

August 1, 2005

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TWILIGHT TRAILS ESTATES**

J. PATRICK JONES and PAMELA D. JONES ("Declarant") being the owner of the property ("**Property**") described on **Exhibit A**, (attached hereto and incorporated herein by this reference), and having established a general plan for the improvement and protection of the **Property**, hereby enhance and encumber the **Property** with this Declaration ("**Declaration**") of Covenants, Conditions and Restrictions for the benefit of the present and future owners of **Property**.

1 DEFINITIONS:

The following terms shall be applicable to this **Declaration**, Articles of Incorporation, By-Laws, **Plat** and all other documents of **TWILIGHT TRAILS ESTATES**.

1.1 The term "**Act**" refers to the "Colorado Common Interest Ownership Act" C.R.S. 38-33.3-101 et seq., in effect on the date of this **Declaration**, together with any subsequent amendments expressly made applicable to existing Associations.

1.2 "**Adjacent Property**" refers to the 10+ acre parcel along the southern boundary of the **Property**, which is owned by **Declarant** and operates as an equestrian boarding and training facility as well as residence of **Declarant**.

1.3 "**Architectural Review Committee (ARC)**" This committee exists for the purpose of insuring conformity to **Architectural Guidelines** as defined under Sections 4 and 5 below.

1.4 "**Architectural Guidelines**" The guidelines and standards for architecture, design, construction, landscaping and exterior items on **Lots** adopted pursuant to Section 5, as they may be amended.

1.5 The term "**Association**" refers to **TWILIGHT TRAILS ESTATES Owners Association**, a Colorado non-profit corporation which **Declarant** has caused to be incorporated under the laws of the State of Colorado for the purpose of exercising the functions as herein set forth.

1.6 The term "**Common Expenses**" shall mean and include all expenses incident to the administration, maintenance, repair, and replacement of the **Common Area**, after excluding there from any and all expenses which are the responsibility of an **Owner** and assessments assessed to each **Lot** by the **Association**.

1.7 The term "**Common Area**" means all real and personal property, including easements, which the **Association** owns, leases, or otherwise holds possession of or use rights in for the common use and enjoyment of the **Owners**. **Common Area** shall include, but not be limited to, the **Greenbelt** (approximate 13 Acre tract fronting US Highway 550), all common areas, roadways, walkways, and driveway areas as shown on the **Plat**.

1.8 "**Conservation Easement**" refers to the conservation easement placed upon **Property** and recorded December 10, 2003 as Reception No. 874564 in the office of the Clerk and Recorder of La Plata County, Colorado.

1.9 "**Greenbelt**" – See **Common Area** definition above.

1.10 The term "**Owner**" shall mean and refer to an individual, firm, corporation, partnership, association, or other legal entity, or any combination thereof, who is the record owner of a **Lot**. The term shall include contract sellers of **Lots** but shall exclude those having an interest in the **Lot** merely as security for the performance of an obligation; provided, however, that it shall include such persons or legal entity after acquisition of title pursuant to a foreclosure, deed in lieu of foreclosure or judicial sale. Except where the context otherwise requires, the singular term "**Owner**" shall mean and refer to the owner or owners of a **Lot**, whether singular or plural.

1.11 The term "**Plat**" refers to the plats of the Property recorded on _____ as Reception No. _____ in the Office of the Clerk and Recorder of La Plata County, Colorado. **Plat** shall also have the meaning of plat in the **Act**, and where the context so requires shall mean map.

1.12 The term "**Property**" shall refer to all land described on **Exhibit A** hereto attached and incorporated by reference herein.

1.13 The term "**Lot**" means and refers to any numbered plot of land upon any recorded subdivision **Plat** of the **Property** upon which a residence has been or may be constructed.

1.14 The term "**Board**" or "**Board of Directors**" or "**Executive Board**" shall mean the Board of Directors of the **Association**.

1.15 General Meaning of Terms. Terms used herein, except where this **Declaration** expressly provides to the contrary or where the context otherwise requires, shall have the meanings given in the **Act**. Such meanings shall be in addition to any specific definition set forth in this **Declaration**.

2 **NAME AND DIVISION INTO RESIDENTIAL LOTS**

2.1 **Name.** The name of the **Property** is **Twilight Trails Estates** and for purposes of the **Act** is declared to be a “planned community”.

2.2 **Submission.** All **Property** described in Exhibit A, 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 **Property**, their heirs, successors, successors-in-title, and assigns.

2.3 **Identification of Lots.** The identification number of each **Lot** is shown on the **Plat**.

2.4 **Description of Lots.** The number of **Lots** in the **Property** is five (5). Each **Lot** shall consist of surveyed and platted undeveloped, vacant land as described by the **Plat**. Upon the recording of this **Declaration** in the office of the Clerk and Recorder of the County of La Plata, State of Colorado, every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a **Lot** by reference to its corresponding number on the **Plat** as follows:

Lot ____, TWILIGHT TRAILS ESTATES, according to the plat filed for record
_____ under Reception No. _____, and as defined and described by the
Declaration of Covenants, Conditions and Restrictions of TWILIGHT TRAILS
ESTATES recorded _____ under Reception No. _____.

Every instrument of conveyance, mortgage, deed of trust, or other instrument affecting the title to a **Lot** which legally describes said **Lot** in the manner set forth in this section shall be construed to describe the **Lot**, together with all fixtures and improvements therein contained, and to include, without the requirement of specific reference, any and all general or limited common elements appurtenant to the **Lot** described and to incorporate all the rights incident to ownership of a **Lot** and all the limitations of ownership as described in the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this **Declaration**. This will include the easement of enjoyment to use any general or limited common elements and the **Owner's** membership in the **Association**

2.5 **Separate Assessment and Taxation - Notice to Assessor.** **Declarant** shall give written notice to the Assessor of the County of La Plata, State of Colorado, of the creation of subdivided ownership in this **Property**, as is provided by law, so that each **Lot** and the appurtenant interest in the **Common Area** shall be deemed a parcel and subject to separate assessment and taxation.

2.6 **Covenants Running With the Land.** All provisions hereof including benefits and burdens shall be deemed to be covenants running with the land, or as an equitable servitude, as the case may be. The benefits, burdens, and other provisions contained in this **Declaration** shall be binding upon, and inure to the benefit of, the **Declarant**, the **Association**, and all **Owners**, and upon and for their respective heirs, executors, administrators, personal representatives, successors, and assigns. Any right or any interest reserved or contained in this **Declaration** to or for the benefit of the **Declarant** may be transferred or assigned by the **Declarant**, either separately or with one or more of such rights or interests, to any person, corporation, partnership, association or other entity.

3 **ASSOCIATION**

3.1 **Declarant Control Rights.** **Declarant** shall be entitled to appoint and remove the Members of the **Association's Executive Board** and officers of the **Association** to the fullest extent permitted under the **Act**. The specific restrictions and procedures governing the exercise of **Declarant's** right to so appoint and remove directors and officers are set out in the Articles and Bylaws of the **Association**. **Declarant** may voluntarily relinquish such power by recording a notice executed by **Declarant** with the Clerk and Recorder, but, in such event, **Declarant** may at its option require that specified actions of the **Association** or the **Executive Board** as described in the record notice, during the period **Declarant** would otherwise be entitled to appoint and remove directors and officers, be approved by **Declarant** before they become effective.

3.2 **Membership**

3.2.1 Membership in the **Association** shall be appurtenant to **Lot** ownership and cannot be severed there from.

3.2.2 Each **Owner** shall be entitled to one vote for each **Lot** owned; provided, however, no **Owner** shall be entitled or authorized to vote if said **Owner** is delinquent in the payment of any assessments at the time such vote is called for.

3.2.3 When more than one person holds interest in any **Lot**, all such persons shall be considered as the **Owner**, collectively and the vote for such **Lot** may be exercised as they determine, but in no event shall more than one vote be cast with respect to any such **Lot**.

3.2.4 Each **Owner** shall be entitled to the rights and shall be subject to the duties set forth in these covenants, the Articles of Incorporation and By-Laws of the **Association** and the rules and regulations and **Architectural Guidelines** adopted by the **Association**.

3.2.5 Each **Owner** shall be subject to assessments as determined by the **Association** and as defined under Section 7 below.

3.3 **Directors and Officers.** Management of the **Association** shall be vested in an **Executive Board** (Board of Directors) of not less than three members. Directors shall serve three-year terms, with terms staggered to provide that 1/3 of all Directors are up for election each year. The **Executive Board** shall annually elect from among its members a President, Vice-President and Secretary/Treasurer, and it may further elect such additional **Owners** as officers for which provision is made in the Bylaws. The **Executive Board** and Officers shall have and exercise such powers as may be conferred upon them by this **Declaration**, the **Act**, the Corporate Articles and Bylaws, and the Corporation Code.

3.4 **Management Duties**

3.4.1 Subject to the rights and obligations of the **Declarant** and **Owners** as set forth in this **Declaration**, the **Association** Executive Board as defined in the **Association** Bylaws shall be responsible for the exclusive management, control, maintenance, repair, replacement, and improvement of the **Common Area** (including facilities, furnishings, and equipment related thereto), and shall keep the same in good, clean, attractive, and sanitary condition, order, and repair. **Association** shall maintain in a proper, first-class manner all grass, trees, shrubbery, flowers, and similar landscaping, constituting part of the **Common Area**.

3.4.2 Payment of Expenses. The expenses, costs, and fees of such management, operations, maintenance, and repair by the **Association** shall be **Common Expenses**, and prior approval of the **Owners** shall not be required in order for the **Association** Executive Board to direct payment of any such expenses, costs and fees.

3.4.3 Owner's Negligence or Omission to Act. In the event that the need for maintenance, repair, or replacement of the **Common Area**, or any portion thereof, is caused through or by the failure to act as required by this **Declaration** or the intentional or negligent act of an **Owner**, or an **Owner's** family, or by an **Owner's** guests or invitees, then the expenses, costs, and fees incurred by the **Association** for such maintenance, repair, or replacement shall be a personal obligation of such **Owner**. If such personal obligation is not repaid to the **Association** within seven (7) days after the **Association** shall have given notice to the **Owner** of the total amount, or any portions thereof from time to time, of such expenses, costs and fees, then the failure to so repay shall be a default by the **Owner** under the provisions of this section, and such expenses, costs, and fees shall automatically become an assessment by default ("**Default Assessment**") determined and levied against such **Owner**, and the **Association** may proceed with collection remedies.

3.4.4 Delegation of Management Duties. The **Association** may delegate all or any part of its powers and duties to a managing agent, including **Declarant**; however, the **Association**, when so delegating, shall not be relieved of its responsibilities under this **Declaration**. Any management agreement entered into by the **Association** and any other contract providing for services shall be in writing, shall be terminable by either party without cause or payment of a termination fee on 90 days or less written notice, and shall have a maximum term of one year which may be renewable by agreement of the parties for successive one year periods. In addition, the **Association** may employ independent contractors or such other employees or persons as it deems necessary to carry-out the **Association's** functions hereunder, and may prescribe their duties.

3.4.5 Promulgation of Rules and Regulations. The **Association** may make and amend reasonable rules and regulations governing the use of **Lots** and **Common Area**, which rules and regulations shall be substantially consistent with the rights and duties established in this **Declaration**.

Rules and regulations may be amended from time to time by the **Association's** Executive Board and distributed to **Owners** and other concerned parties.

3.5 **Limitation on Powers**

Notwithstanding any other provision which may be in this **Declaration** to the contrary, the **Association** shall not be empowered to do the following:

3.5.1 Change the pro rata interest or obligations of any individual **Lot**; or

3.5.2 Partition or subdivide any **Lot**; or

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

3.5.4 Except as otherwise provided herein, in case of substantial loss to the **Common Area**, use hazard insurance proceeds relating to such losses for other than the repair, replacement, or reconstruction of such **Common Area**.

3.5.5 Without the affirmative vote of four-fifths (80%) of the **Owners**, have the power to incur debt with a term longer than one year.

3.5.6 Without the unanimous affirmative vote (100%) of the **Owners**, have the power to levy **Association** elective assessments ("**Discretionary Assessments**").

3.5.7 Change any **Declarant** reserved rights or special reserved rights as herein described in Sections 3.1 and 8.

4 **ARCHITECTURAL REVIEW**

4.1 By accepting a deed or other instrument conveying any interest in any portion of the **Property**, each **Owner** agrees that no activity within the scope of this **Declaration** shall be commenced on an **Owner's Lot** unless and until **Association** or its designee or successor has given its prior written approval for such activity. **Association** may delegate all or a portion of its reserved rights under this **Declaration** to an architectural review committee ("**ARC**").

4.2 The **ARC**, upon delegation by the **Association**, shall assume jurisdiction over architectural matters. The members of the **ARC** need not be **Owners** and may include architects, engineers or similar professionals, who may be compensated in such manner and amount, if any, as the **Association** may determine.

4.3 Guidelines and Procedures

4.3.1 Architectural Guidelines. **Declarant** acting as the **Association** and the **ARC** will prepare the initial **Architectural Guidelines**. The **Architectural Guidelines** are intended to provide guidance to **Owners** and their designated builders regarding matters of particular concern to the **ARC** in considering applications. The **Architectural Guidelines** are not the exclusive basis for decisions of the **ARC** and interpretation of the **Architectural Guidelines** is subject to **ARC** discretion.

The **Association** shall have sole and full authority to amend the **Architectural Guidelines**, notwithstanding a delegation of reviewing authority to the **ARC**. 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 **Association** shall make the **Architectural Guidelines** available to **Owners** and their agents who seek to engage in development or construction within the **Property**. In the **Association'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.

4.3.2 Procedures. Except as otherwise specifically provided in the **Architectural Guidelines**, no improvement activity shall commence on any portion of the **Property** until an application for approval has been submitted to and approved by the **Association**. Such application shall include a set of 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 **Association** may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the **Association** may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment, compliance to the **Conservation Easement** values, etc. 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 **Association** 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 **Association** shall make a determination on each application within 45 days after receipt of two sets of completed application and all required information. The **Association** will promptly provide Animas Conservancy with one set of documents and request the Conservancy's response within the required 30 days. Based on the Conservancy's response and personal analysis, the **Association** 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

The **Association** shall notify the **Owner** in writing of the final determination on any application within the required 45 days. In the case of disapproval, the **Association** will specify the reasons for any objections and offer suggestions for curing any objections.

In the event that **Association** fails to respond within 45 days, approval shall be deemed to have been given. However, no approval, whether expressly or impliedly granted, shall be inconsistent with the **Conservation Easement**, **Architectural Guidelines** or La Plata County land use regulations unless a written variance has been granted pursuant to Section 4.5. 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 **Owner**.

If construction does not commence on a **Lot** 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 **Association** grants an extension in writing, which it shall not be obligated to do. 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**.

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

4.4 No Waiver of Future Approvals Each **Owner** acknowledges that the persons reviewing applications under this **Declaration** will change from time to time and 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 **Association** 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.

4.5 Variances The **Association** 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 **Association** 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 per se be considered a hardship warranting a variance.

4.6 Limitation of Liability The standards and procedures established by this **Declaration** are intended as a mechanism for maintaining and enhancing the overall aesthetics of the **Property**; they do not create any duty to any person. Review and approval of any application pursuant to this **Declaration** may be made on the basis of aesthetic considerations only, and the **Association** 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 laws or 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 **ARC**, or any of their agents 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 the **Association** has approved such contractor as a builder in Colorado; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any **Lot**. In all matters, the **Association** shall indemnify, the **ARC**, its members and agents as provided in this **Declaration**, **Architectural Guidelines**, or Bylaws.

4.7 Certificate of Compliance. Any **Owner** may request that the **Association** issue a certificate of architectural compliance certifying that there are no known violations of this **Declaration** or the **Architectural Guidelines**. The **Association** shall either grant or deny such request within 30 days after the receipt of a written request 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.

5. USE RESTRICTIONS

5.1 Compliance with Building Codes and Zoning. Uses shall be in compliance with applicable La Plata County building codes and zoning for the **Property**.

5.2 Residential Use. The **Property** is a residential development for detached single family homes only. There shall not exist on any **Lot** at any time more than one residence. Guest quarters are allowed in compliance to La Plata County use restrictions.

5.3 Dwelling Type. There shall be no geodesic domes, "A" frames, pyramids, glass & steel or other non-traditional architectural styles. All homes must be substantially constructed onsite. No mobile, modular, or manufactured home shall be constructed, fabricated or otherwise located on any **Lot**.

5.4 Dwelling Size. The main floor area, exclusive of garages and open porches, shall not be less than 2500 heated square feet for a ranch-style, one-story dwelling, nor less than 1800 heated square feet for a two-story dwelling. In the case of two-story construction (excluding basement level), the top story shall be no greater than 75% of main floor area level, heated square footage. Maximum height limitation is 30 feet per Animas Valley Land Use Plan.

5.5 Architect. Homes must be planned by a licensed architect or residential home designer and conform to the **Architectural Guidelines**. In its function as **Association** and **ARC**, **Declarant** shall establish **Architectural Guidelines** for distribution to **Owners** and may further promulgate rules and regulations regarding the qualification of approved builders to ensure design and aesthetic conformity.

5.6 Compliance with Conservation Easement. No use of the **Property** shall be permitted which is in violation of the **Conservation Easement**. In the event of a condemnation of the **Property**, the proceeds of such condemnation shall be distributed in accordance with the terms of the **Conservation Easement**.

5.7 Use of Common Area. Except as otherwise set forth herein, there shall be no obstruction of the **Common Area**, nor shall anything be kept or stored on any part of the **Common Area** by any **Owner** without the prior written approval of the **Association**. Nothing shall be altered on, constructed in, or removed from the **Common Area** by any **Owner** without the prior written approval of the **Association**.

5.8 Trash. No trash, ashes, or other refuse or debris may be thrown, dumped, stored or accumulated on the **Property**. No incinerators or other device for the burning of refuse indoors shall be constructed, installed or used by any person except as approved by the **Association**. Waste materials, garbage, and trash shall be kept in sanitary containers and shall be enclosed and screened from public view and protected from disturbance and shall be disposed of with reasonable promptness, whether **Lot** is vacant or occupied.

5.9 Animal Waste. Equine or other animal manure/waste must be removed at least monthly, unless properly composted for landscaping use on **Owner's Lot**. At no time shall any such animal waste constitute an annoyance to others in the community or on adjacent **Lots**.

5.10 Noxious or Offensive Activity. No noxious or offensive activity shall be permitted on any **Lot**, nor shall anything be done or placed on the **Property** which is or may become a nuisance or cause a disturbance or annoyance to others.

5.11 Business or Commercial Use. No business or commercial usage shall be permitted, except that a home occupation may be permitted provided that in exercise of reasonable judgment, said home occupation: (1) does not interfere with the residential character of the dwelling or neighborhood, (2) is secondary to use as a dwelling place, (3) causes no undue parking or traffic problems, and (4) complies with La Plata County guidelines for home occupations.

5.12 Signs. No commercial or business signs shall be placed on any **Lot**, with the exception of: (1) promotional signs by **Declarant** as provided for under Section 8.1; (2) customary real estate "For Sale" and "For Rent" signs; and (3) temporary "Yard Sale" type signs.

5.13 Parking. **Lot** driveways shall be used only for overnight parking of vehicles no larger than may be accommodated by the residence garages. Extended parking (longer than 24 hours) within the **Common Area** shall not be permitted. Temporary parking of truck, recreational vehicles and horse or other type trailer "rigs" will be allowed within the "Rules and Regulations" or other **Association** guidelines.

5.14 Abandoned, Inoperable, or Oversized Vehicles. Abandoned or inoperable automobiles or vehicles of any kind, or sizeable parts thereof, except as hereinafter provided, shall not be stored or parked on any portion of the **Property**. "Abandoned or inoperable vehicle" shall be defined as any vehicle which does not have a current valid registration and/or cannot be operated under its own power.

5.15 Trailers and Recreational Vehicles. No mobile home, trailer, automobile, truck, pickup, camper, or other vehicle may be used for temporary or permanent sleeping or living purposes, except as permitted by the **Association**. Overnight parking or storage of recreational vehicles and boats shall not be permitted on the **Property**, except as permitted by the **Association**.

5.16 Annoying Lights, Sounds or Odors. No lights shall be emitted from any **Lot** which are unreasonably bright or cause unreasonable glare; no sound shall be emitted from any **Lot** which is unreasonably loud or annoying; and no odor shall be emitted from any **Lot** which is noxious or offensive to others.

5.17 Animals.

5.17.1 Equines. No more than 2 equines (horses, mules, donkeys, etc.) shall be permitted on each **Lot**. In the case of newborns, the **Association** may grant a temporary exception.

5.17.1.1 *Local Boarding* For so long as the **Adjacent Property** owner offers equestrian boarding services, **Owners** are encouraged to utilize such boarding services for their equine animals at fees below standard rates posted by **Adjacent Property** owners. Subject to **Association** approval, Equines may be permitted to graze upon an **Owner's Lot**, while boarded at **Adjacent Property**. Notwithstanding the availability of **Adjacent Property** boarding, no **Lot** shall be overgrazed or permitted to be grazed upon during irrigation.

5.17.1.2 *Discontinuation of Local Boarding.* In the event that **Adjacent Property** boarding is discontinued or a majority of the **Owners** vote to permit **Owners** to provide their own equestrian facilities, **Owners** may construct three sided “loafing” sheds or small 2-4 stall barns within **ARC** guidelines.

5.17.2 Pets. There shall be no more than three (3) cats or three (3) dogs and no combination of cats and dogs greater than four (4) in total. In the case of newborns, the **Association** may grant a temporary exception. Studs or vicious breeds of any animal species, as determined by the **Association** and listed in the **Association** Bylaws, are prohibited.

5.17.3 Other Animals. Except as expressly provided by the terms of this **Declaration** or as may be permitted by the **Association** Bylaws, no other domesticated animals shall be kept on the **Property**.

6 COMMON PROPERTY

6.1 **Owners' Property Rights in Common Area; Rights of Ingress and Egress.** Every **Owner**, their family members and guests shall have a recreational right and easement of ingress and egress over, across, and upon the **Common Area** which right and easement shall be appurtenant to and pass with the transfer of title to such **Lot**; provided, however, that such right and easement shall be subject to the following:

6.1.1 The covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this **Declaration**, and the **Plat**, which may be recorded in the Office of the Clerk and Recorder for La Plata County, Colorado;

6.1.2 The right of the **Association** to adopt, from time to time, any and all rules and regulations concerning vehicular traffic or pedestrian access and travel upon, in, under, and across the **Property**; and

6.1.3 The right of the **Association** to adopt, from time to time, any and all rules and regulations concerning the **Common Area** and the facilities located thereon as the **Association** may determine is necessary or prudent.

6.2 Irrigation. The **Association** shall monitor seven (7) shares of the Animas Consolidated Ditch Company irrigation water flowing onto the **Property** and allocate to the **Owners** and **Common Areas** in a fair and equitable manner. Residual flow from **Lots** shall also be used for the purpose of keeping the **Common Area** grounds, wetlands and ponds respectively irrigated and replenished. **Owners** who desire “water features” and/or ponds on their individual **Lot** may do so with the approval of the **Association**, **ARC** and any governmental agency with jurisdiction. The **Association** will coordinate irrigation water allocation with adjacent property owners who are entitled to receive water from ditches, pipes or culverts located on the **Property**. Such allocation shall be made in accordance with Animas Consolidated Ditch Company shares owned and metering may be employed, as necessary.

6.3 Landscaped Grounds. The grounds of the **Property** not committed to other specific uses shall be landscaped as required in connection with the subdivision approval of the **Property** by the County of La Plata, Colorado or as otherwise provided herein and so maintained for the benefit of all **Owners**.

7 ASSESSMENTS FOR COMMON EXPENSES

7.1 **Covenant of Personal Obligation of Assessments.** Every **Owner**, by acceptance of the deed or other instrument of transfer of his/her **Lot** (whether or not it shall be so expressed in such deed or other instrument of transfer), is deemed to personally covenant and agree, jointly and severally with every other **Owner** and with the **Association**, and hereby does so covenant and agree to pay to the **Association** the (a) **Annual Assessments**, (b) **Special Assessments**, (c) **Discretionary Assessments**, and (d) **Default Assessments** applicable to his/her **Lot**. Such assessments to be established and collected as hereinafter provided. No **Owner** may waive or otherwise escape personal liability for the payment of the

assessments provided for herein by nonuse of the **Common Area** or the facilities contained therein or by abandonment or leasing of his/her residence or **Lot**.

7.2 **Purpose of Assessments.** The assessments levied by the **Association** shall be used to defray **Common Expenses** and for the purpose of promoting the health, safety, convenience, and general welfare of the **Owners**, including the improvement and maintenance of the **Property** and of the services and facilities located thereon. Proper uses of the assessments levied by the **Association** shall include, but are not limited to, the expenditures of funds for taxes, fees, expenses, charges, levies, premiums, expenditures, or other costs of the **Association** for the following, which are declared to be **Common Expenses**, except as provided in Section 7.14:

7.2.1 Repairing, replacing, and maintaining any of the **Common Area** or the **Property** not made the responsibility of the **Owner**;

7.2.2 Installing, maintaining, and repairing roads, driveways, walkways, **Greenbelt**, ponds and underground utilities upon, across, over and under any part of the **Property**, together with snow removal on all roads and walkways within the **Property**;

7.2.3 Providing horticultural services to the **Property** such as mowing grass, caring for the grounds, walks and pathways, **Greenbelt**, ponds and maintaining the trees, shrubs, and grass;

7.2.4 Obtaining and maintaining insurance in accordance with the provisions of Section 10 hereof;

7.2.5 Establishing and maintaining reserves for maintenance of those **Common Areas** or the **Property** that must be replaced on a periodic basis, and for repairs, and replacements, taxes, capital improvements, and other purposes, and satisfying unpaid assessments deemed un-collectable pursuant to Section 7.9 hereof;

7.2.6 Carrying out all other powers, rights and duties of the **Association** specified in this **Declaration** and the Articles of Incorporation and By-Laws of the **Association**; and

7.2.7 Generally for any other purposes and uses that the **Association** shall determine to be necessary to meet the primary purposes of the **Association**.

7.3 **Allocation of Assessments.** All assessments under Section 7.1 shall be allocated to **Owners** at the rate of twenty percent (20%) for each **Lot** owned. The **Owner** of each **Lot** shall be personally liable for each such assessment, and in case of multiple **Owners**, each such **Owner** shall be jointly and severally liable personally for each such assessment.

7.4 **Assessment Years.** The **Association** shall establish the first assessment year by its action of adopting an annual budget and the levying of the first **Annual Assessment** in accordance with the **Act** and **Association** Bylaws.

7.5 **Annual Assessments.** The **Annual Assessment** against all **Lots** shall be based upon the **Association's** annual budget needed to provide for the administration and performance of its duties during such assessment year.

7.6 **Special Assessment.** The **Association** may levy a special assessment as may in its judgment be required for the purpose of defraying, in all or in part, the unbudgeted costs, fees, and expenses of any construction, reconstruction, repair, demolition, replacement, or maintenance of the **Property** or any of facilities located thereon, which are a **Common Expense**, specifically including any fixtures and personal property related thereon. Any such proposed special assessment shall be adopted in accordance with procedures contained within the Bylaws or as otherwise allowed under the **Act**.

7.7 **Discretionary Assessment.** The **Association** may levy an assessment for any elective purpose (discretionary) as provided for in Section 3.5.6.

7.8 **Lien for Assessments.** All assessments (including monthly installments thereof) provided for in this Section 7 and any and all **Default Assessments** arising under any provisions of this **Declaration** (together with any and all interest, costs, late charges, expenses, and reasonable attorney's fees which may arise under the provisions of this **Declaration**) shall be burdens running with, and a perpetual lien in favor of the **Association** upon, the specific **Lot** to which such assessments apply. To evidence such lien upon a specific **Lot**, the **Association** may prepare a written lien notice setting forth the description of the **Lot**, the amount of assessments thereon which are unpaid as of the date of such lien

notice, the rate of default interest as set by the By-Laws and this **Declaration**, the name of the **Owner** or **Owners** thereof, and any and all other information that the **Association** may deem proper. The lien notice shall be signed by an officer of the **Association** and shall be recorded in the office of the Clerk and Recorder, La Plata County, Colorado. Any such lien notice shall not constitute a condition precedent or delay the attachment of the lien, but such lien is a perpetual lien upon the **Lot** and attaches without notice at the beginning of the first day of any period for which any assessment is levied or assessed. Liens shall have priority and be enforceable as provided in the **Act**.

7.9 **Effect of Nonpayment of Assessments.** If any assessment (or any monthly installment thereof) provided for in this Section 7 is not fully paid within thirty (30) days after the same becomes due and payable, or if any Default Assessment shall arise under any provisions of this **Declaration**, then in any of such events and as often as the same may happen, interest shall accrue at the rate not exceeding eighteen percent (18%) per annum as provided in the By-Laws from the due date on any amount thereof which was not paid within such thirty (30) day period or on the amount of assessment in default, whichever shall be applicable, and the **Association** may thereafter bring an action at law or in equity, or both, against any **Owner** personally obligated to pay the same and may also proceed to foreclose its lien against the particular **Lot** in the manner and form provided by Colorado law for foreclosure of liens pursuant to the **Act**. An action at law or in equity by the **Association** against an **Owner** to recover a money judgment for unpaid assessments (or any monthly installment thereof) may be commenced and pursued by the **Association** without foreclosing or in any way waiving the **Association's** lien therefore. In the event that any such assessment (or monthly installment thereof) is not fully paid when due and the **Association** shall commence such an action (or shall counter claim or cross-claim for such relief in any action); against any **Owner** personally obligated to pay the same or shall proceed to foreclose its lien against the particular **Lot**, then all unpaid monthly installments of annual and special assessments and all **Default Assessments** (including any such installments or assessments arising during the proceedings of such action or foreclosure proceeding), any late charges under this Article, any accrued interest under this Article, and the **Association's** costs, expenses, and reasonable attorneys' fees incurred for any such action and/or foreclosure proceedings shall be recoverable by the **Association** from any **Owner** personally obligated to pay the same and from the proceeds from the foreclosure sale of the particular **Lot** in satisfaction of the **Association's** lien. Foreclosure or attempted foreclosure by the **Association** of its lien shall not be deemed to estop or otherwise preclude the **Association** from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments (or monthly installments thereof) which are not fully paid when due or for any subsequent **Default Assessments**. The **Association** shall have the power and right to bid in or purchase any **Lot** at foreclosure or other legal sale and to acquire and hold, lease, mortgage, exercise voting rights appurtenant to ownership thereof; convey, or otherwise deal with the same.

7.10 **Successor's Liability for Assessments.** Notwithstanding the personal obligation of each **Owner** of a **Lot** to pay all assessments thereon and notwithstanding the **Association's** perpetual lien upon a **Lot** for such assessments, all successors in interest to the fee simple title of a **Lot** shall be jointly and severally liable with the prior **Owner** or **Owners** thereof for any and all unpaid assessments, interest, late charges, costs, expenses, and attorney's fees against such **Lot**, without prejudice to any such successor's right to recover from any prior **Owner** any amounts paid thereon by such successor. Provided, however, that a successor in interest to the fee simple title of a **Lot** shall be entitled to rely upon the existence and status, or absence thereof, of unpaid assessments, interest, late charges, costs, expenses, and attorney's fees as shown upon any certificate issued by or on behalf of the **Association** to such named successor in interest pursuant to the provisions of Section 7.12 hereof. This provision shall not be applicable to assessment liens extinguished by operation of law, e.g., by foreclosure, judicial decree, or the like.

7.11 **Subordination of Association's Lien for Assessments.** The **Association's** perpetual lien on a **Lot** for assessments shall be superior to the homestead exemption provided by Part 2, Article 41, Title 38, C.R.S. 1973, as amended. Priority of the **Association's** lien for assessments shall otherwise be as determined by the **Act**.

7.12 **Statement of Status of Assessments.** Upon fourteen (14) days' written notice to the registered agent of the **Association** and payment of a reasonable fee not to exceed \$25.00, any **Owner**, prospective purchaser of a **Lot**, or mortgagee shall be furnished a statement of the **Owner's** account setting forth:

7.12.1 The amount of any unpaid assessments, interest, late charges, costs, expenses, and attorney's fees against a particular **Lot**;

7.12.2 The amount of the current monthly installments of the annual assessment and the date that the next monthly installment is due and payable;

7.12.3 The date of the payment of any installments of any special assessments then existing against the **Lot**.

Upon the issuance of such a certificate signed by an officer of the **Association**, the information contained therein shall be conclusive upon the **Association** as to the person or persons to whom such certificate is addressed and who rely thereon in good faith.

7.13 **Establishment of Maintenance Reserve.** The **Association** or **Declarant** acting as the **Association** shall require the first **Owner** of each **Lot** (other than **Declarant**) to make a non-refundable payment to the Association in an amount equal to one-half of the **Annual Assessment** against that **Lot** in effect at the closing thereof or as initially assessed thereafter which sum shall be held, without interest, by the **Association** as a working fund. Said working fund shall be collected and transferred to the **Association** at the time of closing of the sale by **Declarant** of each **Lot**, as aforesaid, and shall be maintained for the use and benefit of the **Association**. Such payment shall not relieve an **Owner** from making regular payments of assessments as the same become due.

7.14 **Declarant's Liability for Maintenance.** Until the levying of the first annual assessment pursuant to the **Act**, **Declarant**, acting as the **Association**, shall be liable for all expenses for maintenance of landscaping, snow removal, and other required maintenance; provided, that pro-rata insurance premiums, trash fees, and ad valorem taxes on the Common Area, if any, shall be billed to **Owners** and shall not be deemed a **Common Expense** until the levying of such assessment.

7.15 **Liens.** Except for liens for assessments as provided for in this **Declaration**, mechanics' liens, tax liens, and judgment liens and other liens validly arising by operation of law and liens arising under Mortgages or Deeds of Trust, there shall be no other liens obtainable against the **Common Area** or any interest therein of any **Lot**. All liens and mortgages shall be subject to all provisions of this **Declaration**.

8 DECLARANT RIGHTS AND OBLIGATIONS

8.1 **Reserved Declarant Rights.** Notwithstanding any provisions contained in this **Declaration** to the contrary, and in addition to those reserved rights otherwise set forth in this **Declaration**, the following rights are reserved to the **Declarant**, its employees, agents, independent contractors, successors, and assigns, which rights shall not be affected by any amendment of this **Declaration** as allowed under Section 11.3 without the express written consent of **Declarant**:

8.1.1 Completion of Improvements. The right and obligation to complete improvements indicated on the **Plat**.

8.1.2 Sales Management and Marketing. The right to maintain a sales and management office and signs which advertise the **Property**. Notwithstanding any other provision in this **Declaration**, **Declarant** may install, locate, and occupy a mobile or modular home on a **Lot** for sales office and residential use until all **Lots** are sold. **Declarant** will have thirty (30) calendar days after the sale of the last **Lot** within which to remove any mobile or modular home

8.1.3 Construction Easements. Easements over, in, upon, and across the **Property** and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to for the purpose of making improvements within the **Property**.

8.1.4 Amendment of Declaration and Plat. The right to amend this **Declaration** and the **Plat**, to the fullest extent allowed under the **Act**.

8.1.5 Special Declarant Rights in Greenbelt. Notwithstanding any provisions contained in this **Declaration** to the contrary, and subject to the provisions of the **Conservation Easement**, the following special rights in the **Greenbelt** are reserved to the **Declarant**, its boarding customers, employees, agents, independent contractors, successors, and assigns:

8.1.5.1 Pasture & Easement. **Declarant** shall have a temporary right to pasture horses within the **Greenbelt** prior to completion of the improvements described in 8.1.5.2 below and surrender of the **Greenbelt** to the **Association** pursuant to 8.1.5.3 below; provided, however, such use is not in conflict with actual construction of the improvements. By instrument dated _____, 2005 and recorded in the Office of the Clerk and Recorder for La Plata County at Reception # _____, a perpetual easement is reserved in the **Greenbelt** tract, in favor of and appurtenant to the **Adjoining Property**, for the use and benefit of the Owner(s) of the **Adjoining Property**, their boarding customers, employees, agents, independent contractors, heirs, licensees, successors and assigns for equestrian, pedestrian and recreational purposes.

8.1.5.2 Improvements. In addition to requirements of La Plata County, **Declarant** shall have the right and obligation to make the following improvements to the **Common Areas and Greenbelt**:

Construct or enlarge ponds and create or enhance existing wetland area;
Conduct plowing, contouring or leveling and replanting of native grasses;
Plant trees and shrubs to reduce highway noise, buffer adjoining properties and enhance the environment;
Construct a bridle/walking path and trails throughout the **Property**; and
Construct water features, water channels, ditches, bridges and equipment to direct and control irrigation and natural drainage.

8.1.5.3 Turn over of Greenbelt. The **Declarant's** control of the **Greenbelt** shall continue until all improvements are completed and the **Greenbelt** is surrendered in writing by the **Declarant**. Upon such surrender, the **Association** shall expressly assume all obligations to operate, maintain, replace and insure the **Greenbelt** and shall agree to indemnify and hold **Declarant** harmless from any loss, casualty or claim of any nature whatsoever incurred or presented by the **Association**, or third parties which arises out of a failure of the **Association** to prudently operate, maintain, replace or insure the **Greenbelt**. **Owners** and the **Association** shall further indemnify **Declarant** from any and all flood damage which may result to the **Property**, whether allegedly caused by **Declarant** through the construction of the elevated bridle path or otherwise. The **Association** shall further adopt rules and regulations controlling use of the **Greenbelt** and post such rules and regulations in the **Greenbelt**. In accordance with the easement instrument recorded at Reception # _____, at such time, if ever, the **Adjoining Property** is subdivided and lots therein conveyed to third parties, the owners of said lots will be subject to a reasonable assessment or charge to cover their proportionate share of the costs incurred to operate, maintain, replace and insure the **Greenbelt** and improvements thereon as a condition to the use of the easement in the **Greenbelt**.

8.2 **Restriction on Declarant Powers**. Notwithstanding anything to the contrary herein, no rights or powers reserved to **Declarant** hereunder shall exceed the time limitations or permissible extent of such rights or powers as restricted under the **Act**. Any provision in this **Declaration** in conflict with the requirements of the **Act** shall not be deemed to invalidate such provision as a whole but shall be adjusted as is necessary to comply with the **Act**.

9 EASEMENTS

9.1 **Utility Easements**. There is hereby created a general easement upon, across, over, in and under all of the **Property** for ingress and egress and for installation, replacement, repair, and maintenance of all utilities serving **Property**. All utility mains and service connections shall be underground. Should any utility company furnishing a service covered by the general easement herein created request a specific easement by separate record-able document, the **Association**, shall have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part of all of the **Property** without conflicting with the terms hereof. The easements provided for in this section shall in no way affect, avoid, extinguish, or modify any other recorded easement on the **Property**. Each **Owner** shall further have an easement across the **Common Area** for installation and repair of service connections to a **Lot**. Nothing in this section shall be construed as a general grant of easement for utilities not serving the **Property**.

9.2 **Reservation of Easements, Exceptions and Exclusions**. The **Association** reserves to itself the concurrent right to establish from time to time, utility and other easements, and to create other reservations, exceptions and exclusions consistent with the ownership of the **Property** for the best interest of all of the **Owners**.

9.3 **Drainage Easement**. An easement is hereby granted to the **Association**, its officers, agents, employees, successors, and assigns to enter upon, across, over, in, and under any portion of the **Common Area** for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the **Property** so as to improve the drainage of water on the **Property**.

9.4 Easements Deemed Created. All conveyances of a **Lot** hereafter made, whether by the **Declarant** or otherwise, shall be construed to grant and reserve the easements contained in this section, even through no specific reference to such easements or to this section appears in the instrument for such conveyance.

10 INSURANCE

10.1 Required Insurance Coverage. The **Association**, 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 types of coverage as are reasonably available:

10.1.1 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** 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;

10.1.2 Commercial general liability insurance on the **Common Area**, insuring the **Association** and **Owners** for damage or injury caused by the negligence of the **Association** or **Owners**, 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 \$1,000,000. 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 coverage or limits;

10.2 Policy Requirements. The insurance maintained by the **Association** shall, to the extent reasonably available, conform to the standards and requirements of the **Act** as set forth in CRS 38-33.3-313, as amended. 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 **Owner** 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 this section. In the event of an insured loss, the deductible shall be treated as a **Common Expense** in the same manner as the premiums for the applicable insurance coverage. However, if the **Association** 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 **Association** may assess the full amount of such deductible against such **Owner(s)** and their **Lot(s)** as a special assessment.

11 ENFORCEMENT, AMENDMENT AND REVOCATION

11.1 **Enforcement.** These covenants, conditions and restrictions may be enforced as provided hereinafter by the **Association**, or by separate action by any individual **Owner** after notification to the **Association**. In the event that any covenant shall be violated, the offending party shall be notified in writing by certified mail, return receipt request, by any enforcing party as defined above. Such notification shall identify the covenant which has been violated and shall notify the offending party that he/she shall have a maximum of five (5) days to remedy such violation, or alternatively, in the event such violation cannot be remedied within five (5) days, he/she shall have a period of five (5) days within which to initiate procedures reasonably calculated to remedy such violation, and shall thereafter be required to diligently pursue such action until the violation has been remedied. In the event the violation continues and no action is taken to remedy such violation within the aforementioned five (5) day period, enforcement may be by any proceeding at law or in equity, and may seek an order to restrain the violation or recover damages, inclusive of reasonable attorney’s fees. Failure by the **Association** or any **Owner** to enforce any covenant or restriction contained herein shall not be deemed a waiver of the right to do so thereafter. Nothing herein shall be construed to give any person or entity or governmental authority, other than the **Association**, individual **Owners**, and **Declarant**, any legal or equitable right, remedy or claim under or with respect to the covenants, conditions and restrictions stated herein.

11.2 **Term.** The covenants, conditions, and restrictions of this **Declaration** shall run for twenty years from the date of recordation, unless amended as herein provided. After such date, such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10)

years each, unless amended or extinguished by a written instrument executed by at least eighty (80) per cent of the **Owners**, and such written instrument is recorded with the Clerk and Recorder for La Plata County, Colorado.

11.3 **Amendment.** Except in cases of amendments that may be executed by **Declarant** or by the **Association** and except as otherwise limited by the **Act**, the provisions of this **Declaration**, including the **Plat**, may be amended or terminated, in whole or in part at any time and from time to time, by an instrument (which instrument may be executed by ratification in counterpart referring to the amendment as recorded, in which event all of such counterparts shall be taken as one and the same instrument of amendment), approved by vote or agreement of **Owners** of units to which more than eighty percent of the votes in the **Association** are allocated.

12 GENERAL PROVISIONS

12.1 **Severability.** Invalidation of any one of these covenants by judgment or court decree shall not affect or impair the terms, provisions and conditions of any other covenants contained herein, which covenants shall remain in full force and effect.

12.2 **Notices.** Whenever notices are required to be sent hereunder, the same may be delivered to **Owners** either personally or by mail, addressed to such **Owners** at their place of residence on file with the **Association** from time to time. Proof of such mailing or personal delivery by the **Association** or any management firm shall be given by the affidavit of the person mailing or personally delivering said notices. Notice to the **Association** shall be delivered by mail to any officer of the **Association**. The change of mailing address of any party as specified herein shall not require an amendment to this **Declaration**.

Notices to the **Declarant** shall be delivered by mail at:

PATRICK & PAMELA JONES
3320 County Road 203
Durango, CO 81301

Notices to the **Association** shall be delivered by mail at:

TWILIGHT TRAILS ESTATES OWNERS ASSOCIATION, INC.
c/o PATRICK & PAMELA JONES
3320 County Road 203
Durango, CO 81301

All notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written notice, duly receipted for. Notices required to be given the personal representative of a deceased **Owner** or devisee, when there is no personal representative, may be delivered either personally or by mail to such party as this or its address appearing in the records of the court wherein the estate of such deceased **Owner** is being administered. The change of the mailing address of any party, as specified herein, shall not require an amendment to this **Declaration**.

12.3 **Construction of Language.** Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and plural shall include the singular. The provisions of this **Declaration** shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the **Property**. The captions used in this **Declaration** and exhibits annexed hereto are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this **Declaration** or exhibits hereto annexed.

EXHIBIT A

Legal Description

Tract 2A-R of Jones Boundary Adjustment Project 2003-0188, La Plata County, Colorado according to the recorded plat thereof filed for record November 10, 2003 under reception no. 872233.