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Linda J. Daley
Laplata County, CO

AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

EDGEMONT HIGHLANDS

*TOM D. GORTON CONST. INC.
211 ROCK POINT DR #107
DENVER, CO 81301*

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This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Edgemont Highlands amends and supercedes the original Declaration of Covenants, Conditions and Restrictions recorded January 20, 2004 under Reception No. 877019 and First Amendment to Declaration of Covenants, Conditions and Restrictions recorded March 11, 2004 under Reception No. 880315 (the "Original Declaration") and Declarant does hereby terminate, in its entirety, the Original Declaration and replaces it with the following Amended and Restated Declaration of Covenants, Conditions and Restrictions for Edgemont Highlands (the "Amended and Restated Declaration"). This Amended and Restated Declaration of Covenants, Conditions and Restrictions is made this 11th day of May, 2004, by **Highlands Development I, LLC**, a Colorado Limited Liability Company ("Declarant")

PART ONE: INTRODUCTION TO THE COMMUNITY

As the developer of Edgemont Highlands, Highlands Development I, LLC has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, expansion, administration, maintenance and preservation of Edgemont Highlands, a planned community.

1 ARTICLE I CREATION OF THE COMMUNITY

1.1 Purpose and Intent.

Declarant, as the owner of the real property described in Exhibit "A", intends by Recording this Declaration to establish a general plan of development for the planned community known as Edgemont Highlands. This Declaration provides a flexible and reasonable procedure for Edgemont Highlands future expansion and provides for its overall development, administration, maintenance and preservation. An integral part of the development plan is the creation of Edgemont Highlands Community Association, Inc., an association comprised of all Owners of real property in Edgemont Highlands, to own, operate and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referenced in this Declaration.

1.2 Binding Effect.

All property described in Exhibit "A", and any additional property which is made a part of Edgemont Highlands in the future by Recording one or more Supplemental Declarations, shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of Edgemont Highlands, their heirs, successors, successors-in-title, and assigns. This Declaration, as it may be amended, shall remain in effect, shall be enforceable by Declarant, the Association, any Owner, and their respective legal representatives, heirs, successors, and assigns, in perpetuity.

1.3 Governing Documents.

Edgemont Highlands' Governing Documents consist of the following, as they may be amended:

- 1.3.1 Articles of Incorporation (filed with the Colorado Secretary of State) establish the Association as a not-for-profit corporation under Colorado law.
- 1.3.2 By-Laws (the Board of Directors adopts) govern the Association's internal affairs, such as voting, elections, meetings, etc.
- 1.3.3 Declaration (recorded by La Plata County Clerk and Recorder) creates obligations which are binding upon the Association and all present and future owners of property at Edgemont Highlands.
- 1.3.4 Supplemental Declaration(s), if applicable, (recorded by La Plata County Clerk and Recorder) adds property to Edgemont Highlands; may create easements and impose additional obligations or restrictions on such property.

- 1.3.5 Architectural Guidelines (the Board of Directors adopts; initial set attached as Exhibit "D" and incorporated herein by this reference) establish architectural standards and guidelines for improvements and modifications to Units, including structures, landscaping and other items on Units.
- 1.3.6 Rules and Regulations (Board or Members may adopt; initial set attached as Exhibit "C" and incorporated herein by this reference) govern use of property, activities, and conduct within Edgemont Highlands.
- 1.3.7 Board Resolutions (the Board of Directors adopts) establishes rules, policies and procedures for internal governance and Association activities, regulate operation and use of Common Area.
- 1.3.8 Landscaping Guidelines (initial set attached as Exhibit "E" and incorporated herein by this reference) establish landscaping standards and guidelines, including grading, fencing, patios, signs, fire mitigation and approved plant materials.
- 1.3.9 Plats and Supplemental Plats recorded by the La Plata County Clerk and Recorder of any portion of Exhibits "A" and/or "B".

Nothing in this Section shall preclude any Supplemental Declaration or other Recorded covenants applicable to any portion of Edgemont Highlands from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration and, in such case, the more restrictive shall control. The Association may, but shall not be required to, enforce any such covenants, restrictions or other instruments applicable to any Community Association.

The Governing Documents apply to all Owners and occupants of property within Edgemont Highlands, as well as to their respective tenants, guests and invitees. If a Unit is leased, the lease shall provide that the tenant and all occupants of the leased Unit are bound by and obligated to comply with the Governing Documents.

If any court should determine that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision.

2 ARTICLE II CONCEPTS AND DEFINITIONS

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

- 2.1 **"Act"**: The Act shall mean the Colorado Common Interest Ownership Act C.R.S. §38-33.3-101 et seq.
- 2.2 **"Architectural Guidelines"**: The guidelines, standards and requirements for architecture, design, construction, landscaping and exterior items on Units recorded pursuant to Article IV, as they may be amended.
- 2.3 **"Area of Common Responsibility"**: The Common Area and Open Space, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration(s), or other applicable covenants, contracts, or agreements.
- 2.4 **"Articles"**: Edgemont Highlands Community Associations, Inc.'s Articles of Incorporation, filed with the Colorado Secretary of State, as they may be amended.
- 2.5 **"Association"**: Edgemont Highlands Community Association, Inc., a Colorado nonprofit corporation,

its successors or assigns.

- 2.6 "Base Assessment":** Assessments levied on all Units subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Units, as determined in accordance with Section 8.1.
- 2.7 "Board of Directors" or "Board":** The body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under Colorado corporate law.
- 2.8 "Builder":** Any Person who purchases one or more Units for the purposes of constructing improvements for later sale to consumers, or who purchases one or more parcels of land within Edgemont Highlands for further subdivision, development, and/or resale in the ordinary course of its business.
- 2.9 "By-Laws":** The By-Laws of Edgemont Highlands Community Association, Inc., as they may be amended.
- 2.10 "Class "B" Control Period":** The period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board as provided in the By-Laws. The Class "B" Control Period shall terminate on the first to occur of the following:
- 2.10.1 when seventy-five (75) percent of the maximum number of units permitted by this Declaration for the property described in Exhibits "A" and "B" have been conveyed to Class "A" Members;
 - 2.10.2 December 31, 2033;
 - 2.10.3 as determined by the Act; or
 - 2.10.4 when, in its discretion, the Class "B" Member so determines.
- 2.11 "Common Area":** All real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyments of the Owners. The term shall include the Limited Common Area, as defined below. Except where the context otherwise requires, the term Common Area shall be inclusive of the term Open Space.
- 2.12 "Common Expenses":** The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including but not limited to all maintenance obligations of the Association, and including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common Expenses shall not include any expenses incurred during the Class "B" Control Period for initial development or other original construction costs unless Members representing a majority of the total Class "A" vote of the Association approve. Payments due under leases of capital improvements such as telecommunication equipment shall not be considered an initial development or original construction cost.
- 2.13 "Community-Wide Standard":** The standard of conduct, maintenance, or other activity generally prevailing at Edgemont Highlands, or the minimum standard established pursuant to the Architectural Guidelines, Rules and Regulations, and Board resolutions, whichever is a highest standard. Declarant shall establish initially such standard and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within Edgemont Highlands change.
- 2.14 "Declarant":** Highlands Development I, LLC, a Colorado Limited Liability Company, or any successor or assign who takes title to any portion of the property described in Exhibit "A" or "B" for the purpose of development and/or sale and who is designated as Declarant in a Recorded Instrument that the immediately preceding Declarant executes.
- 2.15 "Edgemont Highlands":** The real property described in Exhibit "A", together with such additional property as is subjected to this Declaration in accordance with Article IX.

- 2.16 "Edgemont Ranch":** The real property described as "Edgemont Ranch Unit 1, Edgemont Highlands (F.K.A. Unit 2) and Edgemont Master Plan Unit 3" on Edgemont Ranch Amendment to Amended Conceptual Development Plan 2003-137, recorded under Reception Number 869939.
- 2.17 "Governing Documents":** A collective term referring to this Declaration and any applicable Supplemental Declaration(s), the By-Laws, the Articles of Incorporation, the Architectural Guidelines, the Rules and Regulations, and Board Resolutions, all as they may be amended.
- 2.18 "Limited Common Area":** A portion of the Common Area primarily benefiting one or more, but less than all, Units, as more particularly described in Article XII.
- 2.19 "Limited Common Expense":** The actual and estimated expenses which the Association incurs or expects to incur for benefit of Owners with access to a Limited Common Area, which may include a reasonable reserve for capital repairs and replacements and a reasonable administrative charge, as may be authorized pursuant to this Declaration or in the Supplemental Declaration(s) applicable to such Limited Common Area(s).
- 2.20 "Master Plan":** Edgemont Ranch Amended Conceptual Development Plan 2003-137, as approved by La Plata County, and as it may be amended, which includes all the property described in Exhibit "A" and all of the property described in Exhibit "B". Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the omission of property described in Exhibit "B" from the Master Plan bar its later submission to this Declaration as provided in Article IX.
- 2.21 "Member":** A Person subject to membership in the Association pursuant to Section 6.2.
- 2.22 "Mortgage":** A mortgage, a deed of trust, a deed to secure debt, or any other form of security affecting title to any Unit.
- 2.23 "Mortgagee":** The beneficiary or holder of a Mortgage.
- 2.24 "Neighborhood":** A section, area or segment within Edgemont Highlands.
- 2.25 "Owner":** One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be construed to be the Owner.
- 2.26 "Owner/Builder":** Any person who purchases a unit for the purpose of building their own personal residence without the intention of immediate sale.
- 2.27 "Person":** A natural person, a corporation, a partnership, a trustee, or any other legal entity.
- 2.28 "Property":** The real property described in Exhibit "A", together with such additional property which is made a part of Edgemont Highlands in subsequent Recording(s).
- 2.29 "Record", "Recording", or "Recorded":** The filing of a legal instrument in the La Plata County, Colorado land records or such other place as may be designated as the official location for recording deeds, plats, and similar documents affecting title to real estate.
- 2.30 "Rules and Regulations":** The initial Rules and Regulations set forth in Exhibit "C", as they may be supplemental, modified, and repealed pursuant to Article III.
- 2.31 "Special Assessment":** Assessments levied in accordance with Section 8.4.

- 2.32 "Specific Assessment":** Assessments levied in accordance with Section 8.5.
- 2.33 "Supplemental Declaration":** An instrument Recorded pursuant to Article IX which subjects additional property to this Declaration, identifies phases and neighborhoods, and/or creates or imposes additional easements, restrictions and obligations on the land described in such instrument.
- 2.34 "Unit":** A portion of Edgemont Highlands which may be independently owned and is intended for development, use and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. In the case of a structure containing multiple dwellings, each dwelling shall be deemed to be a separate Unit. Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and Recorded is prohibited, except that Declarant shall be permitted to subdivide or replat Units that it owns, subject to governmental authority. Owners of lots platted as multi-family or identified for future phased development may apply to the County Planning Department and other necessary governmental authorities for permit to build Units on said lots as limited by a recorded plat.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use and conduct, maintenance, architecture, landscaping and other aesthetic matters at Edgemont Highlands are what give the community its identity and make it a place that people want to call "home". Each Owner and resident upholding such standards can take pride in the results of that common effort. This Declaration establishes procedures for adopting, modifying, applying, and enforcing such standards while providing the flexibility for the community standards to evolve as Edgemont Highlands changes and grows over time.

3 ARTICLE III USE AND CONDUCT

3.1 Framework for Regulation.

As part of the general plan of development for Edgemont Highlands, the Governing Documents establish a framework of affirmative and negative covenants, easements and restrictions that govern Edgemont Highlands. Within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends, and technology. Therefore, this Article establishes procedures for modifying and expanding the initial set of Rules and Regulations set forth in Exhibit "C". This Article is not intended to apply to rules and regulations relating to use and operation of the Common Area which the Board may adopt by resolution pursuant to Section 7.1.3, nor to administrative policies which the Board may adopt to interpret, define or implement the Rules and Regulations.

3.2 Rule Making Authority.

- 3.2.1** Subject to the terms of this Article and the Board's duty to exercise reasonableness on behalf of the Association and its Members, the Board may modify, cancel, limit, create exceptions to, or expand the Rules and Regulations. With respect to the consideration of any such action the Board shall notice all Owners concerning any proposed action at least five (5) business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective, after compliance with subsection 3.2.3, unless Members representing more than fifty (50) percent of the total Class "A" votes in the Association and the Class "B" Member, if any, disapprove such action at a meeting. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition of the Members as required for special meetings in the By-Laws. Upon such petition of the Members prior to the effective date of any Board action under this Section 3.2.1, the proposed action shall not become effective until after such meeting is held, and

subject to the outcome of such meeting.

- 3.2.2 Alternatively, Members, representing more than Fifty (50) percent of the total Class "A" votes in the Association at an Association meeting duly called for such purposes, may vote to adopt rules that modify, cancel, limit, create exceptions to, or expand the Rules and Regulations then in effect. Such action shall require approval of the Class "B" Member, if any.
- 3.2.3 Prior to any action taken under this Section becoming effective, the Board shall send a copy of the new rule or explanation of any changes to the Rules and Regulations to each Owner. The effective date shall be not less than thirty (30) days following distributions to Owners unless such action is emergency in nature (i.e. watering restrictions if supply is in jeopardy) in which case such action may become effective immediately. The Association shall provide, without cost, a copy of the Rules and Regulations then in effect to any requesting Member or Mortgagee.
- 3.2.4 No action taken under this Article shall have the effect of modifying, repealing or expanding the Architectural Guidelines or any provision of this Declaration other than the initial Rules and Regulations set forth in Exhibit "C". In the event of a conflict between the Architectural Guidelines and the Rules and Regulations, the Architectural Guidelines shall control.
- 3.2.5 The procedures required under this Section 3.2 shall not apply to the enactment and enforcement of administrative rules and regulations governing use of the Common Area unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative rules and regulations shall include, but not be limited to, hours of operation of a recreational facility, speed limits on private roads, and the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times.

3.3 Owners' Acknowledgment and Notice to Purchasers.

All Owners are given notice that use of their Units and the Common Area is limited by the Rules and Regulations as modified from time to time. By acceptance of a deed, each owner acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by this provision and that the Rules and Regulations may change from time to time. All purchasers of Units are on notice that the Association may have adopted changes. Copies of the current Rules and Regulations may be obtained from the Association.

3.4 Protection of Owners and Others.

Except as may be set forth in this Declaration (either initially or by amendment) or in the initial Rules and Regulations set forth in Exhibit "C", all Rules and Regulations shall comply with the following provisions:

- 3.4.1 Similar Treatment. Similarly situated Owners shall be treated similarly.
- 3.4.2 Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Units of the kinds normally displayed in dwellings located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling.

No rules shall regulate the content of political signs; however, rules may regulate the times, place and manner of posting such signs (including design criteria).
- 3.4.3 Household Composition. No rule shall interfere with the Owners' freedom to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair use of the Common Area.

- 3.4.4 Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance.
- 3.4.5 Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the 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 are delinquent in paying assessments, abuse the Common Area, or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Article VIII.
- 3.4.6 Alienation and Leasing. No rule shall prohibit leasing or transfer of any Units, or require consent of the Association or Board for leasing or transfer of any Unit; provided, the Association or the Board may require a minimum lease term of up to 12 months. The Association may require that Owners use lease forms approved by the Association but shall not impose any fee on the lease or transfer of any Unit greater than an amount reasonably based on the costs to the Association of administering that lease or transfer. Contemporaneously with the execution of the lease a copy thereof with name of property manager, if any, shall be delivered to the Association by the Owner. Information on file with Association shall be kept current by Owner.
- 3.4.7 Abridging Existing Rights. No rule shall require an Owner to dispose of personal property that was in or on a Unit prior to the adoption of such rule if such personal property was in compliance with all rules previously in force. This exemption shall apply only during the period of such Owner's ownership of the Unit, and shall not apply to subsequent Owners who take title to the Unit after adoption of the rule.
- 3.4.8 Reasonable Rights to Develop. No rule or action by the Association or Board shall unreasonably impede Declarant's right to develop Edgemont Highlands.

The limitations set forth in subsections 3.4.1 through 3.4.7 of this Section shall only limit rulemaking authority exercised under Section 3.2; they shall not apply to amendments to this Declaration adopted in accordance with Article XVI.

4 ARTICLE IV ARCHITECTURAL AND LANDSCAPING

4.1 General.

No structure or thing shall be placed, erected, or installed upon any Unit and no improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements or planting or removal of landscaping) shall take place within Edgemont Highlands, except in compliance with this Article, the Architectural Guidelines and the Landscaping Guidelines.

No approval shall be required to repaint, restain or re-stucco (using the same color/color scheme) the exterior of a structure in accordance with the most recently approved color scheme or to rebuild in accordance with originally approved plans and specifications unless changes are required to meet current codes. Any Owner may remodel, paint, or redecorate the interior of his or her Unit without approval. However, modifications to the interior of screened porches, patios and similar portions of a Unit visible from outside the structure shall be subject to approval.

All dwellings constructed on any portion of Edgemont Highlands shall be designed and built in accordance with the plans and specifications approved by the Architectural Review Committee.

4.2 Wildfire Mitigation

All improvements on the Property shall be constructed to incorporate a surrounding area of "defensible space" to mitigate wildfire danger. Owners are encouraged to follow the Colorado State University Cooperative Extension's "Creating Wildfire-Defensible Zones - No. 6.302" guidelines which provide for Defensible Space Management Zones. The design of defensible space for each lot within Edgemont Highlands depends on several factors, including size and shape of buildings, materials used in their construction, the slope of the ground on which the structures are built, surrounding topography, and the size and types of vegetation on the property and adjoining properties. Owners may want to request additional guidance from the local Colorado State Forest Service forester or the local fire department. Owners shall inspect their property on an annual basis to determine if additional mitigation is necessary. This annual inspection shall verify that trees and shrubs are properly thinned, roof and gutters are clear of debris, branches overhanging roofs and chimneys are removed, chimney screens are in place and in working condition, and that all grass and weeds are mowed. Notwithstanding the importance of wildfire mitigation, all plans for removal of trees and other vegetation must be approved by the Architectural Review Committee.

4.3 Architectural Review.

- 4.3.1 By Declarant. By accepting a deed or other instrument conveying any interest in any portion of Edgemont Highlands, each Owner acknowledges that, as the developer of Edgemont Highlands and as an owner of portions of Edgemont Highlands as well as other real estate adjacent to Edgemont Highlands, Declarant has a substantial interest in ensuring that the improvements within Edgemont Highlands enhance its reputation as a neighborhood possessing features of more than ordinary value and do not impair Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that no activity within the scope of this Article shall be commenced on such Owner's Unit unless and until Declarant or its designee has given its prior written approval for such activity upon proper application therefor.

In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in Declarant's interest and shall owe no duty to any other Person. Declarant's rights reserved under this Article shall continue so long as Declarant owns any portion of the real property described in Exhibit A and/or Exhibit B, unless earlier terminated in an instrument the Declarant Records.

Declarant may designate one or more Persons to act on its behalf in reviewing applications hereunder.

Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to (i) an architectural review committee appointed by the Board of Directors (the "ARC"); or (ii) a committee comprised of architects, engineers or other persons who may or may not be Members of the Association. Any such delegations shall be in writing specifying the scope of responsibilities delegated and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) Declarant's right to veto any decision which Declarant reasonably determines to be inappropriate or inadvisable under the guidelines. So long as Declarant has any rights under this Article, the jurisdiction of the foregoing entities shall be limited to such matters as Declarant specifically delegates to them.

- 4.3.2 Architectural Review Committee (ARC). Upon delegation by Declarant or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the ARC, shall assume jurisdiction over architectural matters. The ARC, when appointed, shall consist of at least three, but not more than five, persons who shall serve and may be removed and replaced at the Board's discretion. The members of the ARC need not be Members of the

Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, who may be compensated in such manner and amount if any, as the Board may establish.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the ARC or Declarant's rights under this Article terminate, the Association shall have no jurisdiction over architectural matters.

- 4.3.3 Fees, Assistance. For purposes of this Article, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer." The Reviewer may establish and charge reasonable fees for review of applications and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget.

4.4 **Guidelines and Procedures.**

- 4.4.1 Architectural Guidelines. Declarant may prepare the initial Architectural Guidelines, which may contain general provisions applicable to all of Edgemont Highlands as well as specific provisions which vary from Neighborhood to Neighborhood. The Architectural Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the Reviewer in considering applications. The Architectural Guidelines are not the exclusive basis for decisions of the Reviewer and, therefore, compliance with the Architectural Guidelines does not guarantee approval of any application.

Declarant shall have sole and full authority to amend the Architectural Guidelines as long as it owns any portion of or has a right to expand Edgemont Highlands pursuant to Section 9.1, notwithstanding a delegation of reviewing authority to the ARC, unless Declarant also delegates the power to amend to the ARC. Upon termination or delegation of Declarant's right to amend, the ARC shall have the authority to amend the Architectural Guidelines with the consent of the Board.

Any amendments to the Architectural Guidelines shall be prospective only and shall not apply to required modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Architectural Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Architectural Guidelines less restrictive.

The Reviewer shall make the Architectural Guidelines available to Owners and Builders who seek to engage in development or construction within Edgemont Highlands. At Declarant's discretion, such Architectural Guidelines may be Recorded, 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 Architectural Guidelines was in effect at any particular time.

- 4.4.2 Procedures. Except as otherwise specifically provided in the Architectural Guidelines, no activities shall commence on any portion of Edgemont Highlands until an application for approval has been submitted to and approved by the Reviewer subject to expiration without objection of any reserved Declarant right of review and approval. Such application shall include plans and specifications showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. The Architectural Guidelines and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations shall not be subject to review so long as made in good faith and in accordance with the procedures set forth herein.

The Reviewer shall make a determination on each application within twenty-one (21) days after receipt of a completed application and all required information. The Reviewer may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application.

Until expiration of Declarant's rights under this Article, the ARC shall notify Declarant in writing within three (3) business days after the ARC has approved any application within the scope of matters delegated to the ARC by Declarant. The notice shall be accompanied by a copy of the application and any additional information Declarant may require. Declarant shall have ten (10) days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the ARC.

The Reviewer shall notify the applicant in writing of the final determination on any application within five (5) days thereafter or, with respect to any determination by the ARC subject to Declarant's veto right, within five (5) days after the earlier of: (i) receipt of notice of Declarant's veto or waiver thereof; or (ii) expiration of the 10-day period for exercise of Declarant's veto. In the case of disapproval, the Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

In the event that Reviewer fails to respond in a timely manner, approval shall be deemed to have been given, subject to Declarant's right to veto pursuant to this Section. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the Architectural Guidelines unless a written variance has been granted pursuant to Section 4.6. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U.S. Postal Service. However, personal delivery of such written notice shall be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

If construction does not commence on a project for which plans have been approved within one year after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing any activities. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. Completed work shall be evidenced by a Certificate of Occupancy issued by La Plata County after Architectural Review Committee approval is received in accordance with Section 4.8. If approved work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, Declarant or any aggrieved Owner.

The Reviewer may, by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

4.5 No Waiver of Future Approvals.

Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the

Architectural Guidelines may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans, 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 applications, plans or other matters subsequently or additionally submitted for approval.

4.6 Variances.

The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) preclude the Reviewer from denying a variance in other circumstances. 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.

4.7 Limitation of Liability.

The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Edgemont Highlands; they do not create any duty to any Person. Review and approval of any application pursuant to this Article may be made on the basis of aesthetic considerations only, and the Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners.

Declarant, the Association, the Board, any committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not Declarant has approved or featured such contractor as a builder; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction or modifications to any Unit. In all matters, the Association shall indemnify the Board, the ARC, and the members of each as provided in the Section 7.6.

4.8 Certificate of Compliance.

Upon completion of any residence or other improvement for which ARC approval is necessary, Owner must submit and must complete the process for issuance of the Edgemont Highlands Architectural Review Committee Certificate of Compliance (The "Certificate of Compliance"). The ARC shall either grant or deny such submittal within thirty (30) days after the receipt thereof and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall preclude the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate. If Owner does not apply for and obtain approval from ARC, Owner will be in violation and after notice and hearing will be subject to sanctions imposed by the Board.

5 ARTICLE V MAINTENANCE AND REPAIR

5.1 Maintenance of Units.

Each Owner shall maintain his or her Unit and all landscaping and improvements comprising the Unit in a manner consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed or assigned to the Association or a Neighborhood pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Unit.

5.2 Maintenance of Property.

Edgemont Highlands Community Association shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with Governing Documents, the Community-Wide Standard and all applicable covenants.

The Association may assume maintenance responsibility for property within any Neighborhood, in addition to that designated by any Supplemental Declaration, either by agreement with the Neighborhood or because, in the Board's opinion, the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

5.3 Responsibility for Repair and Replacement.

Unless otherwise provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary to maintain the property to a level consistent with the Community-Wide Standard.

By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible, unless either the Neighborhood Association (if any) for the Neighborhood in which the Unit is located or the Association carries such insurance (which they may, but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Unit and the Owner. Owner shall provide the Association with a current Certificate of Insurance evidencing appropriate coverage.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his or her Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV. Alternatively, the Owner shall clear the Unit and maintain it in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs not covered by insurance proceeds.

5.4 General Liability.

By virtue of taking title to a Unit, each owner also covenants and agrees with all other Owners and with the Association to carry general liability insurance, which may be through their hazard insurance policy, in the amount established by the Rules and Regulations.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

This Declaration establishes the Association as a mechanism by which each Owner is able to participate in the governance and administration of Edgemont Highlands. While many powers and responsibilities are vested in the Association's Board of Directors in order to facilitate day-to-day management and operation, some decisions are considered of such importance that they are reserved for the Association's membership – the owners of property in Edgemont Highlands.

6 ARTICLE VI THE ASSOCIATION AND ITS MEMBERS

6.1 Function of Association.

The Association is the entity responsible for management, maintenance, operation, and control of the Area of Common Responsibility. The Association also is the primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and Colorado law.

6.2 Membership.

Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3.3 and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner that is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in written instrument provided to the Secretary of the Association.

6.3 Voting.

The Association shall have two classes of membership, Class "A" and Class "B"

- 6.3.1 Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 6.2, except that there shall be only one vote per Unit. No vote shall be exercised for any property that is exempt from assessment under Section 8.8. All Class "A" votes shall be cast as provided in Section 6.3.3.
- 6.3.2 Class "B". The sole Class "B" Member shall be the Declarant. The Class "B" Member may appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified in the By-Laws. Additional rights of the Class "B" Member are specified in the relevant sections of the Governing Documents. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board and committees as provided in the By-Laws.

The Class "B" membership shall terminate upon the earlier of:

- 6.3.2.1 two years after expiration of the Class "B" Control Period pursuant to Article III of the By-Laws; or
- 6.3.2.2 when, in its discretion, Declarant so determines and declares in a Recorded instrument.

Upon termination of the Class "B" membership, Declarant shall be a Class "A" Member entitled to Class "A" votes for each Unit which it owns.

In recognition of the different character and intended use of the property subject to such Supplemental Declaration, Declarant may, by Supplemental Declaration, create additional classes of membership for the owners of Units within any property made subject to this Declaration pursuant to Article IX. These classes shall have such rights, privileges and obligations as specified in such Supplemental Declaration.

6.3.3 Association's acceptance of votes.

- 6.3.3.1 If the name signed on a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation corresponds to the name of a member, the Association, if acting in good faith, is entitled to accept the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation and to give it effect as the act of the member.
- 6.3.3.2 If the name signed on a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation does not correspond to the name of a member, the Association, if acting in good faith, is nevertheless entitled to accept the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation and to give it effect as the act of the member if:
- A. The member is an entity and the name signed purports to be that of an

- officer or agent of the entity;
 - B. The name signed purports to be that of an administrator, executor, guardian, or conservator representing the member and, if the Association requests, evidence of fiduciary status acceptable to the Association has been presented with respect to the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation;
 - C. The name signed purports to be that of a receiver or trustee in bankruptcy of the member and, if the Association requests, evidence of this status acceptable to the Association has been presented with respect to the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation;
 - D. The name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the member and, if the Association requests, evidence acceptable to the Association of the signatory's authority to sign for the member has been presented with respect to the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation;
 - E. Two or more persons are the member as cotenants or fiduciaries and the name signed purports to be the name of at least one of the cotenants or fiduciaries and the person signing appears to be acting on behalf of all the cotenants or fiduciaries; or
 - F. The acceptance of the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation is otherwise proper under rules established by the Association that are not inconsistent with the provisions of this subsection 6.3.3.2.
- 6.3.3.3 The Association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the member.
- 6.3.3.4 The Association and its officer or agent who accepts or rejects a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation in good faith and in accordance with the standards of this section are not liable in damages for the consequences of the acceptance or rejection.
- 6.3.3.5 Association action based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation under this section is valid unless a court of competent jurisdiction determines otherwise.

6.4 Notice to Association.

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

7 ARTICLE VII ASSOCIATION POWERS AND RESPONSIBILITIES

7.1 Acceptance and Control of Association Property.

- 7.1.1 The Association may acquire, hold, lease (as lessor or lessee), operate and dispose of tangible and intangible personal property and real property. The Association may enter into leases, licenses or operating agreements for portions of the Common Area, for such consideration or no consideration as the Board deems appropriate, to permit use of such portions of the Common Area by community organizations and by others, whether nonprofit or for profit, for the provision of goods or services for the general benefit or convenience of owners, occupants and residents of Edgemont Highlands.
- 7.1.2 Declarant and its designees may convey to the Association, and the Association shall accept, personal property and fee title, leasehold or other property interests in any real property, improved or unimproved, described in Exhibit "A" or "B". Declarant shall convey the initial

Common Area to the Association prior to the conveyance of a Unit to any Person other than a Builder. Upon Declarant's written request, the Association shall reconvey to Declarant any unimproved portions which Declarant originally conveyed to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines. Unimproved portions shall mean those portions that have not yet been improved, or whose improvements are limited to those in the nature of landscaping.

- 7.1.3 The Association shall be responsible for management, operation, and control of the Common Area, subject to any covenants and restrictions set forth in the deed or other instrument transferring such property to the Association. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate.

7.2 Maintenance of Area of Common Responsibility.

The Association shall maintain, in accordance with the Community-Wide Standard, the Area of Common Responsibility, which shall include, but need not be limited to:

- 7.2.1 all portions of and structures situated on the Common Area, including but not limited to trails and trail signage. The trail system planned for Edgemont Highlands consists of a combination of hardscaped trails, woodchipped trails and footpaths. Maintenance of trails does not include plowing or snow removal;
- 7.2.2 landscaping abutting public rights-of-way;
- 7.2.3 such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association;
- 7.2.4 all water drainage and detention systems, and ponds, streams or riparian areas located within Edgemont Highlands which serve as part of the stormwater drainage system for Edgemont Highlands, including improvements and equipment installed therein or used in connection therewith; and
- 7.2.5 any property and facilities which Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members. Such property and facilities shall be identified by written notice from Declarant to the Association and will remain part of the Area of Common Responsibility maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may maintain other property it does not own, including, without limitation, property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

The Association shall not be liable for any damage or injury occurring on or arising out of the condition of property it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities or other duties assumed by the Association.

The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the Board's sole discretion, to perform required maintenance or repairs, unless Members representing sixty-seven (67) percent of the Class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation.

Except as provided above, the Area of Common Responsibility shall not be reduced except with Declarant's prior written approval as long as Declarant owns any property described in Exhibit "A" or "B".

The costs associated with maintenance, repair, and replacement of the Area of Common Responsibility shall be a Common Expense; provided the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other Recorded covenants, or agreements with the owner(s) thereof.

7.3 Insurance.

7.3.1 Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

- 7.3.1.1 Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within the Area of Common Responsibility to the extent that Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;
- 7.3.1.2 Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$2,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, if additional coverage and higher limits are available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;
- 7.3.1.3 Workers compensation insurance and employers liability insurance, if and to the extent required by law;
- 7.3.1.4 Directors and officers liability coverage;
- 7.3.1.5 Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-quarter of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and
- 7.3.1.6 Such additional insurance as the Board, in the exercise of its business judgment, determines advisable.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses, except that (i) premiums for insurance on Limited Common Areas may be included in the Limited Common Expenses of the Neighborhood(s) to which such Limited Common Areas are assigned unless the Board reasonably determines that other treatment of the premiums is more appropriate.

7.3.2 Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified persons, at least one of whom must be familiar with insurable replacement costs in the Durango area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3.1. In the event of an insured loss, the deductible shall be

treated as a Common Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

All insurance coverage obtained by the Board shall:

- 7.3.2.1 be written with a company authorized to do business in Colorado which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;
- 7.3.2.2 be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners within the Neighborhood and their Mortgagees, as their interests may appear;
- 7.3.2.3 not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;
- 7.3.2.4 contain an inflation guard endorsement;
- 7.3.2.5 include an agreed amount endorsement, if the policy contains a co-insurance clause;
- 7.3.2.6 provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member);
- 7.3.2.7 provide a waiver of subrogation under the policy against any Owner or household member of an Owner;
- 7.3.2.8 include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and
- 7.3.2.9 include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies that list the Owners as additional insureds and provide:

- 7.3.2.10 a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;
- 7.3.2.11 a waiver of the insurer's rights to repair and reconstruct instead of paying cash;
- 7.3.2.12 an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;
- 7.3.2.13 an endorsement requiring at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;
- 7.3.2.14 a cross liability provision; and
- 7.3.2.15 a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

- 7.3.3 Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in

which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless the Members representing at least sixty-seven (67) percent of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within sixty (60) days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members or the Owners of Units within the insured Neighborhood, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3.1.

7.4 Compliance and Enforcement.

- 7.4.1 Every Owner and occupant of a Unit shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the By-Laws. Such sanctions may include, without limitation:
 - 7.4.1.1 imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit. (In the event that any occupant, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided, however, if the fine is not paid by the violator within the time period set by the Board the Owner shall pay the fine upon notice from the Board);
 - 7.4.1.2 suspending an Owner's right to vote;
 - 7.4.1.3 suspending any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;
 - 7.4.1.4 suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association;
 - 7.4.1.5 exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;
 - 7.4.1.6 requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Unit in violation of the Governing Documents and to restore the Unit to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;
 - 7.4.1.7 without liability to any Person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and

- provisions of Article IV and the Architectural Guidelines from continuing or performing any further activities in Edgemont Highlands; and
- 7.4.1.8 levying Specific Assessments to cover costs incurred by the Association to bring a Unit into compliance with the Governing Documents.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in the By-Laws:

- 7.4.1.9 exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); or
- 7.4.1.10 bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may Record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner as a Specific Assessment. Except in an emergency situation, the Association shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorney's fees and court costs, reasonably incurred in such action.

- 7.4.2 The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

- 7.4.2.1 the Association's position is not strong enough to justify taking any or further action;
- 7.4.2.2 the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;
- 7.4.2.3 although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or
- 7.4.2.4 that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed as a waiver of the Association's right to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, or rule.

7.5 Implied Rights: Board Authority.

The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Association may be exercised by the Board without a vote of the membership except where applicable law or the Governing Documents specifically require a vote of the membership.

The Board may institute, defend, settle, or intervene on behalf of the Association in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the Governing Documents, or any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Association or its Members.

In exercising the rights and powers of the Association, making decisions on behalf of the Association, and conducting the Association's affairs, Board members shall be subject to, and their actions shall be judged in accordance with, the standards set forth in the By-Laws.

7.6 Indemnification of Officers, Directors, and Others.

In the performance of their duties, Association directors and officers shall be insulated from personal liability as provided by Colorado law for directors and officers of nonprofit corporations, and as otherwise provided in the Governing Documents. Except in connection with a proceeding by or in the right of the Association in which the Director and/or Officer was adjudged liable to the Association; or in connection with any other proceeding charging that the Director and/or Officer derived an improper personal benefit, whether or not involving action in an official capacity, in which proceeding the Director and/or Officer was adjudged liable on the basis that the Director and/or Officer derived an improper personal benefit, the Association shall indemnify a person made a party to a proceeding because the person is or was a Director and/or Officer against liability incurred in the proceeding if:

- ◆ The person's conduct was in good faith;
- ◆ The person acted on a disinterested basis, promptly disclosed any real or potential conflict of interests (pecuniary or other), and avoided participation in decisions and actions when a conflict existed; and The person reasonably believed:
- ◆ In the case of conduct in an official capacity with the Association, that the conduct was in the Association's best interests; and
- ◆ In all other cases, that the conduct was at least not opposed to the Association's best interests; and
- ◆ In the case of any criminal proceeding, the person had no reasonable cause to believe the conduct was unlawful.

7.7 Safety and Security.

Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in Edgemont Highlands. The Association may, but shall not be obligated to, maintain or support certain activities within Edgemont Highlands designed to enhance the level of safety or security which each person provides for himself or herself and his or her property. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of safety or security within Edgemont Highlands, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to Edgemont Highlands, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing its tenants and all occupants of its Unit that the Association, that its Board and committees, and Declarant are not insurers or guarantors of security or safety and that each Person within Edgemont Highlands assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

7.8 Provision of Services.

The Association may provide, or provide for, services and facilities for the Members and their Units, and shall be authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use or service fees for any such services and facilities provided at the option of an Owner, or may include the costs thereof in the Association's budget as a Common Expense and assess it as part of the Base Assessment if provided to all Units. By way of example, such services and facilities might include landscape maintenance, cable television service, phone service, internet access, security, caretaker, transportation, utilities, and similar services and facilities.

Nothing in this Section shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, the Board shall be permitted to modify or cancel existing

contracts for services in its discretion, unless the provision of such services is otherwise required by the Governing Documents. Non-use of services provided to all Owners or Units as a Common Expense shall not exempt any Owner from the obligation to pay assessments for such services.

7.9 Relationships with Other Properties.

The Association may enter into contractual agreements or covenants to share costs with any neighboring property to contribute funds for, among other things, shared or mutually beneficial property or services and/or a higher level of Common Area maintenance. The Association is authorized to exercise some of all of the powers of one or more other associations on behalf of the owners of one or more common interest communities.

7.10 Facilities and Services Open to the Public.

Certain facilities and areas within Edgemont Highlands may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example: greenbelts, trails and paths, parks, and other neighborhood spots conducive to gathering and interaction, roads, sidewalks, and medians. Declarant may designate such facilities and areas as open to the public at the time Declarant makes such facilities and areas a part of the Area of Common Responsibility or the Board may so designate at any time thereafter.

7.11 Education and Training.

As a Common Expense, the Association may provide educational and training opportunities within Edgemont Highlands, including providing funding and permitting facilities use for such purposes. The Association may provide education and training activities as a tool for fostering Owner and resident awareness of Edgemont Highlands governance, operations, and concerns. Appropriate educational topics include dispute or conflict resolution, issues involving the Governing Documents, Landscaping Guidelines and Education, and benefiting from and contributing to Edgemont Highlands as a planned community. The Association also shall fund and support the education and training required for officers and directors under the By-Laws.

8 ARTICLE VIII ASSOCIATION FINANCES

8.1 Budgeting and Allocating Common Expenses.

At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Units, as authorized in this Article.

The Association is authorized to levy Base Assessments equally against all Units subject to assessment under Section 8.6 to fund the Common Expenses. In determining the Base Assessment rate per Unit, the Board may consider any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy, which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. Payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

Within thirty (30) days after adoption of any proposed budget for the common interest community, the executive board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the unit owners and shall set a date for a meeting of the unit owners to consider ratification of the budget not less

than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all unit owners or any larger percentage specified in the declaration 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 unit owners must be continued until such time as the unit owners ratify a subsequent budget proposed by the executive board.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth above.

8.2 Budgeting for Reserve.

The Board shall prepare and review at least annually a reserve budget for the Area of Common Responsibility. The budget shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect to both amount and timing by annual contributions over the budget period.

8.3 Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Units within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Members representing more than fifty (50) percent of the total votes allocated to Units which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.4 Borrowing.

The Association shall have the authority to assign its right to future income, including the right to receive common expense assessments.

8.5 Specific Assessment.

The Association shall have the power to levy Specific Assessments against a particular Unit as follows:

- 8.5.1 to cover the costs, including overhead and administrative costs, of providing services to Units upon request of an Owner pursuant to any menu of special services which may be offered by the Association (which might include the items identified in Section 7.8). Specific Assessments for special services may be levied in advance of the provision of the requested service; and
- 8.5.2 to cover costs incurred in bringing the Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the By-laws, before levying any Specific Assessment under this subsection.

8.6 Authority to Assess Owners: Time of Payment.

Declarant hereby establishes and the Association is hereby authorized to levy assessments as

provided for in this Article and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Unit on the first day of the month following: (a) the month in which the Unit is made subject to this Declaration; or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual Base Assessment and Special Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.7 Obligation for Assessments.

Each Owner, by accepting a deed for property within Edgemont Highlands, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of ten (10) percent per annum or such higher rate as the Board may establish, subject to the limitations of Colorado law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full.

Failure of the Board to fix assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself or herself from liability for assessments by non-use of Common Area, abandonment of his or her Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No reduction or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, the Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

8.8 Lien for Assessments.

The Association shall have a lien against each Unit including Declarant's to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Colorado law), and costs of collection (including attorney's fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior; and (b) the lien or charge of any Recorded first Mortgage (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value, such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure other than to the extent provided in Section 316 of the Act.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid assessments and other

charges authorized hereunder without foreclosing or waiving the lien securing the same.

Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure subject to the lien priority of Section 316 of the Act and the Association's redemption and cure rights. The subsequent Owner to the foreclosed Unit shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.6 , including such acquirer, its successors and assigns.

8.9 Exempt Property.

The following property shall be exempt from payment of Base Assessments, and Special Assessments:

- 8.9.1 All Common Area and such portions of the property owned by Declarant as are included in the Area of Common Responsibility;
- 8.9.2 Any property dedicated to and accepted by any governmental authority or public utility; and

In addition, Declarant and/or the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax-exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

8.10 Capitalization of Association.

Upon acquisition of record title to a Unit by the first Owner thereof other than Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in the amount of \$500.00. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws.

PART FOUR: COMMUNITY DEVELOPMENT

The Declaration reserves various rights to the developer in order to facilitate the smooth and orderly development of Edgemont Highlands and to accommodate changes in the master plan which inevitably occur as a community the size of Edgemont Highlands grows and matures.

9 ARTICLE IX EXPANSION OF THE COMMUNITY

9.1 Expansion by Declarant.

Declarant may subject to the provisions of this Declaration all or any portion of the property described in Exhibit "B" by Recording a Supplemental Declaration describing the additional property to be subjected. A Supplemental Declaration Recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant.

Declarant's right to expand Edgemont Highlands pursuant to this Section shall expire when all property described in Exhibit "B" has been subjected to this Declaration or forty years after this Declaration is Recorded, whichever is earlier. Until then, Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibit "A" or "B." Any such transfer shall be memorialized in a written, Recorded instrument executed by Declarant.

Nothing in this Declaration shall be construed to require Declarant or any successor to subject

additional property to this Declaration or to develop any of the property described in Exhibit "B" in any manner whatsoever.

9.2 Expansion by the Association.

At expiration of Declarant's right to expand the community, if Declarant has failed to do so, the Association may subject additional property within Edgemont Ranch (as defined in Article II, Definitions) to the provisions of this Declaration by Recording a Supplemental Declaration describing the additional property. Any such Supplemental Declaration shall require the affirmative vote of Members representing more than sixty-seven (67) percent of the Class "A" votes of the Association represented at a meeting duly called for such purpose and the consent of the owner(s) of the property. In addition, so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, Declarant's consent shall be necessary. The Association's President and Secretary, the owner of the property, and Declarant, if Declarant's consent is necessary, shall sign the Supplemental Declaration.

9.3 Additional Covenants and Easements.

Declarant may subject any portion of Edgemont Highlands to additional covenants and easements, including covenants obligating the Association to maintain and insure such property. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If someone other than Declarant owns the property, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4 Effect of Filing Supplemental Declaration.

A Supplemental Declaration shall be effective upon Recording unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

9.5 Number of Units.

The maximum number of Units for the property described in Exhibits A and B is 1244.

10 ARTICLE X ADDITIONAL RIGHTS RESERVED TO DECLARANT

10.1 Marketing and Sales Activities.

Declarant and Builders authorized by Declarant may construct and maintain upon portions of the Common Area such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model units, and sales offices. Declarant and authorized Builders shall have easements for access to and use of such facilities at no charge by the Association other than for direct costs, and will have the responsibility to revegetate to original condition any portions of the common area disturbed by such activities.

10.2 Right to Develop.

Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

Every Person that acquires any interest in Edgemont Highlands acknowledges that Edgemont Highlands is a master planned community, the development of which is likely to extend over many years, and

recognizes that there may be changes in uses or density for the property in Exhibit A and B and changes in the Master Plan and that the Declarant is authorized to pursue these changes through appropriate land use approvals.

10.3 Right to Approve Additional Covenants.

No Person shall Record any declaration of covenants, conditions and restrictions, declaration of condominium, or similar instrument affecting any portion of Edgemont Highlands 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 and Recorded by Declarant. So long as there is a Class B Membership, Declarant's consent shall be necessary. Thereafter, the Board's consent shall be necessary.

10.4 Right to Approve Changes in Edgemont Highlands Standards.

No amendment to or modification of any Rules and Regulations or Architectural Guidelines shall be effective without prior notice to and the written approval of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

10.5 Right to Transfer or Assign Declarant Rights.

Any or all of Declarant's special rights and obligations set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the By-laws. No such transfer or assignment shall be effective unless it is in a written instrument Declarant signs and Records. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to Record any written assignment unless necessary to evidence Declarant's consent to such exercise.

10.6 Exclusive Rights To Use Name of Development.

No Person shall use the name "Edgemont Highlands" or any derivative of such name or logo or depiction in any period or promotional material without Declarant's prior written consent. However, Owners may use the name "Edgemont Highlands" in printed or promotional matter where such term is used solely to specify that particular property is located within Edgemont Highlands and the Association shall be entitled to use the words "Edgemont Highlands" in its name.

10.7 Easement to Inspect and Right to Correct.

Declarant reserves for itself and others it may designate, and for the Association, upon termination of the Class "B" Membership, the right to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any Common Areas of the property within Edgemont Highlands, and a perpetual nonexclusive easement of access throughout Edgemont Highlands to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner, and no entry into a dwelling shall be permitted without the consent of the Owner. The person exercising this easement shall promptly repair, at such person's own expenses, any damage resulting from such exercise.

10.8 Right to Notice of Design or Construction Claims.

No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within Edgemont Highlands in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Declarant and any builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the owner of the property to discuss the owner's concerns and conduct their own inspection.

10.9 Termination of Rights.

The rights contained in this Article shall not terminate until the earlier of (a) 40 years from the date this Declaration is Recorded; or (b) Recording by Declarant of a written statement that all sales activity has ceased.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a planned community, with its wide array of properties and development types and its ongoing development activity, requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, Declarant, the Association, and others within or adjacent to the community.

11 ARTICLE XI EASEMENTS

11.1 Easements in Common Area.

Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- 11.1.1 The Governing Documents and any other applicable covenants;
- 11.1.2 Any restrictions or limitations contained in any deed conveying such property to the Association;
- 11.1.3 The Board's right to:
 - 11.1.3.1 adopt rules regulating use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
 - 11.1.3.2 suspend an Owner's right to use recreational facilities within the Common Area (A) for any period during which any charge against such Owner's Unit remains delinquent beyond sixty (60) days; and (B) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation, of the Governing Documents after notice and a hearing, if requested, pursuant to the By-Laws;
 - 11.1.3.3 dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;
 - 11.1.3.4 impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;
 - 11.1.3.5 permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees, and guests upon payment of use fees established by the Board and designate other areas and facilities within the Area of Common Responsibility as open for the use and enjoyment of the public; and
 - 11.1.3.6 mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and
- 11.1.4 The rights of certain Owners to the exclusive use of those portions of the Common Area designated "Limited Common Areas," as described in Article XII.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable Board regulation. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit for the period of the lease.

11.2 Easements of Encroachment.

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units or any Unit and any Private Amenity due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than six inches, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3 Easements for Utilities, Etc.

11.3.1 Installation and Maintenance. So long as Declarant owns any property described in Exhibit "A" or "B", Declarant reserves for itself and hereby grants to the Association, the non-exclusive right and power to grant and record perpetual non-exclusive easements throughout Edgemont Highlands (but not through a structure) to the extent reasonably necessary for the purpose of:

11.3.1.1 installing utilities and infrastructure to serve Edgemont Highlands, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, pathways and trails, water drainage and detention systems, street lights, and signage on property which Declarant owns or within public rights-of-way or easements reserved for such purpose on Recorded plats;

11.3.1.2 inspecting, maintaining, repairing, and replacing the utilities, infrastructure, and other improvements described in Section 11.3.1.1; and

11.3.1.3 access to read utility meters.

11.3.2 Specific Easements. Declarant also reserves for itself the non-exclusive right and power to grant and Record such specific easements as may be necessary, in Declarant's sole discretion, in connection with the orderly development of any property described in Exhibits "A" and "B". The Owner of any property to be burdened by any easement granted pursuant to this subsection shall be given written notice in advance of the grant. The location of the easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not unreasonably be withheld, delayed, or conditioned.

11.3.3 Minimal Interference. All work associated with the exercise of the easements described in subsections 11.3.1 and 11.3.2 of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of that property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

11.4 Easements to Serve Additional Property.

Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B", whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property.

Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of their respective actions in connection with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefiting from such easement is not made subject to this Declaration,

Declarant and its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such property.

11.5 Easements for Maintenance, Emergency and Enforcement.

Declarant grants to the Association easements over Edgemont Highlands as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. The Board and its duly authorized agents and assignees and all emergency personnel in the performance of their duties may exercise such right. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

12 ARTICLE XII LIMITED COMMON AREAS

12.1 Purpose.

Certain portions of the Common Area may be designated as Limited Common Area and reserved for the exclusive use or primary benefit of Owners and occupants within a particular Neighborhood or Neighborhoods. By way of illustration and not limitation, Limited Common Areas may include entry features, recreational facilities, landscaped medians and cul-de-sacs, and other portions of the Common Area within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of a Limited Common Area shall be a Limited Common Expense allocated among the Owners in the Neighborhood(s) to which the Limited Common Areas are assigned.

12.2 Designation.

Initially, any Limited Common Area shall be designated as such in the deed conveying such area to the Association or on the subdivision plat relating to such Common Area; provided, however, any such assignment shall not preclude Declarant from later assigning use of the same Limited Common Area to additional Units and/or Neighborhoods, so long as Declarant has a right to subject additional property to this Declaration pursuant to Section 9.1.

Thereafter, a portion of the Common Area may be assigned as Limited Common Area and Limited Common Area may be reassigned upon approval of the Board and the vote of Members representing a majority of the total Class "A" votes in the Association. As long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, any such assignment or reassignment shall also require Declarant's written consent.

12.3 Use by Others.

Upon approval of a majority of Owners of Units within the Neighborhood to which any Limited Common Area is assigned, the Association may permit Owners of Units in other Neighborhoods to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Limited Common Expenses attributable to such Limited Common Area.

13 ARTICLE XIII PARTY WALLS AND OTHER SHARED STRUCTURES

13.1 General Rules of Law to Apply.

Each wall, fence, driveway, or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article XIV.

13.2 Maintenance; Damage and Destruction.

The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurances, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title and shall be enforceable as a mortgage on the land in the same manner as provided for the foreclosure of mortgages on real property under the statutes of the State of Colorado.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The growth and success of Edgemont Highlands as a community in which people enjoy living, working, and playing requires good faith efforts to resolve disputes amicably, attention to and understanding of relationships within the community and with our neighbors, and protection of the rights of others who have an interest in the community.

14 ARTICLE XIV DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

14.1 Agreement to Encourage Resolution of Disputes Without Litigation.

Declarant, the Association and its officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Community without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsections 14.1.1, 14.1.2 and 14.1.3, unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 14.2 in a good faith effort to resolve such Claim.

As used in this Article, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to:

- 14.1.1 the interpretation, application, or enforcement of the Governing Documents;
- 14.1.2 the rights, obligations, and duties of any Bound Party under the Governing Documents; or
- 14.1.3 the design or construction of improvements within the Edgemont Highlands, other than matters of aesthetic judgment under Article IV, which shall not be subject to review; except that the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 14.2:
 - 14.1.3.1 any suit by the Association to collect assessments or other amounts due from any Owner;
 - 14.1.3.2 any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Part Two (relating to creation and maintenance of community standards);
 - 14.1.3.3 any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute

- 14.1.3.4 a cause of action independent of the Governing Documents;
- 14.1.3.5 any suit in which any indispensable party is not a Bound Party; and any suit as to which any applicable statute of limitations would expire within one hundred eighty (180) days of giving the Notice required by Section 14.2.1, unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

14.2 Dispute Resolution Procedures.

- 14.2.1 **Notice.** The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice to each Respondent and to the Board stating plainly and concisely:
- 14.2.1.1 the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;
 - 14.2.1.2 the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
 - 14.2.1.3 the Claimant's proposed resolution or remedy; and
 - 14.2.1.4 the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

Where applicable, the Notice shall conform to "The Notice of Claim" set forth in C.R.S. § 13-20-803.5.

- 14.2.2 **Negotiation.** The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim. The parties are encouraged to conduct the dispute resolution process described herein to conform to and run concurrently with the requirements of C.R.S. § 13-20-801 et seq. as amended.
- 14.2.3 **Mediation.** If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the notice described in Section 14.2.1 (or within such other period as the parties may agree upon), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not party to the Claim) or to an independent agency providing dispute resolution services in the Durango area.

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

If the Parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all fees charged by the mediator.

- 14.2.4 **Settlement.** Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the party taking action to enforce the

agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

14.3 Initiation of Litigation by Association.

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any judicial or administrative proceeding unless first approved by a vote of Members entitled to cast seventy-five (75) percent of the total Class "A" votes in the Association, except that no such approval shall be required for actions or proceedings:

- 14.3.1 initiated during the Class "B" Control Period;
- 14.3.2 initiated to enforce the provisions of this Declaration, including collection of assessments and foreclosure of liens;
- 14.3.3 initiated to challenge ad valorem taxation or condemnation proceedings;
- 14.3.4 initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- 14.3.5 to defend claims filed against the Association or to assert counterclaims proceedings instituted against it.

This Section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

PART SEVEN: CHANGES IN THE COMMUNITY

Communities such as Edgemont Highlands are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change, as the residents age and change over time, and as the surrounding community changes. Edgemont Highlands and its Governing Documents must be able to adapt to these changes while protecting the things that make Edgemont Highlands unique.

15 ARTICLE XV CHANGES IN COMMON AREA

15.1 Condemnation.

If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least sixty-seven (67) percent of the total Class "A" votes in the Association and of Declarant, as long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

- 15.1.1 If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within sixty (60) days after such taking Declarant, so long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1, and Members representing at least seventy-five (75) percent of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.3.3 regarding funds for restoring improvements shall apply;

15.1.2 If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

15.2 Partition.

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action of partition of any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

15.3 Transfer or Dedication of Common Area.

The Association, subject to compliance with the terms of the Act, may dedicate portions of the Common Area to La Plata County, or to any other local, state, or federal governmental or quasi-governmental entity, with consent of Declarant so long as it owns property subject to Section 9.1.

16 ARTICLE XVI AMENDMENT OF DECLARATION

16.1 By Declarant.

In addition to specific amendment rights granted elsewhere in this Declaration, until termination of the Class "B" Control Period, Declarant may unilaterally amend this Declaration and any Recorded plat for any purpose to the extent not limited by applicable law, including, but not limited to, recordation of as-built plats as necessary for title purposes or to comply with planning approvals or other planning regulations of any governmental authority having jurisdiction over the Property, in connection with the exercise of any Development Rights and as such may be required to comply with normal requirements of regulated financial lending institutions. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Units; or (d) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

16.2 By Members.

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing seventy-five (75) percent of the total Class "A" votes in the Association, including seventy-five (75) percent of the Class "A" votes held by Members other than Declarant, and Declarant's consent, so long Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

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.

16.3 Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively

presumed that such Owner has the authority 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.

Any amendment shall become effective upon Recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this declaration.

16.4 Exhibits.

Exhibits "A" and "B" attached to this Declaration are incorporated by this reference, and this Article governs the amendment of such exhibits. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

IN WITNESS WHEREOF, the Declaration of Covenants, Conditions and Restrictions for Edgemont Highlands have been executed and acknowledged this 11th day of May, 2004.

HIGHLANDS DEVELOPMENT I, LLC, a Colorado Limited Liability Company

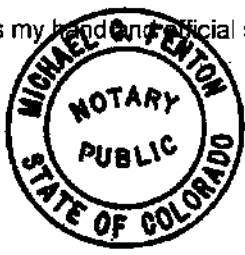
By: Tom D. Gorton, Inc., a Colorado corporation, Manager

By: 
Tom D. Gorton, President

STATE OF COLORADO)
) ss.
County of La Plata)

The foregoing instrument was acknowledged before me this 11th day of May, 2004 by Tom D. Gorton, as President of Tom D. Gorton, Inc., a Colorado corporation, Manager of Highlands Development I, LLC, a Colorado Limited Liability Company.

Witness my hand and official seal.



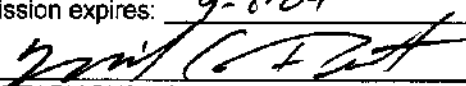
My commission expires: 9-8-04

NOTARY PUBLIC

EXHIBIT "A"

Land Initially Submitted

**EDGEMONT HIGHLANDS, PHASE 1, FINAL PLAT, PROJECT NO. 2003-290, COUNTY OF LA PLATA,
STATE OF COLORADO, ACCORDING TO THE RECORDED PLAT THEREOF FILED FOR RECORD
JANUARY 20, 2004 UNDER RECEPTION NO. 877022.**

EXHIBIT "B"

Land Subject to Annexation

ALL THAT PART OF THE FOLLOWING DESCRIBED PROPERTY LYING AND BEING NORTH OF COUNTY ROAD 240, COUNTY OF LA PLATA, STATE OF COLORADO:

E1/2E1/2 OF SECTION 12, TOWNSHIP 35 NORTH, RANCH 9 WEST, N.M.P.M.

S1/2N1/2, NE1/4NW1/4 AND THE S1/2 OF SECTION 7, TOWNSHIP 35 NORTH, RANGE 8 WEST, N.M.P.M.

LESS AND EXCEPT THAT PART CONVEYED TO JENNIE SORTAIS IN INSTRUMENT RECORDED MAY 8, 1940 IN BOOK 230 AT PAGE 531.

ALSO LESS AND EXCEPT THAT PART CONVEYED TO THE COUNTY OF LA PLATA, A BODY CORPORATE AND POLITIC IN INSTRUMENT RECORDED NOVEMBER 2, 1983 UNDER RECEPTION NO. 491172.

ALSO LESS AND EXCEPT EDGEMONT HIGHLANDS, PHASE 1, FINAL PLAT, PROJECT NO. 2003-290, COUNTY OF LA PLATA, STATE OF COLORADO, ACCORDING TO THE RECORDED PLAT THEREOF FILED FOR RECORD JANUARY 20, 2004 UNDER RECEPTION NO. 877022.

AND

THAT PART OF SECTIONS 7, 8 AND 18, TOWNSHIP 35 NORTH, RANGE 8 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

EDGEMONT RANCH AS SHOWN ON THE BOUNDARY SURVEY PLAT RECORDED IN THE OFFICE OF THE LA PLATA COUNTY, COLORADO, CLERK AND RECORDER UNDER RECEPTION NUMBER 485006, LYING SOUTH OF COUNTY ROAD 240 AND LYING NORTH AND WEST OF COUNTY ROAD 234.

LESS AND EXCEPT: EDGEMONT RANCH UNIT 1, PLANNED UNIT DEVELOPMENT, AMENDED PLAT NO. 1 AS RECORDED IN THE OFFICE OF THE LA PLATA COUNTY, COLORADO, CLERK AND RECORDER UNDER RECEPTION NUMBER 515243.

EXHIBIT "C"

Rules and Regulations for Edgemont Highlands

The following restrictions shall apply to all of Edgemont Highlands until such time as they are amended, modified, repealed, or limited pursuant to Article III of the Declaration of Covenants, Conditions and Restrictions for Edgemont Highlands (the "Declaration"). Pursuant to and subject to the limitations of the By-Laws the Board may authorize professional management agent(s) to perform some or all of the duties set forth herein.

1. **General**

1.1 Other than areas zoned specifically for commercial use, Edgemont Highlands shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for real estate activity of Declarant and Builders authorized by Declarant for use to assist in the sale of property described in Exhibit "A" or "B," offices for any professional management agent(s) retained by the Association, or business offices for Declarant or the Association) consistent with this Declaration and any Supplemental Declaration.

1.2 The words used in these Rules and Regulations shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that certain Recorded Declaration of Covenants, Conditions, and Restrictions for Edgemont Highlands and any Supplemental Declaration(s), unless the context indicates otherwise.

2. **Restricted Activities** In an effort to maintain the standards for use and conduct that give Edgemont Highlands its identity and to maintain the values of the property, the following activities are prohibited within Edgemont Highlands unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

2.1 Parking any vehicles on public or private streets or thoroughfares, or parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages; provided, construction, service and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Area; In the case of private parties or meetings held by Owners, they may allow their guests to park on the street, exercising respect toward their neighbors' property, generally for a period not to exceed eight hours and not between the hours of 2:00 a.m. and 6:00 a.m., subject to the reasonable discretion of the Board. It is suggested that guests be instructed to first make use of all parking spaces within the Owner's driveway before parking on the street. If a household has guests for an extended stay the Owner shall notify the Association that street parking will be used for the duration of the guest's stay, not to exceed two weeks. Owner and guest(s) shall work with the Association if street cleaning or maintenance is scheduled during guest(s)' visit to avoid delay of those activities.

2.2 Raising, breeding, or keeping animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be

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permitted in a Unit. However, those pets which are permitted to roam free, or, in the sole discretion of the Board, make continued or on-going objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed and inoculated as required by law. Incessant dog barking is considered to be a nuisance and grounds for removal;

2.3 Any activity which emits foul or obnoxious odors outside the Unit or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Units;

2.4 Any activity which violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

2.5 Pursuit of hobbies or other activities that tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Unit;

2.6 Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Units;

2.7 Exterior fires. No exterior fires shall be lighted or permitted within Edgemont Highlands except in a contained barbeque unit while attended and in use for cooking purposes or in an outside fireplace whose type and location has been approved in writing by the Architectural Review Committee, subject to any fire ban or fire restrictions imposed by any governmental authority. No Lot Owner shall cause or permit any condition on his Lot that creates a fire hazard or is in violation of fire prevention regulations, or that would increase insurance rates for the Common Areas or for other Lot Owners.

Declarant may, during the course of general clean up, construction and installation of infrastructure, burn trash, leaves, debris and other materials in a responsible manner, subject to compliance with all applicable governmental rules and regulations pertaining to open fires.

2.8 Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be unreasonably audible to occupants of other Units, except alarm devices used exclusively for security purposes;

2.9 Use and discharge of firecrackers and other fireworks;

2.10 Dumping of trash, grass clippings, leaves or any debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, or elsewhere within Edgemont Highlands, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff;

2.11 Accumulation of rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved bear-proof containers. Containers are to be kept in the garage or

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other non-visible, enclosed area to reduce bear attraction and should be put out on the day of scheduled garbage pick-up;

2.12 Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent;

2.13 Swimming, boating, use of personal flotation devices, or other active use of waterways, or other bodies of water within Edgemont Highlands. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of waterways or other bodies of water within or adjacent to Edgemont Highlands;

2.14 Use of any Unit for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, unless such participants are all co-owners of the Unit, and except that Declarant and its assigns may operate such a program with respect to Units which it owns;

2.15 Discharge of firearms, paint guns and arrows and the like; however, the Board shall have no obligation to take action to prevent or stop such discharge;

2.16 On-site storage of gasoline, heating, or other fuels. A reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Article IV of the Declaration;

2.17 Any business or trade, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all land use requirements for Edgemont Highlands and La Plata County; (iii) the business activity does not involve door-to-door solicitation of residents of Edgemont Highlands; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in Edgemont Highlands which is noticeably greater than that which is typical of Units in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of Edgemont Highlands and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of Edgemont Highlands, as may be determined in the Board's sole discretion.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is

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engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required.

Leasing of a Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by Declarant or a Builder authorized by Declarant with respect to its development and sale of Edgemont Highlands or its use of any Units which it owns within Edgemont Highlands, including the operation of a timeshare or similar program;

2.18 Capturing, trapping, or killing of wildlife within Edgemont Highlands, except in circumstances posing an imminent threat to the safety of persons within Edgemont Highlands;

2.19 Any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within Edgemont Highlands or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution;

2.20 Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Unit without prior approval pursuant to Article IV of the Declaration;

2.21 Operation of motorized vehicles or bicycles on pathways or trails maintained by the Association and designated as "pedestrian walkways";

2.22 Use or operation of snowmobiles, motorcycles, motorized trailbikes, motorized minibikes, motorized dirt bikes, all-terrain vehicles, mopeds and similar motorized vehicles within Edgemont Highlands, however such vehicles may be transported on trailers, except that motorcycles properly licensed for operation on public roads may be used for the strictly limited purpose of ingress and egress to a Lot over public or private roads. Motorized vehicles that are designed for agricultural or property maintenance uses may be used for those purposes;

2.23 Picnicking or camping shall be allowed within the Common Areas only in areas designated for such purposes by the Board of Directors;

2.24 Yard toys are allowed in the rear area of a home and shall be concealed from view as much as possible, kept tidy and shall not be so numerous as to become a visual nuisance to neighbors;

2.25 Storing of excessive amounts of firewood. Owners are allowed to store up to one cord of wood at least fifteen feet from all structures and in such a way as to not become a visual nuisance to neighbors. Owners must actively use the stored wood and rotate in any new firewood. In no instance shall stored firewood remain unused for an excessive amount of time;

2.26 Use of clotheslines in such a way as to become a visual nuisance to neighbors.

3. Guidelines

3.1 Each Single Family Lot (as designated on the plat) shall be improved, occupied and used only for single family residential purposes. Subject to applicable law, servants who

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care for the residence and/or the children may also occupy the residence. Attached or detached guesthouses or caretaker units shall be permitted only if allowed by applicable zoning, approved by the County and approved by the Architectural Review Committee. A guesthouse or caretaker unit may be occupied only by the same persons that are permitted hereunder to occupy the residence, and may not be rented separate from a rental of the resident.

3.2 Multi-family residential Lots (as designated on the plat) are Lots which can be used solely for multiple-family residential dwelling purposes (townhouses, cluster housing and patio homes), and upon which the maximum number of units to be constructed shall be as shown on the recorded Plat for the relative phase of Edgemont Highlands, as revised from time to time, provided all provisions of these Declarations are otherwise complied with.

3.3 All Improvements constructed within or placed upon Edgemont Highlands shall be new. No used, previously erected, modular, or temporary house, structure, or non-permanent out-building shall ever be placed, erected, or allowed to remain within Edgemont Highlands except temporary structures or construction trailers used for construction office purposes during the construction of a residence, which temporary facilities shall be removed immediately following completion of construction and in any event no later than 12 months following commencement of construction or remodeling unless a written extension is granted by the ARC. No trailer, incomplete residence or other structure other than a residence completed in accordance with approved plans shall ever be used or occupied at any time for residential purposes, either temporarily or permanently. No completed residence shall be occupied in any manner until all provisions of this Declaration and of the ARC and all conditions of development approval have been complied with, and a Certificate of Compliance has been issued pursuant to the Architectural Review Guidelines, and a Certificate of Occupancy from La Plata County has been obtained. The work of constructing, altering or remodeling any residence or other improvement within Edgemont Highlands shall be prosecuted diligently from the commencement thereof until the completion thereof.

4. Prohibited Conditions The following shall be prohibited at Edgemont Highlands:

4.1 Violation of any law or any act to increase insurance costs. No Owner or Occupant shall do any act or cause or permit anything to be done or kept on its Lot or in or upon the Common Areas that would result in the increase of the cost of, or cancellation of, insurance maintained by Edgemont Highlands or would be in violation of any federal, state, County or other law, ordinance, regulation or code of any governmental body having jurisdiction, or of any Rule or Regulation promulgated by the Edgemont Highlands, or of any provision of this Declaration.

4.2 Plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Edgemont Highlands.

4.3 Structures, equipment, or other items on the exterior portions of a Unit which have become dilapidated, or otherwise fallen into disrepair.

4.4 No excavation or other earth disturbance shall be performed or permitted within Edgemont Highlands except in connection with the construction of Improvements, and then only

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with the prior written approval of the Architectural Review Committee. Upon completion of construction, openings in the ground shall be backfilled and compacted and all disturbed ground shall be graded and landscaped in accordance with the requirements of the Architectural Review Committee.

EXHIBIT "D"

Architectural Guidelines for Edgemont Highlands

1. Purpose and Control

In order to foster a sense of community within Edgemont Highlands and to preserve the natural beauty of its setting, promote harmonious residential design and enhance property values, these Building and Architectural Guidelines have been adopted by the Developer. They will provide you with direction for the use of your site and the design of your home. Collectively, your residence with those of your neighbors can promote, enhance and protect the value of property and maintain Edgemont Highlands as a very pleasant and desirable place to live.

Edgemont Highlands Architectural Review Committee (ARC) guidelines govern any construction, exterior additions, reconstruction or alterations to any improvements in Edgemont Highlands. They address the use, shape, height, exterior materials, exterior color, landscaping and location of all structures.

ARC has been established by the Developer of Edgemont Highlands to interpret, modify and enforce these Building and Architectural Guidelines. The ARC will aid you in the review and development of your site in order to complement and blend into the natural landscape. The ARC will provide the review and approval of the site design, including sensitivity to natural terrain, vegetation, views, relationship to the surrounding building sites and adherence to architectural guidelines. While the guidelines make every effort to give clear architectural direction, the process, by nature, ends up being subjective in at least some areas. The ARC may determine that what was acceptable in one situation may not be acceptable in another. Experience has shown that compliance with guidelines does not necessarily guarantee good composition or aesthetics. The goal is for the appearance and character of all homes to harmonize with each other and enhance their natural surroundings.

In addition to these guidelines, all Edgemont Highlands improvements are subject to approval by all county, state and federal building requirements.

The Architectural Guidelines adopted for the Edgemont Highlands Community are one of the most important elements in determining the eventual cohesiveness of the homes within Edgemont Highlands. It is the goal of these guidelines to promote variety of expression, styles and details within a well-defined boundary. As the development of Edgemont Highlands evolves these guidelines will be amended to fit the evolution of the community. Therefore, the guidelines are apt to be more restrictive than most people would expect. Each prospective buyer is encouraged to thoroughly review these guidelines to make sure the house they envision building will meet these guidelines.

2. Architectural Character

Edgemont Highlands possesses many unique physical characteristics that will give opportunities for a range of styles and neighborhoods, all interconnected within the development. The predominant physical features are the gambel oak and the ponderosa pine forest. These suggest a general architectural theme of "cabins" or "cottages" in the woods. This theme is

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reflected in the general architectural styling of Colorado mining, ranching and American Cabin with limited influences from Craftsman, Log and Victorian styles. The designs within Edgemont Highlands can reflect literal and contemporary interpretive aspects of these styles. While we encourage a variety of expressions within this context, and will allow for individual consideration, it is important to be aware that certain styles will not be approved. These include but are not limited to Geodesic Domes, A-Frames, Stark Contemporary and Santa Fe/Adobe. The architecture of your residence will become a significant part of the emerging neighborhood of Edgemont Highlands. There is opportunity for variety and richness of architectural style reflecting the interests and personal choice of residents. However, it is important to the visual quality of Edgemont Highlands that each home be designed with consideration to the overall sense of community; it will become a positive and harmonious contribution to the landscape and surrounding community.

3. Overall Compatibility

Beyond any of the specific design requirements, the design of your house needs to be compatible with neighboring houses, natural land forms, drainage patterns, natural features and the streetscapes. Areas of consideration will include but not be limited to avoiding too many similar colors next to each other, height compatibility, appropriate material mix and general style. These requirements are subjective in nature and will vary some from area to area within Edgemont Highlands.

4. House Siting

The proper siting of the home is one of the most important components in its design. The following principles need to be adhered to:

- a. The home footprint and layout needs to work with the existing topography. Large amounts of grading to "impose" a design on a site will not be allowed.
- b. The natural drainage needs to be considered, maintained and unchanged as much as possible.
- c. The protection and preservation of existing trees and vegetation are of the utmost importance. The design and siting of the home needs to reflect this. The indiscriminate removal of trees to accommodate any design will not be allowed. The pre-design meeting will address this issue. Other requirements regarding tree and fire protection are contained in other areas of these documents.
- d. As other areas of Edgemont Highlands are developed, specific setback requirements will be imposed. In Phase 1 the fifty-three single-family lots shall have the following setbacks: Front - Minimum 20', Side - Minimum 10', Rear - Minimum 10'. The multi-family lots designated on the Phase 1 Plat as lots 54, 55, 56, 57 and 58 shall have setbacks as determined by the Owner and the La Plata County building department. As the proposal for the development of the multi-family parcels are submitted, the massing of the units shall be evaluated using the same principles without specific restrictions. Certain single-family lots may have more restrictive setbacks as slopes dictate.
- e. House Footprint: As additional Phases are developed new regulations will be imposed. For Phase 1, the fifty-three single-family lots shall not have a building footprint (including garage and fully enclosed decks or porches) greater than 3,600 square feet or less than 1,900 square feet. Multi-family units on lots 54 through 58 shall not have a

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footprint (including garage and fully enclosed decks or porches) greater than 1,600 square feet per unit and detached multi-family units shall not have a footprint greater than (including garage and fully enclosed decks or porches) 2,200 square feet or less than 900 square feet. These footprint requirements shall not apply to Lot 58 if a community facility is constructed on that lot.

- f. **Garage and Garage Orientation:** As additional Phases are developed new regulations may be imposed. For Phase 1, the fifty-three single-family lots shall incorporate, at the minimum, a two car garage. Multi-family units on lots 54 through 58 may have, but are not required to have, a garage or carport. One objective of the Edgemont Highlands design guidelines is to discourage garages from facing the street. Therefore, owners in Phase 1 are strongly encouraged to orient their garage doors in such a way that they do not face the street. Garages may be detached as long as the garage matches the architectural style of the house. In any event a three-car garage is the maximum size allowed. If the garage faces the street it can be no more than a two-car garage, and it is preferable that it be comprised of two one-car doors with a maximum width of ten feet per door, with an overall maximum width of twenty-six feet, and a maximum height of nine feet. The front façade of the house should be at least four feet wider than the overall garage width. Minimization of snow shedding over garage doors is encouraged. If garage doors do not face the street a maximum of three doors are allowed, with a maximum overall width of thirty-five feet. The street face of the garage is encouraged to be recessed from the front façade of the house. A third door should be set back a minimum of two feet from the other two doors. If the garage is within ten feet of front setback it must have single width doors. Longer driveways are encouraged to be narrower. There is no predetermined limitation to the depth of a garage as long as the architectural element is proportional.
- g. **Driveways:** When driveways extend more than forty feet out toward the street from garage entrance, driveways shall be tapered down to a maximum width of twelve feet (12') at the entrance to the driveway from the street. Driveways with access points to two different streets are prohibited, however circular driveways with access points on one street may be allowed. Asphalt driveways must have a minimum structural section of 2-1/2" of hot-mixed asphalt over 4 inches of aggregate base. Concrete driveways must have 4" of concrete over 4" of aggregate base. Other permanent driveway surfaces will be considered upon submittal to the ARC.

5. Size Requirements and Building Type

As additional Phases at Edgemont Highlands are developed, alternate requirements will be imposed upon each Phase. For Phase 1 the following requirements will be in effect:

- a. **Attached town homes:** No more than four (4) family residences shall be contained within any single residential building. No unit may consist of less than 700 square feet of heated livable space. While there is no stated maximum on attached townhomes size, larger units will be required to be grouped in smaller numbers (duplexes or triplexes) to avoid building being out of scale with the rest of the community.
- b. **Detached multi-family:** Patio homes, cottages or other detached multi-family homes are defined as detached single-family residences with a limited footprint, and are created by

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a specific plat with other units. In Phase 1 these units shall be no less than 1,000 square feet of heated livable space and no more than 2,800 square feet of heated livable space.

- c. The fifty-three single family lots in Phase 1 shall be a minimum of 1,600 square feet heated livable space and no more than 3,200 square feet of heated livable space.

On any lot in Phase 1, an applicant may apply for a variance on the maximum square footage of up to 20% of the maximum by demonstrating that the additional space is created without adding bulk to the exterior. An example of this would be including an upstairs bedroom within the roof structure by use of dormers. Approval is at sole discretion of ARC.

6. Exterior Mass and Form

The foremost objective of a house's exterior elevation shall be to reflect the architectural style, using approved materials and shall strive to be harmonious with other houses and the natural surroundings. House designs should attempt to be lower in scale, asymmetrical and should avoid unbroken two story elevations. Introduction of different materials to ground the structure, the use of proper proportion and careful detailing are encouraged. As additional Phases at Edgemont Highlands are developed, alternate requirements may be imposed for each Phase. For Phase 1 the following requirements must be met:

- a. As much as possible, buildings shall strive to bring the massing down to the ground. This can be accomplished by following the natural terrain, use of stepped floor levels, dropping roof eaves and other similar measures. No three-story elevations are allowed. This is defined as three levels (including garage) where the exterior walls of the third level exceed four feet at the eave line, provided the first level is partially below grade to offset the height appearance.
- b. Generally, the second story portion of a building, including the garage, if on that level, should not exceed 60% of the first floor area (not including garage).
- c. The use of "roof space" as upper level living is encouraged through the use of dormers.
- d. Unbroken two story elevations are discouraged and not allowed on front elevations. Two story elements should be softened through the use of alternate materials and/or colors.
- e. Each home must have a covered entry porch. While there are no size requirements it should be proportional to and in keeping with the general architecture. Generally decks above front porch or two story front porches are discouraged.
- f. Porches, verandas, courtyards, patios or other features that encourage a relationship with the outdoor environment are encouraged and need to be an integral part of the overall design.
- g. If the garage faces the street and its façade is within ten feet of the front elevation of the house then the architectural character of the garage shall be in keeping with that of the house.

7. Height

Height limitation shall be thirty-two feet (32') from the first floor level to the highest point on the ridge, provided that the average distance from finish floor to finish grade averages 2' or less, and that no areas are greater than 5'. The average grade shall be determined by measuring at

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each corner and at fifteen foot increments along wall lines, centered between corners if less than thirty feet. Chimneys and other minor architectural features may be exempted from this height limitation at the discretion of the Architectural Review Committee. In no event shall the distance from finish grade to the highest ridge exceed thirty-five feet (35').

8. Exterior Materials

The harmonious use of exterior materials will help provide both a sense of unity as well as individual expression. An important component in the architectural style is the inclusion of texture such as that provided by shingles, board and batten, stone and timbers. Exterior elevations must use a blend of two or three of the four approved material types. If only two materials are used, then the architectural style shall incorporate an additional color. The four types with their use requirements are:

- a. **Stucco:** A hard coat or EIFS stucco can be used with a finish coat color selected from the approved color list or alternate color approved by the ARC. The stucco element must be used in conjunction with two other elements (with the stucco below) and cannot comprise more than 70% of the entire exterior wall surfaces and no more than 50% of elevation (or elevations) that face the street. Two story unbroken stucco elements are not allowed.
- b. **Siding material:** A variety of materials may be used within this category and are noted below. Siding Materials shall not exceed more than 70% of the entire exterior wall surfaces and no more than 60% of elevation or elevations that face the street. Note that large expanses of painted surfaces are not encouraged and may not be approved.
 - i. **Wood siding:** A variety of types may be used including T&G, vertical board and batt, shiplap, channel rustic and similar patterns. Wood must be stained for purposes of durability on all sides before installation from approved stain colors and must be touched up after installation.
 - ii. **Synthetic wood:** Synthetic wood materials, including, but not limited to hardiplank and masonite, are approved. Any synthetic wood product subject to shrinkage must be either painted or stained on all sides before installation from approved paint or stain colors and must be touched up after installation.
 - iii. **Limited applications of non-shiny corrugated metal** will be considered for approval in accent applications.
 - iv. **Poured concrete walls** if stained appropriate color and used as a limited accent.
 - v. **These approved siding materials** can qualify as two of the three required materials by using a combination of types and color applications, subject to the approval of the ARC.
- c. **Stone:** A variety of real and synthetic stone is approved for use. Its use should be to help "anchor" the home, provide material variety and meet the variety of materials

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requirements. Uses of stone work to “ground”, lend strength to chimneys and other pop outs, break up vertical features, strengthen columns and give street elevation richness are encouraged. The approved list of stones provide a palette of choices. Other stones that blend with the approved materials of the palette will be considered for approval. River rock is absent from the approved list as it is not indicative of the natural rock of the area. These guidelines apply only to exterior stone. In the proper application, masonry block or cast in place concrete could also be used.

- d. **Timbers, logs and beams:** Timbers, logs and beams are described as wood members 4x6 and larger. The use of timbers, logs and beams to support porches or entry roofs, form exposed trusses, embellish dormers, trim window features or other similar uses is highly encouraged. There is no % use requirement but their use is encouraged to promote richness of design, variety of material and community style. While not prohibited, the use of log accents will be given higher scrutiny and will mostly be allowed in conjunction with timbers, and as columns.
- e. **Exterior Colors:** Approved color palettes will be provided for surfaces that will receive stain or paint. These will be identified for “base” and “accent” application. At the discretion of the ARC colors can be added as the development warrants and subtracted from if the ARC determines, at it’s sole discretion, that particular colors are overused. An applicant should not assume that choosing an approved color for any application will be approved. The colors need to be used in proper combinations and proportions. Color variation is required and can help create interest and provide required variety on larger architectural elements. The approval of colors will also be influenced by colors schemes of surrounding homes. Potential use of colors will be addressed in the pre-design meeting.
- f. **Window Colors:** Darker colors are encouraged. If approved, white or light colors will be limited in application.

9. Roofs

- a. **Roof forms** will be one of the most dominant architectural features. For this reason the roof design will be one of the most carefully considered elements of the ARC review. The guidelines put forth are intended only as a template for neighborhood continuity. Each roof will be considered on its own merits as it relates to the entire design.
 - i. Large, unbroken expanses of a single pitch are not encouraged. Ideally a roof will have several different planes and pitches to create interest. More simple roof forms can be approved with more scrutiny to proportions and fascia details.
 - ii. Generally the main roof areas shall have a pitch from 8/12 to 12/12. Porches, dormers and other small areas can be as shallow as 2/12.
 - iii. Pitches less than 2/12 or flat areas are approvable if they comprise no more than 10% of roof area.

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- iv. The use of gabled, hipped or shed dormers is encouraged.
 - v. At least 60% of the roof eaves shall be within 15' of natural grade.
 - vi. Generally more typical roof forms such as hip, gable, shed and combinations thereof are encouraged. Gabled main roofs are encouraged. Hips and sheds will be considered. Forms such as mansard, flat and a-frame are not allowed. Turret type roofs will be considered if used in small areas.
- b. Roof materials: All roofs must be class A fire rated. A variety of roof materials are approved with more stringent consideration given to the harmoniousness within the community and the surrounding houses.
- i. Composition shingles: Composition shingles are approved as long as they are "architectural" grade and from the approved colors. As new colors and styles are introduced and accepted, they will be added to the approved list. No "three tab" (flat) shingles or 90 lb. rolled composition paper are allowed.
 - ii. Metal roofs: Metal roofs are approvable but with more restrictions and guidelines.
 - No shiny, reflective or brightly colored roofs are approved.
 - The use of approved metal is encouraged for accent in conjunction with other roofing material.
 - Rusty metal such as Korten steel, etched galvanized, black iron or other naturally rusty color is an approvable material.
 - Standard "pro-panel" type roofs are discouraged unless roofline is less prominent, only approved colors will be considered.
 - Alternate metal type or designs will be considered if submitted.
 - iii. Wood roofs: Because of the fire danger and generally inferior longevity of wood roofs in our climate, wood shake or shingle roofs are prohibited.
 - iv. Other materials: There is a wide variety of other more exotic roof materials available. These include synthetic shakes, real and imitation slate, concrete tiles, copper and many others. These will be reviewed individually on the basis of appropriateness to architectural style, color and harmony of texture to other roofs.

10. Exterior Detailing

Exterior details such as fascia, soffit, windows, window trim, vents etc. are important features and should be given careful consideration. Special attention should be given to the consistency of materials, proportions and execution details.

Homes shall have address identification of a contrasting color but shall be consistent with the home's materials, finishes and color palette. Letters and numerals may be no larger than 4 inches in width and 6 inches in height and no smaller than 4 inches in height.

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11. Foundations and Foundation Vents

Owners are encouraged to perform a subsurface soils investigation prior to foundation design and approval. Care should be taken to avoid large areas of untreated gray concrete stem walls showing. This is especially critical on sloped sites. Generally any continuously exposed stem wall that shows more than one foot and especially stepped stem walls should be treated. This includes but is not limited to: use of colored concrete in pour, staining or painting concrete, stucco color coat or extending stucco or siding down.

Foundation Vents and other miscellaneous exterior metals shall be a matte or dull finish. Shiny and reflective metal shall be avoided.

12. Chimneys

Chimneys are often strong visual elements since they are required to extend above a roof. Chimneys, whether full masonry or "zero-clearance" inserts, shall be of proper proportion and finish to match or compliment other features. Exposed metal flues are not allowed except termination caps or spark screens. County approved spark arrestors must be used and shall be architecturally acceptable to the overall form of the chimney. It is preferred that chimneys be clad in stucco or stone.

13. Roof and Wall Penetrations

Care should be taken to locate all plumbing vents, exhaust vents or other roof or wall penetrations in the least visible location from the street view and as close to ridge as possible. They need to be painted a color to reasonably match the roof color.

14. Detached Structures

Site conditions and good architectural practices in avoiding overly large massing will sometimes suggest detaching the garage or other element from the main structure. The thoughtful exercise of this practice is encouraged where it is accomplished by creating a feeling of being an integrated, necessary part of the whole structure. This principal extends to any connecting breezeways or covered walks.

15. Accessory Structures

Patios, decks, trellises, gazebos, attached storage sheds and other approved appurtenant improvements shall be integrally consistent with colors, materials and architectural forms of the house and must be approved by the ARC prior to construction..

16. Antennas

Antennas, dishes or other communication or transmission devices, if allowed by the Rules and Regulations, must be installed in the least conspicuous location.

17. Awnings

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Awnings are allowed to provide shade over windows. Full extension awnings that become covered porches are not allowed. Materials and colors must be approved by ARC.

18. Mechanical Equipment

All mechanical equipment shall be installed inside house whenever possible. Air conditioning equipment or other equipment that must be installed outside shall be located away from view as is reasonably possible and in all cases screened from view.

19. Solar Equipment

Solar panels for electricity, heat or hot water are encouraged if carefully integrated into the architectural design.

20. Exterior Lighting

In order to ensure the rural character and to preserve views of the night sky, exterior lighting shall be kept to a minimum and used to provide safe entry at doors, decks, porches and walks. Shielded bulbs shall be used. Landscaping lighting is limited to low shielded lights on walks, and limited areas of entry on decks. The primary consideration once safety and access are satisfied shall be to make sure lighting does not infringe on neighbors. These regulations may be added to if La Plata County adopts a formal "dark skies" ordinance.

21. Fireplaces

Wood burning stoves and fireplaces are not allowed as the primary source of heat within Edgemont Highlands. As part of being an ecologically responsible community, we promote clean air practices. To further this mission, community members are encouraged to choose EPA approved wood burning or gas stoves with glass fronts or EPA approved wood burning or gas fireplaces with glass fronts. Owners choosing to install non-EPA approved stove or fireplace units, or EPA approved units that do not have glass fronts will be charged \$500, with \$250 of the fee going to San Juan Basin Health for ongoing public education and the balance going to the Edgemont Highlands Community Association, Inc. to be used as the Association sees fit to promote ecological practices and education within the community. Full masonry fireplaces are considered to be non-EPA approved. A maximum of one (1) non-glass fronted EPA approved stove or fireplace, one non-EPA approved stove or fireplace or one (1) full masonry fireplace is allowed per home.

22. Manufactured Homes

Partially pre-manufactured, kit or modular homes are not specifically prohibited in Edgemont Highlands. These homes must meet the architectural guidelines in all respects and not be visibly different because of their being a modular, kit or partially pre-manufactured. Mobile homes are strictly prohibited even if installed on a permanent foundation. The determination of what constitutes a mobile home is left to the discretion of the Architectural Committee.

23. Wildfire Mitigation

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As outlined in the Declaration of Covenants, Conditions and Restrictions, Homeowners are required to install and maintain defensible space around their home.

24. Sheds

Sheds may be allowed by the ARC, provided plans are submitted and approved, sizing is appropriate, materials and colors are compatible with the home and the shed does not pose a negative visual impact to neighboring properties.

25. Construction Guidelines

These guidelines have been written and will be enforced in order to assure that the improvements at Edgemont Highlands will be constructed in a safe and orderly manner with minimal disruption to neighbors and with maximum protection to the natural landscape. The contractor must provide a signed acknowledgement of his or her receipt of these regulations and acceptance of its terms. If any contractor fails to correct any violation of these guidelines within five (5) days of receipt of a written notice to contractor and owner of said violation, then Edgemont Highlands Community Association may impose fines on owner of up to \$200 per violation per incident.

a. Construction times are limited from 7:00 a.m. through 7:00 p.m. Monday through Friday and 8:00 a.m. through 6:00 p.m. on Saturdays and national holidays. There shall be no construction on Sundays.

b. Owner, Builder, and their employees are prohibited from having temporary living quarters on the jobsite.

c. Prior to bringing a construction trailer or similar temporary office facility into Edgemont Highlands the Owner or Builder must obtain written approval from the ARC. The ARC will work with the applicant to site the trailer in the best possible location to minimize impacts to the site and the adjacent lot owners. All such facilities must be removed from the lot within twelve months of placements and prior to issuance of a Certificate of Compliance.

d. Sanitary facilities must be provided for construction personnel on-site. The facility must be maintained regularly to eliminate any possibility of odors and must be placed so that it is screened from view from adjacent residences and roads as much as possible.

e. All jobsite debris must be either contained in a dumpster or in a covered pile. The exterior must be picked up on a daily basis to ensure that jobsite is neat and tidy and to prevent it from becoming an eyesore. All trash must be removed on a periodic basis. Any dirt hauling, whether import or export, must be accomplished using covered carrier to avoid fugitive dust.

f. All on-site grading shall be mitigated by appropriate water use to avoid excessive dust.

g. Except as provided in CC&Rs, no burying or burning of trash, debris or other materials is allowed.

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h. Pets belonging to construction personnel are allowed on the jobsite however they must be kept within vehicles or leashed at all times while within Edgemont Highlands and except for during transport, must be contained on the lot under construction. They must not be a nuisance to, or threaten, any persons. If the pet(s) become a threat or nuisance to any person they shall be promptly and permanently removed from the jobsite.

i. Builder shall keep noise to a minimum. Radio sound will be kept to a low level to minimize disturbance to neighbors and wildlife.

j. The builder is responsible for the proper control of erosion during construction.

k. Builder shall avoid causing damage to property within Edgemont Highlands, including open space, adjacent lots, roads and driveways. If any damage occurs, it must be repaired and/or restored promptly at the expense of the Person causing the damage or the Owner of the lot.

l. The contractor is required to exercise the utmost care in the protection of trees during construction. Before any work commences, all trees within close proximity to the construction area shall have protective fencing installed around the drip line. Additionally, any soil disturbance or compaction around the immediate adjacent area shall be kept to a minimum. The owner is encouraged to consult an arborist for possible spraying, deep root feeding or other measures to maximize probability of survival.

26. Builder and Quality Requirements

These standards are intended to ensure that the level of quality at Edgemont Highlands is consistent and is in everyone's best interest.

a. All builder or Owner/Builders shall meet the following requirements:

i. Builder:

- Proof of insurance for general liability in minimum amount of \$1,000,000
- Three references from the three most recently completed homes.
- Proof of at least five full years of experience in residential home construction with the last three having been served in the capacity of a general contractor or job superintendent with full responsibility for overseeing all aspects of the home construction.

ii. Owner/Builder:

- An Owner/Builder shall meet the same requirements as the Builder except that the business license is not required, and the liability insurance can be job specific. If an Owner/Builder cannot meet these requirements and they still want to act as Owner/Builder then they must submit for approval a copy of a Construction Management Contract with an individual or company that is approved as a Builder. This contract must provide, at the minimum, that the Construction Manager will Supervise, advise, and manage the job on an ongoing basis in a

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capacity that the ARC determines will provide enough guidance and direction to complete the job according to the plans, quality and timeframes of the approvals.

b. **Quality Guidelines:** It is important that the homes built in Edgemont Highlands meet certain quality standards. This is important to both the immediate and long-term values within the development. These guidelines are intended to help give specific direction to ensure the quality of the exterior finishes of the homes. While not intended to be all-inclusive, these guidelines are given as examples of the level of quality that is expected.

iii. **Roofing:** Roofing shall be installed in a professional manner with careful attention to clean and even cuts on all valleys, and shall have consistent overhangs, well fastened eave and rake metal with clean joints, and neat and even field installation. All metal at chimneys and other penetrations shall be flashed in a neat manner with the appropriate color.

c. **Fascia/Soffit:** Fascia and soffit members shall be kiln or air-dried to a maximum moisture content of 14% to minimize shrinkage at corners and joints. All joints, unless otherwise approved, shall be mitered and fastened at ends. All gaps at transitions to walls shall be neat, clean and not show large voids. Any fascia or soffit material prone to shrinkage shall be stained on all sides before installation and touched up after installation. Nailing patterns, if discernable, shall be neat and even.

d. **Siding:** Siding shall be stained on all sides prior to installation and touched up after installation. Maximum moisture content shall be 19% to minimize excessive shrinking. All interior and exterior terminations of siding shall be neatly executed. Nailing patterns shall be neat and uniform if nail heads will be visible upon completion. Trim applications shall adhere to these same qualities.

e. **Stucco:** Stucco shall be applied in a professional manner and the finish shall be consistent with the finish approved at design submittal. Special attention shall be paid at terminations to wood, stone and any other alternate surfaces. Protection and cleanup of adjacent surfaces is of utmost importance.

f. **Stone:** The lay-up pattern approved by the ARC needs to be consistent throughout the job. Special attention shall be paid to the consistency of the grout joints within the stone lay-up. Upon final clean up, finished stonework shall be free of excessive concrete staining. Adjacent surfaces shall be masked and thoroughly cleaned and shall be free of concrete staining.

g. **Beams, Logs, other surfaces:** All other exterior finishes shall be held to the same quality standards as those designated here.

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EXHIBIT "E"

Landscaping Guidelines

Introduction

The primary objective of the landscaping requirements and guidelines are to:

- ◆ Acknowledge and respect that Edgemont Highlands and Durango in general are in a high desert location that requires appropriate drought tolerant and low water usage plantings.
- ◆ Preserve, maintain and enhance the natural foliage trees and plantings
- ◆ Require the application of appropriate fire mitigation practices. Fire mitigation guidelines of the Colorado State University Cooperative Extension are referenced in the CC&Rs. It is important to recognize that on smaller, less forested and fairly flat lots these standards may not apply or may apply in a decreased capacity.
- ◆ Provide guidelines for homeowners to ensure that the landscaping is attractive, harmonious and complimentary to the natural surroundings and architectural styling within Edgemont Highlands.

1. View Considerations

The Architectural Review Committee (ARC) may consider some restrictions on the use of tall growing trees if it is shown that it unreasonably blocks the view of adjacent neighbors.

2. Grading

To the maximum extent possible, unnecessary grading shall be avoided. "Imposing" a grading plan on site will not be allowed. Generally natural slopes are preferable to retaining walls. Slopes should not exceed 2:1 except with extenuating circumstances. All fill areas should be accomplished by employing appropriate construction methods of limited lift depths and compaction. All disturbed topsoil shall be stored and re-used on site and not exported.

3. Drainage

Whenever practical, natural drainage courses should be maintained and protected. Necessary new drainage ways should blend to the natural drainage as much as possible. There should be positive drainage away from all structures to avoid potential pooling against foundations. Any unavoidable low areas should be provided with catchbasins and piping for proper drainage. Special care needs to be taken to avoid the potential pooling of water around pine trees.

4. Retaining Walls

Where necessary to avoid steep slopes, protect trees or other similar circumstances, retaining walls will be allowed. Walls in excess of 4' (four feet) should be stepped with

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planting pockets to soften their visual impact. Walls should be constructed of stone, split-face block, synthetic stone-like engineered wall systems or pressure treated wood.

5. Fences

In order to promote the free migration of wildlife and to promote openness within the community, the use of fences is limited. No perimeter fencing or long expanses of fencing will be allowed. Relatively short sections of "privacy" fencing will be allowed. Generally, these fences should be contiguous to decks or patios, not extend to property lines, and be specifically intended for privacy and not to create an enclosed yard. These privacy fences cannot exceed 6'0" in height and must be constructed with materials consistent with the rest of the home.

6. Dog Runs

- The Dog run must be shielded from front elevation as much as possible.
- The Dog run must run generally parallel to the side or rear elevation of home, be no more than 8' wide and no closer than 4' to the property line.
- The dog run must be set back at least 10' from front elevation it is parallel to.
- The dog run may comprise no more than 500 square feet.
- The fence material cannot be taller than 6' and must be a solid material consistent or compatible with materials used on house and consistent or compatible in color.
- Invisible dog containment fences are not allowed.

7. Landscape Structures

Landscape structures such as gazebos may be permitted with the approval of the ARC. Generally, the ARC will approve those structures that are located behind the front plane of the residence and are not obtrusive to adjacent lots, the street or other community amenity areas.

8. Patios and Decks

As much as possible, patios and decks should transition to the natural terrain as smoothly as possible. Minor grading to allow decks without handrails is encouraged but not required.

9. Play Equipment

Play equipment such as basketball hoops and jungle gyms are permitted with the approval of the ARC. Generally these will be approved if located at the rear of the residence and are not obtrusive to adjacent lots or other amenity areas. In order to minimize their visual impact, play structures, if possible, should be of muted colors or should be screened.

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10. Spas and Pools

No above or below ground swimming pools shall be allowed within Phase I of Edgemont Highlands. Children's small portable wading pools shall be allowed at the rear of the residence. Hot tubs and spas should be designed to be visually connected to the home through the use of courtyards or privacy fences. All equipment must be screened. Hot tubs and spas must meet all applicable state and local laws and regulations.

11. Signs

During construction of a single family residence the general contractor and one other business may each place a sign, not to exceed 24" x 18", set back ten feet from the front of the property. No subcontractor's signs will be allowed. Each residence will be required to post a site identification sign. This sign shall be approximately 18" wide and 12" high, and shall include the street address as required by law. Owner's name is optional. The sign backing shall be constructed of 3/4" plywood or similar material, neatly painted a flat hunter green with 3" or 4" pre-made vinyl or metal lettering in white, off-white or light tan color, mounted on a 4x4 post. Sign sizes and placement for multi-family developments or larger scale (multiple) single family development will be considered on an individual basis.

A residence may have one standard sized (24" x 18") realty sign advertising "For Sale" or "For Rent". The sign must be placed 20' back from the street, generally in the center of the property and be no more than 2' above grade. All realty signs should be of professional quality. Open house signs shall be promptly removed after the event, or shall be removed by the ARC.

12. Parking

Every residence is required to have a driveway that provides access from street to residence. Driveways may be constructed of asphalt or concrete. Alternate driveways such as pavers, lawn and stone patterns or other crushed rock will be considered. Non-asphalt and non-concrete driveways will be required to be of comparative or greater quality and durability. No 3/4" ABC (Class 6) driveways will be allowed. Regardless of the approved driveway material each driveway must meet the ERMD apron requirements. Each single family residence shall provide a minimum of two off-street guest parking spaces (the driveway may be considered for guest parking). Multi-family lots shall provide adequate guest parking as required by La Plata County and the requirements imposed by the ARC during the architectural review process.

13. Tree Health/Tree Removal

Appropriate treatment of diseased or infected trees is required. If pine beetle infestations move close to Edgemont Highlands, Owners will be required to apply appropriate preventive pesticides to ponderosa pine trees. Removal of trees or oak brush is prohibited unless approved in writing by the ARC. Removal of dead trees and oak brush is required.

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14. Landscape Planting

The landscape design of each lot should blend with the overall setting of Edgemont Highlands. Landscape plans should incorporate and enhance existing vegetation, utilize indigenous species and minimize the need for irrigation. Non-native species, when used, should blend in color and texture with the native landscape and not dominate the plantings.

Included at the end of these guidelines are lists of appropriate plant species and a brief guideline to water reduced landscaping. Additional plants may be incorporated with ARC approval.

At a minimum, the landscaping plan of each home must:

- ♦ Show a plan for the entire lot even if the majority is just natural vegetation or re-vegetation.
- ♦ Show house and all walks, retaining walls, decks, patios, play structures and other hardscape elements.
- ♦ Show any grading changes greater than 1' and general site drainage.
- ♦ Show any proposed tree removal.
- ♦ Show appropriate wildfire mitigation measures..
- ♦ Provide landscaping on front street elevation that includes a mixture of natural vegetation, ground cover, shrubs, trees and other approved plant materials which will present a complete planting plan.
- ♦ Provide a minimum of ground cover and revegetation in other, less visible areas.
- ♦ Provide a transition from the built environment and cultivated landscape to the native landscape.
- ♦ Show that plant selections are compatible with the site (soils, aspects and naturally available water).

No synthetic or artificial plants or plant material such as Astroturf or lava rock will be allowed. Large bare rock areas of any kind will be discouraged.

Each home will be required to have an underground sprinkler system or drip irrigation system. Hoses and above-ground sprinklers can be used to establish plants and in limited, less-accessible areas. Each residence is allocated a maximum of approximately sixty-nine gallons of water per day for irrigation. The Landscaping plan will need to show that its use, when mature, will not exceed that demand and that the Owner will accept the responsibility to limit landscaped areas in times of drought or limited water supply.

15. Lawns

In an effort to create a natural look in the landscaping of Edgemont Highlands, only small lawn areas shall be allowed. The allowable lawn area shall be defined by the ARC for each lot depending on street frontage, whether it is a corner lot, and similar physical characteristics. Lot owners are encouraged to discuss this during their Pre-Design Meeting with the ARC. High water use varieties of grasses, such as Kentucky Bluegrass, are prohibited. They are deemed to be environmentally irresponsible and are contrary to the

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environmental goals of Edgemont Highlands. Low water use varieties such as Blue Grama, Sheep Fescue, Arizona Fescue, Thickspike Cretana, Wheatgrass, Streambank Sodar Wheatgrass and Buffalo Grass are encouraged. A seed mix description is included in these guidelines.

16. Landscaping Schedule

The ARC recognizes that because of our distinct seasons it is not always possible to install landscaping immediately upon completion of a home, although that is the goal. If a home is completed in the winter months it is required that the landscaping be installed and completed by the following growing season. If at all possible, revegetation areas should be seeded before winter. If serious erosion potential exists, the ARC may require temporary protection.

17. Landscaping Practices

A. Weed Control

The indiscriminate use of herbicides and poisons will not be allowed. Special care should be taken to minimize use.

Alternate methods include:

- ♦ Preparation of site before planting by spot spraying and removing weeds.
- ♦ Pulling or tilling annual weeds before they set seed.
- ♦ Keeping weeds short, as some varieties will not flourish if kept cut.
- ♦ Using mulch and cover crops to prevent weeds from flourishing.

Because weeds are severely disruptive to the native landscape, proper control is required of all weeds listed on the Colorado State Weed List (referenced at the end of this section). Particularly noxious weeds such as Canadian thistle and knapweeds shall be reported to the Edgemont Highlands Homeowners Association.

B. Pest Control

The non-chemical approach to pest control involves management rather than eradication. Preventative methods include:

- ♦ Keeping plants healthy.
- ♦ Providing small areas of foliate to promote health of good bugs.
- ♦ Pruning and disposing of diseased plants.
- ♦ Careful regular inspection of established plants, and careful inspection of new plants.
- ♦ Use of non-chemical biodegradable alternatives, such as Safer's products, are often very effective.

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WATER REDUCED LANDSCAPING

Quick Facts...

- Water reduced landscaping offers an opportunity to select plants compatible with local conditions.
- When selecting woody plants, consider soils, drainage, exposure and irrigation method.
- Water xeric trees and shrubs just as much as other plants until established, usually two years.
- Once established, gradually reduce watering frequency.
- Frequent shallow watering promotes shallow roots and defeats the purpose of water reduced landscaping

Selecting woody plants for a reduced-water landscape requires careful consideration. Woody plants such as trees and shrubs are a major component in the landscape and a long-term investment. In addition to aesthetics and function, look at soil, drainage patterns, exposure to heat and wind, and how the site is irrigated.

Soils, Drainage and Exposure

Before selecting plants, evaluate the site's soil, drainage and exposure. Consider all three factors together, because each affects the others. If the soil is a heavy clay, it will have poor internal drainage even on a slope. The same soil on a south or west exposure will dry quickly, shrink and crack, requiring slow but relatively frequent watering. Dense clay soils are low in oxygen and do not lend themselves well to plant growth. Most xeric plants, while tolerating low water, cannot function well in soils low in oxygen. The better a soil is prepared through addition of organic amendments prior to planting, the better the plants will do.

Select shade-tolerant plants for north exposures. There are fewer of these than species for full sun because most xeric plants thrive best in sunny exposures. Those that do tolerate shade generally require more water. This can be somewhat offset by using organic mulches such as wood chips.

Difference Between Mesic, Hydric, and Xeric Sites

Mesic: Mesic soils are soils that are moderately well drained. Water filters through the soil moderately fast, although it retains moisture long enough to keep it moist for long periods of time, but not all the time. This is your average soil type. For tree and shrub selections choose ones that are not specifically listed as xeric or hydric species.

Hydric: Hydric soils are those that are subjected to saturation, flooding or ponding for long periods of time during the growing season, or have a water table directly below the soil surface.

Xeric: Xeric soils are those that retain very little water naturally. They typically have a low nutrient levels and need amendments and irrigation to support plant life not adapted.

Establishment of Plants

Regardless of how drought-enduring a plant may be, relatively frequent watering is needed until the plant is established. Most woody plants take at least two growing seasons to establish, depending on how well the soil has been prepared. Once plants are established, gradually reduce watering. Avoid frequent, shallow watering, however, because this tends to encourage shallow roots and thus defeats the goal of water reduced landscaping.

Edgemont Highlands
Approved Plant List

SOME SELECTIONS OF PLANTS FOR EDGEMONT HIGHLANDS RANCH

While not a complete list, the plants listed below are suited to a the Edgemont Highlands site. Some may be uncommon in many nurseries but available from wholesale suppliers. They can be ordered through your local nursery.

NATIVE SPECIES

NATIVE PERENNIALS

Botanical name	Common name	Site: Soil/moisture
<i>Allium cernuum</i>	Nodding onion	m- to m
<i>Antennaria parvifolia</i>	Small leaf pussytoes	x+ to m
<i>Aquilegia caerulea</i>	Colorado blue columbine	m+
<i>Aquilegia chrysantha</i>	Golden columbine	m- to m+
<i>Aquilegia formosa</i>	Western columbine	m- to m+
<i>Campanula rotundifolia</i>	Bluebell bellflower, roundleaf harebell	m+
<i>Castilleja integra</i>	Wholeleaf Indian paintbrush	x+ to m-
<i>Castilleja linariifolia</i>	Split leaf paintbrush, Wyoming paintbrush	x to m
<i>Castilleja sulphurea</i>	Sulphur-flowered paintbrush	m+ to m-
<i>Conioselinum scopulorum</i>	Rocky Mountain hemlock parsley, wild parsley	m+
<i>Dodecatheon pulchellum</i>	Darkthroat shooting star	
<i>Echinacea angustifolia</i>	Narrow-leaved purple coneflower	m-
<i>Epilobium canum</i>	Hummingbird trumpet	x+ to m-
<i>Erigeron speciosus</i>	Aspen fleabane	x+ to m-
<i>Eriogonum jamesii</i>	James buckwheat	x+ to m+
<i>Eriogonum embellatum</i>	Sulferflowered buckwheat	x to m-
<i>Eurybia glauca</i>	Gray aster	x
<i>Fragaria vesca</i>	Woodland strawberry	m
<i>Gallardia aristata</i>	Common gaillardia	x+ - m-
<i>Geranium viscosissimum</i>	Sticky purple geranium	m to m+
<i>Heterotheca villosa</i>	Hairy false goldernaster	x
<i>Ipomoea leptophylla</i>	Bush morning-glory	x+ - m-
<i>Ipomopsis aggregata</i>	Scarlet gilia	x+ to m-
<i>Liatris punctata</i>	Dotted blazing star	x+ to m-
<i>Lobelia cardinalis</i>	Cardinal flower	m to m+
<i>Lupinus argenteus</i>	Silvery lupine	m-
<i>Mirabilis multiflora</i>	Colorado four o clock	x+ - m-
<i>Monarda fistulosa</i>	Wild bergamot, beebalm	m-
<i>Penstemon jamesii</i>	James penstemon	m-

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Penstemon lentus	Four corners penstemon	x
Penstemon linarioides ssp coloradoensis	Narrowleaf penstemon, toadflax penstemon	x - x+
Penstemon Mensarum	Grand Mesa Penstemon, tiger	m
Penstemon pachyphyllus	Thickleaf beardtongue	x
Penstemon pinifolius	Pine needle beardtounge	x+ to m-
Penstemon procerus	Little flower penstemon	m
Penstemon rydbergii	Rydberg's penstemon	m- to m+
Penstemon secundiflorus	Sidebells penstemon	m-
Penstemon strictus	Rocky Mountain penstemon	m- to m
Penstemon virens	Blue mist penstemon	x+ to m-
Penstemon virgatus	Upright blue beardtongue	x- to m-
Polemonium pulcherrimum	Jacob's ladder	m- to m+
Potentilla gracilis	Slender cinquefoil	m- to m+
Ratibida columifera	Upright prarie coneflower	x+to m-
Rudbeckia hirta	Blackeyed susan	m- to m+
Rudbeckia occidentalis	Western coneflower	m to m+
Shaeralcea coccinea	Scarlet globemallow	x
Sphaeralcea grossulariifolia	Gooseberryleaf globemallow	x
Symphotrichum leave var. leave	Smooth blue aster	m- to m+
Vicia Americana	American Vetch	m- to m+

SITE: SOIL/MOISTURE SYMBOLS

X-= always xeric , X= xeric, X+ = occasionally mesic

M- = periodically dry, M= mesic, m+ + moist

H- periodically saturated, H+ saturated, H+ standing water.

NATIVE TREES

Botanical name	Common name	Site: Soil/moisture
Acer glabrum	Rocky Mountain maple	m+
Acer grandidentatum	Bigtooth maple	m+
Crataegus douglasi	Douglas hawthorn, black hawthorn	m- to m+
Crataegus rivularis	River hawthorn	m to m+
Fraxinus anomala	Singleleaf ash	x+
Juniperus scopulorum	Rocky Mountain juniper	x+
Picea pungens	Blue spruce	m - to m+
Pinus aristata	Bristlecone pine	m- to m
Pinus ponderosa	Ponderosa pine	m- to m
Pinus strobiformis	S.W. white pine	m- to m
Populus tremuloides	Quaking aspen	m+
Prunus Americana	American plum	m to m+
Pseudotsuga menziesii var. glauca	Rocky Mountain Douglas-fir	m to m+
Robinia neomexicana	New Mexican locust	
Sorbus scopulina	Greene's mountain ash	m to m+

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NATIVE SHRUBS

Botanical name	Common name	Site: Soil/moisture
<i>Acer glabrum</i>	Rocky Mountain maple	m+
<i>Acer grandidentatum</i>	Bigtooth maple	m+
<i>Amelanchier alnifolia</i>	Western serviceberry	m- to m
<i>Amelanchier utahensis</i>	Utah serviceberry	x+ to m-
<i>Amphora fruticosa</i>	Desert false indigo	m- to m+
<i>Arctostaphylos uva-ursi</i>	Bearberry, kinnikinnick	m to m+
<i>Artemisia cana</i>	Silver sagebrush	x+ to m
<i>Artemisia tridentate</i>	Mountain big sage	x to m-
<i>Atriplex canescens</i>	Fourwing saltbrush	x+
<i>Ceanothus fendleria</i>	Buckbrush, fendlers ceanothus	x
<i>Ceanothus velutinus</i>	Snowbush ceanothus, snowbrush	m
<i>Cercocarpus Intricatus</i>	Littleleaf mountain mahogany	x+
<i>Cercocarpus ledifolia</i>	Curl leaf mountain mahogany	x
<i>Cercocarpus montanus</i>	True mountain mahogany	x
<i>Chamaebatiaria millefolium</i>	Fernbrush	m- to m+
<i>Chrysothamnus greenei</i>	Greene's rabbitbrush	x+ to m-
<i>Chrysothamnus nauseosus</i>	Rubber rabbitbrush	x
<i>Cowania mexicana</i>	Cliff rose	
<i>Crataegus douglasi</i>	Douglas hawthorn, black hawthorn	m- to m+
<i>Crataegus rivularis</i>	River hawthorn	m to m+
<i>Ephedra viridis</i>	Mormon tea	x
<i>Fallugia paradoxa</i>	Apache plume	x- to m-
<i>Fraxinus anomala</i>	Singleleaf ash	x+
<i>Holodiscus dumosus</i>	Mountain spireal, rockspirea	m
<i>Jamesia Americana</i>	Fivepetal cliffbush, waxflower	x+ to m
<i>Juniperus communis</i>	Common juniper	m
<i>Krascheninnikovia lanata</i>	Winterfat	x
<i>Mahonia repens</i>	Oregon grape, creeping barberry	x+ to m
<i>Paxistima myrsinites</i>	Mountain lover, boxleaf	m to m+
<i>Pentaphylloides floribunda</i>	Shrubby cinquefoil	m- to m+
<i>Philadelphus lewisii</i>	Lewis' mock orange	m-
<i>Philadelphus microphyllus</i>	Littleleaf mock orange	m- to m
<i>Physocarpus monogynus</i>	Mountain ninebark	m- to m+
<i>Physocarpus opulifolius</i>	Common ninebark	m- to m+
<i>Prunus Americana</i>	American plum	m to m+
<i>Prunus pumila</i> var. <i>besseyi</i>	Western sandcherry	m- to m+
<i>Prunus virginiana</i>	Chokecherry	m+
<i>Pseudotsuga menziesii</i> var. <i>glauca</i>	Rocky Mountain Douglas-fir	m to m+

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<i>Purshia stansburiana</i>	Stansbury cliffrose	m- to m
<i>Purshia tridentata</i>	Antelope bitterbrush	x= to m
<i>Quercus cambelii</i>	Gambel's oak	m- to m
<i>Rhamnus smithii</i>	Smith's buckthorn	m- to m
<i>Rhus glabra</i>	Mountain sumac, smooth sumac	m to m+
<i>Rhus trilobata</i>	Threeleaf sumac	m+ to x-
<i>Ribes aureum</i>	Golden currant	m- to m=
<i>Ribes cereum</i>	Waxcurrant, squaw currant	m- to m+
<i>Ribes laxiflorum</i>	Trailing black currant	m to m +
<i>Ribes montigenum</i>	Mountain currant, gooseberry currant	m to m+
<i>Rosa woodsii</i>	Wood's rose	m to m+
<i>Rubus deliciosus</i>	Delicious raspberry	m to m+
<i>Rubus idaeus</i>	American red raspberry	m to m _u
<i>Rubus parviflorus</i>	Thimbleberry	m to m+
<i>Sambucus racemosa</i>	Red elderberry	m+
<i>Shepherdia argentea</i>	Silver buffaloberry	m to m+
<i>Shepherdia Canadensis</i>	Russet buffaloberry	m
<i>Sorbus scopulina</i>	Greene's mountain ash	m to m+
<i>Symphoricarpos albus</i>	Common snowberry	m- to m+
<i>Symphoricarpos occidentalis</i>	Western snoberry, wolfberry	m- to m
<i>Symphoricarpos oreophilus</i>	Mountain snowberry	m- to m
<i>Vaccinium myrtilus</i>	Whortleberry	m
<i>Yucca baccata</i>	Banana yucca	x
<i>Yucca glauca</i>	Soapweed	x

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NATIVE GROUND COVERS

Botanical name	Common name	Site: Soil/moisture
<i>Antennaria parvifolia</i>	Small leaf pussytoes	x+ to m
<i>Arctostaphylos uva-ursi</i>	Bearberry, kinnikinnick	m to m+
<i>Ceanothus fendleria</i>	Buckbrush, fendlers ceonothus	x
<i>Fragaria vesca</i>	Woodland strawberry	m
<i>Juniperus communis</i>	Common juniper	m
<i>Mahonia repens</i>	Oregon grape, creeping barberry	x+ to m
<i>Paxistima myrsinites</i>	Mountain lover, boxleaf	m to m+

GRASSES

Botanical name	Common name	Site: Soil/moisture
<i>Achnatherum humenoides</i>	Indian ricegrass	x
<i>Bouteloua gracilis</i>	Blue grama	x+-m-
<i>Bouteloua curtipendula</i>	Side oats grama	x+ to m-

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Bromus anomalus	Nodding brome	m-
Bromus marginatus	Mountain brome	m-
Buchloe dactyloides	Buffalograss	x+ to m
Calamagrostis Canadensis	Bluejoint reedgrassjoint	m+
Elytrigia dasystachya	Thickspike wheatgrass	m- to m+
Festuca Arizonica	Arizona fescue	x+
Festuca brachyphylla	Alpine fescue /sheep fescue	m-
Festuca saximontana	Rocky Mountain Fescue	m-
Festuca thurberii	Thurber's fescue	m
Koleria cristata	Junegrass	m- to m
Muhlenbergia Montana	Mountain muhly	m- to m
Nasella viridula	Green needlegrass	m- to m+
Pascopyrum smithii	Western wheatgrass	m- to m+
Pleum alpinum	Alpine timothy	m

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LAWN GRASSES

Bouteloua gracilis	Blue grama
Buchloe dactyloides	Buffalograss
Elytrigia dasystachya x cretana	Thickspike wheatgrass x cretana
Festuca Ovina (F. brachyfylla)	Sheep fescue

EDGEMONT HIGHLANDS RECLAMATION MIX

green needle grass x lodorm	5%
blue gramma grass x achita	5%
mountain broam x garnet	20%
western wheatgrass x arriba	15%
thickspike wheatgrass x cretana	15%
indian ricegrass x rimrock	10%
side oats gramma	5%
slender wheatgrass x san louis	25%

If broadcast or hydraulically applied, apply at 22.5 pls #'s/acre. If drilled apply at 15 pls #'s/acre.

NON-NATIVE SPECIES

	<u>COMMON NAME</u>	<u>BOTANICAL NAME</u>
<u>Evergreen Trees</u>		
	Pine, Austrian	<i>Pinus negra</i>
<u>Deciduous Trees</u>		
	Burr oak	<i>Quercus macrocarpa</i>
	Dolga Crab	<i>Malus "Dolga"</i>
	Radiant Crab	<i>Malus "Radiant"</i>

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	Green ash	<i>Fraxinus pennsylvanica lanceolata</i>
	Goldenrain tree	<i>Koelreuteria paniculata</i>
	Hackberry	<i>Celtis occidentalis</i>
	Hawthorne, Cockspur	<i>Cataegus crugalli</i>
	Kentucky coffee tree	<i>Gymnocladus dioicus</i>
	New Mexico Locust	<i>Robinia Neomexicana</i>
	Thornless honeylocust	<i>Gleditsia triancanthos inermis</i>
	Western catalpa	<i>Catalpa speciosa</i>
<u>Evergreen Shrubs</u>		
	Juniper Species	<i>Juniperus sp</i>
	Mugho Pine	<i>Pinus mugo mugo</i>
<u>Deciduous Shrubs</u>		
	Barberry (japanese)	<i>Berberis thunbergii</i>
	Sea Buckthorn	<i>Hippophae rhamnoides</i>
	Cliff fendlerbush	<i>Fendlera rupicola</i>
	Cotoneaster species	<i>Cotoneaster spp.</i>
	Sage species	<i>Artemisia sp.</i>
	Sumac Species	<i>Rhus sp.</i>
	Spirea Species	<i>Spirea sp.</i>
	Potentilla Species	<i>Potentilla sp.</i>
	Peashrub species	<i>Caragana spp.</i>
	Austrian Copper Rose	<i>Rosa foetida bicolor</i>
	Rugosa Rose species	<i>Rosa rugosa spp.</i>
	Burning Bush	<i>Euonymus alatus</i>
	Mountain Privet	<i>Foresteria neomexicana</i>
<u>Groundcovers</u>		
	Catmint	<i>Nepeta x faussennii</i>
	Phlox	<i>Phox subulata</i>
	Pussytoes	<i>Antennaria sp</i>
	Hosta	<i>Funkia sp.</i>
	Sedum Species	<i>Sedum sp.</i>
	Snow in Summer	<i>Cerastium tomentosum</i>
	Creeping Potentilla	<i>Potentilla verna</i>
	Wooly Thyme	<i>Thymus</i>
	Wintercreeper	<i>Euonymus fortunei</i>
<u>Vines</u>		
	Clematis	<i>Clematis hybrids</i>
	Grape	<i>Vitis sp.</i>
	Honeysuckle	<i>Lonicera sp.</i>
	Virginia Creeper	<i>Parthenocissus quinquefolia</i>
	Trumpetvine	<i>Campsis radicans</i>
	Silver Lace Vine	<i>Polygonum auberti</i>
<u>Perennials</u>		
	Aster	<i>Aster hybrids</i>
	Basket of Gold	<i>Alyssum saxatile</i>
	Blanket Flower	<i>Gaillardia var.</i>

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Candytuft	<i>Iberis sempervirens</i>
Coralbells	<i>Heuchera sanguinea</i>
Shasta Daisy	<i>Chrysanthemum maximum</i>
Delphinium	<i>Delphinium elatum</i>
Daylilies	<i>Heemerocallis hybrids</i>
Iris sp.	<i>Iris</i>
Lupine	<i>Lupinus polyphyllus</i>
Iceland Poppy	<i>Papaver nudicaule</i>
Oriental Poppy	<i>Papaver orientalis</i>
Penstemon	<i>Penstemon sp.</i>
Phlox	<i>Phlox paniculata</i>
Salvia species	<i>Salvia sp.</i>
Yarrow	<i>Achilles filipendula</i>

Annuals

Sweet Alyssum	<i>Lobularia maritima</i>
Dusty Miller	<i>Artemisia stellerana</i>
California Poppy	<i>Escoltzia californica</i>
Edging Lobelia	<i>Lobelia erinus</i>
Geranium	<i>Pelargonium x hortorum</i>
Marigold	<i>Tagetes sp.</i>
Petunia	<i>Petunia hybrids</i>
Pansy	<i>Viola sp.</i>
Zinnia	<i>Zinnia sp.</i>

REFERENCES:

COLORADO STATE UNIVERSITY COOPERATIVE EXTENSION PUBLICATIONS (available online @ <http://www.ext.colostate.edu>):

Native Shrubs for Colorado Landscapes no. 7.422
Ground Covers for Mountain Communities no. 7.413 by J.R. Feucht 1
Xeriscaping: Creative Landscaping no. 7.228 by J.R. Feucht 1
Xeriscaping: Ground Cover Plants no. 7.230 by J.R. Feucht 1
Xeriscaping: Garden Flowers no. 7.231 by J.R. Feucht and J.E. Klett 1
Ground Cover Plants no. 7.400 by J.E. Klett and R.A. Cox 1
Selecting and Planting Roses no. 7.404 by A. W. Nelson, C.E. Swift 1
Flowers for Mountain Communities no. 7.406 by J.R. Feucht 1
Native Trees for Colorado Landscapes no. 7.421 by J. Klett, B. Fahey and R. Cox 6
Native Shrubs for Colorado Landscapes no. 7.422 by J. Klett, B. Fahey and R. Cox

ROCKY MOUNTAIN NATIVE PLANTS COMPANY CATALOGUE, Rifle, Colorado

COLORADO STATE WEED LIST

The following weed species, listed in alphabetical order, are identified as the State Noxious Weeds. They have been identified by individual counties as problem weeds in the county's area or have been recommended for management through public testimony. These weed species should be considered by each local advisory board and local governing body in the development, adoption and enforcement of their noxious weed list and noxious weed management plan. The State Noxious Weeds are:

African rue (<i>Peganum harmala</i>)	Common teasel (<i>Dipsacus fullonum</i>)
Leafy spurge (<i>Euphorbia esula</i>)	Russian thistle (<i>Salsola iberica</i>)
Black henbane (<i>Hyoscyamus niger</i>)	Cypress spurge (<i>Euphorbia cyparissias</i>)
Longspine sandbur (<i>Cenchrus longispinus</i>)	Saltcedar (<i>Tamarix parviflora</i>)
Black knapweed (<i>Centaurea nigra</i>)	Dalmatian toadflax (<i>Linaria dalmatica</i>)
Mayweed chamomile (<i>Anthemis cotula</i>)	Saltcedar (<i>Tamarix ramosissima</i>)
Black nightshade (<i>Solanum nigrum</i>)	Dame's rocket (<i>Hesperis matronalis</i>)
Mediterranean sage (<i>Salvia aethiopsis</i>)	Scentless chamomile (<i>Anthemis arvensis</i>)
Blue mustard (<i>Chorispora tenella</i>)	Diffuse knapweed (<i>Centaurea diffusa</i>)
Musk thistle (<i>Carduus nutans</i>)	Scotch thistle (<i>Onopordum acanthium</i>)
Bouncingbet (<i>Saponaria officinalis</i>)	Downy brome (<i>Bromus tectorum</i>)
Myrtle spurge (<i>Euphorbia myrsiniues</i>)	Scotch thistle (<i>Onopordum tauricum</i>)
Bull thistle (<i>Cirsium vulgare</i>)	Dyer's woad (<i>Isatis tinctoria</i>)
Oxeye daisy (<i>Chrysanthemum leucanthemum</i>)	Spotted knapweed (<i>Centaurea maculosa</i>)
Camelthorn (<i>Alhagi pseudalhagi</i>)	Field bindweed (<i>Convolvulus arvensis</i>)
Perennial pepperweed (<i>Lepidium latifolium</i>)	Squarrose knapweed (<i>Centaurea virgata</i>)
Canada thistle (<i>Cirsium arvense</i>)	Flixweed (<i>Descurainia sophia</i>)
Plumeless thistle (<i>Carduus acanthoides</i>)	Sulfur cinquefoil (<i>Potentilla recta</i>)
Chicory (<i>Cichorium intybus</i>)	Green foxtail (<i>Setaria viridis</i>)
Poison hemlock (<i>Conium maculatum</i>)	Velvetleaf (<i>Abutilon theophrasti</i>)
Chinese clematis (<i>Clematis orientalis</i>)	Hairy nightshade (<i>Solanum sarrachoides</i>)
Puncturevine (<i>Tribulus terrestris</i>)	Wild caraway (<i>Carum carvi</i>)
Coast tarweed (<i>Madia sativa</i>)	Halogeton (<i>Halogeton glomeratus</i>)
Purple loosestrife (<i>Lythrum salicaria</i>)	Wild mustard (<i>Brassica kaber</i>)
Common burdock (<i>Arctium minus</i>)	Hoary cress (<i>Cardaria draba</i>)
Quackgrass (<i>Elytrigia repens</i>)	Wild proso millet (<i>Panicum miliaceum</i>)
Common groundsel (<i>Senecio vulgaris</i>)	Houndstongue (<i>Cynoglossum officinale</i>)
Redstem filaree (<i>Erodium cicutarium</i>)	Yellow foxtail (<i>Setaria glauca</i>)
Common mullein (<i>Verbascum thapsus</i>)	Johnsongrass (<i>Sorghum halepense</i>)
Rush skeleton weed (<i>Chondrilla juncea</i>)	Yellow nutsedge (<i>Cyperus esculentus</i>)
Common St. Johnswort (<i>Hypericum perforatum</i>)	Jointed goatgrass (<i>Aegilops cylindrica</i>)
Russian knapweed (<i>Centaurea repens</i>)	Yellow starthistle (<i>Centaurea solstitialis</i>)
Common tansy (<i>Tanacetum vulgare</i>)	Kocia (<i>Kocia scoparia</i>)
Russian thistle (<i>Salsola collina</i>)	Yellow toadflax (<i>Linaria vulgaris</i>)

Source: Colorado Department of Agriculture