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AMENDED AND RESTATED  
DECLARATION OF COVENANTS,  
CONDITIONS, AND RESTRICTIONS FOR  
THE RIVERWALK AT EDWARDS

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Riverwalk at Edwards (as "Master Declaration") is dated as of the 29th day of October, 1996, by Eagle II Developers, Inc., a Colorado corporation ("Declarant") and the undersigned Lot and Tract Owners to govern certain real property located in the County of Eagle, State of Colorado, being more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"). Declarant has previously submitted the Property to the terms and provisions of the Declaration of Covenants, Conditions and Restrictions for The Riverwalk at Edwards Property Owners Association, Inc., recorded on April 17, 1995, in Book 665 at Page 400, and as Reception No. 561424, County of Eagle, State of Colorado (the "Original Declaration").

Declarant and the undersigned Lot Owners hereby amend and restate the Original Declaration in its entirety as follows:

ARTICLE I

IMPOSITION OF COVENANTS AND  
STATEMENT OF PURPOSE AND INTENT

Section 1.1. Imposition of Covenants. Declarant and the undersigned Lot Owners for themselves, their successors and assigns hereby subject the Property to the provisions of this Master Declaration. From this day forward, the Property shall be held, sold and conveyed subject to this Master Declaration. It shall run with the land and shall benefit and be binding upon all persons or entities having any right, title, or interest in all or any part of the Property (including Declarant) and their heirs, successors and assigns, and their tenants, employees, guests and invitees. This Master Declaration shall inure to the benefit of, and shall burden, each Owner of the Property.

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Section 1.2. Declarant's Intent. By establishing this Master Declaration, Declarant intends to ensure the attractiveness of the individual lots, parcels and facilities developed within the Property; to prevent any future impairment of the Property; and to preserve, protect and enhance the values and amenities of the Property. Declarant also intends to develop quality residential and commercial projects on the Property, including commercial facilities, residential facilities, and recreational facilities and amenities.

ARTICLE II  
DEFINITIONS

The following terms, as used in this Master Declaration, are defined as set forth below:

Section 2.1. Act. The Colorado Common Interest Ownership Act, as amended (C.R.S. § 38-33.3-101 et seq.).

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

Section 2.3. Allocated Interests. "Allocated Interests" shall mean and refer to the common expense liability and votes in the Master Association, as defined hereinbelow.



Section 2.4. Architectural Review Committee. "Architectural Review Committee" shall mean the committee formed pursuant to Article IX of the Master Declaration to maintain the quality and architectural harmony of Improvements within The Riverwalk at Edwards.

Section 2.5. Assessments. "Assessments" shall mean the types of assessments described in Article V below, including Annual, Special and Default Assessments

Section 2.6. Board of Directors or Board. "Board of Directors" or "Board" shall mean the Board of Directors of The Riverwalk at Edwards Property Owners Association, Inc., which manages the affairs of the Master Association and is selected in accordance with the Act.

Section 2.7. Building. "Building" shall mean a building or structure constructed on a Lot, whether or not governed by a separate association under the Act, in which the Owners of a unit(s) contained therein may have common interest other than those common to all Members at the Master Association.

Section 2.8. Building Assessments. "Building Assessments" shall mean assessments levied pursuant to a specific Building Declaration.

Section 2.9. Building Association. "Building Association" shall mean any association established for a specific Building pursuant to a Building Declaration.

Section 2.10. Building Common Area. "Building Common Area" shall mean any area within a Lot restricted in whole or in part to common use primarily by or for the benefit of the Owners within the Lot and its tenants, employees, guests and invitees.

Section 2.11. Building Declaration. "Building Declaration" shall mean a declaration of covenants, conditions, restrictions and assessments which may be recorded to impose a unified development scheme on a particular Lot.

Section 2.12. Building Documents. "Building Documents" shall mean the documents which may be prepared and may be recorded, as appropriate, to create and govern a particular project, including a condominium map or plat, as applicable, the Building Declaration, the articles of incorporation and by-laws of the Building Association, and any procedures, rules, regulations or policies adopted pursuant to such documents.

Section 2.13. Building Expenses. "Building Expenses" shall mean the actual and estimated expenses incurred or anticipated to be incurred by the Building Association for the benefit of the Owner within that building association which may include a reasonable reserve for capital repairs and replacements, as the board of directors for such Building Association thereof may specifically authorize from time to time and as may be authorized herein or in Supplemental Declarations applicable to a Building or Building Association.

Section 2.14. Common Expenses. "Common Expenses" shall mean the actual and estimated expenses incurred, or anticipated to be incurred, by the Master Association for the general benefit of all Owners, include any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Master Declaration, the Master Bylaws, and the Master Articles of Incorporation. Common Expenses shall not include any expenses incurred during the Declarant Control Period as defined in Section 3.2 of this Master Declaration for initial development, construction, infrastructures or other capital improvements, unless such expenses are approved by a majority vote of the Owners in the Master Association.

Section 2.15. Community Wide Standard. The standard of conduct, maintenance or other activity generally prevailing through the Project. Such standard may be more specifically determined by the Board.

Section 2.16. Condominium Unit. "Condominium Unit" shall mean a Unit, whether commercial or residential, together with all fixtures and improvements therein contained, together with the undivided interest in the Building Common Area.



Section 2.17. Declarant. "Declarant" shall mean collectively, Eagle II Developers, Inc., a Colorado corporation or, if all property transferred, then any party that (a) acquires all or substantially all of the Property in The Riverwalk at Edwards, and (b) prior to or at the time of such acquisition is designated by a written instrument as a successor or assignee of Declarant under this Master Declaration. Such instrument may specify the extent and portion of the rights or interests as a Declarant which are being assigned, in which case Eagle II Developers, Inc. shall retain all other rights as Declarant.

Section 2.18. Declarant Control Period. "Declarant Control Period" shall mean and refer to the specific Declarant rights as provided in Section 3.2 of the Master Declaration.

Section 2.19. Declaration or Master Declaration. "Declaration" or "Master Declaration" shall mean this Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for The Riverwalk at Edwards, as amended and supplemented from time to time and also including, but not limited to, any plats for The Riverwalk at Edwards PUD.

Section 2.20. Design Guidelines. "Design Guidelines" shall mean the guidelines and rules published and amended and supplemented from time to time by the Architectural Review Committee, including any such guidelines and rules applicable to all of The Riverwalk at Edwards, as well as those applicable only to the Property.

Section 2.21. Developed Lot. "Developed Lot" shall mean any Lot upon which Improvements have been constructed and for which a certificate of occupancy or temporary certificate of occupancy has been issued by the Building Department of Eagle County, Colorado.

Section 2.22. Improvement(s). "Improvement(s)" shall mean all Buildings, streets, paths, walkways, sidewalks, trails, any facility necessary or useful for transit purposes, parking areas, loading areas, fences, walls, hedges, plantings, poles, driveways, gardens, sprinkler systems and other landscaping changes, signs, mailbox structures, changes in any exterior color or shape, excavation and all other site work, including, without limitation, grading, road construction, utility improvements, removal of trees or plantings, monuments, ducts, shafts and flues, conduit installation areas, storage facilities for supplies and equipment, earth walls, retaining walls and other road supports, lighting, and any new exterior construction or exterior improvement which may not be included in the foregoing. "Improvement(s)" does not include turf, shrub, or tree repair or replacement of a magnitude which does not change exterior colors or exterior appearances. "Improvement(s)" does include both original improvements and all later changes and improvements.

Section 2.23. Lot. "Lot" shall mean any parcel of land designated as a lot on the most recent Plat of any portion of the Property. A "Lot" may or may not be improved with a Building, yet will remain subject to this Master Declaration.

Section 2.24. Manager. "Manager" shall mean such person or entity retained by the Board of Directors to perform certain functions of the Board pursuant to this Master Declaration or the Master Bylaws.

Section 2.25. Map. "Map" means that plat of a declaration that depicts all or any portion of a Building in three dimensions that is subject to the Building Declaration and Master Documents, including all amendments and supplements thereto.

Section 2.26. Master Articles or Master Articles of Incorporation. "Master Articles" or "Master Articles of Incorporation" shall mean the Articles of Incorporation of The Riverwalk at Edwards Property Owners Association, Inc. which were filed with the Secretary of State on October 5, 1995, to create the Master Association, as amended from time to time.

Section 2.27. Master Association. "Master Association" shall mean The Riverwalk at Edwards Property Owners Association, Inc., a nonprofit membership corporation, or any successor of the Master Association by whatever name, charged with the duties and obligations set forth in this Master Declaration, as described in Section 38-33.3-220 of the Act.



Section 2.28. Master Bylaws. "Master Bylaws" shall mean the Bylaws of The Riverwalk at Edwards Property Owners Association, Inc. which establish the methods and procedures of its operation, as amended from time to time.

Section 2.29. Master Common Area. "Master Common Area" shall mean any real property in which the Master Association from time to time holds an interest for the common use and enjoyment of some or all of the Members. Such interest may include, without limitation, estates in fee, leasehold estates, licenses, permits or easements.

Section 2.30. Master Documents. "Master Documents" shall mean the basic documents creating and governing all or part of The Riverwalk at Edwards, as they may be amended from time to time, including, but not limited to, this Master Declaration, the Master Articles of Incorporation, and the Master Bylaws, and any other procedures, rules and regulations or policies adopted under such documents by the Master Association.

Section 2.31. Member. "Member" shall mean any person or entity holding membership in the Master Association pursuant to Section 3.1 below.

Section 2.32. Original Declaration. "Original Declaration" shall have the meaning given above on page 1.

Section 2.33. Owner. "Owner" shall mean the owner of record, whether one or more persons or entities, of fee simple title to any Lot including a Building Association, but shall not mean or refer to any person or entity who holds such interest merely as security for the performance of a debt or other obligation unless and until fee simple title has vested in such person or entity pursuant to foreclosure or other proceedings.

Section 2.34. Project. "Project" shall mean and refer to that development and real property more commonly known as The Riverwalk at Edwards, including all Buildings as developed therein.

Section 2.35. Property. "Property" shall mean the real property described on Exhibit "A" to this Master Declaration, which real property is initially subjected to this Master Declaration, together with any additional real property from time to time made subject to this Master Declaration pursuant to the provisions hereof, exclusive of any real property that is withdrawn from the scope of this Master Declaration from time to time.

Section 2.36. The Riverwalk at Edwards. "The Riverwalk at Edwards" shall mean all the real property located in Eagle County, Colorado, described in Exhibit "A" attached hereto, as well as all real property that becomes part of The Riverwalk at Edwards from time to time as provided in Article VIII and excluding all real property withdrawn from The Riverwalk at Edwards from time to time as provided in Section 8.2.

Section 2.37. The Riverwalk at Edwards PUD. "The Riverwalk at Edwards PUD" or "PUD" shall mean and refer to that certain land use control document known as The Riverwalk at Edwards Planned Unit Development Control Document, filed and on record at the County of Eagle, State of Colorado.

Section 2.38. Sharing Ratio. "Sharing Ratio" means the allocation of Assessments to which an Owner's Lot or a Building Association is subject to as set forth in Exhibit "B" attached hereto and made a part hereof pursuant to the formula set forth herein.

Section 2.39. Undeveloped Lot. "Undeveloped Lot" shall mean any Lot for which no Improvements have been constructed and for which no certificate of occupancy or temporary certificate of occupancy has been issued by the Building Department of Eagle County, Colorado.

Section 2.40. Unit. "Unit" or "Condominium Unit" means an air space or other defined physical portion of a Building which is designated for separate ownership or occupancy and the boundaries of which are described in or determined from the Building Declaration.



## ARTICLE III

### THE MASTER ASSOCIATION

Section 3.1. Membership. Every Owner of a Lot, or in the case of a Lot being improved with a Building containing Condominium Units, each Building Association shall be a member of the Master Association. Membership shall be appurtenant to and cannot be separated from fee simple ownership of any portion of the Property. No Owner or Association, whether one or more persons, shall have more than one membership per Lot owned or no more than one membership per Building Association. However, all of the persons owning such Lot or Owners of a Unit in a Building Association shall be entitled to rights of membership and of use and enjoyment appurtenant to such ownership. Notwithstanding, each Owner of a Lot or a Building Association shall be entitled to one vote to be exercised by the Owner of the Lot or the Board of Directors of the Building Association.

Section 3.2. Board of Directors. The affairs of the Master Association shall be managed by a Board of Directors which shall consist of the number of members which is set forth in the Master Documents, as amended from time to time. From the date of formation of the Master Association until the termination of Declarant's control as provided below, Declarant shall have the right to appoint and remove all members of the Board of Directors and all officers of the Master Association. The period of Declarant's control of the Association shall terminate upon the first to occur of (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots in the Project to Owners other than a Declarant, (ii) two (2) years after the last conveyance of a Lot by a Declarant in the ordinary course of business, (iii) two (2) years after Declarant's right to add Lots to the Project was last exercised, or (iv) three (3) years after the first conveyance of a Lot to an Owner other than a Declarant. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the period of Declarant's control, but, in that event, Declarant may require, for the duration of the period of Declarant's control, that specified actions of the Master Association or Board of Directors, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become executed by Declarant, be approved by Declarant before they become effective. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots to Owners other than a Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Board of Directors will be elected by Owners other than a Declarant. Not later than sixty (6) days after the conveyance of fifty percent (50%) of the Lots to Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Board of Directors will be elected by Owners other than a Declarant. Not later than the termination of the period of Declarant's control as provided above, the Owners (including Declarant) shall elect the Board of Directors of at least three (3) members, at least a majority of whom must be Owners other than a Declarant and the Board of Directors shall elect the officers, with such Board members and officers to take office upon election. Within sixty (60) days after the Owners other than Declarant elect a majority of the Board, Declarant shall deliver to the Master Association all property of the Owners and the Master Association held or controlled by Declarant, including without limitation those items specified in Section 38-33.3-303(9) of the Act.

Section 3.3. Compliance with Documents. Each Member shall abide by and benefit from the provisions, covenants, conditions and restrictions contained in the applicable Master Declaration, Master Documents, if any, and the Rules and Regulations as set forth below.

Section 3.4. Rules and Regulations. The Master Association, from time to time and subject to the provisions of the Master Documents, may adopt, amend and repeal rules and regulations, to be known as "The Riverwalk at Edwards Rules and Regulations".

#### Section 3.5 Rights and Obligations of the Master Association.

3.5.1 Master Common Area. The Master Association, subject to the rights of the Owners set forth in this Master Declaration, shall manage and control the Master Common Area and all improvements thereon (including, without limitation, furnishings, equipment, and common landscaped areas), and shall keep it in good, clean, attractive and sanitary condition.



order and repair, pursuant to the terms and conditions hereof and consistent with Community Wide Standard.

3.5.2 Personal Property and Real Property for Common Use. The Master Association, through action of its Board, may acquire, hold and dispose of tangible and intangible personal property and real property. The Declarant has the right to convey to the Master Association any improved or unimproved Lot located within the Property and personal property, leasehold, or any other property interests. Such property shall be accepted by the Master Association and thereafter shall be maintained at its expense for the benefit of its Members, subject to any restrictions set forth in the deed.

3.5.3. Books and Records. The Master Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to any Owner and its mortgagee(s), current copies of the Master Documents, and the books, records and financial statements of the Master Association prepared pursuant to the Master Bylaws. The Master Association may charge a reasonable fee for copying such materials.

3.5.4. Successor to Declarant. The Master Association shall assume all of the rights, duties and responsibilities of Declarant excluding rights specific to Declarant under this Master Declaration upon termination of the Declarant Control Period in accordance with Section 3.2 above.

3.5.5. Implied Rights and Obligations. The Master Association may exercise any other right or privilege given to it expressly by the Master Documents, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Master Association under the Master Documents or reasonably necessary to effectuate any such right or privilege. The Master Association shall perform all of the duties and obligations imposed on it expressly by the Master Documents, together with every other duty or obligation reasonably to be implied from the express provisions of the Master Documents or reasonably necessary to satisfy any such duty or obligation.

3.5.6 Powers of the Master Association Relating to Lots and/or Building Association. Each Owner of a Lot or a Building Association is a voting Member of the Master Association. The Master Association shall have the enforcement power, provided it is in this Declaration, to require specific action to be taken by any Building Association or Owner of a Lot, in connection with its obligations and responsibility hereunder or under any other covenants affecting the Lot or Building Association. Further, the Master Association may impose sanctions for violation so the Master Documents in accordance with the procedures set forth in such Master Documents.

#### ARTICLE IV

#### MAINTENANCE

Section 4.1. Master Association's Responsibility. The Master Association shall maintain and keep the Common Area in good repair, such maintenance to be funded as provided below. Moreover, the Master Association may provide for the care and maintenance of other areas of the Property in accordance with the terms and provisions as provided below. This maintenance may include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements including, but not limited to, sidewalks, walkways, sidewalk lighting, water features, pedestrian bridges, fountains, sod landscaping, gardens and planters, landscape irrigation, common area signs, trash receptacles, benches, building flower boxes, building lights, building signs, parking structures, surface guest parking, trash dumpsters, roads, entry and street signs, and irrigation ditches or pipes. The Master Association, in the discretion of the Board, may at any time and from time to time, cost to be borne by all parties entitled to a Building Association maintenance responsibilities previously assumed by the Master Association in accordance with this Section. Upon such delegation the Master Association shall have no other or further obligation with respect to such maintenance.

The provision of services in accordance with this Section 4.1 shall not constitute discrimination within a class.



Section 4.2 Owner's Responsibility. Except as provided otherwise in the Master Documents, applicable Building Documents, or by written agreement with the Master Association or applicable Building Association, all maintenance of the Lots and all structures, landscaping, parking areas, and other improvements located on or comprising part of a Lot shall be the sole responsibility of the Owner thereof, who shall maintain the Lot in accordance with the Community-Wide Standard. The Master Association shall, in the discretion of the Board, assume the maintenance responsibilities of such Owner or Building Association if, in the opinion of the Board, the level and quality of maintenance being provided by such Owner does not satisfy such Community-Wide Standard. Before assuming the maintenance responsibilities, the Board shall notify the Owner in writing of its intention to do so, and if such Owner or the Building Association has not commenced and diligently pursued remedial action within thirty (30) days after mailing of such written notice, then the Master Association shall proceed. The expenses of such maintenance by the Board shall be reimbursed to the Master Association by the Owner, together with interest at eighteen percent (18%) per annum. Such charges shall be a default Assessment and lien on the Lot of the Owner as provided in Section 5.4 below.

## ARTICLE V

### ASSESSMENTS

Section 5.1. Obligation. Declarant, for each Lot owned by Declarant, hereby covenants, and each Owner, by accepting a deed for a Lot, is deemed to covenant to pay to the Association (1) the Annual Assessments imposed by the Board of Directors as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Area and to perform the functions of the Master Association; (2) Special Assessments for capital improvements and other purposes as stated in this Master Declaration; and (3) Default Assessments which may be assessed against a Lot for the Owner's failure to perform an obligation under the Master Documents or because the Master Association has incurred an expense on behalf of the Owner under the Master Documents.

Section 5.2. Purpose of Assessments. The Assessments shall be used exclusively to promote the health, safety and welfare of the Owners and occupants of The Riverwalk at Edwards, for maintenance of the Common Area, and for any improvements and to the Common Area, as more fully set forth in this Article below.

Section 5.3. Budget. Within thirty (30) days after the adoption of any proposed budget for the Master Association, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than ten (10) nor more than fifty (50) days after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board. The Board shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Board shall levy and assess the Annual Assessments in accordance with the annual budget.

Section 5.4. Annual Assessments. Annual Assessments for Common Expenses made shall be based upon the estimated cash requirements as the Board of Directors shall from time to time determine to be paid by all of the Owners. Estimated Common Expenses shall include, but shall not be limited to, the cost of routine maintenance and operation of the Common Area; expenses of management; taxes and special governmental assessments pertaining to the Common Area and insurance premiums for insurance coverage as deemed desirable or necessary by the Master Association; landscaping, care of grounds, common lighting within the Common Area; routine repairs and renovations relating to Common Area; wages; common water and utility charges for the Common Area; legal and accounting fees; management fees; expenses and liabilities incurred by the Master Association under or by reason of this Master Declaration; payment of any default remaining from a previous assessment period; and the creation of a reasonable contingency or other reserve or surplus fund for general, routine maintenance, repairs, and replacement of improvements relating to the Common Area on a periodic basis, as needed.



Annual Assessments shall be payable on a prorated basis each quarter in advance and shall be due on the first day of each quarter. The omission or failure of the Master Association to fix the Annual Assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Master Association shall have the right, but not the obligation, to make prorated refunds of any Annual Assessments in excess of the actual expenses incurred in any fiscal year.

Section 5.5. Apportionment of Annual Assessments. Each Owner shall be responsible for that Owner's share of the Common Expenses, which shall be divided equally among the Lots on the basis of the Sharing Ratio in effect on the date of assessment.

Section 5.6. Special Assessments. In addition to the Annual Assessments authorized by this Article, the Master Association may, if permitted under the Act, levy in any fiscal year one or more Special Assessments, payable over such a period as the Master Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Area, or for any other expense incurred or to be incurred as provided in this Master Declaration. This Section 5.6 shall not be construed as an independent source of authority for the Master Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Master Association shall make specific references to this Section. Any amounts assessed pursuant to this Section shall be assessed to Owners in the same proportion as provided for Annual Assessments in Article V, Section 5.5., subject, however, to the requirements that any extraordinary insurance costs incurred as a result of the value of a particular Owner's Lot or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Notice in writing in the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. Special Assessments are currently restricted under the Act.

Section 6.7. Default Assessments. All monetary fines assessed against an Owner pursuant to the Master Documents, or any expense of the Master Association which is the obligation of an Owner or which is incurred by the Master Association on behalf of the Owner pursuant to the Master Documents, 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 Master Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least thirty (30) days prior to the due date.

Section 6.8. Effect of Nonpayment: Assessment Lien. Any Assessment installment, whether pertaining to any Annual, Special, or Default Assessment, which is not paid within thirty (30) days after its due date shall be delinquent. If an Assessment installment becomes delinquent, the Master Association, in its sole discretion, may take any or all of the following actions:

- A. Assess a late charge for each delinquency in such amount as the Master Association deems reasonable and appropriate;
- B. Assess an interest charge from the date of delinquency at the yearly rate of eighteen percent (18%), or such other rate as the Board of Directors may establish or as may be required by law;
- C. Suspend the voting rights of the Owner during any period of delinquency;
- D. Accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;
- E. Bring an action at law against any Owner personally obligated to pay the delinquent Assessments; and



F. File a statement of lien with respect to the Lot and proceed with foreclosure as set forth in more detail below.

Assessments chargeable to any Lot shall constitute a lien on such Lot, including the Lot and any other improvements thereon. To evidence the lien created under this Article XI, Section 11.8., the Master Association may, but shall not be required to, prepare a written notice setting forth (i) the address of the Master Association, (ii) the amount of such unpaid indebtedness, (iii) the amount of accrued penalty on the indebtedness, (iv) the name of the Owner of the Lot, and (v) a description of the Lot. The notice shall be signed and acknowledged by the President or a Vice-President of the Master Association or by the Manager, and the Master Association shall serve the notice upon the Owner by certified mail to the address of the Lot or to such other address as the Master Association may have in its files for such Owner. After the Master Association mails the Owner such a notice, the Master Association may record the same in the office of the Clerk and Recorder of Eagle County, Colorado. Such lien for Assessments shall attach from the due date of the Assessment. Following the date the Master Association mails the notice, the Master Association may institute foreclosure proceedings against the defaulting Owner's Lot in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of the claim and lien, and all reasonable attorneys' fees incurred in connection with the enforcement of the lien. The Master Association shall have the power to bid on a Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

Section 5.9. Personal Obligation. The amount of any Assessment chargeable against any Lot shall be a personal and individual debt of the Owner of same, including any members of a Building Association. No Owner may exempt himself from liability for the Assessment by abandonment of his Lot or by waiver of the use or enjoyment of all or any part of the Common Area. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, and all reasonable attorneys' fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Master Declaration.

Section 5.10. Successor's Liability for Assessments; Subordination of Lien. The provisions of the Act shall govern and control (a) the obligations of successors to the fee simple title of a Lot on which Assessments are delinquent and (b) the subordination by the lien of the Assessments provided for in this Master Declaration.

Section 5.11. Payment by Mortgagee. Any Mortgagee holding a lien on a Lot may pay any unpaid Assessment payable with respect to such Lot, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Lot for the amounts paid with the same priority as the lien of the Mortgage.

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Section 5.12. Statement of Status of Assessment Payment. Upon payment of a reasonable fee set from time to time by the Board of Directors and upon the written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Board of Directors of the Master Association shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Lot. Unless such statement shall be issued (which shall include posting in the United States mails) within fourteen (14) business days, all unpaid Assessments which become due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest in the Lot subsequent to requesting such statement. If the request is made by a prospective purchaser, both the lien for the unpaid Assessment and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within the fourteen (14) business day period provided for above, and if after that period an additional written request is made by such purchaser and is not complied with within ten (10) days and the purchaser subsequently acquires the Lot.

Section 5.13. Working Capital Fund. The Master Association or Declarant may require the Owner of each Lot to make a non-refundable payment to the Master Association in an amount equal to \_\_\_\_\_ of the amount of the total Annual Assessment applicable to



such Lot at the time of conveyance to such Owner. For each Owner after the first Owner, such payment shall be recalculated at the time of transfer and the new Owner shall be responsible for any increase in the amount due. Such sums shall be held by the Master Association and maintained in a segregated account for the use and benefit of the Master Association, including meeting unforeseen expenses. Such payment shall not be deemed to be prepayment of any Assessment but shall be deemed a payment to the working capital fund and shall not relieve an Owner from making the regular payment of Assessments as the same become due. The payment to the working capital fund shall be due from the first Owner on the date of the commencement of the first Annual Assessment and from each subsequent Owner on the date of the first Annual Assessment following the transfer. Upon the transfer of any Lot or Building, an Owner shall be entitled to a credit from such transferee (but not from the Master Association) for the aforesaid payment to the working capital fund.

Section 5.14. Building Associations. All Building Associations shall agree with the Master Association to collect Assessments of the Master Association as part of its Building Assessments and remit them to the Master Association on a timely basis. Collection of the Master Association's Assessments in this manner shall not prevent the creation of the Master Association's lien against any Lot or impair the Master Association's ability to enforce or collect its Assessments as provided under this Master Declaration if they are not remitted to the Master Association in a timely manner.

Section 5.15. Exempt Property. The following property shall be exempt from payment of any Assessments, whether annual, special or default:

- (a) All Common Area;
- (b) Any property dedicated to and accepted by any governmental authority or public or private utility provider; and
- (c) Property owned by any Building Association for the common use and enjoyment of its members, or owned by the members of a Building Association as tenants-in-common.

## ARTICLE VI

### PROPERTY RIGHTS OF OWNERS, MASTER ASSOCIATION AND DECLARANT

Section 6.1. Easements of Enjoyment of Common Area. Declarant hereby reserves a perpetual, nonexclusive easement and grants to every Owner a nonexclusive easement to use and enjoy the Common Area, which easement is appurtenant to and shall pass with the title to every Lot, subject to the provisions set forth in this Master Declaration. The Declarant and any Owner may delegate, in accordance with the Master Documents, its right of use and enjoyment of the Common Area to its tenants, employees, members, guests or invitees.

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Section 6.2. Recorded Easements. The Property shall be subject to all easements shown from time to time on any recorded Plat or Condominium Map affecting the Property, or any portion thereof, and to any other easements of record or of use, including, without limitation, all easements granted, established and reserved pursuant to the Master Declaration.

Section 6.3. Easements for Encroachments. If any portion of the Common Area encroaches upon any Lot, or if any Lot, including the improvements thereon, encroaches upon any other Lot or upon any portion of the Common Area, or if any roadway or utility improvement encroaches upon any Lot, as a result of the construction of any Building or other improvement, or if any such encroachment shall occur thereafter as a result of settling or shifting of the same, a valid easement for the encroachment and for the maintenance of the same so long as such building or improvement stands, shall exist. In the event any Building or other improvement, any Lot, any adjoining building, or any adjoining Common Area, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Area or roadway or utility improvements upon any Lot or upon any portion of the Common Area, due



such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as such improvement shall stand.

Section 6.4. Maintenance Easement. An easement is hereby granted to the Master Association and to each Lot and Building Association, their respective officers, directors, agents, employees and assigns upon, across, over, in and under the Common Area, and a right to make such use of the Common Area as may be necessary or appropriate to perform the duties and functions which the Master Association, the Lot Owners, or the individual Building Associations are obligated or permitted to perform pursuant to the separate Buildings Declarations or this Master Declaration, as the case may be, including the right of the Master Association to construct and maintain on the Common Area maintenance and storage facilities for use by the Master Association.

Section 6.5. Drainage Easement. An easement is hereby granted to the Master Association, its offices, agents, employees, successor and assigns to enter upon, across, over in and under any portion of the Project for the purpose of the drainage of water onto the Project from the Common Areas.

Section 6.6. Utility Easement. There are hereby reserved unto the Declarant, so long as the Declarant owns any property described on Exhibit "A" of this Master Declaration, the Master Association and the designees of each (which may include, without limitation, Eagle County, Colorado and any utility company, its employees, agents, or assigns), for the benefit of the Owners, easements upon, across, over and under the Common Areas to the extent reasonably necessary for the purpose of installation, replacement, repair and maintenance of utilities, including but not limited to water, sewer, gas, telephone, electrical, cable or television.

Section 6.7. Declarant's Rights Incident to Construction and Sales. Declarant hereby reserves an easement for ingress and egress over, in, upon, under, and across the Common Area and the right to store materials thereon and to make such other use thereof (including, without limitation, construction of one or more temporary structures, trailers or signs) as may be reasonably necessary or incidental to the construction of the Improvements on the Property or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access to an Owner's Lot.

Section 6.8. Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or persons to enter upon the Common Areas in the proper performance of their duties.

Section 6.9. Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to itself and hereby grants to the Master Association the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area, for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, conduit installation areas, and to create other reservations, exceptions, and exclusions for the best interest of all the Owners and the Master Association, in order to serve all the Owners within The Riverwalk at Edwards.

Section 6.10. No Partition of Common Area. No Owner of a Lot or a Building Association shall bring any action for partition or division of the Common Area. By acceptance of a deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically waived such Owner's rights to institute or maintain a partition action or any other action designed to cause a division of the Common Area, and this Section may be pleaded as a bar to any such action. Any Owner who shall institute or maintain any such action shall be liable to the Master Association and hereby agrees to reimburse the Master Association for its costs, expenses and reasonable attorneys' fees in defending any such action. Notwithstanding the foregoing, this Section 6.10 shall not apply to subdivision rights of Owners, if any.



## ARTICLE VII

### INSURANCE AND FIDELITY BONDS

Section 7.1. Authority to Purchase. All insurance policies relating to the Common Area shall be purchased by the Board, or its duly authorized agent. Neither the Board, the Manager nor the Declarant shall be liable for failure to obtain any coverage required by this Article VII or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable cost.

Section 7.2. General Insurance Provisions. For all such insurance coverage obtained by the Board, the deductible, if any, on any insurance policy may be treated as a common expense payable from Annual Assessments or Special Assessments.

Section 7.3. Physical Damage Insurance on Common Area. The Master Association shall obtain insurance for all insurable Improvements within the Common Area in an amount equal to the full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundation, excavation, depreciation on personal property, and other items normally excluded from coverage), which shall include all building service equipment and the like, common personal property and supplies, and any fixtures or equipment within the Common Area. In addition, such policy shall afford protection against at least the following:

7.3.1. loss or damage by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage;

7.3.2. in the event any improvements within the Common Area contains a steam boiler, a broad form policy of repair and replacement boiler and machinery insurance in the amount of the insurable value of the building housing the boiler (or such other amount as the Board deems advisable); and

7.3.3. such other risks as shall customarily be covered with respect to projects similar in construction, location, and use to The Riverwalk at Edwards.

In contracting for the insurance coverage obtained pursuant to this Section above, the Board shall be required to make reasonable efforts to secure coverage which provides the following:

(a) a waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to this Master Declaration not to do

(b) the following endorsements (or equivalent): (i) "cost of demolition," (ii) "contingent liability from operation of building laws or codes"; (iii) "increased cost of construction"; and (iv) "agreed amount" or elimination of co-insurance clause.

(c) a provision that any "no other insurance" clause shall expressly exclude individual Owners' policies from its operation so that the physical damage policy or policies purchased by the Board of Directors shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage.

Section 7.4. Liability Insurance. The Master Association shall obtain a comprehensive policy of public liability insurance (including libel, slander, false arrest, and invasion of privacy coverage) and property damage insurance with such limits as the Board may from time to time determine, insuring each member of the Board, the Manager, each Owner and the employees of the Master Association against any liability to the public or the Owners (and their guests, invitees, tenants, agents and employees) arising in connection with the ownership, operation, maintenance or use of the Common Area and/or parking areas and roadways within The Riverwalk at Edwards and any other areas under the control of the Master Association.



Such comprehensive policy of public liability insurance shall include the following:

7.4.1 coverage for construction liability, liability for non-owned and hired automobiles, and, if applicable, bailee's liability, garage keeper's liability, host liquor liability, employer's liability, and such other risks as shall customarily be covered with respect to developments similar to The Riverwalk at Edwards in construction, location, and use;

7.4.2. a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another insured; and

7.4.3. a "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to an Owner because of the negligent acts of the Master Association or another Owner.

The Board shall review the coverage limits at least once each year, but, generally, the Board shall carry such amounts of insurance usually required by private institutional mortgage lenders on projects similar to The Riverwalk at Edwards, and in no event shall such coverage be less than \$1,000,000.00 for all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than \$3,000,000.00.

Section 7.5. Fidelity Insurance. To the extent obtainable at reasonable cost, fidelity bonds shall be maintained by the Master Association to protect against dishonest acts on the part of its officers, directors, trustees and employees, and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Master Association. In addition, if responsibility for handling funds is delegated to a Manager, such bonds shall be required for the Manager and its officers, employees, and agents, as applicable. Such fidelity coverage shall name the Master Association as an obligee and shall be written in an amount equal to at least \$500,000.00. Such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 7.6. Provisions Common to Physical Damage Insurance, Liability Insurance and Fidelity Insurance. Any insurance coverage obtained by the Master Association under the provisions of this Article VII above shall be subject to the following provisions and limitations:

7.6.1. the named insured under any such policies shall include Declarant, and the Master Association, as attorney-in-fact for the Owners, or the authorized representative of the Master Association (including any trustee with whom the Master Association may enter into any insurance trust agreement, or any successor trustee, each of which is sometimes referred to in this Master Declaration as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under such policies;

7.6.2. in no event shall the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their Mortgagees,

7.6.3. the policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of any Owner (including an Owner's family, tenants, servants, agents, invitees, and guests) when such act or neglect is not within the control of the Master Association, or (ii) any act or neglect or failure of the Master Association to comply with any warranty or condition with regard to any portion of the Property over which the Master Association has no control

7.6.4. the policies shall contain a waiver of subrogation by the insurer as to any and all claims against Declarant, the Board, the Master Association, the Manager, and any Owner and their respective agents, employees, or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured; and

7.6.5. all policies shall be written with a company licensed to do business in Colorado and holding a rating of "A" or better in the financial category as established by Best's Insurance Reports, if reasonable available, or, if not available, the most nearly equivalent rating.



Section 7.7. Personal Liability Insurance of Officers and Directors. To the extent obtainable at reasonable cost, appropriate officers' and directors' liability insurance shall be obtained by the Master Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Master Association.

Section 7.8. Workmen's Compensation Insurance. The Master Association shall obtain workmen's compensation or similar insurance with respect to its employees, if any, in the amounts and form as may now or hereafter be required by law.

Section 7.9. Other Insurance. The Master Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Master Association's responsibilities and duties.

Section 7.10. Insurance Obtained by Owners. It shall be the responsibility of the individual Owners and Building Associations, at their expense, to make arrangements in regard to title insurance on their Lots upon any resale, for hazard insurance covering the Improvements, personal property and furnishings located on their Lots or within their Building, and for public liability insurance covering their Lots and Building (except to the extent any Owner's Lot is encumbered by an easement conveyed to the Master Association as Common Area or to a Building Association as Building Common Area). In addition, each Owner may obtain such other and additional insurance coverage on and in relation to his or her Lot or Building as such Owner concludes to be desirable; provided, however, that none of such insurance coverages obtained by an Owner shall operate to decrease the amount which the Board, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverages obtained by the Master Association or cause the diminution or termination of the coverage obtained by the Master Association. Any such insurance obtained by an Owner shall include a waiver of the particular insurance company's right of subrogation against the Master Association and other Owners.

## ARTICLE VIII

### ANNEXATION AND WITHDRAWAL

Section 8.1. Annexation. The Master Association may annex real property other than that described on Exhibit "A" to the provisions of this Master Declaration with the consent of the owner of such property to be annexed, the affirmative vote of a majority of the Members of the Master Association represented at a meeting duly called for such purpose, and the consent of the Declarant so long as Declarant owns property subject to this Master Declaration or which may become subject to this Master Declaration.

Annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the public records of Eagle County, Colorado. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Master Association, and by the owner of the annexed property. Any such annexation shall be effective upon filing unless otherwise provided therein. Such Supplemental Declaration may add supplemental covenants specific to such annexation property, or delete or modify provisions of this Master Declaration as it applies to the annexed property. However, this Master Declaration may not be modified with respect to that portion of the Property already subject to this Master Declaration, except as provided below for amendment.

Section 8.2. Withdrawal. Declarant reserves the right, at any time and from time to time, to withdraw any parcel of the Property from the scope of this Master Declaration prior to the sale of such parcel by Declarant to a third party Owner. Any withdrawal pursuant to this Section 8.2 shall be evidenced in writing by executing a Declaration of Withdrawal. That instrument shall be executed by Declarant as evidence of its approval, and shall be recorded in the records of the Clerk and Recorder of Eagle County, Colorado.

Section 8.3. Partition. Except as permitted in this Master Declaration, there shall be no judicial partition of the Common Area. No person shall seek any judicial partition unless the properties of such portion thereof have been removed from the provisions of this Master



Declaration. This prohibition shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and dispose of real property which may or may not be subject to this Master Declaration.

## ARTICLE IX

### ARCHITECTURAL STANDARDS

Section 9.1. General. No structure shall be placed, erected or installed upon any Lot, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article and approval of the appropriate committee under Section 9.2.

9.1.1. Any Owner may remodel, paint or redecorate the interior of a Building without approval. However, modifications to a Building visible from outside the structures shall be subject to approval. No approval shall be required to repaint the exterior of a Building in accordance with an originally approved color scheme or to rebuild after damage or destruction in accordance with originally approved plans and specifications.

9.1.2. This Article shall not apply to the activities of the Declarant, nor to improvements to the Common Area by or on behalf of the Master Association.

9.1.3. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Master Declaration or subject to annexation to this Master Declaration.

Section 9.2. Architectural Review. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications for construction and modifications under this Article shall be handled by the Architectural Review Committee. The members of the Architectural Review Committee need not be members of the Master Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board. The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review. Such Architectural Review Committee shall consist of at least three (3) but not more than five (5) persons and shall have exclusive jurisdiction over all construction on any portion of the Project. Until one hundred percent (100%) of the Project has been developed and conveyed to Owners other than the Declarant, the Declarant retains the right to appoint all members of the Architectural Review Committee who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board shall thereafter appoint the members, who shall serve and may be removed in the Board's Discretion.

#### Section 9.3. Architectural Guidelines and Procedures.

9.3.1. The Declarant shall prepare the initial design and development guidelines and application and review procedures (the "Design Guidelines") which shall apply to all construction activities with the Project. The Design Guidelines may contain general provisions applicable to all of the Project, as well as specific provisions which vary from one portion of the Project to another depending upon the location, unique characteristics and intended use.

The Architectural Review Committee shall adopt such Design Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend them. Any amendments to the Design Guidelines shall apply only to construction and modifications commenced after the date of such amendment only and shall not apply to required modifications to or removal of structures previously approved once the approved construction or modification has commenced.

The Architectural Review Committee shall make the Design Guidelines available to Owners and Owners' representatives who seek to engage in development or



construction within the Project and all such persons shall conduct their activities in accordance with such Design Guidelines. In the Declarant's discretion, such Design Guidelines may be recorded in the public records of Eagle County, Colorado, in which event the recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

9.3.2. Plans and specifications showing the nature, kind, shape, color, size, materials and location of all proposed structures and improvements shall be submitted to the Architectural Review Committee for review and subsequent approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting and other features of proposed construction shall be submitted. In reviewing each submission, the committee may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography and finish grade, among other things.

In the event that the Architectural Review Committee fails to approve or disapprove any application within sixty (60) days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the New Construction Committee pursuant to Section 9.5 below.

Section 9.4. No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings or other matters subsequently or additionally submitted for approval.

Section 9.5. Variance. The Architectural Review Committee may authorize variances from compliance with any of its guidelines and procedures when circumstances are warranted, such as topography, natural obstructions, hardship, other than economic hardship, or environmental considerations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Master Declaration; (c) estop the Architectural Review Committee from denying a variance in other circumstances; or (d) be in contravention of the applicable zoning and land use requirements of Eagle County, Colorado. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 9.6. Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only. The Architectural Review Committee, or any member thereof, shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Master Association or its Board, any committee or Member of any of the foregoing shall be held liable for any injury, loss, or damages, resulting from, or arising out of the manner or quality of the approved construction.

Section 9.7. Enforcement. Any structure or improvement constructed, whether completed or not, in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same conditions as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the Lot or Building and collected as a Specific Assessment.



## ARTICLE X

### MASTER ASSOCIATION AS ATTORNEY-IN-FACT

Each and every Owner and Building Association hereby irrevocably constitutes and appoints the Master Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Common Area upon damage or destruction as provided in Article VII or a complete or partial taking as provided in Article XI below. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointment of the Master Association as attorney-in-fact as herein provided. As attorney-in-fact, the Master Association shall have full and complete authorization, 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 or appropriate to exercise the powers granted to the Master Association as attorney-in-fact.

## ARTICLE XI

### CONDEMNATION

Section 11.1. Rights of Owners. Whenever all or any part of the Common Area shall be taken or conveyed in lieu of and under threat of condemnation by any authority having the power of condemnation or eminent domain, the Board, acting as attorney-in-fact for all Owners under instructions from each Owner, shall be entitled to notice of the taking, and the Master Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 11.2. Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Master Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which Improvements have been constructed, then, unless within one hundred twenty (120) days after such taking, Declarant and Owners representing at least sixty-seven percent (67%) of the votes in the Master Association shall otherwise agree, the Master Association shall restore or replace such Improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board and the Architectural Review Committee. If such Improvements are to be repaired or restored, the provisions in Article VII above regarding the disbursement of funds with respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Common Area, 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 disbursed to the Master Association and used for such purposes as the Board shall determine.

## ARTICLE XII

### DAMAGE OR DESTRUCTION

Section 12.1. The Role of the Board of Directors. Except as provided in Section 12.6., in the event of damage to or destruction of all or part of any Common Area or other property covered by insurance written in the name of the Master Association under Article VII, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the damaged property (the property insured by the Master Association pursuant to Article VII is sometimes referred to as the "Association-Insured Property").

Section 12.2. 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 Board of Directors 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 Article XII shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or



destruction. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

Section 12.3. Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Master Association shall diligently pursue to complete the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in-fact for the Owners and Building Association, the Master 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 and Building Association shall be necessary. Assessments of the Master Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 12.4. Funds for Repair and Reconstruction. The proceeds received by the Master Association from any hazard insurance carried by the Master Association shall be used for the purpose of repair, replacement, and reconstruction of the Association-Insured Property.

If the proceeds of the Master 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 Master Association may, pursuant to Article V, if permitted under the Act, levy, assess, and collect in advance from the Owners and Building Association, without the necessity of a special vote of the Owners and/or Building Associations, 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.

Section 12.5. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Master 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 and/or Building Association in proportion to the contributions each Owner and/or Building Association made as Special Assessments, then in equal shares per Lot, first to the Mortgagees, if any, and then to the Owners and/or Building Association, as their interests appear.

Section 12.6. Decision Not to Rebuild the Common Area. If Owners or a Building Association representing at least seventy-five percent (75%) of the total allocated votes in the Master Association (other than Declarant) and seventy-five percent (75%) of the Mortgagees holding First Mortgages (based on 1.0 vote for each Mortgage which encumbers a Lot or Building, but not individual Units in a Building) and all directly adversely affected Owners agree in writing not to repair and reconstruct improvements within the Common Area and if no alternative improvements are authorized, then and in that event the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Master Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with the Act.

### ARTICLE XIII

#### USE GUIDELINES

Section 13.1. Development Plan. Declarant has created the Master Declaration as part of The Riverwalk at Edwards Planned Unit Development, File No. PD-291-95-A, Eagle County, Colorado (as "PUD"). In furtherance of The Riverwalk at Edwards, the Declarant has established a general plan of development subject to specific guidelines and land use restrictions. Accordingly, this Master Declaration and the Master Bylaws provide for certain affirmative and negative covenants thereby protecting and enhancing the Owners' quality of life and collective interest, and the aesthetics and overall environment within The Riverwalk at Edwards.



Section 13.2. Rights of Owners. Except as may be contained in Section 12.3, neither the Board nor the Master Association may adopt any rule in violation of the following provisions:

13.2.1. Reasonable Rights to Develop. Neither the Master Association nor the Board shall adopt any rule or take any action which would unreasonably impede Declarant's right to develop in accordance with the master plan for The Riverwalk at Edwards.

13.2.2. Abridging Existing Rights. If any rule would require existing Owners to dispose of personal property which they owned at the time they acquired their Lot, and the personal property was lawfully owned or acquired in accordance with the rules as existed at such time, and it was thereafter maintained on their Lot, such rule shall not apply to any such Owners without his or her written consent.

13.2.3. Allocation of Burdens and Benefits. The initial allocation of financial burdens and rights to use Common Areas among the various Owners and Building Association shall not be changed to the detriment of any Owner. Nothing in this provision shall prevent the Master Association from changing the Common Area available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who abuse the Common Area, violate rules or this Master Declaration or fail to pay assessments.

13.2.4. Alienation. The Master Association or Board shall not adopt rules that prohibit transfer of any Lot, or require consent of the Master Association or Board for transfer of any Lot. The Master Association or Board shall not impose any fee on transfer of any Lot greater than an amount reasonably based on the costs of the transfer to the Master Association.

13.2.5. Activities Within Unit(s). Neither the Master Association nor the Board shall make any rule that interferes with the activities of Owners or occupants carried on within the confines of their Lot or Building, except that the Master Association may prohibit activities not normally associated with property restricted to residential and/or commercial use (as applicable), it may restrict or prohibit any activities that impose monetary costs on the Master Association or other Owners, that create a danger to the health or safety of other Owners or occupants, that generate excessive noise or traffic, that create unsightly conditions, that create an unreasonable source of annoyance, or that otherwise are in contravention of the applicable zoning and land use regulations.

13.2.6. Household Composition. The Master Association or Board shall make no rule that interferes with the freedom of Owners and occupants to determine the composition of a residential household, if any, except that (1) the Master Association shall have the power to require that all occupants be members of a single housekeeping unit, which shall be defined as one or more persons residing in a residential unit and sharing the rooming and single kitchen facility jointly, and performing the various housekeeping chores together as a unit, (2) to limit the total number of occupants permitted in each residential unit on the basis of the size and facilities of such residential unit and its fair share use of the Common Area, including parking, and (3) as limited by the applicable zoning and land use regulations and restrictions, including but not limited to the definition of "family" and use and occupancy restrictions for certain deed restricted residential units as provided in the PUD.

13.2.7. Equal Treatment. Similarly situated Owners and occupants shall be treated similarly.

13.2.8. Restricted Activities. The following activities are prohibited within the Project unless expressly authorized by, and then subject to such conditions as may be imposed, by the Board:

(a) Any construction, erection or placement of a thing, permanently or temporarily, on the outside portions of a Building whether such portion is improved or unimproved, unless approved by the Architectural Review Committee as set forth herein.

(b) Use of any pedestrian, bicycling or other trails maintained by the Master Association for purposes other than the specific use for which the trail was created.



(c) Parking of commercial vehicles, recreational vehicles, mobile homes, boats or other watercraft, or other oversized vehicles, stored vehicles or inoperable vehicles in places other than specifically allowed by the Master Association.

(d) Any activity which materially disturbs or destroys the vegetation, wildlife, wetlands or air quality within The Riverwalk at Edwards or which uses excessive amounts of water or which result in unreasonable levels of sound or light pollution.

This Section shall not apply to any activity conducted by the Declarant or a builder approved by the Declarant with respect to the development and sale of The Riverwalk at Edwards.

Notwithstanding the foregoing to the contrary, the Board may prohibit any activity, business, residential or otherwise, which, in the sole discretion of the Board, constitutes a nuisance, or a hazardous or offensive use, or threatens the security, safety or quiet enjoyment of other residents or occupants of the Project.

### Section 13.3. Enforcement of Covenants.

13.3.1. Violations Deemed a Nuisance. Every violation of this Master Declaration or any other of the Master Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement of the violation. In addition, all public and private remedies allowed at law or equity against anyone in violation of this Master Declaration shall be available.

13.3.2. Compliance. Each Owner or other occupant of any part of the Property shall comply with the provisions of the Master Documents.

13.3.3. Failure to Comply. Failure to comply with the Master Documents shall be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the Master Bylaws shall be given to the delinquent party prior to commencing any legal proceedings.

13.3.4. Who May Enforce. Any action to enforce the Master Documents may be brought by Declarant, the Board, or the Manager in the name of the Master Association on behalf of the Owners. If, after a written request from an aggrieved Owner, none of the foregoing persons or entities commences an action to enforce the Master Documents, then the aggrieved Owner may bring such an action.

13.3.5. Remedies. In addition to the remedies set forth above in this Article XII, any violation of the Master Documents shall give to the Board, the Manager or Declarant, on behalf of the Owners, the right to enter upon the offending premises of take appropriate peaceful action to abate, remove, modify or replace, at the expense of the offending Owner or occupant, any structure, thing or condition that may exist thereon contrary to the interest and meaning of the Master Documents. If the offense occurs on any easement, walkway, Common Area or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

13.3.6. Nonexclusive Remedies. All the remedies set forth in this Master Declaration are cumulative and not exclusive.

13.3.7. No Waiver. The failure of the Board, Declarant, the Manager or any aggrieved Owner to enforce the Master Documents shall not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any other part of the Master Documents at any future time.

13.3.8. No Liability. No member of the Board, nor Declarant, nor the Manager, nor any Owner shall be liable to any other Owner for the failure to enforce any of the Master Documents at any time.



13.3.9. Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the Master Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Master Documents or the restraint of violations of the Master Documents, the prevailing party shall be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees as may be incurred, or if suit is brought, as may be determined by the court. The term "prevailing party" shall include, without limitation, a party who dismisses an action for enforcement of this Master Declaration in exchange for payment of sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief subject to the action.

Section 13.4. Resolution of Dispute. If any dispute or question arises between Members or between Members and the Master Association relating to the interpretation, performance or nonperformance, violation or enforcement of the Master Documents, such dispute or violation may be subject to a hearing and determination by the Board in accordance with the procedures set forth in the Master Bylaws.

Section 13.5. Owners' Acknowledgement. All Owners are subject to the restrictions and guidelines as contained in this Master Declaration and are given notice that (1) their ability to use their privately owned property is limited thereby, and (2) the Board may add, delete, modify, create exceptions to or amend such restrictions and guidelines in accordance herewith.

Each Owner by acceptance of a deed acknowledges and agrees that the use, enjoyment and marketability of his or her property can be affected by this provision and that the restrictions, guidelines and rules may change from time to time.

#### ARTICLE XIV

##### DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant as set forth in this Master Declaration, the Master Bylaws, or the Act, may be transferred or assigned to other persons provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Master Declaration or the Master Bylaws. No such transfer shall be effective unless it is in written instrument signed by the Declarant and duly recorded in the public records of Eagle County, Colorado.

So long as the sales of any Lots, and construction thereon continues, the Declarant and builders authorized by Declarant may maintain and carry on such activities upon portions of the Common Area as, in the sole opinion of the Declarant, may be reasonable required, convenient or incidental to construction. The Declarant and authorized builders shall have easements for access to and use of such facilities.

No person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Project without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the public records.

This Article may not be amended without the written consent of Declarant. The rights contained in this Article shall terminate upon the earlier of thirty (30) years from the date this Master Declaration, or upon recording by Declarant of a written statement terminating such right.

#### ARTICLE XV

##### MORTGAGEE'S RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of First Mortgages on Lots. To the extent applicable, necessary, or proper, the provisions of this Article XV apply to this Master Declaration and also to the other Master Documents.



Section 15.1. Approval Requirements. Unless at least seventy-five percent (75%) of the First Mortgagees or all of the Mortgagees holding First Mortgages, whichever number is less, and at least seventy-five percent (75%) of the Owners (other than Declarant) have given their prior written approval, the Master Association shall not be entitled to:

A. By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or part of the Common Area (provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this clause);

B. Change the method of determining the obligations, Assessments, dues, or other charges which may be levied against an Owner or Building Association.

C. By act or omission change, waive, or abandon any scheme of regulations or their enforcement pertaining to the architectural design, appearance or maintenance of the Common Area; or

D. Use hazard insurance proceeds for losses to improvements in the Common Area for other than the repair, replacement, or reconstruction of such property.

Section 15.2. Title Taken by Mortgagee. Any Mortgagee holding a First Mortgage of record against a Lot who obtains title to the Lot and any improvements on the Lot pursuant to remedies exercised in enforcing the Mortgage, including foreclosure of the Mortgage or acceptance of a deed in lieu of foreclosure, will be liable for all Assessments due and payable as of the date title to the Lot (i) is acquired, or (ii) could have been acquired under the statutes of Colorado governing foreclosures, whichever is earlier. Such Mortgagee will not be liable for any unpaid dues or charges attributable to the Lot which accrue prior to the date the Mortgagee acquired title or could have acquired title under the Colorado foreclosure statutes, whichever is earlier, except for Assessments and charges permitted under Section 38-33.3-316 of the Colorado Revised Statutes. Sale or transfer of any Lot pursuant to a deed in lieu of foreclosure for the purpose of enforcing a First Mortgage shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer, except for Assessments and charges permitted under Section 38-33.3-316 of the Colorado Revised Statutes. The amount of any extinguished lien may be reallocated and assessed to all Lots as a Common Expense at the direction of the Board of Directors.

Section 15.3. Right to Pay Taxes and Charges. Mortgagees who hold First Mortgages against Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any of the Common Area, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for the Common Area, and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 15.4. Distribution of Insurance or Condemnation Proceeds. In the event of a distribution of insurance proceeds or condemnation awards allocable among the Lot for losses to, or taking of, all or part of the Common Area, any Owner who has encumbered his Lot with a First Mortgage shall not take priority in receiving the distribution over the right of any such First Mortgagee.

## ARTICLE XVI

### DURATION OF THESE COVENANTS AND AMENDMENT

Section 16.1. Term. This Master Declaration and any amendments or supplements hereto shall remain in effect from the date of recordation until January 1, 2020. Thereafter this Master Declaration shall be automatically extended for five (5) successive periods of ten (10) years each, unless otherwise terminated or modified as provided below.

Section 16.2. Amendment. Subject in all cases to Sections 16.2.2. below, this Master Declaration, or any provision of it, may be terminated, extended, modified or amended, as to the whole or any portion of the Property, upon the affirmative vote of a majority of the



Members. Amendments made pursuant to this Section 16.2 shall inure to the benefit of and be binding upon all Members of any part of the Property, their family, tenants, guests, invitees and employees, and their respective heirs, successors and assigns. A certificate of a licensed abstract or title company showing record ownership of the Property and a certificate of the secretary of the Master Association documenting votes held and voting rights exercised on the basis of such ownership records shall be evidence of such ownership and voting representation for the purposes of any such amendment.

16.2.1. Amendment By Declarant. The Declarant may unilaterally amend this Master Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) required by an institutional or governmental lender or purchaser or mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans; or (v) otherwise necessary to satisfy the requirements of any governmental agency. However, any such amendment shall not adversely affect the title to any Lot or Building Association unless the Owner shall consent thereto in writing. So long as the Declarant still owns property described in Exhibit "A" for development as part of the Project, it may unilaterally amend this Master Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

16.2.2. Amendment by Owners. Thereafter and otherwise, this Master Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of sixty-seven percent (67%) of the total votes in the Master Association, and the consent of the Declarant, so long as the Declarant has an option to subject additional property to this Master Declaration.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. To be effective, any amendment must be recorded in the public records of Eagle County, Colorado.

If an Owner consents to any amendment to this Master Declaration or the Master By-laws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

16.2.3. Approval of Building Associations. Approval by the Board of the individual Building Associations shall be required for any amendment which affects the rights or privileges of the particular Building or its Owners. Such approval shall not be unreasonably withheld.

16.2.4. Technical Amendment. To the extent allowed by the applicable law, Declarant hereby reserves and is granted the right and power to record, without the approval or consent of any Owner, first mortgage holder, or any other person or entity, technical amendments to this Master Declaration, the Master Articles and/or the Master Bylaws, at any time prior to the conveyance by a Declarant of all of the Property to Owners (other than a Declarant) for the purposes of correcting spelling, grammar, dates, typographical errors, or as may otherwise be necessary to clarify the meaning of any provisions of this Master Declaration.

16.2.5. Special Amendment. To the extent allowed by the Section 38-33.3-217 of the Act, Declarant hereby reserves and is granted the right and power to record, without the approval or consent of any Owner, first mortgage holder, or any other person or entity, special amendments to this Master Declaration.



16.2.6. Recording of Amendments. To be effective, all amendments to or revocation or termination of this Master Declaration must be recorded in the Office of the Clerk and Recorder of the County of Eagle, Colorado, and must contain evidence of the required approval thereof. The recordation of a certificate of the Secretary of the Master Association, certifying that Owners representing the requisite percentage of the Members, and the requisite percentage of first mortgage holders, if required, have consented to the Amendment shall satisfy the requirement of evidence of the required approval.

## ARTICLE XVII

### MISCELLANEOUS AND GENERAL PROVISIONS

Section 17.1. Supplemental to Act. The provisions of this Master Declaration shall be addition and supplemental to the Act, as it may be amended from time to time, and to all other applicable provisions of law.

Section 17.2. Incorporation of the Provisions of The Riverwalk at Edwards Planned Unit Control Documents, as Amended. The provisions of the PUD, as amended, for the Project are hereby incorporated in their entirety, and the terms and provisions thereof shall take precedent over the terms of this Master Declaration, the Master Articles and Master Bylaws in the event of a conflict. Particular note is made to the provisions of the PUD, as amended, relating to deed restrictions and the Employee Housing Program as defined therein.

Section 17.3. Severability. The provisions of this Master Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

Section 17.4. Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

Section 17.5. Captions. The captions to the Articles and Sections and the table of contents at the beginning of this Master Declaration are inserted herein only as a matter of convenience and for reference, and are in no way to be construed to define, limit or otherwise describe the scope of this Master Declaration or the intent of any provision hereof.

Section 17.6. Conflicts in Documents. In case of any conflict between this Master Declaration and the Master Articles or Master Bylaws, this Master Declaration shall control. In case of any conflict between the Master Articles and Master Bylaws, the Mater Articles shall control.

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IN WITNESS WHEREOF, the undersigned, being Declarant herein, has hereunto set its hand and seal this 29th day of October, 1996.

EAGLE II DEVELOPERS, INC.,  
a Colorado corporation

By: [Signature]  
William L. Williams, President

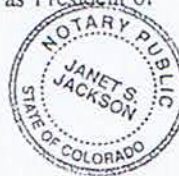
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STATE OF COLORADO )  
                                  ) ss.  
COUNTY OF EAGLE )

The above foregoing Master Declaration for The Riverwalk at Edwards was acknowledged before me this 29th day of October, 1996, by William L. Williams, as President of Eagle II Developers, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: 5-8-99.



[Signature]  
Notary Public

00212

STATE OF COLORADO )  
                                  ) ss.  
COUNTY OF EAGLE )

The above foregoing Master Declaration for The Riverwalk at Edwards was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1996, by \_\_\_\_\_.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public



EXHIBIT A

LEGAL DESCRIPTION

Beginning at a point on the northerly right-of-way line for U.S. Highway 6 which is also a point on the east line of Section 5, from which the southeast corner of Section 5, Township 5 South, Range 82 West of the 6th Principal Meridian, being a 3 1/2" aluminum cap, LS 16836 set, bears S01°25'33"W, 858.69 feet; thence along the northerly right-of-way N47°49'53"W, 1571.38 feet to a point on the easterly right-of-way line of the Interstate 70 access road; thence along the easterly right-of-way line N30°07'28"E, 770.96 feet to a point on the southerly line of a parcel of land owned by the Division of Highways State of Colorado, as recorded in Book 215 at Page 670; thence along the southerly line which is also the centerline of the Eagle River, S59°52'32"E, 150.00 feet; thence continuing along the southerly line and centerline of the Eagle River S27°52'32"E, 690.00 feet; thence continuing along the southerly line and centerline on the Eagle River S49°52'32"E, 449.84 feet to a point on the east line of Section 5; thence along the east line S01°25'33"W, 25.85 feet to the centerline of the Eagle River; thence along the centerline of the Eagle River the following 4 courses:

1. S72°34'27"E, 148.00 feet
2. S87°55'51"E, 209.11 feet
3. S62°28'45"E, 181.07 feet
4. S10°44'20"E, 123.00 feet

to a point on the north line of the SW1/4 SW1/4 of Section 4, Township 5 South, Range 82 West of the 6th Principal Meridian; thence along the north line N89°44'20"W, 540.00 feet to a point on the east line of Section 5; thence along the east line S01°25'33"W, 466.99 feet to the point of beginning, containing 22.455 acres more or less; having platted and subdivided the same into lots and tracts as shown on a final plat and designated the same as "Riverwalk at Edwards", a subdivision in the County of Eagle, State of Colorado, recorded at Book 314 at Page 474 and Book 319 at Page 510

00213



EXHIBIT B  
SHARING RATIOS AND FORMULA

<u>Lot</u>	<u>Sharing Ratio</u>	<u>Votes</u>
1	1/15	1/15
2	1/15	1/15
3	1/15	1/15
4	1/15	1/15
5	1/15	1/15
6	1/15	1/15
7	1/15	1/15
8	1/15	1/15
9	1/15	1/15
10	1/15	1/15
11	1/15	1/15
12	1/15	1/15
13	1/15	1/15
14	1/15	1/15
15	1/15	1/15

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