

AFTER RECORDING, RETURN TO:
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***AMENDED AND RESTATED
PRAIRIE VILLAGE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS***

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**AMENDED AND RESTATED
PRAIRIE VILLAGE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS AMENDED AND RESTATED DECLARATION is effective upon recording.

RECITALS:

A. On October 18, 2002, Lon J. L'Heureaux (“Declarant”) submitted the real property described on Exhibit A to that certain Prairie Village Declaration of Covenants, Conditions and Restrictions recorded in the real property records of Boulder County, Colorado at Reception No. 2345858, as amended and supplemented by the following documents:

1. First Amendment to Declaration of Covenants, Conditions and Restrictions for Prairie Village recorded in the real property records of Boulder County, Colorado at Reception No. 2617279 on August 11, 2004;
2. Second Amendment to Declaration of Covenants, Conditions and Restrictions for Prairie Village recorded in the real property records of Boulder County, Colorado at Reception No. 2782792 on June 9, 2006;
3. First Supplemental Declaration of Covenants, Conditions and Restrictions for Prairie Village recorded in the real property records of Boulder County, Colorado at Reception No. 2547379 on January 12, 2004;
4. Second Supplemental Declaration of Covenants, Conditions and Restrictions for Prairie Village recorded in the real property records of Boulder County, Colorado at Reception No. 2617280 on August 11, 2004;
5. Second Supplemental Declaration of Covenants, Conditions and Restrictions for Prairie Village recorded in the real property records of Boulder County, Colorado at Reception No. 2680999 on April 18, 2005;
6. Declaration of Additional Declarant and Supplement recorded in the real property records of Boulder County, Colorado at Reception No. 2854975 on May 10, 2007;

and other documents of record (collectively, “Original Declaration”) to its covenants, conditions and restrictions;

B. The Owners within the Prairie Village Community desire to amend and restate the Original Declaration by virtue of this Amended and Restated Prairie Village Declaration of Covenants, Conditions and Restrictions (“Declaration”), and intend, upon the recording of this Declaration, that all prior recorded declarations, amendments and supplements thereto shall be superseded and replaced by this Declaration; and

C. The Original Declaration provides for and allows for this Declaration in I through XV, which provides as follows:

This Declaration may be amended at any time by an instrument signed by the president or vice president and secretary of the Association, certifying approval in writing by Lot Owners representing sixty-seven percent (67%) of the votes in the Association;

D. All Owners are aware of the provisions of the Original Declaration allowing for amendment, by virtue of the record notice of the Original Declaration, by acts and disclosures, newsletters or notices of the Association and by other means;

E. The amendments within this Declaration have been prepared and determined by the Association and by the Owners that have approved this Declaration to be reasonable and not burdensome;

F. The purposes of the amendments in this Declaration are to remove unreasonable restrictions on the community, remove developer "boilerplate" language that is no longer applicable to the Community, remove provisions that do not allow the Board to efficiently operate the community or deal with community concerns, remove provisions that do not comply with current state law, add provisions that provide the proper tools for the Association to effectively solve problems, add provisions to provide the Association with sufficient power to create and successfully enforce Rules and Regulations, and add provisions that reflect beneficial state law provisions.

G. The purpose of the Association as provided in the Declaration is to preserve the value and desirability of the Community and the Lots and to further the interests of the residents of the Community and Members of the Association; and

H. Pursuant to the requirements set forth in Section 13.1(a) of the Original Declaration, Lot Owners representing sixty-seven percent (67%) of the votes in the Association have approved this Declaration, or alternatively, a court order entered by the District Court for Boulder County, Colorado pursuant to C.R.S. §38-33.3-217(7), has been entered approving this Declaration.

NOW THEREFORE, the Original Declaration is replaced and superceded by the covenants, servitudes, easements and restrictions set forth below:

ARTICLE 1 DEFINED TERMS

Section 1.1 Defined Terms.

Each capitalized term in this Declaration shall have the meaning specified or used in the Act, unless otherwise defined in this Declaration or the context requires otherwise:

- (a) Act shall mean the Colorado Common Interest Ownership Act, C.R.S. §38-

33.3-101 *et. seq.*, as it may be amended.

(b) Annexable Property shall mean the property described in Exhibit B, which is part of the Master Plan Area, as defined below, and may be developed and added to the Property pursuant to the procedures and timeframes set forth in the Original Declaration.

(c) Architectural Review Committee or Committee means the committee appointed by the Board of Directors for the purpose of implementing the architectural review provisions of this Declaration and architectural guidelines for the Community to insure proper use, appropriate improvement, and harmonious additions, alterations and improvements within the Community.

(d) Assessment shall include all Common Expense Assessments and any other expense levied to Lots pursuant to this Declaration or the Act, including interest, late fees, attorney fees, fines, and costs.

(e) Association shall mean Prairie Village Owner's Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

(f) Board or Board of Directors shall mean the body, regardless of name, designated in the Governing Documents to act on behalf of the Association.

(g) Building shall mean any residential or commercial building constructed on a Lot. If permitted pursuant to this Declaration or the Rules and Regulations, a Building may be attached to another Building and share party walls.

(h) Common Area shall mean all real property owned by the Association for the common use and enjoyment of the Owners, if any.

(i) Common Expenses shall mean and refer to all expenditures made and liabilities incurred by or on behalf of the Association, together with any allocation by the Association to reserves.

(j) Community or Prairie Village Community or Planned Community shall mean the planned community known as "Prairie Village," and the real property subject to this Declaration and as further defined by the recorded Plats and the legal descriptions contained in this Declaration, and the Members of the Association.

(k) Declarant shall mean Lon J. L'Heureaux and any successor Declarant who has been transferred declarant rights in accordance with C.R.S. §38-33.3-304 of the Act.

(l) Declaration shall mean and refer to this Amended and Restated Prairie Village Declaration of Covenants, Conditions and Restrictions, as amended, recorded in the office of the Clerk and Recorder of Boulder County, Colorado.

(m) Governing Documents shall mean this Declaration, the Plat, the Articles of Incorporation, the Bylaws, any Maps and any Rules and Regulations of the Association, as all of the foregoing may be amended from time to time.

(n) Lot or Unit shall mean and refer to any of the Lots shown upon any recorded subdivision map or plat of the Property, together with all appurtenances thereto and improvements now or hereafter located thereon, with the exception of the Common Area. A Lot can be a Residential Lot (i.e., used for residential purposes and designated for residential use on the Plat or in other documents of record) or, potentially, a Commercial Lot (i.e., used for commercial or retail purposes and designated for commercial or retail use on the Plat), as may be included by Declarant. At the time of recording this Declaration there are no Commercial Lots in the Property.

(o) Master Plan shall mean the Master Plan approved by the city of Longmont for the development of the Master Plan Area. The Master Plan is subject to change based on market conditions, governmental requirements and other modifications which may be made as development progresses.

(p) Master Plan Area shall mean the area described in Exhibit A of the Original Declaration, which has been approved by the City of Longmont for development as Prairie Village.

(q) Member shall mean any Owner. The terms "Member" and "Owner" may be used interchangeably.

(r) Owner shall mean the owner of record title, whether one or more persons or entities, to any Lot or Unit which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(s) Pet shall mean and include cats, dogs, pigs, or other household animals, as may be further defined in or supplemented by the Rules and Regulations.

(t) Plat or Map shall mean and refer to the plat(s) and/or map(s) of the Property and improvements that are subject to this Declaration and which are designated in the Plat or Map recorded in the records of the Office of the Clerk and Recorder of Boulder County. More than one plat, map or supplement thereto may be recorded, and, if so, then the term "Plat" or "Map" shall collectively mean and refer to all of such plats, maps and supplements thereto.

(u) Property shall mean the property described in or which is subject to the Declaration together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon.

(v) Rules and Regulations shall mean any written instruments, however identified, including but not limited to the Prairie Village Architectural Design Guidelines and policies and procedures, which are adopted by the Association for the regulation and management of the Community and/or clarification of the Governing Documents, including any amendment to those instruments.

(w) Supplemental Declaration shall mean any declaration which may be recorded by the Declarant or the Association in accordance with this Declaration to add any Annexable Property to this Declaration.

ARTICLE 2 NAMES & DESCRIPTION OF PROPERTY/EASEMENTS

Section 2.1 Name and Type.

The type of Common Interest Community is a Planned Community. The name of the Planned Community is Prairie Village. The name of the Association is the "Prairie Village Owner's Association, Inc."

Section 2.2 Property.

The Planned Community is located in Boulder County, State of Colorado. The Property of the Planned Community is described in *Exhibit A* of this Declaration. The number of Lots currently included in the Community is 204.

Section 2.3 Relationship Between Lots.

(a) Structural Party Walls. Each Owner grants to the Owner of each adjacent Lot the right and easement to maintain and to utilize any exterior or interior wall of a Building which forms a party wall between them. A wall will be considered a party wall only if it provides structural support, fire protection or sound separation for the Buildings, or parts of a Building, on more than one Lot. Maintenance of the surface of the party wall shall be the sole responsibility of the Owner whose Building faces such wall. Each Owner shall be liable and responsible if, in connection with that Owner's use and maintenance of the party wall, the Owner damages the adjacent Owner's Lot or the wall itself. The cost of any other repairs to the party wall shall be shared by the adjacent Owners.

(b) Exterior Walls Along a Lot Line. An exterior wall which supports the Building on only one Lot, or which encloses a courtyard on one Lot, shall not be considered a party wall, and the Owner of the Lot shall be responsible for maintenance of the wall. The Owner shall have an easement over the adjoining Lot as reasonably necessary to maintain the wall. The Owner of the adjoining Lot shall not drill holes in the wall, paint the wall, or make any other use of the wall which may damage the wall.

(c) Easements for Encroachments. If any portion of the improvements on a Lot,

including without limitation, utilities, driveways, fences, roof overhangs, trees, shrubs and landscaping, encroaches upon the general common elements, or upon an adjoining Lot, a valid easement for the encroachment and for the maintenance of the same, shall and does exist. An easement is granted for any improvements constructed on the Common Elements which encroach on any Lot, whether due to any minor deviation from the subdivision Plat or the settling or shifting of any land or improvements. Such encroachments and easements shall not be considered or determined to be encumbrances either on the general common elements or the Lots.

Section 2.4 Owners' Easements of Enjoyment.

Every Owner shall have a right and easement of enjoyment in and to any Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to promulgate and publish Rules and Regulations with which each Owner and their tenants, invitees, licensees and guests shall strictly comply;
- (b) the right of the Association to suspend the voting rights and the right to use of any Common Area for violations of the Governing Documents for a period not to exceed 60 days for single violations, or until a violation is cured for continuing violations; provided that suspension of voting and use rights shall be automatic during any period that an Owner is in default in payment of any Common Expense Assessment;
- (c) the right of the Association, upon approval of Members holding at least 67% of the total votes entitled to be cast in the Association, to mortgage the Common Area as security for that purpose, provided, that the rights of such mortgagee shall be subordinate to the rights of the homeowners;
- (d) the right, power and authority of the Association to grant any easement, right-of-way, license, lease, dedication or similar interest through, over or in the Common Area;
- (e) the right of the Association to transfer or convey ownership of any Common Area, provided that any transfer or conveyance of any Common Area shall be subject to the prior approval of 67% of the total Association votes;
- (f) the right of the Association to close or limit the use of any Common Area while maintaining, repairing and making replacements in any Common Area; and
- (g) the right of the Association to change use of, add or remove improvements to the Common Area; provided, however, that any substantial capital improvements to the Common Area must be approved by a majority of the total votes in the Association. Whether a capital improvement is considered substantial shall be determined by the Board.

Section 2.5 Easements for the Association.

Each Lot shall be subject to an easement in favor of the Association, acting through the Board of Directors (including its agents, employees and contractors) to allow for their performance of obligations in this Declaration, provided that the easement granted and the use thereof shall not unreasonably interfere with or impair the use of any improvements constructed on a Lot and shall be exercised only after reasonable notice to the Owner of the Lot.

Section 2.6 Utility, Map and Map Easements.

Easements for utilities and other purposes over and across the Lots and Common Areas may be as shown upon the Plat or Map of the Community, and as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any recorded document.

Section 2.7 Drainage.

A blanket easement and right on, over, under and through the grounds within the Community is hereby established to maintain and to correct drainage of surface water and other erosion controls. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health, safety or appearance, or to comply with governmental requirements. The Declarant or Association, as applicable, shall notify affected Owners (except in an emergency) and shall restore the affected property to its original condition as nearly as practicable. This easement may be exercised at the option of the Declarant or Association and shall not be construed to obligate either to take any affirmative action to correct drainage.

Section 2.8 Delegation of Use.

Owners may delegate their right of enjoyment to any Common Area to the members of their family, their tenants, guests, or contract purchasers who reside at their Lot. If the Owner delegates rights to use the Common Area to tenants or contract purchasers who reside at their Lot, the Owner shall not be entitled to use the Common Area.

Section 2.9 Disclaimer of Liability.

The Association shall be and remain wholly free and clear of any and all liability to, or claims by, all Owners and all persons and entities, of whatever kind or character, whether sounding in contract or tort, deriving from the occurrence of any injury or damage to any person or property on, or in respect to the use and operation of, the Common Area or any of its improvements, fixtures, and facilities, excluding any such injury or damage that is caused by the negligence of the Association. It shall be the affirmative duty and responsibility of each Owner, and each user of the Common Area, to continuously inspect the same for any defects or perils or other unsafe conditions or circumstances, prior to and during such use or enjoyment thereof; and all users of, and visitors to, the Common Area and its improvements and facilities shall use, enjoy, and visit, the same at their own risk and peril.

ARTICLE 3 THE ASSOCIATION

Section 3.1 Membership.

Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from title to any Lot.

If title to a Lot is held by a partnership, trust, corporation, limited liability company, or other legal entity, that entity shall appoint, in a writing furnished to the Association, a delegate to represent such Lot for purposes of voting and serving on the Board. It is up to the entity Owner to keep this information updated with the Association.

Section 3.2 General Purposes and Powers of the Association.

The Association, through its Board of Directors, shall perform functions and manage the Prairie Village Community as provided in this Declaration so as to protect the value and desirability of the Prairie Village Community and the Lots. Any purchaser of a Lot shall be deemed to have assented to, ratified and approved such designation and management. The Association shall have all power necessary or desirable to effectuate such purposes.

Section 3.3 Authority of the Association.

The business affairs of the Community shall be managed by the Association. The Association shall be governed by the Act, this Declaration, the Plat or Map, its Articles of Incorporation and Bylaws, and any Policies, Procedures, or Rules and Regulations adopted by the Board of Directors. All corporate or other powers of the Association, unless otherwise specified or expressly reserved to the Members in the Governing Documents, shall be exercised by or under the authority of the Board of Directors, and the business and affairs of the Association shall be managed under the direction of the Board of Directors. The Board of Directors may, by written resolution, delegate authority to a managing agent for the Association, provided no such delegation shall relieve the Board of final responsibility. The Association may exercise any right or privilege and shall perform all duties and obligations expressly granted or reasonably necessary or implied in the Governing Documents to effect such right or privilege or to satisfy such duty or obligation.

Section 3.4 Association Maintenance Responsibilities.

The Association shall be responsible for the maintenance, repair, replacement and improvement of any Common Area, and shall provide snow removal for all sidewalks throughout the Community. The Board of Directors of the Association shall determine the specifications, scope, extent, nature and parameters of the Association's maintenance and service responsibilities. Unless otherwise provided in this Declaration, any expenses incurred under this Section shall be a Common Expense.

Section 3.5 Managing Agent.

The Association may employ or contract for the services of a managing agent to whom the Board may delegate certain powers, functions, or duties of the Association, as provided in the Bylaws of the Association. The Board shall not be liable for any omission or improper exercise by a managing agent of any duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 3.6 Right to Notice.

Notice of matters affecting the Community shall be given by the Association or through access to Association records, as further provided in the Bylaws or as otherwise provided by the Board of Directors.

Section 3.7 Indemnification.

To the full extent permitted by law, each officer, director, committee member or volunteer of the Association shall be indemnified by the Association against all expenses and liabilities including attorney fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer, director, committee member or volunteer of the Association, or any settlements thereof, whether or not they are an officer, director, committee member or volunteer at the time such expenses are incurred; except in such cases wherein such officer, director, committee member or volunteer is adjudged guilty of breaching his or her duty of care (as set forth in the Act) in the performance of his or her duties.

Section 3.8 Security Disclaimer.

The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve security in the Community; however, each Owner, for himself or herself and his or her tenants, guests, licensees and invitees, acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security in the Community. Furthermore, the Association does not guarantee that non-residents will not gain access to the Community and commit criminal acts in the Community, nor does the Association guarantee that criminal acts in the Community will not be committed by residents. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide such security shall lie solely with each Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide security or the ineffectiveness of measures taken.

Section 3.9 Education and Training.

As a Common Expense, the Association shall, in accordance with the Act, provide education and training opportunities for Owners, residents and occupants, including providing funding and permitting use of facilities for such purposes. The Association shall provide education and training activities as a tool for fostering Owner, resident and occupant awareness of governance, operations and concerns of the Community and of the Association. Appropriate educational topics include

dispute or conflict resolution, issues involving the Governing Documents, and education or topics benefitting or contributing to operation or governance of the Community and the rights and responsibilities of Owners and the Association. The Association may also fund and support education and training for officers and directors.

Section 3.10 Allocation of Interests.

The Common Expenses of the Association and the voting rights of its Members shall be allocated among the Lots in accordance with Lot type designation, as shown on the Prairie Village Preliminary Plat and Preliminary Development Plan referred to in the Notice recorded April 30, 2001, at Reception No. 2142982, Boulder County records, and by commercial use, if any. These two values, as described in this Declaration, shall be added together to determine a Lot's relative value. The fractional allocation of the Common Expenses of the Association and the voting rights of its Members may be calculated for each Lot by dividing the value assigned that Lot, as set forth below, by the sum of the values of all Lots within the Community.

(a) Lot Type. Type A, B, C, D, E, F, G, H and I Lots shall be assigned a value of 1.0.

(b) Commercial Use. In addition to the votes described in the above subsection (a), the Retail Lot below the Type H Lots, if annexed into the Community, shall have a combined vote of 24. Any Lot which has a commercial use other than retail, such as an office Building, shall have 2 votes per office Building.

(c) Additional Property. The Original Declaration anticipated that subsequent phases shall be comprised of Lots both similar and dissimilar in size and use to the original phase of Lots. Voting for all such Lots shall be automatically assigned as described in subsections (a) and (b) above.

ARTICLE 4 COVENANT FOR ASSESSMENTS FOR COMMON EXPENSES

Section 4.1 Creation of Association Lien and Personal Obligation to Pay Assessments for Common Expenses.

Each Owner, by acceptance of a deed for a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual Assessments for Common Expenses, insurance Assessments, and such other Assessments as imposed by the Association. The Association annual Common Expense Assessments and such other Assessments as imposed by the Association, including fees, charges, late fees, attorney fees, fines and interest charged by the Association, and additional fees charged by the managing agent, including but not limited to, administration and witness fees, and/or any other charges that may be assessed and/or levied or may be agreed to in the process of collecting past due Assessments, including but not limited to, credit card convenience fees from whatever source, shall be a charge on each Lot and shall be a continuing lien upon the Lot against which each such Assessment or charge

is made. The Association annual Assessments for Common Expenses and such other Assessments as imposed by the Association, including fees, charges, late fees, attorney fees, fines and interest charged by the Association, shall be a charge on each Lot and shall be a continuing lien upon the Lot against which each such Assessment or charge is made.

If any Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them. No Owner may become exempt from liability for payment of the Assessments for Common Expenses by waiver of the use or enjoyment of the Common Area or by abandonment of the Lot against which the Assessments for Common Expenses are made. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof, except as provided in this Declaration, shall be permitted by any reason including, without limitation, any claim that the Association or the Board of Directors is not properly [exercising its duties and powers under this Declaration. Except as provided in this Declaration, all Assessments for Common Expenses shall be assessed against all Lots equally.

Section 4.2 Basis of Assessments.

Common Expense Assessments may be made on an annual basis against all Lots and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such Assessment year.

Section 4.3 Annual Assessment.

The budget for annual Assessments shall be submitted to the Owners for ratification pursuant to Section 303(4) of the Act and as set forth in the Bylaws, as the Bylaws may be amended from time to time. The budget may be vetoed by a majority of the total Association vote. Assessments for Common Expenses shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Board of Directors. The omission or failure of the Board of Directors to levy the Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

Section 4.4 Special Assessments.

In addition to other authorized Assessments, the Association may levy Special Assessments from time to time to cover previously unbudgeted expenses or expenses in excess of those budgeted, including, without limitation, the costs of any construction, restoration, or unbudgeted repairs or replacements of capital improvements that are not covered by the general reserve fund. The proposed Special Assessment shall be submitted to the Owners for ratification pursuant to Section 303(4) of the Act and as set forth in the Bylaws, as the Bylaws may be amended from time to time. The proposed Special Assessment may be vetoed by a majority of the total Association vote. Special Assessments may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall have the right to require that Special Assessments be paid in advance of the provision of the subject services or materials.

Section 4.5 Supplemental Assessments.

The Association shall have the right to add to any Owner's Assessment as provided in this Article the following:

- (a) Those amounts expended by the Association for the benefit of any individual Lot or any occupant thereof, including but not limited to: improvement, repair, replacement or maintenance specific to a Lot;
- (b) Improvement, repair, replacement or maintenance caused by the negligent or willful acts of any Owner, his or her guest, employee, licensee, lessee or invitee as set forth in this Declaration;
- (c) All fines and costs assessed against an Owner pursuant to the Governing Documents; and
- (d) Any other expenditures or charges which the Board, in its sole discretion, chooses to allocate to a Lot and are reasonably determined to be allocable to a particular Lot.

Section 4.6 Surplus Funds.

The Board shall have discretion to determine how it will use any surplus funds of the Association remaining after payment of or provision for common expenses and any prepayment of or provision for reserves.

Section 4.7 Application of Payments.

All sums collected on a delinquent account referred to an attorney shall be remitted to the Association's attorney until the account is brought current. All payments received on an account of any Owner or the Owner's Lot shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late fees, returned check fees, lien fees and other costs owing or incurred with respect to such Owner pursuant to the Governing Documents, prior to application of the payment to any special or regular Assessments due or to become due with respect to such Owner.

Section 4.8 Effect of Non-Payment of Assessments.

- (a) Any Assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within 15 days after the due date thereof, as established by the Board of Directors, shall bear interest at the rate established by the Board of Directors, on a per annum basis to accrue monthly from the due date, and the Association may assess a reasonable late fee thereon as determined by the Board of Directors.
- (b) Failure to make payment within 60 days of the due date thereof shall cause the

total amount of such Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. The Board may, in its discretion, decelerate the Member's annual Assessment.

(c) Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue Assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Lot. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving the Association's lien therefor.

(d) Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to prevent or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Lot at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any Assessment lien, and an Owner abandons or leaves vacant his or her Lot, the Board may take possession and rent said Lot or apply for the appointment of a receiver for the Lot without prior notice to the Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a first lien security interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

Section 4.9 Lien Priority.

The lien of the Association under this Section is prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien security interest on the Lot (except as allowed by the Act with regard to the limited lien priority allowed to the Association); and (3) liens for real estate taxes and other governmental assessments or charges against the Lot. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under state or federal law. Sale or transfer of any Lot shall not affect the lien for said Assessments or charges except that sale or transfer of any Lot pursuant to foreclosure of any first lien security interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of Assessment charges as provided by applicable state law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Lot from continuing liability for any Assessment charges thereafter becoming due, nor from the lien thereof.

Section 4.10 Borrowing.

The Association shall have the power to assign its right to future income, including the right to assign its right to receive Assessments for Common Expenses, but only upon the affirmative vote of a majority of the Owners present and voting at a meeting called for that purpose.

**ARTICLE 5 COVENANTS AND RESTRICTIONS ON USE, ALIENATION
AND OCCUPANCY**

Section 5.1 Flexible Application of the Subsequent Covenants and Restrictions.

All Lots within the Community shall be held, used and enjoyed subject to the following limitations and restrictions. The strict application of the following limitations and restrictions in any specific case may be modified or waived, in whole or in part, by the Board of Directors or by an appropriate committee (subject to review by the Board of Directors) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing.

Section 5.2 Authority.

All provisions of the Governing Documents shall apply to Owners and their guests, tenants, invitees and licensees. Owners and their successors and assigns, by acceptance of a deed to their Lot, acknowledge that they have been given notice, and that:

- (a) The ability of Owners to use their Lots may be limited by the provisions in the Governing Documents.
- (b) The Board may, from time to time, adopt and amend definitions of words, phrases and terms used in this Declaration and other Governing Documents.
- (c) The Board may establish penalties for the infraction of all regulations and Owners will be responsible for fines assessed against their tenants, guests and invitees for violations of the restrictions.
- (d) All fines imposed are collectable as Assessments.

Section 5.3 Use/Occupancy.

All Lots within the Community shall be used only for those uses and/or purposes as allowed by the local zoning, control and regulation, and permitted by this Declaration, subject to any Rules and Regulations adopted by the Association.

With respect to any remaining Annexable Property, Declarant may determine whether the Lot may be used for commercial or residential purposes. Declarant shall make the determination of

record at the time of the parcel's annexation into the Community. If the Declarant fails to make such a determination of record, Rules and Regulations or the approval of the Building or modification under the terms of this Declaration, may describe permitted uses.

Other than with respect to Annexable Property, Lots shall not be used for any purpose other than a residential dwelling except as set forth in this Section. Home occupations in Residential Lots shall be allowed so long as the home occupations are incidental and secondary to the use of the Residential Lot and do not change the residential character thereof, comply with local zoning ordinances and regulations, and comply with this Declaration. External advertising of any kind is prohibited on Residential Lots. In no instance shall a home occupation be visible externally, nor shall any home occupation employ any person other than the Owner.

Uses which have one or more of the following characteristics are not permitted: (a) manufacturing or fabrication that can be seen, heard or smelled from the exterior of the residence or has any other negative external impact; (b) storage of hazardous materials per city ordinance; (c) increased traffic or parked vehicles beyond that reasonable and customary to a residential dwelling use; (d) permanent or long term parking of heavy equipment, including semi-trailers; (e) the use or rental of any structure on a Lot for any transient, hotel, motel, bed and breakfast, restaurant, bar or other commercial purposes.

If the Owner of a Lot is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing the name(s) of the person(s) who will occupy the Lot. The designated person(s) shall not be changed more frequently than once every six months, and any such change must be designated in writing within 10 days of the change.

Section 5.4 Leasing and Occupancy.

Any Owner of a Residential Lot shall have the right to lease or allow occupancy of a Lot upon such terms and conditions as the Owner may deem advisable, subject to restrictions of this Declaration, subject to restrictions of record and subject to the following:

(a) "Leasing" or "Renting" for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person other than the Owner; provided, however, for the purposes of this Declaration, leasing shall not include the occupancy: (i) of the Lot by the child or parent of an Owner, or (ii) by a roommate of an Owner who occupies the Lot as such Owner's primary residence shall not constitute leasing.

(b) Short term occupancies and rentals, which are those that are less than six months in duration and expressly include occupations through Airbnb, VRBO, HomeAway and other such online rental systems, are prohibited.

Notwithstanding the above, if the failure to lease on a short-term basis will result in a hardship, the Owner may seek to lease on a hardship basis by applying to the Association. The Association shall have the authority to issue or deny requests for short-term hardship

leasing in its discretion after considering factors such as: (1) the nature, degree, and likely duration of the hardship, (2) the harm, if any, which will result to the Community if the hardship is approved, (3) the number of other short-term hardship leasing applications which have been issued to other Owners, and (4) whether previous hardship applications have been issued to the Owner.

(c) All leases or rental agreements shall be in writing and shall provide that the leases or rental agreements are subject to all terms of the Governing Documents. Owners are required to provide tenants with copies of the current Declaration, Articles of Incorporation, Bylaws and any Rules and Regulations of the Association.

(d) Each Owner who leases his or her Lot shall provide the Association, upon request, a copy of the current lease and tenant information, including the names of all occupants, vehicle descriptions, including license plate numbers, and any other information reasonably requested by the Association or its agents.

(e) Each Owner is strongly encouraged to conduct full background checks, including credit and criminal reports, for each lease applicant.

(f) All occupancies, leases and rental agreements of Lots shall state that the failure of the tenant, lessee, renter or their guests to comply with the terms of the Governing Documents shall constitute a default of the occupancy, lease or rental agreement and of this Declaration and such default shall be enforceable by either the Association or the landlord, or by both of them.

(g) All occupancies of Lots shall be subject to the right of the Association to remove and/or evict the occupant for failure to comply with the terms of the Declaration, the Bylaws of the Association, the Articles of Incorporation or the Rules and Regulations of the Association. If the Association requests that the Owner evict the Owner's tenant based on the terms of this Declaration, and the Owner fails to commence such action within 30 days of the date of the Association's request and notice, the Association may commence eviction proceedings. Upon failure by the Owner to comply with the Association's request to evict, the Owner delegates and assigns to the Association, acting through the Board, the power and authority to evict the lessee as attorney-in-fact on behalf of and for the benefit of the Owner. If the Association evicts the lessee, any costs, including, but not limited to, reasonable attorney fees actually incurred and court costs associated with the eviction shall be an Assessment and lien against the Lot.

(h) Leases shall be for or of the entire Lot.

(i) All Owners who reside at a place other than the Lot shall provide to the Association an address and phone number(s) where the Owner can be reached in the case of emergency or other Association business. It is the sole responsibility of the Owner to keep this information current.

(j) The Association shall have the authority to adopt Rules and Regulations regarding leasing, including the implementation of this restriction, and for implementation of other restrictions in the Declaration and as allowed by law.

Section 5.5 Maintenance of Lots and Improvements.

Owners are responsible for the maintenance, repair and replacement of the property and improvements located within their Lot boundaries. The Association, and its agents, shall have the authority, after giving the Owner 30 days written notice, to enter, replace, maintain, repair and clean up Lots which do not conform to the provisions of this Section, and to charge and collect from the Owner thereof all reasonable costs related thereto as an Assessment hereunder.

Section 5.6 Residence Size Restrictions.

All structures on Lots shall be built pursuant to the Association's architectural guidelines. Tiny houses, which are defined for the purposes of this Section are residential structures under 500 square feet, are not permitted.

Section 5.7 Restrictions on Pets.

Pets may be kept on Residential Lots, if the Pet is not a nuisance to other residents. No resident shall maintain or keep any Pet which, in the sole discretion of the Board, is considered to be a danger to the Owners, management staff or occupants in the Community or is otherwise considered to be a dangerous breed, as may be further defined in the Rules and Regulations. If a Pet is deemed a nuisance by the Association, the resident having control of the Pet shall be given a written notice to correct the problem and if not corrected, that resident will be required to remove the Pet from the Community pursuant to, and in accordance with, any dispute resolution procedures as may be set forth in this Declaration or the Rules and Regulations, if any. Pets may not be kept for any commercial purposes. When on Common Area, Pets must be on a leash and under control. Feces left by Pets upon the Common Area must be removed promptly by the owner of the Pet or the person responsible for the Pet. Owners shall hold the Association harmless from any claim resulting from any action of their Pets or the Pets of their tenants, guests or other invitees.

Section 5.8 Antennae.

"Permitted Antennas" are defined as (a) an antenna which is less than one meter in diameter and is used to receive direct broadcast satellite service, including direct-to-home satellite services, or is used to receive or transmit fixed wireless signals via satellite; (b) an antenna which is less than one meter in diameter and is used to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instruction television fixed services, and local multipoint distribution services or is used to receive or transmit fixed wireless signals other than via satellite; (c) an antenna which is designed to receive broadcast television broadcast signals; or (d) other antennas which are expressly permitted under applicable federal statutes or regulations. In the event a Permitted Antenna is no longer expressly permitted under

applicable federal statutes or regulations, such antenna will no longer be a Permitted Antenna for purposes of this Section.

Permitted Antennas shall be installed in the least conspicuous location available on a Lot which permits acceptable signals, without unreasonable delay or increase in the cost of installation, maintenance or use of the Permitted Antenna. The Association may adopt rules regarding location and installation of Permitted Antennas, subject to limitations of applicable federal law. Except as allowed by federal statutes and regulation as a Permitted Antenna, no exterior television or any other antennae, microwave dish, satellite dish, satellite antenna, satellite earth station or similar device of any type shall be erected, installed or maintained on a Lot.

Section 5.9 Tanks.

No tanks of any kind (either elevated or buried), except for small portable tanks associated with an outdoor gas grill shall be erected, placed or permitted upon any Lot without the prior written approval of the Association.

Section 5.10 Nuisances.

No nuisance shall be permitted within the Prairie Village Community, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Owner or which may unreasonably interfere with the peaceful enjoyment or possession or the proper use of a Lot or any Common Area, or any portion of the Prairie Village Community by residents. Further, no improper, offensive or unlawful use shall be permitted within the Prairie Village Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Prairie Village Community or a portion thereof shall be observed.

Specific types of nuisances, including but not limited to lights which are unreasonably bright or cause unreasonable glare, offensive and obnoxious odors, and unreasonable noise may be clarified in the Rules and Regulations.

Section 5.11 Vehicular Parking, Storage, and Repairs.

(a) The following may not be parked or stored within the Community, unless such parking or storage is: (i) within a garage on a Lot, or (ii) screened from view so as not to be seen from eye level from the street or Common Area, as may be determined by the Board, or (iii) authorized in writing by the Association, or (iv) otherwise exempted by Colorado law: oversized vehicles, pickup trucks over 3/4 ton, commercial vehicles, trailers, camping trailers, boat trailers, hauling trailers, boats or accessories thereto, self-contained motorized recreational vehicles, or other oversized types of vehicles or equipment as prohibited by rule or regulation. The foregoing may be parked as a temporary expedience (i.e., 48 hours) for loading, delivery of goods or services, or emergency; provided, however, overnight parking of the same is prohibited. This restriction shall not apply to trucks or other commercial vehicles temporarily located within the Community which are necessary for construction or

for the maintenance of any Common Area, Lots, or any improvement located thereon.

(b) The Board may adopt further Rules and Regulations on parking within the Community that further clarify or supplement this Section.

(c) All parking must comply with local ordinance unless stricter requirements are set forth in this Section or in the Rules and Regulations.

(d) No abandoned, unlicensed or inoperable automobiles or vehicles of any kind shall be stored or parked on a Lot or within the Community unless parked or stored within a garage. An "abandoned or inoperable vehicle" shall be defined by Colorado statutes governing inoperable or abandoned vehicles on public streets, or the Board may adopt its own definition in the Rules and Regulations.

(e) No parked vehicle may impede the safe and efficient use of the streets by residents, obstruct emergency access to/from the Community, or interfere with the reasonable needs of other residents to use their driveway, Community streets or guest parking, if any.

(f) No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicle, trailer or boat, may be performed or conducted outside of garages. This provision shall not be deemed to prevent washing and polishing of a vehicle, together with those activities normally incident and necessary to such washing and polishing, provided washing is done with a hose with a shut off valve to prevent waste of water. Minor repairs may be performed, provided they may be completed the day commenced, there is no damage (e.g., oil, residue) to paved areas, and all equipment and parts are removed upon completion of the work. No vehicles may be left unattended on jacks or jack stands.

(g) Parking in fire lanes (as designated by the Association or as designated by local government or a local fire protection authority) shall not be permitted.

(h) If any vehicle is parked on any portion of the Community in violation of this Section or in violation of the Association's Rules and Regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after 72 hours the vehicle may be towed or booted. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the Community stating the name and telephone number of the person or entity which will do the towing and/or booting hereunder. If 72 hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six months of such notice, the vehicle may be towed or booted in accordance with the notice, without further notice to the vehicle owner or user, and the owner thereof shall be solely responsible for all towing and storage charges.

(i) If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or occupant's Lot, is obstructing the flow of traffic, is parked on any grassy

area, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed or booted immediately.

(j) If a vehicle is towed or booted in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any person for towing and storage costs or for any claim of damage as a result of the towing or booting activity. The Association's right to tow or boot is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines. Notwithstanding anything to the contrary in this Section, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

Section 5.12 Time Sharing.

No time-share ownership of Lots is permitted without the Association's approval. For this purpose, the term "time-share ownership" shall mean a method of ownership of an interest in a Lot under which the exclusive right of use, possession, or occupancy of the Lot circulates among the various owners on a periodically reoccurring basis over a scheduled period of time.

Section 5.13 Soliciting.

The Association may regulate or prohibit soliciting within the Community pursuant to the Rules and Regulations.

Section 5.14 Use of Common Area.

There shall be no obstruction of any Common Area, nor shall anything be kept or stored on any part of any Common Area without the prior written approval of the Association. Nothing shall be altered on, constructed in, or removed from any Common Area without the prior written approval of the Association.

Section 5.15 No Hazardous Activities.

No activity shall be conducted on and no improvement shall be constructed on any Property within the Community which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Property within the Community. No open fires shall be lighted or permitted on any Property within the Community except in a contained barbecue unit while attended and in use for cooking purposes or within an interior or exterior fireplace designed to prevent dispersal of burning embers unless otherwise prohibited by governmental ordinances. No Owner or Owners shall permit any condition on his Lot or Lots which creates a fire hazard or is in violation of applicable fire prevention regulations.

Section 5.16 Restrictions on Clotheslines and Storage.

Except for retractable clotheslines permitted by Colorado law, and which comply with reasonable aesthetic regulations adopted by the Board, no clotheslines, drying areas or yards, service yards, shops, equipment, storage or storage areas shall be installed, allowed, kept, maintained or

permitted on any Lot unless the same, in each instance, is expressly permitted in writing by the Association. Owners shall deem to hold the Association harmless from any claim resulting from any clotheslines, drying areas or yards, service yards, shops, equipment, storage or storage areas maintained on their Lot.

Section 5.17 Restriction on Signs and Advertising Devices.

(a) Except as provided in this Section, no sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere on a Lot except such sign or signs as may be approved in writing by the Association. (b) Signs intended to impact the outcome of an election must be displayed in accordance with the Association's Rules and Regulations. (c) One professionally lettered "For Sale" or "For Rent" sign not to exceed three feet by two feet and one professionally lettered security or alarm system sign not exceeding one square foot may be displayed on a Lot.

Section 5.18 Outbuildings and Temporary Structures.

An "outbuilding" shall mean an enclosed or covered structure not directly attached to the dwelling it serves. No outbuilding or temporary structure, including trailers, mobile homes, shacks, or barns shall be allowed on any Lot unless approved in writing by the Board of Directors and the Architectural Review Committee. Further, no outbuilding or temporary structure shall be used on any Lot at any time for residential purposes, either temporarily or permanently.

Section 5.19 Trash Removal Restriction.

No garbage, refuse, rubbish, or cuttings shall be deposited on any street, road or any Common Area or on any Lot, unless placed in a suitable container suitably located. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No garbage cans, trash cans or receptacles shall be maintained in an exposed or unsightly manner. If trash removal is a service ever offered by the Association to Owners, then the Association shall have the exclusive right to engage a trash removal contractor on behalf of the Owners.

Section 5.20 Prohibition of Marijuana Distribution and Growing.

No Owner or occupant of a Lot may utilize such Lot for the purpose of growing or distributing marijuana. This prohibition may further be clarified by the Board of Directors through Rules and Regulations. Owners will be responsible for any damage resulting from a violation of this restriction.

Section 5.21 Insect and Vermin Infestations.

Each Owner shall be required to take necessary measures, as determined in the sole discretion of the Board of Directors, to retard and prevent insect, rodent, and vermin infestations, including but not limited to, rodents, termites, lice, cockroaches, mice, and rats from accumulating on Lots. Owners shall immediately notify the Board in writing of the following: (a) any evidence of an insect and/or vermin infestation on a Lot; and (b) all steps taken to remove insects and vermin on

a Lot. Owners shall be responsible for treatment and removal of insect and/or vermin infestations immediately upon the discovery of the same. The receipt of notice of an insects and/or vermin infestation on a Lot by the Association shall not create any additional Association maintenance responsibility other than those set forth in this Declaration. Owners must provide written confirmation to the Association that all insect and/or vermin infestations have been removed from the Lot upon completion of the remediation process and must provide evidence and documentation to the Association of such removal. Failure by any Owner to comply with this Section shall entitle the Association to perform all necessary remediation and collect any amounts expended for such remediation as an Assessment. Owners shall be responsible for any damages to their Lots, personal property, to any other Lots, or the Common Area, as well as any injury to residents and guests resulting from the Owner's failure to comply with this Section. Any fees or costs incurred by the Association or other Owners as a result of violation of this Section shall be the obligation of the infested Lot's Owner to pay.

Section 5.22 Rules and Regulations.

In furtherance of the provisions of this Declaration, and the general plan, Rules and Regulations concerning and governing the Community or any portion thereof may be adopted, amended, or repealed from time to time by the Board of Directors. The Board of Directors may establish and enforce penalties for the infraction thereof.

Section 5.23 Compliance with Governing Documents.

Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation, Bylaws, and the Rules and Regulations of the Association, as amended.

Section 5.24 Compliance With Other Laws.

No improper, offensive or unlawful use shall be permitted within the Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community or a portion thereof shall be observed.

Section 5.25 Restriction on Mining and Drilling.

No Property within the Community shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel or earth.

Section 5.26 Use of Words Prairie Village and Prairie Village Owner's Association, Inc.

No Owner or resident shall use the words Prairie Village or Prairie Village Owner's Association, Inc., or the logo of the Community or Association, if any, or any derivative thereof, in connection with any goods, materials or services, the use of which is likely to cause confusion, mistake or deception as to the source or origin of such goods, materials or services, without the prior written consent of the Association.

ARTICLE 6 COMMERCIAL USES

Should Declarant determine to add in Annexable Property in accordance with the development rights reserved in the Original Declaration, this Article shall apply to any commercial uses that Declarant may determine to allow with respect to any such property.

Section 6.1 Commercial Guidelines.

The "Prairie Village Commercial Guidelines" as originally adopted by the Declarant and as amended from time to time, establishes standards for various aspects of Owner's business, including without limitation types, quality, style and prices of stock. Such standards may differ for different areas, and apply to an individual store or on a block-by-block basis. In addition, the Commercial Guidelines may include the restriction or prohibition of types of merchandise which may be offered and the granting of exclusive rights to certain merchandise. Such exclusive rights may be granted on an individual basis at the Association's discretion, based on its own evaluation of the quality of merchandise, potential for success and other factors. The Association may change the standards from time to time; however, no business which meets existing standards may be required to conform to new standards so long as the business continues to operate under the same name and ownership.

Section 6.2 Name of Business; Advertising.

(a) Review. The Association shall have the right to review in advance and approve the name, logo or any identifying symbols to be used with the business.

(b) Use of the Name "Prairie Village." The name Prairie Village is a trade name owned by the Declarant. A Commercial Lot Owner may use the name "Prairie Village" to describe the location of the business and may advertise a business as being located in in "Prairie Village." If requested by the Declarant, Owner shall accompany such use with a symbol or explanation concerning trademark or service mark registration of the name "Prairie Village." Owner may not use the name "Prairie Village" in any other manner without the express permission of the Declarant, which may be arbitrarily denied.

(c) Approval of Advertising. All advertising for the business to be conducted on the Lot, whether for print, television, radio, handbills, outside sign or other media, may be subject to the Association's approval. The Association may prohibit or regulate the distribution of handbills within the Community.

(d) Signage. A business shall display on the exterior of the Building or upon any exterior glass surfaces or within 24 inches of any window only those signs, advertising placards, names, insignia, trademarks, descriptive material or other identification which are specifically approved the Association and, as applicable, the Committee. No hand-lettered signs may be displayed unless professionally prepared.

Section 6.3 Appearance; Hours of Operation.

The Association may regulate store displays and general decor, days and hours of operation. The entrance and interior of the business shall be kept immaculately clean and inviting in appearance at all times. Wall and floor coverings, displays and all other furnishings shall be maintained in first-class condition.

Section 6.4 Staff.

All personnel who may be viewed by patrons shall be appropriately dressed, well groomed, courteous and knowledgeable concerning the stock and store policies.. In addition, the Association may require personnel to attend classes concerning the history and philosophy of the Community, the location of other commercial and public facilities within the Community, and other information which might reasonably be asked by retail store patrons. Personnel may be required to demonstrate proficiency from time to time in such information.

Section 6.5 Quality Control.

The Association, its agents and employees shall have the right to inspect the business, stock and services on a monthly basis. Failure to conduct monthly inspections on a regular basis shall not waive the Association's rights to do so. The Association shall notify Owner of any deficiencies noted during such inspection. If any such deficiency is not resolved within a reasonable amount of time, the Association shall give a second notice to Owner, which shall be noted as a "second notice of deficiency." If the deficiency is not cured within 30 days of the second notice, then the Association shall have all rights of enforcement under this Declaration.

Section 6.6 Enforcement.

The Association shall have the right to enforce all of the provisions of this Article and any Rules and Regulations promulgated by it under this Article in the same manner as under all other enforcement sections of this Declaration.

ARTICLE 7 ARCHITECTURAL REVIEW

Section 7.1 Required Approval.

No structures, including residences, outbuildings, accessory buildings, tennis courts, swimming pools, antennas (except as otherwise permitted in this Declaration), flag poles (except as otherwise permitted by the Act), fences, walls, exterior lighting, landscaping, or any other improvements shall be constructed, erected, relocated, removed or installed on a Lot, nor shall any painting, alteration or change to the exterior of the improvements, the exterior of a residence, to a Lot or to any structure or any attachment to the exterior of a residence (including paint, awnings, patios, decks, or shutters) be commenced unless complete plans and specifications shall have been first submitted to and approved in writing by the Architectural Review Committee ("Committee") as may be outlined in the Rules and Regulations. Only house numbers which were installed by the

Association or approved by the Committee shall be used and maintained on any Lot within the Community. The Committee may require that applications of Owners and their plans and specifications show exterior design, height, materials, color, location of the structure or addition to the structure or proposed improvement (plotted horizontally and vertically), location and size of driveways, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the Committee.

Section 7.2 Acknowledgment of Owners.

Owners acknowledge, accept and agree to the following:

- (a) Owners will not commence construction or installation of an improvement until they have submitted improvement plans and specifications and received written approval from the Committee;
- (b) Owners shall immediately comply with any request by the Association for additional information relating to an improvement prior to the Committee's approval of a request and/or prior to the completion of an improvement. Failure to comply with such a request by an Owner shall result in the withdrawal of Committee approval, if previously granted;
- (c) Committee approval does not constitute approval of the local building or zoning department, drainage design or structural soundness;
- (d) Owners, by submitting an application for approval, hereby certify: (i) they will construct or modify improvements located only on their own Lot or upon Property which they have permission to construct, modify or improve; and (i) they will not violate any easements, rights-of-way, or other rights appurtenant to such Property.
- (e) Owners shall notify the Committee of completion of the improvement's installation or construction within five days of such completion;
- (f) Upon completion of an improvement, Owners authorize the Committee or its representative(s) to enter onto the Lot for exterior inspection;
- (g) Failure of an Owner to notify the Committee of completion of an approved improvement, or refusal to allow inspection, shall result in the withdrawal of the Committee's approval;
- (h) If the improvement as built does not conform to the improvement as approved by the Committee, the Committee's approval will be deemed withdrawn, and upon written request of the Committee, Owners shall, at their own expense and cost, promptly bring the improvement into compliance with the submitted and approved plans and specifications;

(i) In the event of withdrawal of Committee approval for any reason(s) cited in this Section, and upon written request from the Committee, the Owner, at his or her expense and cost, shall promptly restore the Lot to substantially the same condition as it existed prior to commencement of the improvement's installation or construction, and such withdrawal will be deemed to toll the statute of limitations as it pertains to the improvement until such time as the improvement is brought into compliance.

Section 7.3 Architectural Criteria.

The Committee shall exercise its reasonable judgment to the end that all attachments, improvements, construction, landscaping and alterations to improvements on a Lot or landscaping of a Lot shall comply with the requirements set forth in this Declaration. The approval or consent of the Committee on matters properly coming before it shall not be unreasonably withheld, and actions taken shall not be arbitrary or capricious. Approval shall be based upon, but not limited to, conformity and harmony of the exterior appearance of structures with neighboring structures effect of location and use of improvements on nearby Lots, preservation of aesthetic beauty, and conformity with the specifications and purposes generally set out in this Declaration. Upon its review of such plans, specifications and submittals, the Committee may require that the applicant(s) reimburse the Board for actual expense incurred by it in its review and approval process.

Section 7.4 Establishment of the Committee.

The Committee shall consist of a minimum of three members appointed by the Board of Directors. In the event a Committee is not established, the Board shall perform all duties of the Committee as provided in this Article and the Governing Documents of the Association. The Board shall have the authority to remove any members of the Committee at their sole discretion.

Section 7.5 Architectural Guidelines.

The Committee may propose architectural guidelines from time to time, which guidelines may be approved by the Board of Directors and included in or with any Rules and Regulations of the Association.

Section 7.6 Reply and Communication.

The Committee shall reply to all submittals of plans made in accordance herewith in writing within 30 days after receipt. In the event the Committee fails to take any action on submitted plans and specifications within 30 days after the Committee has received the complete plans and specifications, the application shall be deemed granted. All communications and submittals shall be addressed to the Committee in care of the Association.

Section 7.7 Conditions of Approval.

In the discretion of the Board or the Committee, an Owner may be required to enter into a written agreement establishing the approval of the application in recordable form acknowledged by such Owner on behalf of himself or herself and all successors-in-interest. As a condition of approval

for a requested architectural change, modification, addition or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, affirms and shall assume, unless otherwise agreed in writing, all responsibilities for maintenance, repair, replacement and insurance to and on such change, modification, addition or alteration.

Section 7.8 Commencement and Completion of Construction.

All improvements approved by the Committee must be commenced within six months from the date of approval. If not commenced within such time, then such approval shall be deemed revoked by the Committee, unless the Committee gives a written extension for commencing the work. Additionally, except with written Committee approval otherwise, and except for delays caused by strikes, fires, national emergencies, critical materials shortages or other intervening forces beyond the control of the Owner, all work approved by the Committee shall be completed within six months of commencement.

Section 7.9 Variances.

The Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Declaration in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in this Declaration or in architectural guidelines.

Section 7.10 Right to Appeal.

If the Board of Directors is not acting as the Committee, an Owner whose plans have been disapproved or conditionally approved may appeal any decision of the Committee to the Board of Directors. The Board of Directors shall review the decision of the Committee pursuant to the criteria set forth in this Article and/or the architectural guidelines. Any decision of the Committee may be overruled and reversed on appeal by a majority of the directors by a written decision setting forth the reasons for the reversal when the directors conclude that the Committee's decision was inconsistent with the criteria set forth in this Article and the guidelines.

Section 7.11 Waivers.

The approval or consent of the Committee, or appointed representative thereof, to any application for architectural approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the Committee as to any application or other matters subsequently or additionally submitted for approval or consent.

Section 7.12 Liability.

The Committee and the members thereof, as well as any representative of the Board designated to act on its behalf, shall not be liable in damages to any person submitting requests for approval or for any approval, or failure to approve or disapprove in regard to any matter within its jurisdiction under these covenants. Neither the Board nor the Committee shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved

construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements. The Association will not make any investigation into title, ownership, easements, rights-of-way, or other rights appurtenant to Property with respect to architectural requests and shall not be liable for any disputes relating to the same.

Section 7.13 Enforcement.

Enforcement of these covenants, restrictions, charges and other provisions, as amended, may be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision. The Association shall have the right, but not the obligation, to institute, maintain and prosecute any such proceedings. In any action instituted or maintained under this Section, the Association may be entitled to recover its costs and reasonable attorney fees incurred pursuant thereto, as well as any and all other sums awarded by the court. Failure of the Association to enforce any covenant or restriction contained in this Section shall in no event be deemed a waiver of the right to do so thereafter. In addition, or in the alternative, the Association shall have all other enforcement rights as set forth in this Declaration.

ARTICLE 8 INSURANCE/CONDEMNATION

Section 8.1 Insurance on the Lots.

Each Owner has the responsibility to obtain hazard insurance covering loss, damage or destruction by fire or other casualty to the improvements, installed or made to their Lot, or other property of that Owner located on such Lot, and liability insurance covering any injuries occurring to persons or property damages on a Lot.

Section 8.2 Insurance to be Carried by the Association.

The Association shall obtain and maintain in full force and effect, to the extent reasonably available and at all times, the insurance coverage set forth in this Declaration and as set forth in the Act, which insurance coverage shall include the following terms and shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado.

Section 8.3 Hazard Insurance on Common Area.

The Association shall obtain hazard insurance covering loss, damage or destruction by fire or other casualty to any insurable improvements installed or made to any Common Area and the other property of the Association.

Section 8.4 Association Liability Insurance.

The Association shall obtain public liability and property damage liability insurance covering any Common Area, in such limits as the Board may determine from time to time, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries and operation of automobiles on behalf of the Association.

Section 8.5 Association Fidelity Insurance.

The Association shall obtain fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees, as required by law.

Section 8.6 Association Worker's Compensation and Employer's Liability Insurance.

The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to employees, if any, in the amounts and forms as may now or hereafter be required by law.

Section 8.7 Directors' and Officers' Personal Liability Insurance.

The Association shall obtain directors' and officers' personal liability insurance to protect the officers, directors, committee members and any person acting at the discretion of the Board from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association.

Section 8.8 Miscellaneous Terms Governing Insurance Carried by the Association.

The Association shall maintain, to the extent reasonably available, insurance policies with the following terms or provisions:

- (a) All policies of insurance shall provide that each Owner is an insured under the policy with respect to liability arising out of such Owner's membership in the Association.
- (b) All policies of insurance shall contain waivers of subrogation against any Owner or member of his or her household.
- (c) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of an Owner and shall provide that such policies may not be canceled or modified without prior written notice to all of the Owners as provided by Colorado law and to the Association.
- (d) If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all holders of first lien security interests at least 10 days prior to the expiration of the then-current policies.
- (e) All liability insurance shall name the Association, the Board, the manager or managing agent, if any, the officers of the Association, holders of first lien security interests, their successors and assigns and Owners as insureds.

(f) Prior to the Association obtaining any blanket policy of casualty insurance on any Common Area, the Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of any Common Area and any improvements thereon, without deduction for depreciation, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof. In the event the Association obtains casualty insurance on the Lots, then in no event shall that casualty insurance policy contain a co-insurance clause.

(g) All policies of insurance of the Association shall be primary, providing the primary insurance of the loss, if there is other insurance in the name of the Owner.

(h) All policies of insurance shall provide that the insurance thereunder shall not be invalidated, suspended, voidable or have any condition of recovery due to an act or omission by any Owner.

Section 8.9 Other Association Insurance.

The Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.

Section 8.10 Insurance Premium.

Insurance premiums for insurance provided by the Association shall be a Common Expense to be included as a part of the annual Assessments levied by the Association.

Section 8.11 Annual Insurance Review.

The Board shall review the insurance carried by and on behalf of the Association at least annually, for the purpose of determining the amount of insurance required.

Section 8.12 Adjustments by the Association.

Any loss covered by an insurance policy described above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association and not to any holder of a first lien security interest. The Association shall hold any insurance proceeds in trust for the Association, Owners and holders of first lien security interests as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Association is not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

Section 8.13 Duty to Repair.

Any portion of the Community for which the Association is required to insure under this

Article which is damaged or destroyed must be repaired or replaced promptly by the Association, except as provided in the Act.

Section 8.14 Condemnation and Hazard Insurance Allocations and Distributions.

In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record and pursuant to the Act.

Section 8.15 Responsibility for Payment of Deductible Amount.

(a) Whether the Board, in its discretion, chooses to submit a claim under the Association insurance policies or not, the Association shall pay or absorb the deductible amount for any work, repairs or reconstruction for damage to Common Area or other property insured by the Association unless the damage is caused by the negligent or willful act or omission of an Owner, his family, guests, renters, or invitees, in which case the Association shall seek reimbursement of the deductible amount in compliance with and under the terms of the Declaration.

Section 8.16 Insurance Assessments.

If the proceeds of insurance are not sufficient to defray the costs of reconstruction and repair due to deductibles allocated to the Association or failure of the Association to maintain coverage to defray costs of repair and reconstruction which in the absence of insurance would be the maintenance responsibility of the Association, the deductible or additional cost shall be a Common Expense. Notwithstanding the Special Assessment procedure set forth this Declaration, the insurance Assessment shall be ratified unless vetoed by Members holding at least 90% of the total votes entitled to be cast in the Association pursuant to Section 303(4) of the Act and as set forth in the Bylaws, as the Bylaws may be amended from time to time.

Section 8.17 Damage to or Destruction on Lots.

In the event of damage to or destruction of structures or improvements on a Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure and improvements in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration, unless a determination not to rebuild is made by the Owner in cases of substantial damage or destruction. If the structure is substantially destroyed and a determination is made not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction, and, thereafter, the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with this Declaration.

ARTICLE 9 DECLARANT'S ADDITIONAL RESERVED RIGHTS

Section 9.1 Models, Sales and Management Offices.

The Declarant reserves for himself or herself and his or her assigns the right to maintain a sales office, a management office and unlimited number of models within the Community. These facilities may be located on any Lot in the Community and may be relocated from time to time at the Declarant's discretion. The sales office, management office and models may be owned by different entities, including builders and other entities which are unrelated to the Declarant. At the end of its use as a sales or management office or model, the Lot shall be owned by the owner of record, subject to all normal covenants and restrictions. Subject to state law and local ordinances, the Declarant or its assigns may maintain signs on the Commons and on the sales office, management office and models advertising the Community.

Section 9.2 Commercial Use of Images.

The Declarant shall have following rights:

(a) The exclusive right to grant permission for the Common Elements to be photographed, sketched, painted or otherwise reproduced for promotional, publishing, academic or commercial use (including without limitation its use as a background for the display of fashions or other goods), and

(b) The right to grant similar permission for reproduction of the exteriors of any other part of Community. Such exteriors may be reproduced without the consent of, or payment to, the Lot Owner, but the above right is not intended to prevent any Lot Owner from granting independent permission for any part of the Community owned exclusively by that Owner, in which case the consent of the Declarant shall not be required.

The exercise of these rights shall not interfere with normal and customary rights of architects as to structures designed by them. The Declarant may collect a fee for its consent to the use of Common Elements images, or for the providing of support services to photographers or others.

The rights in this Article shall only be used according to the original requirements and timeframes set forth for adding Annexable Property into the Community as set forth in the Original Declaration.

ARTICLE 10 GENERAL PROVISIONS

Section 10.1 Compliance and Enforcement.

(a) Every Owner and occupant of a Lot shall comply with the Governing Documents, and each Owner shall have the right to enforce the covenants and restrictions, as set forth in this Declaration.

(b) The Association may enforce all applicable provisions of this Declaration, and may impose sanctions for violation of the Governing Documents. Such sanctions may include, without limitation:

(i) imposing reasonable monetary fines, after notice and opportunity for a hearing, which fine shall constitute a lien upon the violator's Lot;

(ii) suspending the right to vote and the right to use Common Area;

(iii) exercising self-help (including, but not limited to, performing such maintenance responsibilities which are the Owner's responsibility under this Declaration and assessing all costs incurred by the Association against the Lot and the Owner as an Assessment) or taking action to abate any violation of the Governing Documents;

(iv) requiring an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of the Governing Documents and to restore the Lot 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, at the Owner's expense, and any such action shall not be deemed a trespass, with all fees and costs in connection with such removal and restoration to be assessed to the Owner as an Assessment under the terms of this Declaration;

(v) without liability to any person, the Association precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Declaration from continuing or performing any further activities in the Community;

(vi) levying specific Assessments to cover costs incurred by the Association to bring a Lot into compliance with the Governing Documents; and

(vii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

(c) In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibility, or otherwise fails to comply with the Governing Documents, the Association may record a notice of violation against the Owner and the Lot.

(d) 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, the prevailing party shall be entitled to recover all costs, including, without limitation,

attorney fees and court costs, reasonably incurred in such action.

(e) The decision of the Association to pursue enforcement action in any particular case shall be left to the Board's discretion, subject to the duty to exercise judgment and be reasonable, as provided for in this Declaration, and further restricted in that the Board shall not be arbitrary or capricious in taking enforcement action. A decision of the Association to pursue enforcement action shall not be construed as a waiver of the Association's right to enforce such provisions at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

Section 10.2 Attorney Fees.

If an Owner fails to pay any Assessment as provided in this Declaration, the Association may require reimbursement for reasonable attorney fees and costs without the necessity of commencing a legal proceeding. If an Owner or an Owner's family member, guest, tenant, invitee or licensee fails to comply with any other provision of the Governing Documents, the Association may seek reimbursement for reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding. In a legal proceeding in any way related to the Governing Documents or the Community, the court shall award to the party prevailing on each claim the prevailing party's reasonable attorney fees and costs incurred in asserting or defending the claim. Such reasonable attorney fees and costs, if awarded against an Owner shall be charged as an Assessment and shall constitute a lien against the Lot.

Section 10.3 Severability.

Each of the provisions of this Declaration shall be deemed independent and severable. If any provision of this Declaration or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Declaration which can be given effect without the invalid provisions or applications.

Section 10.4 Term of Declaration.

The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 10.5 Amendment of Declaration by Owners.

Any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended, revised, removed or repealed, and new provisions, covenants, conditions, restrictions or equitable servitudes may be added, at any time and from time to time upon approval of Members holding at least a majority of the total votes in the Association and with the written consent of the Association. Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Boulder County of a certificate setting forth the amendment in full and certifying that

the amendment has been approved as set forth above, and containing the written consent and approval of the Association.

Section 10.6 Amendment by the Declarant.

To the extent permitted by the Act, the Declarant specifically reserves the absolute and unconditional right to amend this Declaration without the consent or joinder of any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Administration, or any other generally recognized institution involved in the guarantee or purchase and sale of home loan mortgages, (ii) to conform to the requirements of institutional mortgage lenders or title insurance companies or (iii) to clarify the Declaration's provisions or correct error.

Section 10.7 Captions.

All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

Section 10.8 Interpretation.

The provisions of this Declaration shall be construed to effectuate their purposes of creating a uniform plan for promoting and effectuating the fundamental concepts as set forth in this Declaration. The Board of Directors shall have the authority to interpret the meaning of any provision contained in this Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 10.9 Singular Includes the Plural.

Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 10.10 Challenge to this Amendment.

All challenges to the validity of this amendment or any future amendments must be made within one year after the date of recording of this document. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 10.11 Non-Waiver.

Any forbearance or failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration or of any subsequent enforcement of such provision.

Section 10.12 Conflict of Provisions.

In case of conflict between this Declaration and the Articles or Bylaws, this Declaration shall control. In the case of conflict between the Articles and Bylaws, the Articles shall control.

The undersigned, being the president and the Secretary of Prairie Village Owner’s Association, Inc., hereby certify that the Association has obtained written approval of this Declaration from Lot Owners representing sixty-seven percent (67%) of the votes in the Association, or alternatively, a court order entered by the District Court for Boulder County, Colorado pursuant to C.R.S. §38-33.3-217(7), has been entered approving this Declaration. Approvals obtained shall remain in effect until this Declaration is approved unless approval is expressly revoked in writing.

PRAIRIE VILLAGE OWNER’S ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: _____
President

ATTEST:

Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing Declaration was acknowledged before me by _____, as
President of Prairie Village Owner’s Association, Inc., a Colorado nonprofit corporation, on this
day of _____, 20__.

Notary Public

My commission expires:

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing Declaration was acknowledged before me by _____, as Secretary of Prairie Village Owner’s Association, Inc., a Colorado nonprofit corporation, on this day of _____, 20__.

Notary Public

My commission expires:

EXHIBIT A
PROPERTY
[To be attached]

EXHIBIT B
ANNEXABLE PROPERTY

[To be attached]