

**DECLARATION OF ROAD MAINTENANCE COVENANTS
FOR
REDSTONE ESTATES ROAD ASSOCIATION**

This Declaration of Road Maintenance Covenants for the Redstone Estates Road Association (“Declaration”) is made by the Members of the Redstone Estates Road Association, a Colorado nonprofit corporation (“Association”) effective as of the date recorded with the Clerk and Recorder of Larimer County, Colorado.

Within the Association, access to the Lots is provided by previously constructed private roads (“Roads”) which are shown on the recorded plats for the property and which are commonly known by road names as:

- Davis Ranch Road
- Desillio Road
- El Arbol Drive
- La Escena Drive
- Via Venado
- La Hermosa Drive
- Split Stone Lane
- Redstone Drive
- George Stadler Road
- Cox Court
- Riley Drive
- Withrow Court
- Valnes Lane
- Chopp Court
- Sunset Sky Road
- Compostella Way
- Dirt Road

The Roads and Lots are generally within or adjacent to an area defined as:

T7N, R70W of 6th PM.
Section 5: Lot 8, 9, 13, and SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 6: Lot 3, 4, 5, 8, 9, 10, 11, 12, SE $\frac{1}{4}$ SE $\frac{1}{4}$
T7N, R71W of 6th PM.
Section 1: Lots 5 and 6
T8N, R70W of 6th PM.
Section 31: All.
Section 32: W $\frac{1}{2}$ W $\frac{1}{2}$.
T8N, R71W of 6th PM.
Section 36: All except SW $\frac{1}{4}$ SW $\frac{1}{4}$ 025 part and 029

The Members of the Association desire to provide for the maintenance, repair and replacement of the Roads (and certain related improvements) under the terms and conditions of this Declaration.

The Members of the Association also desire to submit the Association to the provisions of the Colorado Common Interest Ownership Act (“Act”).

The undersigned constitute no less than sixty percent of all the Members of the Association.

This Declaration of Road Maintenance Covenants for Redstone Estates Road Association, as may be amended, shall be deemed to run with the property.

Declaration

1. Submission of Property. The property within the Association will be held, sold, conveyed, transferred, leased, subleased, and occupied subject to the following covenants, conditions, restrictions, and easements which will run with the land and will be binding upon and inure to the benefit of all parties having any right, title, or interest in the Property or any portion thereof, their heirs, personal representatives, successors, and assigns.

2. Association.

2.1 Powers and Authority. The Association shall have all powers and authority provided by the Act (as amended from time to time) to perform its obligations under this Declaration.

2.2 Membership and Allocation of Votes. All Owners of Lots shall be Members of the Association. The Association shall have one class of membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of a Lot shall be the sole qualification for membership. Each occupied Lot (Lot that has a resident or an active business on it for more than thirty days in a calendar year) shall be allocated one vote unless multiple Lots are held by one person, persons, or legal entity. When multiple lots are so held, one vote shall be allocated for each occupied Lot. An Owner of a land parcel adjacent to or near an Association Road or the land area described above may request Membership in the Association for the purpose of using Association Roads to access their land parcel. The Board of Directors may at their discretion grant such a request. Such a Member is allocated one vote.

3. Road Maintenance, Repair and Replacement. The Association is responsible for maintaining (including, without limitation, removing snow, and spreading sand and similar materials to improve traction under winter conditions), repairing and replacing the Roads (including grading, adding road materials such as road base and gravel, paving, and maintaining or adding culverts) so that the Roads provide adequate vehicular access to the Lots. In addition, the Association is responsible for maintaining, repairing, and replacing any directional or advisory signage (other than Road name signs). Such maintenance, repair, and replacement costs will be assessed against the Lots as provided in **Section 6** below.

4. Association Easement. The Association shall have the right to use the Easements (together with any other easements within which the directional and advisory signage may be located) so as to permit the Association, its agents, employees and independent contractors to perform the Association's maintenance, repair and replacement responsibilities.

5. Damage by Member. Notwithstanding anything to the contrary contained in this Declaration, in the event any need for Association maintenance, repair, or replacement referenced above is caused by any act or omission of a Member or a Member's agents, contractors or tenants, the cost of such maintenance, repair or replacement shall be the personal obligation of such Member, and any costs incurred by the Association for the same shall be assessed to such Member under **Section 6.2** below.

6. Assessments.

6.1 Common Expense Assessments. The Association, through its Board of Directors (“Board”), shall levy annual assessments (“Common Expense Assessments”) against the Lots to pay for (a) the Association’s maintenance, repair, and replacement obligations under this Declaration, (b) funding reserves, if any, (c) insurance premiums, (d) reasonable administrative and management costs, and (e) any other Board-approved expenses relating to the Association’s obligations under this Declaration. The Common Expense Assessment year shall be July 1 to June 30, unless a different fiscal year is chosen by the Board. The Owner of each occupied Lot shall be required to pay one Common Expense Assessment. Owners of land outside the Association area described above who have been granted Association Membership are required to pay one Common Expense Assessment. The Common Expense Assessment is set by a vote of the Qualified Voters (Members who have paid in full all required RERA Assessments by the date set by established procedure) at an Annual Meeting or a Special Meeting of the Membership. Changes to the Common Expense Assessment require 67% of the allocated votes of the Association present (in person or by Proxy) to be in the affirmative. The Common Expense Assessments shall be collected annually as determined by the Board. The annual budget shall be determined by the Board and provided for information purposes to the Members either at the annual meeting of the Membership or through such other communication as the Board considers advisable.

6.2 Damage Assessments. The costs referenced in **Section 5** above shall be levied as a Damage Assessment against the subject Member’s Lot.

6.3 Special Assessments. In addition to the annual Common Expense Assessments authorized above, the Association may levy, from time to time, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any repair to or replacement of the Roads or for any other Board-approved expenses relating to the Association’s obligations under this Declaration. Authorizing a Special Assessment requires 67% of the allocated votes of the Association present (in person or by Proxy) to be in the affirmative. The Owner of each occupied Lot shall be required to pay one Special Assessment. Owners of land outside the area described above who have been granted Association Membership are required to pay one Special Assessment.

6.4 Personal Obligation. Each Owner, by acceptance of the deed for any 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 all Assessments. Such Assessments, including fees, charges, late charges, attorney fees, court costs, fines, and interest charged by the Association, shall be the personal, joint, and several obligation of the Owner at the time when the Assessment or other charges became due. The personal obligation to pay any sums due the Association shall not pass to a successor in title unless expressly assumed by the successor.

6.5 Default. Any Assessments, charges, fees, or penalties provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within 10 days after the date due, shall bear interest at 18% per annum or at such other lawful rate as may be set from time to time by the Board. In addition, the Board may assess a late charge thereon. Any Member who fails to pay any Assessments, interest, late charges, fees, or penalties of the

Association shall also be obligated to pay to the Association all costs and expenses incurred by the Association, including reasonable attorneys' fees, in collecting the delinquent amount, whether or not suit is filed. The total amount due to the Association, including unpaid Assessments, fees, penalties, interest, late payment charges, costs and attorneys' fees shall constitute a continuing lien on the defaulting Member's Lot, which lien shall have such priority, rights and characteristics as a lien under the Act. The Association may bring an action, at law or in equity, or both, against any Member personally obligated to pay any amount due to the Association, and may also proceed to foreclose its lien against such Member's Lot. An action at law or in equity by the Association against a delinquent Member to recover a money judgment for unpaid amounts due to the Association may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien. Foreclosure or attempted foreclosure of the Association's lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent amount due to the Association.

6.6 No Offsets. All Assessments shall be payable as specified by the Association, and no offset or reduction shall be permitted for any reason including, without limitation, any claim that the Association or its Board is not properly performing its duties or exercising its powers under this Declaration.

7. Miscellaneous Provision.

7.1 Enforcement/Attorneys' Fees. Enforcement of a Member's obligation to pay amounts due to the Association shall be as described in Section 6.5 above. Enforcement of any other provision of this Declaration shall be by appropriate proceedings at law or in equity, with the prevailing party in such proceedings being entitled to recover its costs and reasonable attorneys' fees.

7.2 Severability. If any provision or term of this Declaration is invalidated, such invalidity shall not affect the validity of the remainder of this Declaration.

7.3 Conflict. If there is any conflict between this Declaration and either the Association's Articles of Incorporation, the Bylaws, or Policies, this Declaration shall control.

7.4 Duration. The covenants, conditions and restrictions of this Declaration shall be in effect in perpetuity unless amended or terminated as provided in this Declaration.

7.5 Amendment. This Declaration may be amended (by (a) either modifying or deleting any existing provisions or (b) adding new provisions) or terminated at any time by a written and recorded instrument containing the signatures of at least 60% of the then record Qualified Voters of the Association.

7.6 Notice. Notice of matters affecting the Association may be given to Members by the Association, or by other Members, in the following manner: Notice shall be hand delivered or sent by United States mail, first-class with postage prepaid, to the mailing address of each Lot or to any other mailing address designated in writing by the Member. Such notice shall

be deemed given when hand delivered or, if mailed, three days after being deposited in the United States mail.

7.7 Waiver. No provision in this Declaration is waived by reason of any failure to enforce the provision, regardless of the number of violations or breaches which may occur.

7.8 Incorporation of Recitals. The Recitals are incorporated into this Declaration as substantive provisions.

[Signature pages follow]