the premises through an unlawful detainer action in accordance with Colorado law.

#### 4. ASSOCIATION FORMATION AND MEMBERSHIP.

4.1 Formation of Association. The Association shall be a nonprofit Colorado corporation charged with the duties and invested with the powers prescribed by law and as set forth in its Articles, Bylaws and this Declaration. Neither the Articles nor Bylaws of the Association shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

4.2 Executive Board and Officers. The affairs of the Association shall be conducted by the Executive Board and such officers as the Executive Board may elect or appoint in accordance with its Articles and Bylaws as the same may be amended from time to time. The Association, by and through the Executive Board, shall govern and manage The Aspenglow Townhome Project, including the Property described in Exhibit A hereof, and any property owned by the Association, and shall enforce the provisions of this



Declaration. The initial Executive Board shall be composed of three Members. The Executive Board may also appoint various committees. Declarant, during the "Declarant Control Period", shall have the right to appoint and remove Directors and officers, subject to the limitations in CRS 38-33.3-303 (5)(a)(I). The Declarant Control Period commences on the date on which Declarant forms the Association and terminates on the earliest to occur of:

- (i) sixty days after conveyance to Purchasers of eleven of the fifteen of the Townhomes pursuant to the Declaration;
- (ii) two years after the last conveyance of a Townhome by Declarant to a Purchaser in the ordinary course of business;  
or

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

4.3 Association Rules. The Association may, by a majority vote of the Executive Board, adopt, amend and repeal rules and regulations to be known as The Aspenglow Townhomes Project "Association Rules" or "Rules and Regulations". The purpose of the Association Rules shall be to implement, supplement or otherwise carry out the purposes and intentions of this Declaration; provided such Association Rules must be consistent with this Declaration.

4.4 Liability. Consistent with the provisions of C.R.S. §38-33.3-303, if appointed by the Declarant, in the performance of their duties, the Officers and Members of the Executive Board are required to exercise the care required of a fiduciary of the Owners. If the Officers and Members of the Executive Board are not appointed by the Declarant, then no Member of the Executive Board and no Officer shall be liable for actions taken or omissions made in performance of such Member's duties, except for wanton and willful acts or omissions. Officer or Member actions taken upon the advice of legal counsel, certified public accountants, registered or licensed engineers, architects or surveyors shall conclusively be deemed to be in good faith and to have met the care required under CCIOA.

4.5 Membership. The Association shall be a membership association without certificates or shares of stock. The Members of the Association shall be those persons or entities, including Declarant, who are the Owners, from time to time, of Townhomes within The Aspenglow Townhomes Project. Membership in the Association shall automatically terminate when a Member ceases to be an Owner of a Townhome. There shall be one class of membership which is a voting membership by Owners of Townhomes.

4.6 Voting. A Member shall have one vote for each Townhome owned. Except as otherwise provided herein and in the Rules and Regulations, the affirmative vote



of a majority of the Owners of Townhomes entitled to vote on any matter shall constitute approval of such matter. Where there are multiple Owners of a Townhome, there shall remain only one vote for each Townhome. If only one of the multiple Owners of a Townhome are present at a meeting of the Association, such Owner shall be entitled to cast the vote allocated to such Townhome. If more than one of the multiple Owners are present, the vote allocated to the Townhome may be cast only in accordance with the agreement of a majority in interest of the Owners of such Townhome. The provisions of C.R.S. §38-33.3-310(1) and (2) regarding voting shall apply to Townhomes with multiple Owners.

For the election of Executive Board Members, those candidates receiving the highest number of votes shall be deemed elected. Lessees of Townhomes shall have no voting rights.

**4.7 Enforcement.** The Association shall each have the right and power to bring suit in its name for legal or equitable relief for the failure to comply with any provision of this Declaration or rules promulgated by the Executive Board. In addition, the Association shall have the right to impose on any Owner monetary fines for any lack of compliance with provisions of this Declaration or rules promulgated by the Executive Board and where such fines are not paid within the time provided, such fines may be collected as an Assessment Lien. The failure of the Association to insist upon the strict performance of any such provisions or to exercise any right or option available to it, or to serve any notice or to institute any action, shall not be a waiver or relinquishment for the future of any such provision or the enforcement thereof. Any Owner aggrieved by a lack of compliance by another Owner may also bring suit for legal and equitable remedies. If any court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Declaration, the prevailing party shall be entitled to reimbursement of its costs and expenses, including reasonable attorney's fees, in connection therewith.

**4.8 Power of Association.** Each Owner agrees that the Association has all the powers granted to it by the Colorado Nonprofit Corporation Act and CCIOA, and any amendments thereto or replacements thereof. Such powers shall include, without limitation, levying Assessments against Owners, imposing a lien on Townhomes for any unpaid or uncollected Assessments or penalties, and foreclosing any such liens, enforcing any deed restrictions and these Declarations, acquiring, holding, owning, leasing, mortgaging and disposing of property, the adoption of rules and regulations, the defending, prosecuting or intervention in litigation on behalf of all Members, the borrowing of monies for Association purposes and the right to pledge future income in order to secure such borrowings. The term "pledge of future income" shall include the right to impose a Special Assessment for repayment of such borrowings and to assign such Special Assessment (and all lien and collection rights appurtenant thereto) to the lender as security for repayment thereof. The Association may exercise any other right, power or privilege, given to it by this Declaration, the Articles and Bylaws of the Association, or by law.

**4.9 Other Association Functions.** The Association shall undertake those functions and provide those services to The Aspenglow Townhomes Project as described in this section or otherwise set forth in this Declaration. Further, the Association may



undertake, to the extent the Executive Board in its sole discretion so elects, to provide The Aspenglow Townhomes Project certain other functions or services for the benefit of its Members on such bases as the Executive Board may reasonably determine. Such functions may be provided by the Association's employees or an independent contractor retained by the Association. With respect to any The Aspenglow Townhomes Project functions or services, the Executive Board shall have the authority to make common expense assessments consistent with the provisions of C.R.S. §38-33.3-315.

The Association shall provide, but shall not be limited to, the following functions or services: (i) the maintenance, and repair of driveway and all parking areas; (ii) maintenance, repair, and operation of all Utilities up to Lot entrances; (iii) snow removal on all parking areas; (iv) the installation, maintenance, repair and replacement of all improvements and landscaping on the General Common Elements and Limited Common Elements (v) all powers and functions permitted by the Act.

4.10 Notice to Maintain. An Owner shall immediately report to the Association, in writing, the need for any maintenance, repair or replacement which is the Association's responsibility to provide. In the event of any disagreement as to the need for or the responsibility of the Association to provide the said maintenance, repair or replacement, the good faith decision of the Executive Board shall be final.

4.11 Manager. The Association may employ or contract for the services of a Manager to whom the Executive Board may delegate certain powers, functions or duties of the Association, as provided in the Bylaws of the Association. The Manager shall not have the authority to make expenditures except upon prior approval and discretion by the Executive Board.

4.12 Special Provisions Regarding Association Property.

4.12.1 General Common Elements. All General Common Elements shall be eventually owned by the Association and shall, at all times, be owned, managed, operated and maintained by the Association consistent with the provisions of this Declaration and in trust for the use, benefit, and enjoyment of all or some of the Owners of Townhomes, together with their family members, permitted guests and permitted invitees. Conveyancing or encumbrance of Association property can only occur consistent with the provisions of C.R.S. §38-33.3-312.

4.12.2 Limited Common Elements. The Limited Common Elements described on the Plat, shall be owned, managed, operated and maintained by the Association consistent with the provisions of this Declaration and in trust for the use, benefit, and enjoyment of the owners of the Lots designated for each L.C.E. as shown on The Enclave at Aspen Village Planned Development Plat, together with their family members, permitted guests, and permitted invitees, and permitted licensees. Conveyancing or encumbrance of Association property can only occur consistent with the provisions of C.R.S. §38-33.3-312.



5. ASSESSMENTS.

5.1 Purpose of Assessments; Assessment Lien. All Members of the Association hereby covenant and agree, and each Owner by acceptance of a deed to a Townhome, including public trustee or sheriff's deed, is deemed to covenant and agree, to pay the Association Annual Assessments, Special Assessments, and Default Assessments, all such Assessments and charges to be established and collected as hereinafter provided. Annual Assessments, Special Assessments, and Default Assessments, together with interest, costs, and reasonable attorney's fees, shall be secured by a lien (the "Assessment Lien") on the Townhome to which they relate in favor of the Association, which shall be a continuing servitude and lien upon the Townhome against which each such Assessment or charge is made. The Assessment Lien, including, but not limited to, its enforcement and priorities, shall be consistent with, and shall contain, all of the provisions set forth in C.R.S. §38-33.3-316. The Assessment Lien shall be the personal obligation of the Owner of a Townhome. Where there is more than one Owner, each shall be jointly and severally liable for all assessments. Declarant and the Association shall be entitled to purchase a Townhome at any Assessment Lien foreclosure sale.

5.2 Annual Assessments.

(a) Prior to the first levy of an Assessment, and thereafter on or before a date of each fiscal year set by the Executive Board, the Executive Board shall adopt a proposed annual budget for the Association for the following fiscal year that sets forth:

(i) the Executive Board's estimates of Common Expenses for the next fiscal year;

(ii) the amount of funds for such annual Expenses that the Executive Board proposes to raise through Assessments; and

(iii) the amount of funds for such Common Expenses that the Executive Board proposes to raise through Special Assessments.

(b) Within thirty (30) days after adopting a proposed Budget, the Executive Board shall deliver a summary of the proposed Budget to the Owners and set a date for a meeting of the Owners to consider ratification of the proposed budget. The date of such meeting shall not be less than fourteen (14) days nor more than sixty (60) days after the delivery of the summary of the proposed budget to the Owners. Unless at that meeting a majority of the votes allocated to all Memberships, whether or not a quorum is present, rejects the proposed budget, the proposed budget shall be deemed ratified. If the proposed budget is rejected, the annual budget last ratified by the Owners shall be deemed renewed for the next calendar year and shall remain in full force and effect until such time as the Owners ratify a subsequent budget proposed by the Executive Board.

(c) If the Executive Board deems it necessary or advisable to amend an annual budget that has been ratified by the Owners under this Section 5.2, the



Executive Board may adopt a proposed amendment to the annual budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than fourteen (14) days nor more than sixty (60) days after the delivery of the summary of the proposed amendment. Unless at that meeting a majority of the votes allocated to all Memberships, whether or not a quorum is present, rejects the proposed amendment, the proposed amendment shall be deemed ratified.

5.3 Special Assessments. In addition to the annual assessment authorized above, the Association may levy, in any assessment period, as defined in Section 5.6 hereafter, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement, or for other extraordinary expenses, provided that any Special Assessment in excess of One Thousand Dollars (\$1,000.00) shall (except in the event of an emergency where there shall be no such limit) require a majority approval of those voting in person or by proxy at a meeting duly called for such purpose at which a quorum is present pursuant to the by laws of the Association. If any Common Expense is caused by the misconduct of any Lot Owner, the Association, at its discretion, may assess that expense exclusively against such Owner's Lot.

5.4 Default Assessments. All monetary fines assessed against an Owner pursuant to this Declaration and the Rules and Regulations, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to this Declaration and the Rules and Regulations, shall be a Default Assessment and shall become a lien against such Owner's Lot which may be foreclosed or otherwise collected as provided in this Declaration or the Rules and Regulations. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such assessment at least ten (10) days prior to the due date.

5.5 Rate of Assessment. Annual Assessments, Special Assessments and Default Assessments shall be fixed based on the amount of the Assessment divided by the number of Lots that are obligated to pay such Assessments (See Section 2.11(a) above). Assessments may be collected on a yearly basis or more often as the Executive Board so determines. Assessments, in the discretion of the Executive Board, may be equitably charged to those Lots participating in or receiving Association benefits

5.6 Establishment of Annual Assessment Period. The period for which the Annual Assessment is to be levied (the "Assessment Period") shall be from January 1<sup>st</sup> to December 31<sup>st</sup> of each year, except that the first Assessment Period shall commence upon the recording of this Declaration and terminate on the next December 31<sup>st</sup> date. The Executive Board in its sole discretion from time to time may change the Assessment Period. The Executive Board shall fix the amount of the Annual Assessment against each Townhome at least thirty days in advance of the end of each Assessment Period. Written notice of the Annual Assessment shall be sent to each Member. Failure of the Association timely to fix the Annual Assessment or to send a bill to any Member shall not relieve the Member of liability for payment of any Assessment or charge. The due dates for payment



of any Assessments shall be established by the Executive Board. Initially, annual assessments shall be paid in monthly installments with due dates as established by the Executive Board.

5.7 Effect of Nonpayment. Any Assessment, Assessment charge, or installment thereof, not paid when due, shall be deemed delinquent. Fees, charges, late charges, attorney's fees, fines, and interest shall be applicable to such delinquent Assessment pursuant to the provisions of C. R. S. § 38-33.3-316. The Executive Board may, but shall not be required to, record a Notice of Delinquent Assessment against any Townhome as to which an Assessment is delinquent. Such notice shall be executed by an officer of the Executive Board, shall set forth the amount of the unpaid assessment, the name of the delinquent Owner(s), and a description of the Townhome. The Association may bring an action at law against the Owner(s) obligated to pay the delinquent Assessment and/or may foreclose the Assessment Lien in conformance with the provisions of C. R. S. § 38-33.3-316(11)(a).

5.8 Priority of Lien. The priority of an Assessment Lien shall be consistent with the provisions of C.R.S. §38-33.3-316.

5.9 Statement from Association. Upon written request and payment of such reasonable fee as may be set by the Association, the Association shall issue a written statement to any grantee or Mortgagee verifying the status of all Assessments or charges affecting the Townhome. Any statement as to the existence or amount of any delinquencies shall, absent manifest error, conclusively bind the Association.

5.10 Assessments for Tort Liability. In the event of any tort liability against the Association which is not covered completely by insurance, each Owner shall contribute for the payment of such liability as a Special Assessment. The Association may, however, require a larger contribution from fewer than all Owners under any legal or equitable principles regarding liability for negligent or willful acts or omissions.

5.11 Declarant Responsibility. Until a common expense assessment has been duly adopted by the Association, Declarant shall pay all association common expenses related to The Enclave Project.

5.12 Working Capital Fund. A Working Capital Fund shall be established to meet unforeseen expenditures or to purchase any additional equipment or services. The working Capital Fund shall be maintained at a level at least equal to one month of the estimated Common Expenses for each Townhome. The Working Capital Fund shall be established and initially funded by the Declarant. Declarant may recover the initial funding of the Working Capital Fund at closings of Townhomes. The Working Capital Fund shall be maintained in a segregated account and transferred to the Association not later than the time when control of the Association is turned over to the Lot Owners (end of Declarant Control Period). The Declarant may not use the Working Capital Fund to defray any of its expenses, reserve contributions, or construction costs or to make up budget deficits during the period of Declarant Control. However, when unsold Townhomes are sold, Declarant



may reimburse itself for funds it paid to the Working Capital Fund by using funds collected at closing of such unsold Townhomes.

5.13 Reserves for Replacement. As part of the Common Expenses and as a portion of each budget for annual assessments, the Association shall establish and maintain a Reserve for Replacement Fund adequate for the replacement of improvements to the Common Elements and those Limited Common Elements that it is obligated to maintain. At each Closing, Declarant may collect from each new Owner a \$100.00 contribution to the Reserve for Replacement Fund.

6. INSURANCE.

6.1 Townhome Insurance. The Association shall, on behalf of the Owners, (i) keep all Townhome exterior improvements (but not including furniture, furnishings or other personal property supplied or installed by Owners), insured against loss or damaged by fire, with extended coverage, (including insurance against loss for damage by vandalism or malicious mischief), in approximately the amount of the maximum replacement value thereof as properly determined from time to time; (ii) provide and keep in force, for the protection of the Association, its officers and directors, and all the Owners and First Lienors, general public liability and property damage insurance against claim for bodily injury or death or property damage occurring upon or in the General Common Elements and Limited Common Elements, in amounts of not less the \$1,000,000.00 in respect to bodily injury or death to any one person and not less than \$5,000,000.00 for bodily injury or death to any number of persons arising out of one accident or disaster, and in limits of not less than \$500,000.00 for damage to property, and if higher limits shall at any time be customary to protect against possible tort liability, such higher limits shall be carried; (iii) carry insurance required by CCIOA and such other insurance as the Executive Board may, within its discretion, determine desirable for the protection of the General Common Elements and Limited Common Elements, if any; and (iv) assure that all such insurance shall conform with the requirements set forth in C.R.S. 38-33.3-313(4)(a)/(d).

6.2 Common Expenses. Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are common expenses, notwithstanding the fact that the Owners may have disproportionate liability or that some Townhomes may have greater risk of loss than others. All insurance required to be carried under this paragraph shall be carried in favor of the Association, the Owners and all First Lienors, as their respective interests may appear.

6.3 Owner Insurance. An insurance policy issued to the Association does not obviate the need for Owners to obtain insurance for their own benefit. Each Owner shall be responsible for all insurance covering loss or damage to personal property in his Townhome and liability for injury, death or damage occurring outside his Townhome. Any such policy shall contain waivers of subrogation and shall be so written that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished thereby.





6.4 Fidelity Insurance. Fidelity insurance or fidelity bonds may be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, independent contractors and employees and on the part of all others including any manager hired by the Association, who handle or are responsible for handling the funds belonging to or administered by the Association. In addition, if responsibility for handling funds is delegated to a manager, such insurance must be obtained by or for the manager, and its officers, employees and agents, as applicable. Such fidelity insurance or bond shall name the Association as insured and shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions.

6.5 Workmen's Compensation Insurance. The Executive Board shall obtain worker's compensation or similar insurance with respect to its employees, if applicable, in the amounts and forms as may now or hereafter be required by law.

7. MAINTENANCE.

7.1 Maintenance By Owners. Each Owner shall maintain and keep in repair the interior of his Townhome, including the fixtures thereof, to the extent current repairs shall be necessary in order to avoid damaging other Townhome Owners. In performing such maintenance or repairs, or in improving or altering his Townhome, no Owner shall do any act or work which impairs the structural soundness of any Party Wall.

7.2 Owner's Failure To Maintain or Repair. In the event that a Townhome is not properly maintained and repaired, and if the maintenance responsibility for the unmaintained portion of the Townhome lies with the Owner of the Townhome, or in the event the Townhome is damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of those portions of the damaged or destroyed Townhome for which the Owner is responsible to substantially restore those portions damaged or destroyed to the same condition on which they existed prior to the damage or destruction, then the Association, after notice to Owner and with the approval of the Executive Board shall have the right to enter upon the Townhome to perform such work as is reasonably required to restore the Townhome to a condition of good order and repair. All costs incurred by the Association in connection with such restoration shall be reimbursed to the Association by the Owner of the Townhome, upon demand. All unreimbursed costs shall be a lien upon the Townhome until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid assessment levied in accordance with Article 6 of this Declaration.

7.3 Maintenance By Association. The Association shall be responsible for the maintenance and repair of the exterior of all Townhomes including but not limited to the roofs, gutters, de-icing hot wires, decks, siding, beams and trellises, and planter boxes. All General Common Elements (unless necessitated by damage caused by the negligence, misuse or tortuous act of an Owner or Owner's agent) and such maintenance and repairs shall be the Common Expense of all Owners. The maintenance shall include, but shall not be limited to, upkeep,



repair and replacement, subject to any insurance then in effect, of all roads, driveways, utilities, storm sewer system, easements, landscaping, walls, roofs, fences (if any), gates, signage, irrigation systems, sidewalks, and improvements, if any (which shall include without limitation snow and ice removal services unless performed by another private or public organization formed for such purposes), located in the General Common Elements. In the event the Association does not maintain or repair the General Common Elements, Declarant, or an Owner or Owners, shall have the right, but not the obligation, to do so at the expense of the Association. Maintenance of all areas within any Townhome (other than the exterior of the Townhomes), including replacing glass and window screens, shall be the responsibility of the individual Owner of the Townhome.

7.4 Electrical roof de-icing wires. Each individual Owner shall, for the benefit of The Association, maintain proper electrical current from the Owner's electrical meter, during the months of freezing temperatures, for the electrical de-icing hot wires on the roof, in the gutters and in the downspouts, as installed by The Association. Each individual Owner shall maintain the electrical current necessary for the maximum number of days necessary to reduce ice build up and ice dam formation on the roofs, in the gutters, and in the gutter downspout and drainage system. An Owner who fails to maintain operation of the electrical de-icing wires shall be held individually liable for repairs to roof, gutters and walls so damaged by icing build-up over and adjacent to the individual Owner's townhome.

7.5 Electrical sump pumps and basement fans. Each individual Owner shall, for the benefit of The Association, maintain proper electrical current from the Owner's electrical meter, solely as determined necessary by The Association, for the proper operation of basement sump pumps, crawl space fans and other such equipment as The Association deems necessary for the proper control of water and moisture in the basement crawl spaces underneath the Townhomes.

7.6 Easement For Maintenance. Each Owner in the Association shall have the irrevocable right, to be exercised by the Manager, the Executive Board or officers or employees of the Association, to have access to each Townhome from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the General Common Elements or Limited Common Elements therein or accessible therefrom, or at any hour, for making emergency repairs, maintenance or inspection therein necessary to prevent damage to the General Common Elements, Limited Common Elements, or another Townhome. In the event insurance proceeds under Article 7 are payable to an Owner, but the maintenance responsibility of the area to which such proceeds relate is the Association's, the Association shall complete any such repair or replacement at the Owner's cost.

7.7 Association's Right To Grant Owner's Maintenance Area. The Association reserves the right to grant the maintenance responsibility of certain areas on each Townhome to the Townhome Owner, and the Townhome Owner is obligated to accept such maintenance responsibility, provided said assignment is done in a uniform and non-discriminatory manner.



7.8 Limited Common Elements Damage. In the event of damage or destruction of a Limited Common Element from any cause other than the negligence or tortious acts of an Owner or Owner's agents, the then Owners of the Lots to which the Limited Common Elements is attributable shall bear equally the expense to repair or rebuild the Limited Common Elements to its previous condition. The Owner shall bear the cost of such damage to the extent of such Owner's or Owner's agent's negligence.

7.9 Association Power. The Association shall have the right and power to prohibit storage or other activities deemed unsafe, unsightly, unreasonably noisy or otherwise offensive to the senses and perceptibility from another Townhome, the General Common Elements or Limited Common Elements. No Owner shall make any addition or other alteration to any portion of the General Common Elements or Limited Common Elements without the express consent of the Executive Board.

## 8. EASEMENTS.

8.1 Recorded Easements. The Property shall be subject to all easements, if any, as shown on the Plat, those of record, those provided in CCIOA (including easements for encroachment set forth in CRS 38-33.3-214 and an easement for maintenance of any such encroachment) and otherwise as set forth in this Article.

### 8.2 Created Easements.

8.2.1 Utility and other Easements. There is hereby created an easement upon, across, over, in, and under all General Common Elements for ingress and egress, installation, replacing, repairing and maintaining all Utilities, including, but not limited to, water, sewer, gas, propane tanks, telephone, cable T.V., and electricity. Said easement includes future Utility services not presently available to the Townhomes which may be reasonably required in the future. By virtue of this easement, it shall be expressly permissible for the companies providing Utilities to erect and maintain the necessary equipment on any of the Townhomes or General Common Elements and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the improvements, all in a manner customary for such companies in the area surrounding the Property, subject to approval by this Association as to locations. All Utilities, with the possible exception of propane tanks, shall be buried underground. The Association shall have easement over each Lot as necessary for maintenance and repair of the Front Yard landscape maintenance area on each Lot.

8.3 Reservation of Easements, Exceptions and Exclusions. The Association is hereby granted the right to establish from time to time, by declaration or otherwise, utility, or pedestrian easements, permits or licenses over the General Common Elements for the best interest of all Owners, Members and Future Members of the Association, the Declarant, and the Association. Each Owner is hereby granted a perpetual nonexclusive right of ingress and egress, from the Owner's Townhome over and across the General Common Elements and Limited Common Elements appurtenant to the Owner's



Townhome, which right shall be appurtenant to the Owner's Townhome, and which right shall be subject to limited and reasonable restriction on the use of General Common Elements set forth in writing by the Association.

8.4 Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

8.5 Ownership of Easements. All General Common Elements, including all easements described herein and on the plat, and including the parking areas and driveway access in its entirety, are generally intended to be owned by the Association, and, with the exception of Limited Common Elements, are for the benefit of all Townhomes and the owners thereof. Not later than the date Declarant has conveyed to a buyer the last Townhome available for sale, the ownership and control of the parking areas, driveway and Utilities shall be transferred and conveyed to the Association. Upon such conveyance, Declarant shall be relieved from any and all continuing responsibilities and liabilities thereafter; except for Declarant's intentional or negligent construction, improvement, and installation of such improvements. No amendment to this Declaration may preclude a Townhome from having an access road and utility easement necessary to permit the use of such Townhome for the purposes set forth in this Declaration.

## 9. DAMAGE OR DESTRUCTION.

9.1 The Role of the Executive Board. In the event of damage or destruction to all or any part of any General Common Elements, Limited Common Elements and any improvements existing thereon, or other property covered by insurance written in the name of the Association, the Executive Board shall arrange for and supervise the prompt repair and restoration of the damaged property.

9.2 Estimate of Damages or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Executive Board shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction unless the approval is first obtained of fifty-one percent (51%) of First Lienors of Lots subject to a First Lien (which percentage is measured by votes allocated to such Lots). Such costs may also include professional fees and premiums for such bonds as the Executive Board or the Insurance Trustee, if any, determines to be necessary.

9.3 Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the



Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

9.4 Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair, replacement and reconstruction of the Association-Insured Property for the benefit of Owners and Lienors.

If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to Section 9.5, if permitted under the Act, levy, assess and collect in advance from the Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement or reconstruction.

9.5 Disbursement of Funds for Repair and Reconstruction. The insurance held by the Association and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contribution such Owner made as Special Assessments, the remainder to be divided among the Lots, first to the First Lienors, and then to the Owners, as their interests appear.

## 10. CONDEMNATION.

10.1 Rights of Owners. When all or any part of the General Common Elements shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the General Common Elements is conveyed in lieu of a taking under threat of condemnation by the Executive Board acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

10.2 Partial Condemnation; Distribution of Award; Reconstruction. The award made for such a taking shall be payable to the Association for the benefit of the Owners and First Lienors and, unless otherwise required under the Act, the award shall be disbursed as follows:



(a) if the taking involves a portion of the General Common Elements on which improvements have been constructed, then, unless within 60 days after such taking Declarant and Owners who represent at least 67% of the votes of all the Owners shall otherwise agree, the Association shall restore or replace such General Common Elements so taken on the remaining land included in the General Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Association. If such General Common Elements are to be repaired or restored, the provisions in Article 7 above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any General Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed equally among the Lots, first to the First Lienor and then to the Owners, as their interests appear.

10.3 Complete Condemnation. If all of the Property is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate provided that the approval is first obtained of 51% of all First Lienors of Lots (which percentage is measured by votes allocated to such Lots), and the portion of the condemnation award attributable to the General Common Elements shall be distributed as provided in Section 10.2 above.

11. ASSOCIATION AS ATTORNEY-IN-FACT.

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of purchasing and maintaining insurance pursuant to Article 7 including the collection and appropriate disposition of the proceeds thereof, the negotiation and settlement of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to purchase and maintain insurance as well as dealing with any improvements covered by insurance written in the name of the Association pursuant to Article 7 upon their damage or destruction as provided in Article 10 or a complete or partial taking as provided in Article 11. Acceptance by a grantee of a deed or other instrument of conveyance or any other instrument conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authority, right and power to make, execute and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

12. RESERVED DEVELOPMENT AND SPECIAL DECLARANT RIGHTS.

12.1 Reservation of Withdrawal Rights. Declarant reserves the right for itself and any successor declarant at any time and from time to time to annex to or withdraw property from the provisions of this Declaration, including General and Limited Common Elements as set forth in Section 12.2 below.

12.2 Other Reserved Rights. Declarant reserves the right for itself and any successor declarant at any time and from time to time to:

(a) maintain and relocate sales offices, management offices, signs advertising the project, of any size, on one or more Townhome improvements and within the General Common Elements so long as Declarant or successor declarant continues to be an Owner of a Townhome or the period of Declarant control has not terminated;

(b) construct fences throughout the Property during any time of the development and improvement of the Project; provided that such fences have been reviewed and approved by the County of Archuleta and PLPOA; including temporary construction fencing.

(c) dedicate any access roads and utility easements, including Roads and Utilities within the Project, to public use, and Association use;

(d) to establish easements, reservations, exceptions and exclusions consistent with the ownership of this Project and for the best interest of Owners, the Association, including road and utility easements, and pedestrian easements;

(e) appoint and remove directors in accordance with Section 4.2 above.

12.3 Termination of Rights. As to all Declarant rights reserved in this Declaration, Declarant offers no assurances regarding the manner or order in which it may exercise such reserved development rights enumerated. The time limits within which each of these rights must be exercised are the later in the time of: (i) the time limit set forth in the applicable section of this Declaration; or (ii) January 1, 2050. The Association or the Lot Owners shall have no right to amend this Section 12 without the written consent of the Declarant.

12.4 Transfer of Records. Within 60 days after the Owners, other than Declarant, elect a majority of the Members of the Executive Board, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant, including the following:

(a) a copy of this recorded Declaration;

(b) an accounting for Association funds and financial statements for the period the Association received funds and ending on the date the period of Declarant control ended;

(c) the Association funds or control thereof;

(d) a copy of any plans and specifications used in the construction of any Common Property;



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- (e) all insurance policies in force;
- (f) all permits issued by governmental bodies applicable to the common interest community and which are currently in force;
- (g) written warranties of any contractors, subcontractors, suppliers and manufacturers that are still effective;
- (h) a roster of Owners and First Lienors and their addresses and telephone numbers, if known, as shown in the Declarant's records;
- (i) employment contracts in which the Association is a contracting party; and
- (j) any service contract in which the Association is a contracting party or in which the Association or Owner have an obligation to pay a fee to the persons performing the service.

13. MANDATORY DISPUTE RESOLUTION.

13.1 Statement of Clarification. Without modifying or restricting the scope of this Article and as a statement of clarification only, nothing contained in this Article is intended to prevent the parties from attempting to resolve any differences between them through the normal course of business and communications. It is only when the parties are unable to resolve their differences and they wish to proceed further through the assertion of a "Claim" as defined herein, that the Mandatory Dispute Resolution provisions contained in this Article are activated.

13.2 Alternative Method for Resolving Disputes. Declarant; the Association, its officers and directors; all Owners; design professionals; builders including any of their subcontractors and suppliers; and any Person not otherwise subject to this Declaration but who agrees to submit to this Article (each such entity being referred to as a "Bound Party"), agree to encourage the amicable resolution of disputes involving the Planned Community and all of its improvements without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit all Claims each may have to the procedures set forth in this ARTICLE 13 and not to a court of law.

13.3 Claims. Except as specifically excluded in this paragraph 13.3, all claims, disputes and other controversies arising out of or relating to the:

- (a) Contract for Sale and Purchase between Declarant and Buyer;
- (b) Property (as defined in said Contract) and the Dwelling Lot;





- (c) purchase of the Property or the Dwelling Lot;
- (d) interpretation, application or enforcement of this Declaration;
- (e) land development, design and/or construction of the improvements within the Planned Community and/or any alleged defect therein;
- (f) rights, obligations and duties of any Bound Party under this Declaration;  
and/or
- (g) breach thereof,

all of which are hereinafter referred to as a "Claim", shall be subject to and resolved by submitting the Claim to mediation and, if not resolved during mediation, shall be resolved by Mandatory Binding Arbitration all in accordance with Article 13 of this Declaration and not in a court of law.

13.4 Claims Subject to Approval. Unless Owners to whom at least sixty-seven percent of the votes in the Association are allocated agree to the contrary, the following shall not be Claims and shall not be subject to the provisions of this Article 13:

- (a) any suit by the Association against any Bound Party to enforce the provisions of Article 5 (Assessments);
- (b) any suit by the Association or Declarant to obtain a temporary restraining order or injunction and such other ancillary relief as the court may deem necessary in order for the Association or Declarant to act under and enforce the provisions of Article 3 (Land Use Restrictions);
- (c) any suit by an Owner to challenge the actions of Declarant, the Association, the Declarant acting as the Executive Board with respect to Project Improvements;
- (d) any suit between or among Owners, which does not include Declarant or the Association as a party;
- (e) any suit in which any indispensable party is not a Bound Party.

13.5 Notice of Claim Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") shall submit all of their Claims by written notification delivered to each Respondent, stating plainly and concisely:

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



(b) the legal or contractual basis of the Claim (i.e., the specific authority Out of which the Claim arises); and

(c) the specific relief and/or proposed remedy sought.

13.6 Timely Initiation. All Claims shall be initiated by the Claimant within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations or repose.

13.7 Right to be Heard Upon receipt of a Claim and prior to the Association or any Member asserting the Claim commencing any arbitration or judicial or administrative proceeding which may fall within the scope of this ARTICLE 13, Declarant shall have the right to be heard by the Claimant, affected Owners, and Association in an effort to resolve the Claim.

13.8 Right to Inspect. If the Claim is based on the land development, design and/or construction of the Improvements within the Project then, subject to Owner's prior written approval which shall not be unreasonably withheld, Declarant shall have the right to access the affected area at a reasonable time(s) for purposes of inspecting the condition complained of including but not be limited to, any investigative or destructive testing.

The Association shall have the same right to inspect for any Claims by Owner against the Association in accordance with the above.

In the exercise of the inspection rights contained herein, the party causing the inspection to be made ("Inspecting Party") shall:

(a) be careful to avoid any unreasonable intrusion upon, or harm, damage or costs to the other party including, without limitation, using its best efforts to avoid causing any damage to, or interference with, any improvements on the property being inspected ("Property");

(b) minimize any disruption or inconvenience to any person who occupies the Property;

(c) remove daily all debris caused by the inspection and located on the Property;

(d) in a reasonable and timely manner, at the Inspecting Party's sole cost and expense, promptly remove all equipment and materials from the Property and repair and replace all damage, and restore the Property to the condition of the Property as of the date of the inspection, unless the Property is to be immediately repaired.

The repair, replacement and restoration work shall include, without limitation, the repair or replacement to any structures, driveways, fences, landscaping, utility lines or other improvements on the Property that were damaged, removed or destroyed by Inspecting Party. In the event the Inspecting Party wishes to make appropriate and necessary repairs to resolve the subject matter of the Claim, the same shall be made upon terms and conditions acceptable to all affected parties.

The Inspecting Party shall not permit any claim, lien or other encumbrance arising from the exercise of its right to inspect to accrue against or attach to the Property. The Inspecting Party shall indemnify, defend and hold harmless the owners, tenants, guests, employees and agents, against any and all liability, claims, demands, losses, costs and damages incurred, including court costs and attorney's fees, resulting from any breach of this Article by the Inspecting Party.

13.9 Good Faith Negotiations The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. Any party may appoint a representative to assist such Party in negotiations.

13.10 Mediation If the Parties do not resolve the Claim through negotiations within thirty days after the date of submission of the Claim to Respondent(s), as may be extended upon agreement of all affected Parties, Claimant shall have 30 additional days to submit the Claim to mediation under the auspices of an independent mediation service acceptable to all parties. If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and all Respondent(s) shall be released and discharged from any and all liability to Claimant on account of such Claim.

(a) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties.

(b) If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

(c) Within ten days after issuance of a Termination of Mediation, the Claimant shall make a final written Settlement Demand to the Respondent(s) and the Respondent(s) shall make a final written Settlement Offer to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Claim shall constitute the Settlement Demand. If the Respondent(s) fail to make a Settlement Offer, Respondent(s) shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(d) Each Party shall bear its own costs, including attorney's fees, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the mediation proceeding.



(e) If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with this Article 13 and any Party thereafter fails to abide by the terms of such agreement, then any other Affected Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this ARTICLE 13. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party all costs incurred in enforcing such agreement, including, without limitation, attorney's fees and court costs.

13.11 Consensus for Association Arbitration or Litigation. Except as provided in this Article 13, the Association shall not commence any arbitration or a judicial or administrative proceeding unless Owners to which at least sixty-seven percent of the votes in the Association are allocated agree to such proceedings.

This paragraph 13.11 shall not apply, however, to:

- (a) actions brought by the Association or Declarant to enforce the terms of this Declaration (including, without limitation, the foreclosure of liens);
- (b) the imposition and collection of Assessments, Fines, costs and attorney fees, or other specific amounts due under the Declaration; or
- (c) counterclaims brought by the Association in proceedings instituted against it.

13.12 Arbitration. If the Parties do not reach a settlement of the Claim within 15 days after issuance of any Termination of Mediation and reduce the same to writing, the Claimant shall have 15 additional days to submit the Claim to binding arbitration in accordance with the Arbitration Procedures contained in Exhibit C hereof and deliver an Arbitration Notice to all Respondent(s).

(a) The parties agree that where any Claim, dispute or other controversy existing between them is submitted to arbitration, and any other Bound Party may have liability with respect thereto, all parties including any third parties agree that the third parties may be joined as additional parties in the arbitration, or if a separate arbitration exists or is separately initiated, to the consolidation of all arbitrations. It is the intent of the parties to resolve all rights and obligations of all interested parties at one time in one forum rather than in multiple proceedings.

(b) If the Claim(s) are not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claims shall be deemed abandoned, and Respondent(s) shall be released and discharged from any and all liability to Claimant arising Out of such Claims.



(c) The award rendered by the arbitrator shall be final and binding, may be filed with any court of competent jurisdiction in accordance with applicable law and judgment obtained thereon, and execution may issue. The party seeking enforcement shall be entitled to all reasonable attorney's fees and costs incurred in the enforcement of the award.

(d) 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.

(e) The Association or the Owner shall notify the Declarant prior to retaining any person or entity as an expert witness for purposes of any arbitration or authorized litigation.

13.13 Binding Effect. This Article 13 and the obligation to arbitrate shall be specifically enforceable under the applicable arbitration laws of the State of Colorado. The arbitration award shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

13.14 Amendment. This Article 13 shall not be amended during the period of Declarant Control and shall not be amended thereafter unless such amendment is approved by Owners to whom at least sixty-seven percent of the votes in the Association are allocated.

14. TERM, AMENDMENT AND TERMINATION OF COVENANTS.

14.1 Term. The term of this Declaration shall be perpetual.

14.2 Amendments. This Declaration may, except as limited by express statement herein, be amended with the approval of a majority of the votes entitled to be cast by Members of the Association (as defined in Section 4.5 herein above); provided that such amendment shall not adversely affect marketable title to any Lot. During the period of Declarant control, Declarant may amend this Declaration and the Plat to correct any inadvertent errors, omissions, and any other amendment to this Declaration must also receive the approval of Declarant. Consent of Mortgagees shall not be required; provided, however, that no such amendment may substantively and adversely affect such Mortgagee's security interest. The Declaration shall be amended at a meeting called for that purpose, and within 6 months of such meeting there shall be recorded in the real estate records of the County an instrument evidencing such amendment. Any instrument amending this Declaration shall be duly executed by the Declarant or President and Secretary of the Association, as the case may be. Notwithstanding the preceding, no amendment shall be permitted that is inconsistent with any of the rights granted, retained or reserved to Declarant hereunder or which attempts to enlarge or expand any obligation of Declarant hereunder unless such amendment is consented to in writing by Declarant. All amendments shall be



consistent with the provisions of C.R.S. §38-33.3-217, as amended which currently requires 67% of the votes of the Members in specified instances.

14.3 Termination. This Declaration, and the common interests of the Owners in Association Property, may be terminated only if all Owners and Mortgagees agree to such termination by an executed, acknowledged instrument duly recorded in the real estate records of Archuleta County, Colorado; however, any such voluntary termination must be approved by the Association. This Declaration shall also terminate in the event of a taking of all of The Enclave Project by condemnation, eminent domain, or termination as otherwise (except for voting) provided by C.R.S. §38-33.3-218.

14.4 Disbursement of Proceeds. Upon the termination of this Declaration all property owned by the Association shall be disposed of, with the proceeds generated being disbursed, as provided by C.R.S. §38-33.3-218.

15. GENERAL PROVISIONS.

15.1 Sales Activity. Declarant may conduct, on The Enclave Project, sales activities, including, the showing of Lots (Lots) by Declarant and their designated sales agents, maintaining sales and management offices, promoting or marketing events, and maintaining signs advertising The Enclave Project Property.

15.2 Conflict with Plats. In the event of any conflict or inconsistency between the provisions of this Declaration and the Plat, including the plat notes thereon, the provisions of the Plat and plat notes, as the case may be, shall govern and control and this Declaration shall be automatically amended, but only to the extent necessary to conform the conflicting provisions hereof with the provisions of said Plat, including any plat notes.

15.3 Rights of Mortgagee. Mortgagees shall be entitled to:

(a) upon request, inspect the books and records of the Association during normal business hours;

(b) receive written notice of meetings of the Association where the consent of any Mortgagee is required;

(c) upon request, obtain copies of Association financial statements; and

(d) where the Owner of any Townhome shall be deemed delinquent in the payment of any Assessment, any Mortgagee of said Townhome shall be given written notice of such delinquency.

15.4 Provisions Incorporated in Deeds. Each provision contained in this Declaration shall be deemed incorporated in each deed or other instrument by which any right, title or interest in any Lot is granted, devised or conveyed, whether or not set forth or



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referred to in such deed or other instrument. Upon the recording of this Declaration in the office of the Clerk and Recorder, every contract, deed, lease, mortgage, trust deed, or other applicable instrument may legally describe a Lot by reference to its corresponding number on the recorded Plat as follows:

The Aspenglow Townhomes Subdivision Plat, filed for record in Archuleta County, Colorado on April 5, 2007, under Reception No. 207028870.

This legal description shall be considered to include, without the requirement of specific reference, any and all General or Limited Common Properties appurtenant to the Townhome described and to incorporate all rights incident to ownership of a Townhome and all limitations of ownership as described in the Plat, and in this Declaration.

15.5 Number and Gender. Unless the context shall otherwise provide, a singular number shall include the plural, a plural number shall include the singular, and the use of any gender shall include all genders.

15.6 No Dedication. Unless expressly provided, nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of The Enclave Project to the public or for any public use.

15.7 Registration By Owner of Mailing Address and Notices. Each Owner shall register his mailing address with the Association, and except for monthly statements and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent either by registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Association shall be sent certified mail, postage prepaid, to the address of the Association as designated in the Bylaws of the Association.

15.8 Applicable Law, Jurisdiction and Venue. The interpretation, enforcement or any other matters relative to this Declaration shall be construed and determined in accordance with the laws of the State of Colorado. All parties to this Declaration, or those parties who are benefited by this Declaration, hereby consent to venue for any action commenced with respect to this Declaration being in the District Court in and for the County of Archuleta, State of Colorado.

15.9 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

15.10 References to Standards. Wherever in this Declaration there is reference to County standards, or other federal, state or local rules, laws or regulations, such references shall automatically be waived, released, modified or amended, as the case may



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be, to correspond with any subsequent waiver, release, modification or amendment of such rules, laws, regulations or standards.

15.11 Run with the Land. Declarant, for itself, its successors and assigns, hereby declares that all of The Aspenglow Townhome Project shall be held, used and occupied subject to the provisions of this Declaration, and to the covenants and restrictions contained herein, and that the provisions hereof shall run with the land and be binding upon all persons who hereafter become the Owner of any interest in The Enclave Project.

15.12 CCIOA Provisions. In the event of any conflict between the provisions of CCIOA and the provisions of the Plat, this Declaration, or the articles of incorporation or the bylaws of the Association, the provisions of CCIOA shall control.

15.13 Binding Effect. Declarant, Owners, lessees, Mortgagees, permitted guests and invitees, and their heirs, personal and legal representatives, successors and assigns, or any other person using or occupying The Aspenglow Townhome Project, shall be bound by, and shall strictly comply with the provisions of this Declaration, the Bylaws, the Articles, any deed restrictions, and all rules, regulations and agreements lawfully made by the Association.

15.14 Limit on Time Sharing. No Owner of any Lot shall offer or sell any interest in such Lot under a "timesharing" or "interval ownership" plan, or any similar plan without the specific prior written consent of the Association.

15.15 Estoppel Statement. Upon the written request of any Owner, Mortgagee, prospective Mortgagee, Purchaser, or other prospective transferee of a Townhome, the Association shall issue a written statement setting forth the amount of the unpaid common assessments, if any, with respect to such Lot, the amount of the current monthly assessment, the date on which such assessment became or shall become due and the amount of any credit for prepaid expenses. Such statement, for which a reasonable fee may be charged, shall be binding upon the Association in favor of any person who may rely thereon in good faith. Unless a request for such statement shall be complied with within thirty (30) days after receipt thereof, all unpaid common assessments which become due prior to the date of making such a request shall be subordinated to the lien or other interest of the person requesting such a statement.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Covenants And Restrictions for The Aspenglow Townhomes Project this 14<sup>th</sup> day of September, 2009.

**DECLARANT:**





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Aspenglow Townhomes, LLC

By: Teddy Hujog, Member



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**EXHIBIT A**

**Townhomes 1 through 15 and all Common Elements as shown on The Aspenglow Townhomes Subdivision Plat, filed for record in Archuleta County, Colorado on April 5, 2007, under Reception No. 20702870.**



**EXHIBIT B**

**Aspenglow Townhomes  
Rules and Regulations for Investors and Landlords**

The following are Rules and Regulations for Aspenglow Townhomes. ALL PROPERTY OWNERS WHO LEASE THEIR TOWHOMES AND PROPERTY OWNER'S GUESTS are subject to these rules. Failure to comply with these rules could result in fines, eviction, or in the case of disturbances with the complex, could result in actual arrest.

**LEASES OF TOWNHOMES:**

Owners who lease their Townhomes, or who have them leased by others, shall assure that leases will be in writing and these Rules and Regulations for Investors and Landlords attached. In addition, such leases shall be subject to all POA Rules and Regulations, Covenants and By-Laws. Two (2) bedroom Townhomes are limited to 4 unrelated people living in the Townhome at one time.

**GUESTS:**

All guests are subject to the same Rules and Regulations as residents. It is the responsibility of residents to insure that guests comply. Residents are responsible for and shall pay for any damage caused by their guests.

**PETS:**

Tenants must abide by all Association rules for pets. A fine of \$100.00 of the first pet violation, and higher fines for repeated incidences are applicable. There is no limitation upon the amount of fines that accrue. If such fines should remain unpaid, the POA may file a lien against the property.

**ASSOCIATION RIGHTS OF ENFORCEMENT:**

To enforce these rules, the POA's Board of Managers, through the Managing Agent, may levy a fine against tenants and owners not to exceed \$500.00, except that pet fines shall have no maximum limitation. If any fine is not paid within 30 days, it shall bear interest at the rate of 18% per annum until paid and, if unpaid, shall result in a lien being filed against the property (Townhome) involved.

In instances where the POA has given a written warning to a property owner or property manager regarding the conduct of a building occupant, and no action satisfactory to the POA has been taken, the POA shall have the authority and ability to seek injunctive relief and enforcement against any owner, tenant or resident with regard to any of the above Rules and Regulations. The Association



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may be reimbursed its court cost and reasonable attorney fees incurred in enforcement of any part, or all, of these Rules and Regulations. Ordinarily, only one warning on routine incidents is given. Fines will be given in the minimum of fifty (\$50.00) dollars and increased in increments of fifty (\$50.00) dollars.

**PROCEDURE FOR APPEAL OF FINES:**

A Lot owner and/or tenant may appeal the levying of the fine upon their Townhome, within 15 days of the levying of the fine, by requesting a hearing by the Board of Managers. Such hearing will be held as soon as possible by the Board of Managers, at a time and date set by them. The decision by the Board of Managers resulting from such hearing shall be final. **ALL FINES ARE DUE IN FULL 30 DAYS WITHIN ISSUANCE.**

**These Rules and Regulations are intended to preserve the safety and comfort of all residents of Aspenglow Townhomes. The Board of Managers of The Aspenglow Townhomes Homeowners Association may from time to time modify these Rules and Regulations.**