

DECLARATION OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

LYONS RIDGE – EAST VALLEY

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LYONS RIDGE - EAST VALLEY**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (“Declaration”) is made as of the 15th day of July, 2015, by SHEA COLORADO, LLC, a Colorado limited liability company (“Shea”), and RICHMOND AMERICAN HOMES OF COLORADO, INC., a Delaware corporation (“Richmond”).

ARTICLE 1

GENERAL

1.1 Planned Community. Shea and Richmond, collectively, are the owners of certain Lots located in the County of Jefferson, State of Colorado, more particularly described on Exhibit A attached hereto and by this reference incorporated herein, which Lots collectively constitute and are defined in this Declaration as the “Property”. Shea and Richmond intend to develop the Property as a high quality, planned community of single family residential homes and related uses. The name of the community to be developed on the Property is “Lyons Ridge – East Valley”. All of the Property is located within the Lyons Ridge Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (“LRMD”). Because ownership of a Lot does not obligate the owner to pay for real estate taxes, insurance premiums, maintenance, or improvement of other real estate described in this Declaration, the Property is not and will not be a “common interest community”, as defined in the Colorado Common Interest Ownership Act (“Act”), and therefore the Property and this Declaration are not subject to or required to comply with the Act. Shea and Richmond hereby confirm their intention and agreement that the Act will not apply to the Property or this Declaration.

1.2 Purposes of Declaration. This Declaration is executed (a) to further a common and general plan for the development of the Community Area, as hereinafter defined; (b) to protect and enhance the quality, value, aesthetics, desirability and attractiveness of the Community Area; (c) to provide for and define certain duties, powers and rights of the Design Review Committee, as defined herein; (d) to define certain duties, powers and rights of LRMD under this Declaration; and (e) to define certain duties, powers and rights of Owners of Lots within the Community Area.

1.3 Declaration. Shea and Richmond, for themselves, their successors and assigns, hereby declare that the Property, and all property that becomes subject to this Declaration in the manner hereinafter provided from the date the same becomes subject to this Declaration, shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration. The provisions of this Declaration are intended to and shall run with the land and, until their expiration in accordance with the terms hereof, shall bind, be a charge upon and inure

to the mutual benefit of: (a) the Property and all property that becomes part of the Community Area; (b) Shea and Richmond and their successors and assigns; (c) LRMD and its successors and assigns; and (d) all Persons having or acquiring any right, title or interest in the Property or in any property that becomes part of the Community Area, or any Improvement thereon, and their heirs, personal representatives, successors or assigns. This Declaration shall be Recorded in every county in which any portion of the Community Area is located.

ARTICLE 2

DEFINITIONS

Unless otherwise expressly provided herein, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified.

2.1 Annexable Property. "Annexable Property" shall mean all of the real property described in Exhibit B attached hereto and by this reference incorporated herein, all or any part of which from time to time may be annexed to, and made a part of, the Community Area as more particularly provided herein.

2.2 Community Area. "Community Area" shall mean the real property described on Exhibit A attached hereto and all other real property, if any, made subject to the terms and provisions of this Declaration after the date hereof.

2.3 County. "County" shall mean Jefferson County, Colorado.

2.4 Declarant. "Declarant" shall mean Shea and any Person or Persons to whom Shea assigns its rights as Declarant under this Declaration as set forth below. In addition, for purposes of (a) the first sentence of Article 3 of this Declaration, (b) Sections 3.11, 3.22, 4.1, 4.9, 4.10 and 4.23 of this Declaration, (c) Article 5 of this Declaration, and (d) Sections 7.7, 7.11 and 7.21 of this Declaration, but not any other provisions of this Declaration, the term "Declarant" shall mean and include not only Shea and any Person or Persons to whom Shea assigns its rights as Declarant under this Declaration as set forth below but also Richmond and any Person or Persons to whom Richmond assigns its rights as Declarant under this Declaration as set forth below. To continue to be a Declarant from and after the date of this Declaration, Shea must continue to own the fee simple interest in at least one Lot. To continue to be a Declarant from and after the date of this Declaration, Richmond must continue to own the fee simple interest in at least one Lot. To become a successor Declarant, any person or entity (a) must be designated as a Declarant by a prior Declarant in a written assignment by that prior Declarant of some or all of the rights and obligations of such Declarant under this Declaration, and such written assignment must be placed of record in the real property records of the County, and (b) concurrent with its designation as a Declarant, must own or acquire the fee simple interest in at least one Lot. To continue to be a Declarant from and after the date of any assignment described in the immediately preceding sentence, any Declarant must continue to own the fee simple interest in at least one Lot. In the event that any Declarant sells or conveys all of its ownership interests in the Property and does

not concurrently assign its rights and obligations as Declarant under this Declaration as described above to a person or entity that is qualified to become a Declarant, then from and after the date on which such sale or conveyance is completed, the Declarant rights of such Declarant created by this Declaration shall be of no further force or effect.

2.5 Declaration. "Declaration" shall mean this instrument as it may be amended or supplemented from time to time.

2.6 Deed of Trust. "Deed of Trust" shall mean a Mortgage.

2.7 Design Review Committee. "Design Review Committee" shall mean the committee provided for in Article 4 of this Declaration.

2.8 Design Standards. "Design Standards" shall mean the standards and/or rules adopted by the Design Review Committee pursuant to Article 4 of this Declaration relating to the procedures, materials to be submitted, fees and additional design criteria and other factors that will be taken into consideration in connection with the approval of any proposed Improvement to the Property.

2.9 Existing Improvement. "Existing Improvement" shall mean any Improvement located within the Community Area the construction or installation of which is complete or substantially complete as of the date on which the portion of the Community Area in which said Improvement is located first becomes subject to this Declaration.

2.10 Improvement. "Improvement" shall mean all structures and improvements located upon or made to a Lot and any appurtenances thereto of every type or kind, including, but not limited to, buildings, outbuildings, swimming pools, patio covers, awnings, painting of any exterior surfaces of any visible structure, additions, walkways, outdoor sculptures or art work, sprinkler pipes, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles (including flag poles), signs, exterior tanks, solar equipment, exterior air conditioning and water softener fixtures, antennas, satellite dishes and other communications devices and equipment.

2.11 Improvement to Property. "Improvement to Property" shall mean any change, alteration or addition to any Lot or property located within the Community Area. "Improvement to Property" is more particularly defined in Article 4 of this Declaration.

2.12 Lease. "Lease" shall mean and refer to any agreement for the leasing or rental of a Lot, or any dwelling unit located thereon, and shall specifically include, without limitation, a month-to-month rental.

2.13 Lot. "Lot" shall mean a physical portion of the Community Area which is designated for separate ownership or occupancy and the boundaries of which are depicted upon the Plat.

2.14 **LRMD**. "LRMD" shall mean the Lyons Ridge Metropolitan District, a quasi-municipal corporation and political subdivision organized under the laws of the State of Colorado.

2.15 **Mortgage**. "Mortgage" shall mean any mortgage or deed of trust or other such instrument given voluntarily by the Owner of a Lot that encumbers such Lot and Improvements thereon to secure the performance of an obligation or the payment of a debt and which is required to be released upon performance of the obligation or payment of the debt. The term "Deed of Trust" when used herein shall be synonymous with the term "Mortgage".

2.16 **Mortgagee**. "Mortgagee" shall mean a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee.

2.17 **Mortgagor**. "Mortgagor" shall mean the Person who mortgages his or its property to another (i.e., the maker or grantor of a Mortgage). The term "Mortgagor" shall include a trustor or grantor under a Deed of Trust.

2.18 **Notice of Completion**. "Notice of Completion" shall mean written notice to the Design Review Committee of the completion of any Improvement to Property pursuant to Article 4 of this Declaration.

2.19 **ODP**. "ODP" shall mean the "Lyons Ridge Official Development Plan" recorded July 8, 2008, under Reception No. 2008066088, in the office of the Clerk and Recorder of the County. The ODP depicts the Property and other land and specifies permitted land uses, building standards, Lot standards, architectural treatment criteria, open space and maintenance criteria, landscaping criteria and other land use requirements. The ODP, and the terms and provisions thereof, are hereby incorporated herein by reference. The term "ODP" shall also include all amendments thereto. If any provision of this Declaration is inconsistent or in conflict with the ODP, the ODP shall control.

2.20 **Owner**. "Owner" shall mean the Person, including any Declarant, or, if more than one, all Persons collectively, who hold fee simple title to a Lot, including sellers under executory contracts of sale and excluding buyers thereunder.

2.21 **Person**. "Person" shall mean a natural person, a corporation, a partnership, a limited liability company, a limited liability partnership, a limited liability limited partnership or any other entity permitted to hold title to real property pursuant to Colorado law.

2.22 **Plat**. "Plat" shall mean, collectively, any and all final plats that (a) affect any portion of the Community Area, (b) are approved by the County and (c) are recorded in the office of the Clerk and Recorder of the County as of or at any time after the date of this Declaration. The Plat does or will depict the Community Area or portions thereof and further does or will depict and locate thereon the Lots and Common Areas. The Plat, and the terms and provisions

thereof, are hereby incorporated herein by reference. The term "Plat" shall also include all amendments thereto.

2.23 **Property.** "Property" shall mean the real property more particularly described on **Exhibit A** attached hereto.

2.24 **Record or Recorded.** "Record" or "Recorded" shall mean the filing for record of any document in the office of the Clerk and Recorder of the County.

2.25 **Supplemental Declaration.** "Supplemental Declaration" shall mean a written instrument containing covenants, conditions, restrictions, reservations, easements or equitable servitudes, or any combination thereof, which may be Recorded against any portion of the Annexable Property in accordance with Section 5.9 of this Declaration.

ARTICLE 3

GENERAL RESTRICTIONS APPLICABLE TO COMMUNITY AREA

All real property within the Community Area shall be held, used and enjoyed subject to the following limitations and restrictions and subject to the rights and reservations of Declarant set forth in this Declaration. 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 Design Review Committee or LRMD if such strict application would be unreasonably or unduly harsh under the circumstances. Any such modification or waiver must be in writing or must occur pursuant to express written guidelines or rules promulgated by the Design Review Committee or LRMD.

3.1 **Maintenance of Community Area.** No property within the Community Area shall be permitted to fall into disrepair and all property within the Community Area, including any Improvements, shall be kept and maintained in a clean, attractive and sightly condition. Except as otherwise provided herein, the maintenance, repair and upkeep of each Lot, and the Improvements located thereon, shall be the responsibility of the Owner of that Lot. Violation of this provision by an Owner shall permit the Design Review Committee or LRMD to enter upon the Lot of such Owner to cure such violation or otherwise cause compliance with this provision; provided, however, that there shall be no entry into the interior of an Improvement intended for human occupancy without the consent of the Owner thereof unless a clear emergency exists. The Design Review Committee and LRMD shall have the right, but not the obligation, to adopt and issue maintenance standards and requirements to implement the provisions of this Section.

3.2 **Property Uses.** All Lots shall be used for private residential purposes and for such other purposes as are specified in the ODP. No dwelling unit erected or maintained within the Community Area shall be used or occupied for any purpose other than for a single-family residence. Notwithstanding the foregoing, activities associated with the construction of improvements on Lots and the sale of Lots or residences constructed thereon shall be allowed as set forth herein. In addition, in-home businesses not involving the servicing of customers or

employees and other businesses as contemplated by the ODP shall be allowed, provided such activities do not create or result in (a) any unreasonable, unwarranted or unlawful use or interference with public rights or facilities including, but not limited to, streets, rights-of-way or sidewalks, or communications facilities or signals, or (b) any other offensive or noxious activities.

3.3 Construction Type. All construction shall be new. No building previously used at another location nor any building or structure originally constructed as a mobile dwelling or structure may be moved onto a Lot, except as expressly hereinafter provided for temporary buildings.

3.4 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any property within the Community Area, nor shall anything be done or placed thereon which is or may become a nuisance or cause an unreasonable disturbance or annoyance to others.

3.5 Annoying Sounds or Odors. No sound or odor shall be emitted from any property within the Community Area which is noxious or unreasonably offensive to others. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, other than security devices used exclusively for security purposes, shall be located or used on any property except with the prior written approval of the Design Review Committee or LRMD.

3.6 No Hazardous Activities. No activity shall be conducted on, and no Improvement shall be constructed on, any property within the Community Area 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 Area and no open fires shall be lighted or permitted on any property within the Community Area except in a contained barbecue unit while attended and in use for cooking purposes or within an interior or exterior fireplace designed to prevent the dispersal of burning embers.

3.7 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within a structure, including snow removal equipment and garden or maintenance equipment, except when in actual use.

3.8 Restrictions on Garbage and Trash. No refuse, garbage, trash, lumber, grass, shrub, tree clippings, plant waste, compost, metal, bulk materials, scrap, refuse or debris of any kind shall be kept, stored or allowed to accumulate on any Lot except within an enclosed structure, except that any container containing such materials may be placed outside at such times as may be necessary to permit garbage or trash pick-up provided that such containers are covered with appropriate lids.

3.9 Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except (a) animals allowed under the ODP, (b) domesticated birds and fish and other small domestic animals permanently confined indoors and (c) an aggregate of not more

than three domesticated animals (e.g., two cats and one dog) provided that they are not kept, bred or maintained for any commercial purpose. Subject to the foregoing exceptions, no animal of any kind shall be permitted that in the opinion of the Design Review Committee or LRMD makes an unreasonable amount of noise or odor or is a nuisance. All household pets shall be controlled by their Owner and shall not be allowed off the Owner's Lot except when properly leashed and accompanied by the pet Owner or such Owner's representative. Each Owner of a household pet shall be financially responsible and liable for any damage caused by said household pet. The Design Review Committee and LRMD shall have the right, but not the obligation, to adopt and issue standards and requirements regarding the keeping, boarding and maintenance of animals in the Community Area, provided that any such standards and requirements are consistent with the ODP and this Declaration.

3.10 No Temporary Structures. No tent, shack, temporary structure or temporary building shall be placed upon any property within the Community Area except with the prior written consent of the Design Review Committee.

3.11 Restriction on Antennae, Pipes, Utility Lines and Transmitters. Pipes for water, gas, sewer, drainage or other purposes, all wires, poles, aerials, antennae, satellite dishes and other facilities for the transmission or reception of audio or visual signals or electricity, and all utility meters or other utility facilities shall be kept and maintained, to the extent reasonably possible, underground or within an enclosed structure. No exterior radio antenna, television or other antenna, or satellite dish of any type shall be erected or maintained within the Community Area except as may be approved by the Design Review Committee. With the approval of the Design Review Committee, a master antenna or cable television antenna may, but need not, be provided for use of all Owners or a group of Owners, and Declarant may grant easements for such purposes. No electronic or radio transmitters of any kind other than garage door openers, cordless telephones and/or other wireless telecommunications equipment customarily used in single family residences shall be operated in or on any structure or within any Lot.

3.12 Restrictions on Signs and Advertising. No sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere within the Community Area so as to be evident to public view except signs as may be approved in writing by the Design Review Committee. A sign advertising a Lot for sale or for lease may be placed on a Lot; provided, however, that standards relating to dimensions, color, style, graphics and location of such sign shall be determined from time to time by the Design Review Committee, incorporating the standards set forth in the ODP.

3.13 Restrictions on Mining or Drilling. No property within the Community Area 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, earth or water.

3.14 Maintenance of Drainage. There shall be no interference with the established drainage pattern over any property within the Community Area except as approved in writing by the Design Review Committee or LRMD. Approval shall not be granted unless provision is made for adequate alternate drainage. The "established drainage pattern" shall mean the drainage

pattern that exists at the time the overall grading of any property is completed and shall include any established drainage pattern shown on any plans approved by the Design Review Committee. The established drainage pattern may include the drainage pattern: (a) from any property owned by any third party over any Lot; (b) from any Lot over property owned by any third party; or (c) from any Lot over another Lot.

3.15 Compliance with Laws. Nothing shall be done or kept on any property within the Community Area in violation of any law, ordinance, rule or regulation of any governmental authority having jurisdiction over the Community Area.

3.16 Further Subdivision and Resubdivision of Lots. The Owner of a Lot shall not further subdivide that Lot. The Owner or Owners of a group of Lots (i.e., more than one Lot) may seek to obtain approval from the appropriate governmental entities for a resubdivision of or lot line adjustment for that group of Lots, including a combination of Lots, provided that (a) the proposed resubdivision or lot line adjustment does not increase the number of Lots in that group, and (b) the proposed resubdivision or lot line adjustment is approved in writing by the Design Review Committee.

3.17 Restoration in the Event of Damage or Destruction. In the event of damage to or destruction of any Improvement on any Lot, the Owner thereof shall cause the damaged or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Design Review Committee, or the Owner shall cause the damaged or destroyed Improvement to be demolished and the Lot to be suitably landscaped, subject to the approval of the Design Review Committee, so as to present a pleasing and attractive appearance. In either case, within sixty (60) days following the damage or destruction, the Owner shall submit plans for the restoration or replacement work or the demolition and landscaping work to the Design Review Committee for review, and, following approval of those plans by the Design Review Committee and within the time period specified by the Design Review Committee in its approval, the Owner shall complete the restoration or replacement work or the demolition and landscaping work pursuant to the approved plans.

3.18 Storage. No building materials shall be stored on any Lot except temporarily during continuous construction of an Improvement. In addition, subject to Section 3.8 above, no other materials or items of any kind shall be stored on any Lot except within an enclosed structure the plans for which have been approved by the Design Control Committee.

3.19 Vehicle Repairs. No maintenance, servicing, repair, dismantling or repainting of any type of vehicle, boat, machine or device may be carried on within the Community Area except within a completely enclosed structure which screens the sight and sound of such activity from the street and from other Lots.

3.20 Storage of Gasoline and Explosives, Etc. No Lot shall be used for the storage of explosives, gasoline or other volatile and/or incendiary materials or devices. Gasoline or fuel for an Owner's lawn mower, snow blower and the like may be maintained on an incidental basis within an enclosed structure on the Lot in an amount not to exceed five (5) gallons.

3.21 Trailers, Campers and Junk Vehicles. No boat, camper (on or off supporting vehicles), trailer, tractor, truck, industrial or commercial vehicle (cab or trailer), towed trailer unit, motorcycle, disabled, junk or abandoned vehicle, motor home, mobile home, recreational vehicle, or any other vehicle, the primary purpose of which is recreational, sporting or commercial use, shall be parked or stored in, on or about any Lot within the Community Area except within a garage or enclosed structure. For purposes of this covenant, a 3/4 ton or smaller vehicle commonly known as a pickup truck shall not be deemed a commercial vehicle or truck. The Design Review Committee and LRMD shall have the right to enter an Owner's Lot to remove and store, at such Owner's expense, vehicles in violation of this Section. An Owner shall be entitled to fourteen (14) days' written notice prior to such action by the Design Review Committee or LRMD.

3.22 Fences. No fences shall be constructed or maintained along or adjacent to the front lot line of any Lot. All other fences shall be allowed only to the extent and in the manner permitted by the ODP and this Declaration. Privacy fences, security fences, fences for dog runs and fences for screening purposes shall not be constructed on any Lot without the prior written approval of the Design Review Committee. The approval of any fence shall be in the Design Review Committee's sole and absolute discretion. Declarant shall have the right, but not the obligation, to construct certain entryways, fences, fence pillars or walls on the boundary lines of Lots within the Community Area. No Owner shall modify, repair, replace, paint or otherwise obstruct any such entryways, fence, fence pillars, or walls without the prior written approval of the Design Review Committee.

3.23 Air Conditioning and Heating Equipment. No heating, air conditioning or refrigeration equipment shall be placed, allowed or maintained anywhere other than on the ground; provided, however, that solar units meeting all governmental guidelines for residential uses may be located on the roof if (a) such solar unit is built into and made an integral part of the roof flashing or the structure of any house constructed on any Lot; and (b) such solar unit is specifically approved by the Design Review Committee in accordance with Article 4 below.

3.24 Owner's Right to Lease Lot. Each Owner of a Lot shall have the right to lease that Owner's Lot provided that: (a) all Leases shall be in writing; (b) all Leases shall be for a Lot with a completed residence thereon; and (c) all Leases shall provide that the terms of the Lease and the lessee's occupancy of the Lot shall be subject to this Declaration and that any failure by the lessee to comply with this Declaration in any respect shall be a default under such Lease.

3.25 ODP Land Use Restrictions and Criteria. All restrictions on and criteria for land use in the Community Area set forth in the ODP are specifically incorporated herein by this reference and shall constitute restrictions and criteria enforceable pursuant to this Declaration.

3.26 Landscape Maintenance. The Design Review Committee shall have the right to adopt, as part of the Design Standards, requirements for maintenance of all landscaped and open space areas throughout the Community Area. These requirements may include, but are not necessarily limited to, standards for weed control and mowing of lawns.

3.27 Storage of Vehicles. Other than short-term guests or agents of Owner whose vehicles may be parked outside for no more than 72 hours, no more than two (2) vehicles shall be regularly kept on any Lot in any area other than in the garage areas. Each residence constructed on a Lot shall have a minimum of two (2) garage spaces with doors and a maximum of four (4) garage doors visible from the entrance to the Lot. Garage doors shall remain closed when not in use for ingress or egress of said vehicles or the occupants of said Lot.

3.28 Wood Storage. No Owner shall store more than two (2) face cords of wood on any Lot unless stored in an approved, enclosed structure on the Lot.

3.29 Minimum Residence Size. All ranch-style residences with only one story above ground shall contain a minimum of 3,000 finished square feet, regardless of whether the residence is with or without basement. All split level residences and residences with two stories above ground shall contain a minimum of 3,500 finished square feet, regardless of whether the residence is with or without basement. If a residence includes any finished basement space, fifty percent (50%) of the square footage of that finished basement space may be counted toward the satisfaction of the minimum square footage requirements set forth above. All square footage requirements shall be exclusive of open porches, pergolas or attached garages.

3.30 Sight Triangles of Intersections. No hedge, shrub, or other planting or Improvement shall obstruct sight lines at elevations between three (3) feet and eight (8) feet above the street on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points thirty (30) feet from the intersection of said street lines, or if the property corners are rounded, from the intersection of the street property lines as extended. Notwithstanding the foregoing and subject to the approval of the Design Review Committee, a monument style street sign shall be allowed within such triangular area up to a maximum of four (4) feet. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of lines of visibility.

3.31 Mailboxes. All mailboxes shall be of the type approved by the Design Review Committee and the United States Postal Service.

ARTICLE 4

DESIGN APPROVAL

4.1 Approval of Improvements Required. The approval of the Design Review Committee shall be required for any Improvement to Property except: (a) for any Existing Improvement; (b) where approval is not reasonably required to carry out the purposes of this Declaration; and (c) where prior approval of Improvements to Property may be waived or certain Improvements to Property may be exempted in writing or under written guidelines or rules promulgated by the Design Review Committee. In addition, the provisions of Article 5 herein shall govern the extent and nature of the approval process for certain Improvements to Property

made by Declarant. Any Existing Improvement shall be deemed to be in compliance with this Declaration as of the date on which that Existing Improvement first becomes subject hereto regardless of whether that Existing Improvement otherwise would comply with the provisions hereof.

4.2 Improvement to Property Defined. "Improvement to Property" requiring approval of the Design Review Committee shall mean and include, without limitation: (a) the construction, installation, erection or expansion of any building, structure or other Improvement, including utility facilities and fences; (b) the removal, demolition or destruction, by voluntary action, of any building, structure, landscaping, trees or other Improvement; (c) the addition of any landscape features including, but not limited to, trees, bushes, shrubs or sod; (d) the grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; and (e) any change or alteration of any previously approved Improvement to Property including any change of exterior appearance, color or texture.

4.3 Membership of Committee. The Design Review Committee shall consist of five (5) regular members. In addition, the Design Review Committee may include up to two (2) alternate members, each of whom shall have the right to attend all meetings of the Design Review Committee and, in the absence of any regular member at any such meeting, to vote on all matters that come before the Design Review Committee at that meeting. All regular and alternate members of the Design Review Committee shall be appointed by Declarant, and Declarant shall have the right to assign this power of appointment, as to one or more members of the Design Review Committee, and for a specific period of time or indefinitely. From and after the earlier of (a) the date on which there is deemed to be no Declarant under this Declaration and (b) the date on which all Lots within the Community Area have been conveyed to and/or are owned by Persons other than a Declarant and a certificate of occupancy has been issued for the residence constructed on each of those Lots, all regular and alternate members of the Design Review Committee shall be appointed by LRMD. Any member of the Design Review Committee may be removed at any time by the entity that appointed that member (the "Appointing Entity"), and each member shall serve for a term as may be designated by the Appointing Entity or until resignation or removal by the Appointing Entity. The entity that has the appointment power for the majority of the members of the Design Review Committee as set forth above may, from time to time while it holds that power, change the authorized number of members of the Design Review Committee, but the number of members of the Design Review Committee shall not be less than three (3).

4.4 Address of Design Review Committee. The address of the Design Review Committee shall be as designated by the Design Review Committee from time to time.

4.5 Submission of Plans. Prior to commencement of work to accomplish any proposed Improvement to Property, the Person proposing to make such Improvement to Property (the "Applicant") shall submit to the Design Review Committee at its offices such description, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications and samples of materials and colors as the Design Review Committee shall request showing the

nature, kind, shape, height, width, color, materials and location of the proposed Improvement to Property. The Applicant shall be entitled to receive a receipt for the same from the Design Review Committee or its authorized agent. The Design Review Committee may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed Improvement to Property. Until receipt by the Design Review Committee of all required materials in connection with the proposed Improvement to Property, the Design Review Committee may postpone review of any materials submitted for approval.

4.6 Criteria for Approval. The Design Review Committee shall approve any proposed Improvement to Property only if it deems in its reasonable discretion that: (a) the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Community Area as a whole; (b) the appearance of the proposed Improvement to Property will be in harmony with the surrounding areas of the Community Area; (c) the Improvement to Property will not detract from the beauty, wholesomeness and attractiveness of the Community Area or the enjoyment thereof by Owners; (d) the upkeep and maintenance of the proposed Improvement to Property does not affect the drainage plan for the Community Area or any portion thereof; and (e) the Improvement to Property is consistent with the design and land use standards and criteria set forth in this Declaration, the ODP and the Design Standards. With respect thereto, all design standards and criteria set forth in the ODP are specifically incorporated herein by this reference and shall constitute standards and criteria enforceable pursuant to this Declaration. The Design Review Committee may condition its approval of plans for any proposed Improvement to Property upon the making of such changes therein as the Design Review Committee may deem appropriate. Notwithstanding the foregoing, the approval by the Design Review Committee of Richmond's house plans and color palettes shall constitute the approval of the same by the Design Review Committee for all Lots owned by Richmond.

4.7 Design Standards. The Design Review Committee shall issue the Design Standards, which are standards and/or rules relating to the procedures, materials to be submitted, fees and additional design criteria and other factors that will be taken into consideration in connection with the approval of any proposed Improvement to Property. The Design Standards may specify circumstances under which the strict application of limitations or restrictions under this Declaration will be waived or deemed waived in whole or in part because strict application of such limitations or restrictions would be unreasonable or unduly harsh under the circumstances. The Design Standards may waive the requirement for approval of certain Improvements to Property or exempt certain Improvements to Property from the requirement for approval, if such approval is not reasonably required to carry out the purposes of this Declaration.

4.8 Design Review Fees. The Design Review Committee may, through the Design Standards or otherwise, provide for the payment of fees to accompany each request for approval of any proposed Improvement to Property. The Design Review Committee may provide that the amount of such fees shall be uniform for similar types of proposed Improvements to Property or that the fees shall be determined in any other reasonable manner including the estimated cost of the proposed Improvement to Property.

4.9 Decision of Committee. Any decision of the Design Review Committee shall be made within thirty (30) days after receipt by the Design Review Committee of all materials required by the Design Review Committee, unless such time period is extended by mutual agreement. Notwithstanding the foregoing, any decision of the Design Review Committee on a request for approval by a Declarant under Article 5 herein shall be made within ten (10) days after receipt by the Design Review Committee of all materials required by the Design Review Committee, unless such time period is extended by mutual agreement. The decision shall be in writing and if the decision is not to approve a proposed Improvement to Property, the reasons therefor shall be stated. The decision of the Design Review Committee shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the Design Review Committee.

4.10 Failure of Committee to Act on Plans. Any request for approval of a proposed Improvement to Property shall be deemed approved unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Design Review Committee within thirty (30) days after the date of receipt by the Design Review Committee of all required materials. Notwithstanding the foregoing, any request for approval by a Declarant under Article 5 herein shall be deemed approved unless disapproval or a request for additional information or materials is transmitted to such Declarant by the Design Review Committee within ten (10) days after the date of receipt by the Design Review Committee of all required materials.

4.11 Prosecution of Work After Approval. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in complete conformity with: (a) the description of the proposed Improvement to Property; (b) any materials submitted to the Design Review Committee in connection with the proposed Improvement to Property; and (c) any conditions imposed by the Design Review Committee. Failure to complete the proposed Improvement to Property within the time period specified in writing by the Design Review Committee, which in the case of construction of a single family residence shall not be less than twelve (12) months, or to complete the proposed Improvement to Property in accordance with the description and materials furnished to, and the conditions imposed by, the Design Review Committee, shall constitute noncompliance with the requirements for approval of Improvements to Property.

4.12 Notice of Completion. Upon completion of the Improvement to Property, the Applicant may give written Notice of Completion to the Design Review Committee. Until the date of receipt of such Notice of Completion, the Design Review Committee shall not be deemed to have notice of completion of such Improvement to Property.

4.13 Inspection of Work. The Design Review Committee or its duly authorized representative shall have the right to inspect any Improvement to Property prior to or after completion; provided that the right of inspection shall terminate thirty (30) days after the Design Review Committee shall have received a Notice of Completion from the Applicant.

4.14 Notice of Noncompliance. If, as a result of inspections or otherwise, the Design Review Committee finds that any Improvement to Property has been constructed, installed or

performed without obtaining the approval of the Design Review Committee or has not been constructed, installed or performed in complete conformity with the description and materials furnished to, and any conditions imposed by, the Design Review Committee, the Design Review Committee shall notify the Applicant in writing of the noncompliance. The notice shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

4.15 Failure of Committee to Act After Completion. If, for any reason other than the Applicant's act or neglect, the Design Review Committee fails to notify the Applicant of any noncompliance within thirty (30) days after receipt by the Design Review Committee of written Notice of Completion from the Applicant, the Improvement to Property shall be deemed to be in compliance if the Improvement to Property was, in fact, completed as of the date of Notice of Completion.

4.16 Challenges to Findings of Noncompliance. If the Design Review Committee gives any notice of noncompliance, the Applicant may challenge that finding by giving written notice of such challenge to the Design Review Committee within thirty (30) days after receipt of the notice of noncompliance by the Applicant. The Design Review Committee then shall provide a reasonable opportunity for the Applicant to be heard on the issue and within ten (10) days after that hearing, shall render a final decision on the matter.

4.17 Correction of Noncompliance. If, after any hearing of the type described in Section 4.16 above, the Design Review Committee confirms its initial determination that noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than fourteen (14) days from the date of receipt by the Applicant of the ruling of the Design Review Committee or such longer period as the Design Review Committee may prescribe. If the Applicant does not comply with the Design Review Committee ruling, either the Design Review Committee or LRMD may, at its option, record a notice of noncompliance against the real property on which the noncompliance exists, may enter upon such property and remove the noncomplying Improvement to Property, or may otherwise remedy the noncompliance, and the Applicant shall reimburse the Design Review Committee and/or LRMD, upon demand, for all costs and expenses incurred by the Design Review Committee and/or LRMD in connection therewith including, but not limited to, attorney's fees. The right of the Design Review Committee or LRMD to remedy or remove any noncompliance shall be in addition to all other rights and remedies that the Design Review Committee and LRMD may have at law, in equity or under this Declaration. The Applicant and Owner of the Lot shall have no claim for damages or otherwise on account of the entry upon the property and removal of the noncomplying Improvement to Property.

4.18 No Implied Waiver or Estoppel. No action or failure to act by the Design Review Committee or by LRMD shall constitute a waiver or estoppel with respect to future action by the Design Review Committee or LRMD with respect to any Improvement to Property. Except as expressly set forth in this Declaration, the approval of the Design Review Committee of any Improvement to Property shall not be deemed a waiver of any right to withhold approval for any

similar Improvement to Property or any similar proposals, plans, specifications or other materials submitted with respect to any other Improvement to Property.

4.19 Committee Power to Grant Variances. The Design Review Committee may authorize variances from compliance with (a) any provision of this Declaration the administration, implementation and/or enforcement of which is the responsibility of the Design Review Committee hereunder, or (b) the Design Standards, including restrictions upon height, size, floor area or placement of structures or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be evidenced in writing and shall become effective only after signature by at least a majority of the members of the Design Review Committee. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned, including, but not limited to, zoning ordinances and setback lines or requirements imposed by any governmental authority having jurisdiction.

4.20 Meetings of Committee. The Design Review Committee shall meet from time to time as necessary to perform its duties hereunder. The Design Review Committee may from time to time, by resolution in writing adopted by a majority of the members, designate a Committee Representative (who may but need not be one of its members) to take any action or perform any duties for or on behalf of the Design Review Committee, except the granting of approval to any Improvement to Property and the granting of variances. The action of such Committee Representative within the authority of such Committee Representative or the written consent or the vote of a majority of the members of the Design Review Committee shall constitute the action of the Design Review Committee.

4.21 Records of Actions. The Design Review Committee shall keep a permanent record of all final actions of the Design Review Committee.

4.22 Estoppel Certificates. The Design Review Committee shall, upon the reasonable request of any interested Person, furnish a certificate with respect to the approval or disapproval of any Improvement to Property or with respect to whether any Improvement to Property was made in compliance herewith. Any Person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

4.23 Nonliability With Respect to Committee Action. There shall be no liability imposed on the Design Review Committee, any member of the Design Review Committee, any Committee Representative, LRMD or Declarant for any loss, damage, cost, expense or injury arising out of or in any way connected with the performance of the duties of the Design Review Committee unless due to the willful misconduct of the party to be held liable. In reviewing any matter, the Design Review Committee shall not be responsible for reviewing, nor shall its

approval of an Improvement to Property be deemed approval of, the Improvement to Property from the standpoint of safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations. Furthermore, review and approval of any Improvement to Property by the Design Review Committee shall not constitute or be deemed to be a representation or assurance by the Design Review Committee that any portion of the Improvement to Property designed to be functional actually will function as intended.

4.24 Construction Period Exception. During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Design Review Committee shall temporarily suspend the provisions contained in this Declaration as to the property upon which the construction is taking place to the extent necessary to permit such construction, provided that during the course of any such construction, nothing occurs that will result in a violation of any of the provisions of this Declaration upon completion of construction and nothing occurs that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Community Area. The Design Review Committee shall have the right, but not the obligation, to adopt and issue specific construction period standards and requirements to implement the provisions of this Declaration.

4.25 Compensation of Committee Members. The members of the Design Review Committee may receive reasonable compensation for the performance of their duties hereunder together with reimbursement for expenses incurred by them in the performance of their duties.

ARTICLE 5

DECLARANT'S RIGHTS AND RESERVATIONS

5.1 Period of Declarant's Rights and Reservations. Declarant shall have, retain and reserve certain rights as hereinafter set forth in this Article 5 from the date hereof until Declarant has sold and conveyed all Lots within the Community Area to Persons other than a Declarant and a certificate of occupancy has been issued for the residence constructed on each of those Lots. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each deed or other instrument by which any property within the Community Area is conveyed by a Declarant, except as the same may be expressly assigned in a writing recorded in the real property records of the County. The rights, reservations and easements hereinafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without an affected Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. The consent by an affected Declarant to any such amendment shall not be construed as consent to any other subsequent amendment. Declarant reserves the right to exercise the rights reserved by Declarant herein with respect to all or any portion of the Community Area owned by Declarant, and with respect to different portions of the Community Area at different times, and otherwise in such time frames and in such a manner as Declarant deems fit in its sole and absolute discretion. Declarant makes no assurances that Declarant will exercise the rights reserved by Declarant herein with respect to all or any portion of the Community Area or, if Declarant does exercise those rights with respect to portions of the

Community Area at different times, that such exercise will occur in any particular order or sequence.

5.2 Right to Construct Additional Improvements on Lots Owned by Declarant.

Notwithstanding anything to the contrary in this Declaration, Declarant shall have and hereby reserves the right, but not the obligation, subject to Design Review Committee approval, to construct additional Improvements on Lots owned by such Declarant at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Owners.

5.3 Declarant's Rights to Use Lots Owned by Declarant in the Development.

Promotion and Marketing of the Community Area. Declarant shall have and hereby reserves the right to use Lots owned by such Declarant in connection with the development, promotion and marketing of the Community Area. Without limiting the generality of the foregoing, Declarant may (a) erect and maintain on any part of the Lots owned by such Declarant such signs, temporary buildings and other structures as such Declarant may deem reasonably necessary or proper in connection with the promotion, development and marketing of real property within the Community Area, subject to such Declarant's obligation to obtain certain approvals from the Design Review Committee as set forth in this Declaration: (b) use vehicles and equipment on Lots owned by such Declarant for promotional purposes; (c) permit prospective purchasers of Lots to use Lots owned by such Declarant at reasonable times and in reasonable numbers; and (d) refer to Lots owned by such Declarant and services provided by LRMD in connection with the development, promotion and marketing of property within the boundaries of the Community Area.

5.4 Declarant's Right to Complete Development of Community Area.

Notwithstanding anything to the contrary in this Declaration, but subject to Declarant's obligations to obtain certain approvals from the Design Review Committee as set forth in this Declaration:

(a) No provision of this Declaration shall be construed to prevent or limit Declarant's rights to (i) complete the development of property within the boundaries of the Community Area; (ii) construct or alter Improvements on any property owned by such Declarant within the Community Area, including temporary buildings; (iii) maintain model homes, temporary buildings, offices and/or trailers for construction or sales purposes, or similar facilities on any property owned by such Declarant within the Community Area; or (iv) post signs incidental to the development, construction, promotion, marketing or sales of property within the Community Area.

(b) Nothing contained in this Declaration shall limit the right of Declarant to: (i) excavate, cut, fill or grade any property owned by such Declarant or to construct, alter, demolish or replace any Improvements on any property owned by such Declarant; or (ii) use any structure on any property owned by such Declarant as a construction, model home or real estate sales office in connection with the sale of any property within the boundaries of the Community Area.

(c) Nothing in this Declaration shall limit or impair the reserved rights of Declarant as elsewhere provided in this Declaration.

5.5 Construction Trailers, Sales Offices, Management Offices and Model Homes. Subject to Declarant's obligations to obtain certain approvals from the Design Review Committee as set forth in this Declaration, Declarant shall have the right to maintain and operate such construction trailers, sales offices and/or trailers, management offices and models within the Community Area as Declarant deems necessary for the promotion, development and management of the Community Area. Such construction trailers, sales offices and/or trailers, management offices and models may be located upon any Lot owned by such Declarant within the Community Area. Declarant shall not be limited in the number of construction trailers, sales offices and/or trailers, management offices and models that Declarant desires to maintain or operate within the Community Area but in no event shall the size of any sales, construction or management trailer exceed 3,000 square feet in size. Any construction trailer, sales office and/or trailer, management office and/or model operated by Declarant upon any Lot within the Community Area owned by such Declarant may be relocated or removed by such Declarant at any time, at such Declarant's sole cost and expense.

5.6 Declarant's Rights to Grant and Create Easements. Declarant shall have and hereby reserves the right to grant or create temporary or permanent easements for access, utilities, drainage, water (or such other easements as may be necessary to complete the development of the Community Area) in, on, under, over and across Lots owned by such Declarant for any purpose incident to the development and sale of Lots within the Community Area.

5.7 Combination and/or Resubdivision of Lots. Subject to the approval of the Design Review Committee, which approval shall not be unreasonably withheld or delayed, Declarant shall have and hereby reserve the right to combine, resubdivide and/or change the location of a lot line in the space within any Lot or Lots located within the Community Area owned by such Declarant to create additional or differently configured Lots.

5.8 Expansion of Permitted Property Uses. Notwithstanding anything to the contrary contained herein, Declarant reserves the right to expand the permitted uses for Lots owned by such Declarant as provided in Article 3 hereof provided that such uses: (a) are consistent with Declarant's overall development plan for the Community Area; (b) are in accordance with County and other applicable governmental rules, regulations, requirements and approvals; and (c) are consistent with any private covenants that may affect the applicable Lots.

5.9 Annexation of Additional Properties. Declarant hereby reserves the right, for itself and any other Person, to annex additional real property to the Community Area in accordance with the following terms and provisions:

(a) **Right to Annex Additional Property.** Declarant shall have and hereby reserves the right, for itself and any other Person, to annex, with the consent of the owner thereof, all or any part of the Annexable Property to the Community Area. In accordance with the

foregoing, each Owner of a Lot within the Community Area grants to Declarant, for themselves and any other Person, the right to annex all or any part of the Annexable Property to the Community Area in accordance with the provisions of this Declaration. Declarant makes no assurances that all or any portion of the Annexable Property will be annexed to the Community Area and Declarant reserves the right, for itself and any other Person, to annex all or any portion of the Annexable Property to the Community Area in such order, at such times, and in such a manner as Declarant or such other Person deems fit in its sole and absolute discretion.

(b) Annexation Procedure. The annexation of additional real property to the Community Area by Declarant or any other Person shall be effectuated by the filing of record with the Clerk and Recorder of the County of a Supplemental Declaration containing a legal description of the real property to be annexed to the Community Area and such other terms and provisions as Declarant or such other Person may prescribe in accordance with the terms and provisions hereof. The Supplemental Declaration shall incorporate the covenants, conditions and restrictions set forth herein and contain such additional covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and provisions as Declarant or such other Person may impose on such annexed property taking into account the unique and particular aspects of the proposed development of the real property encumbered by such Supplemental Declaration. Declarant or such other Person shall have the right to reserve in a Supplemental Declaration any and all development rights that Declarant or such other Person deems necessary or appropriate to complete the development of the property being annexed to the Community Area or that are otherwise necessary to meet the unique and particular aspects of such property, including but not limited to any or all of the development rights reserved by Declarant in this Declaration.

(c) Effect of Expansion. Upon recordation of a Supplemental Declaration, the property described therein shall be subject to all covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration, as supplemented, if at all, in the manner described in Section 5.9(b) above. In the event any real property is annexed to the Community Area as provided herein, the definitions used in this Declaration shall automatically be expanded to encompass and refer to the Community Area as expanded. Accordingly, the term "Community Area" shall mean the real property described herein plus all additional real property annexed thereto pursuant to a Supplemental Declaration. The term "Lots" shall include those areas described as such herein and on the Plat as well as those areas so designated within any Supplemental Declaration. References to this Declaration shall mean this Declaration as so supplemented by any Supplemental Declaration.

5.10. Assignment of Declarant's Rights and Reservations. Notwithstanding anything to the contrary in this Declaration, Declarant shall have the right to assign to any Person who acquires ownership of more than one (1) Lot for the purpose of developing single family residences thereon for sale to other Persons, the rights and reservations of Declarant as set forth in this Article 5 and in Sections 3.22, 4.1, 4.9 and 4.10 of this Declaration. Any such assignment may be on a concurrent basis, with Declarant also retaining those same rights and reservations, so the assignee has the same status as Declarant with respect thereto, or in conjunction with the assignment of the rights of and status as Declarant pursuant to Section 2.4 above.

ARTICLE 6

DUTIES AND POWERS OF LRMD AND ADDITIONAL POWERS OF THE DESIGN REVIEW COMMITTEE

6.1 Duties with Respect to Design Review Committee Approvals. LRMD shall perform functions to assist the Design Review Committee as elsewhere provided in this Declaration.

6.2 Power to Adopt Rules and Regulations. The Design Review Committee and/or LRMD may adopt, amend, repeal and enforce rules and regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration and the use of any property within the Community Area ("Rules and Regulations"). Any such Rules and Regulations shall be effective only upon adoption by resolution of the Design Review Committee or LRMD. Notice of the adoption, amendment or repeal of any Rules and Regulation shall be given in writing to each Owner at the address for notices to Owners as elsewhere provided in this Declaration, and copies of the currently effective Rules and Regulations shall be made available to each Owner upon request and payment of the reasonable expense of copying the same. Each Owner shall comply with such Rules and Regulations and shall see that Persons claiming through such Owner comply with such Rules and Regulations. Such Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

6.3 Power to Enforce Declaration and Rules and Regulations. LRMD shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as LRMD deems necessary or desirable to cause such compliance by each Owner and each Person claiming by, through or under such Owner ("Related User"). Without limiting the generality of the foregoing, LRMD shall have the power to enforce the provisions of this Declaration and the Rules and Regulations by any one or more of the following means: (a) by entry upon any property within the Community Area, without liability to the Owner thereof, and upon reasonable notice to said Owner, for the purpose of enforcement or causing compliance with this Declaration or the Rules or Regulations; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Declaration or the Rules and Regulations; and (d) by levying uniformly applied fines and penalties, established in advance in the Rules and Regulations, from any Owner or Related User for breach of this Declaration or the Rules and Regulations by such Owner or Related User of such Owner.

6.4 General Powers and Powers Provided by Law. In addition to all rights and powers expressly set forth in this Declaration, LRMD shall have all of the rights and powers

authorized by law and by its service plan with respect to the Property including, but not limited to, the right and power to impose fees, tolls, levies, charges and penalties. LRMD also shall have the power to do any and all lawful things that may be authorized, required or permitted to be done under this Declaration and to do and perform any and all acts that may be necessary or desirable for, or incidental to, the exercise of any of the express powers or rights of LRMD under this Declaration.

ARTICLE 7

MISCELLANEOUS

7.1 Term of Declaration. Unless amended as herein provided, each provision contained in this Declaration shall continue and remain in full force and effect until December 31, 2035, and thereafter shall be automatically extended for successive periods of ten (10) years each unless terminated by the vote, by written ballot, of Owners of at least seventy-five percent (75%) of the Lots then subject to this Declaration, with each Owner of a Lot being entitled to one (1) vote for each Lot owned. In the event this Declaration is terminated, the termination of this Declaration shall be evidenced by a termination agreement ("Termination Agreement"), or ratification thereof, executed by the requisite number of Owners. The Termination Agreement shall specify a date after which the Termination Agreement will be void unless recorded before such date. The Termination Agreement shall be recorded and the termination of this Declaration shall be effective upon such recording.

7.2 Amendment of Declaration by Owners. Except as otherwise provided in this Declaration, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of the amendment by Owners of at least seventy-five percent (75%) of the Lots then subject to this Declaration, with each Owner of a Lot being entitled to one (1) vote for each Lot owned. The approval of any such amendment or repeal shall be evidenced by a certification executed by the requisite number of Owners. The amendment shall be effective upon the recordation of a document setting forth the amendment in full and certifying that the amendment or repeal has been approved by the Owners. Any amendment to the Declaration made hereunder shall be effective only when Recorded. No consent from any Mortgagee shall be required for an amendment to this Declaration to be effective.

7.3 Special Rights of First Mortgagees. Any First Mortgagee (meaning a Mortgagee with first priority over other Mortgagees) of a Mortgage encumbering any Lot in the Community Area, upon filing a written request therefor with LRMD, shall be entitled to receive written notice from the Design Review Committee or LRMD of any default by the Mortgagor of such Lot in the performance of the Mortgagor's obligations under this Declaration, which default is not cured within sixty (60) days after the Design Review Committee or LRMD learns of such default.

7.4 Notices. Any notice permitted or required to be given under this Declaration shall be in writing and may be given either personally or by mail, telephone, telecopier or telegraph. If served by mail, each notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to LRMD for the purpose of service of such notice, or to the Lot of such Person if no address has been given to LRMD and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time by notice in writing to LRMD.

7.5 Persons Entitled to Enforce Declaration. LRMD and any Owner shall have the right to enforce any or all of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration against any property within the Community Area and the Owner thereof, in the manner and to the extent described in Section 6.3 and elsewhere herein including, but not limited to, the right to bring an action for damages as well as an action to enjoin any violation of any provision of this Declaration. In addition, the Design Review Committee shall have the right to enforce any provision of this Declaration the administration, implementation and/or enforcement of which is the responsibility of the Design Review Committee hereunder, in the manner described in Sections 6.3 and elsewhere herein including, but not limited to, the right to bring an action for damages as well as an action to enjoin any violation of any provision of this Declaration.

7.6 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Persons entitled to enforce the provisions of this Declaration.

7.7 Enforcement by Self-Help. Declarant, or any authorized agent of Declarant, may enforce, by self-help, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration.

7.8 Violations of Law. Any violation of any federal, state, municipal or local law, ordinance, rule or regulation pertaining to the ownership, occupation or use of any property within the Community Area is hereby declared to be a violation of this Declaration and shall be subject to any and all enforcement procedures set forth in this Declaration.

7.9 Remedies Cumulative. Each remedy provided under this Declaration is cumulative and not exclusive.

7.10 Costs and Attorneys' Fees. In any action or proceeding under this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith including reasonable attorneys' fees.

7.11 **Limitation on Liability.** LRMD, the Design Review Committee, Declarant, and any agent or employee of any of the same shall not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice.

7.12 **Liberal Interpretation.** The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

7.13 **Governing Law.** This Declaration shall be construed and governed under the laws of the State of Colorado.

7.14 **Severability.** Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability or partial validity or partial enforceability of the provisions or portion thereof shall not affect the validity or enforceability of any other provision.

7.15 **Number and Gender.** Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter genders shall each include the masculine, feminine and neuter genders.

7.16 **Captions for Convenience.** The titles, headings and captions used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration.

7.17 **Exhibits Incorporated.** All Exhibits to this Declaration are incorporated herein and made a part hereof as if fully set forth herein.

7.18 **DISCLAIMER REGARDING SAFETY.** SHEA AND RICHMOND HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMUNITY AREA. ANY OWNER OF PROPERTY WITHIN THE COMMUNITY AREA ACKNOWLEDGES THAT SHEA, BOTH AS AN OWNER AND AS DECLARANT, AND RICHMOND, BOTH AS AN OWNER AND AS DECLARANT WITH RESPECT TO CERTAIN PROVISIONS OF THIS DECLARATION, ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMUNITY AREA.

7.19 **NO REPRESENTATIONS OR WARRANTIES.** NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, SHALL BE DEEMED TO HAVE BEEN GIVEN OR MADE BY SHEA OR RICHMOND OR THEIR AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE COMMUNITY AREA, OR ANY IMPROVEMENT THEREON, ITS OR THEIR PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, FITNESS FOR INTENDED USE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, UNLESS AND EXCEPT AS SHALL BE SPECIFICALLY SET FORTH IN WRITING IN A SEPARATE DOCUMENT.

7.20 Consent by LRMD. By execution hereof below, LRMD acknowledges and agrees to accept all of the rights, duties, powers and responsibilities assigned or delegated to LRMD in this Declaration.

7.21 Alternative Dispute Resolution.

(a) **Statement of Clarification.** Without modifying or restricting the scope of this Section 7.21 and as a statement of clarification only, nothing contained in this Section 7.21 is intended to prevent the parties from attempting to resolve any differences between them through the normal course of business and communications. It is only when the parties are unable to resolve their differences and they wish to proceed further through the assertion of a Claim (as defined herein), that the mandatory dispute resolution provisions contained in this Section 7.21 are required.

(b) **Alternative Method for Resolving Disputes.** Declarant and its officers, directors, affiliates, agents, employees and contractors, all Owners, consultants, and any Person not otherwise subject to this Declaration but who agrees to submit to this Section 7.21 (including any subcontractors and suppliers), each such entity being referred to individually as a "Bound Party" and collectively as the "Bound Parties", agree to encourage the amicable resolution of disputes involving the Property and all of its improvements without the emotional and financial costs of litigation. Accordingly, except as otherwise agreed to in writing between any Bound Parties, each Bound Party covenants and agrees to submit all Claims to mediation, and if such mediation is not successful, final binding arbitration, as set forth below, and not to otherwise bring legal or equitable action in any court.

(c) **Claims.** Except as specifically excluded in this Section 7.21 or as otherwise agree to in writing between the Bound Parties, including without limitation any purchase and sale agreement or similar document (each a "Superseding Agreement"), all claims, disputes and other controversies arising out of or relating in any way to the:

- (i) interpretation, application or enforcement of this Declaration;
- (ii) design, construction, sale, maintenance, habitability or condition of any improvements within, adjacent to, or serving the Community Area or any alleged defect therein, including without limitation any "action" as defined in C.R.S. §13-20-802.5(l);
- (iii) rights, obligations and duties of any Bound Party under this Declaration, and/or any breach or alleged breach thereof;

are hereinafter referred to as a "Claim" or "Claims." All Claims shall be subject to and resolved in accordance with the terms and provisions of this Section 7.21.

Notwithstanding anything to the contrary in this Section 7.21, the following shall not be Claims and shall not be subject to this Section 7.21:

(iv) any legal action by the Design Review Committee to obtain a temporary or permanent restraining order or injunction and such other ancillary relief as the court may deem necessary for the Design Review Committee to act under and enforce the provisions of Article 3 or Article 4 of this Declaration; and

(v) any legal action to enforce an arbitration award provided in this Section 7.21.

Any question about whether a matter is a Claim, and/or whether such matter is covered by this Article, shall be determined by the arbitrator.

(d) **Notice of Claim.** Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") shall submit all of their Claims by written notification delivered to each Respondent, stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

(ii) the legal or contractual basis of the Claim (i.e., the specific authority out of which the claim arises); and

(iii) the specific relief and/or proposed remedy sought.

(e) **Timely Initiation.** All Claims shall be initiated by the Claimant within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable action based on such Claim would be barred by the applicable statute of limitations or repose.

(f) **Right to be Heard.** Upon receipt of a Claim and prior to commencing any arbitration proceeding which may fall within the scope of this Section 7.21, the Respondent shall have the right to be heard by the Claimant in an effort to resolve the Claim. The parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. Any party may appoint a representative to assist such party in negotiations. With respect to the foregoing, the Claimant and Respondent shall individually (i.e. without the joinder or inclusion of other Owners or such Claimant serving as a class representative for or becoming a class member of other Owners) mediate all Claims prior to proceeding under Section 7.21(h) below. The mediation shall be conducted by a single mediator. If such parties are unable to agree upon the selection of a mediator within fifteen (15) days of initiation of the Claim, then a single mediator shall be chosen in accordance with the rules governing the selection of an arbitrator under the Colorado Uniform Arbitration Act (the "CUAA"). All mediation fees shall be split equally among the Claimant and Respondent. Prior to conducting such mediation, and consistent with Colorado law, the parties thereto shall agree in writing to limit the admissibility in arbitration or any court action of anything said, any admission made, and any documents prepared in the course of the mediation. If Claimant or Respondent

commences an arbitration or other action based upon a Claim without first attempting to resolve the Claim through mediation, such party shall not be entitled to recover the costs of such action, even if the same would otherwise be available in such arbitration or other action.

(g) **Right to Inspect.** If the Claim is asserted against a Declarant and/or its officers, directors, affiliates, agents, employees, contractors or consultants and is based on an alleged defect in the design or the construction of any improvements, subject to Owner's prior written approval, which shall not be unreasonably withheld, such Declarant shall have the right to access the affected area for purposes of inspecting the condition complained of, and the correction thereof, including any necessary redesign. This shall include, but not be limited to, notice prior to conducting any investigative or destructive testing. The Claimant shall meet with such Declarant and/or its designees to discuss, in good faith, ways to resolve the Claim.

In the exercise of the inspection rights contained herein, the inspecting party ("Inspecting Party") shall be careful to avoid any unreasonable intrusion upon, or harm, damage or costs to the other party. The Inspecting Party shall use best efforts to avoid causing any damage to, or interference with, any improvements on the property being inspected ("Inspection Property") and minimize any disruption or inconvenience to any person who occupies the Inspection Property; shall remove all debris placed on the Inspection Property by the Inspecting Party on a timely basis; and in a reasonable and timely manner, at the Inspecting Party's sole cost and expense, promptly remove equipment and materials from the Inspection Property placed on the Inspection Property by the Inspecting Party, and repair, replace and restore the Inspection Property to the condition of the Inspection Property as of the date of entry thereon by the Inspecting Party. The Inspecting Party shall not permit any claim, lien or other encumbrance arising from the use of its rights to accrue against or attach to the Inspection Property. The repair, replacement and restoration work includes, without limitation, the repair or replacement to any structures, driveways, fences, landscaping, utility lines or other improvements on the Inspection Property that were damaged, removed or destroyed by the Inspecting Party.

The Inspecting Party shall indemnify, defend and hold harmless the Owners, tenants, guests, employees and agents, against any and all liability, claims, demands, losses, costs and damages incurred, including court costs and attorneys' fees, resulting from any Inspecting Party's breach of this Section 7.21(g).

(h) **Final Binding Arbitration.** If the Parties do not reach a settlement of the Claim within thirty (30) days after the mediation was conducted, the Claimant shall have thirty (30) additional days to submit the Claim to binding arbitration in accordance with the arbitration procedures set forth below:

(i) The parties agree that where any Claim is submitted to arbitration, and any Bound Party other than another Owner may have liability with respect thereto, all parties to the dispute agree that other Bound Parties (other than another Owner) related to such dispute or any intertwined or connected dispute, may be joined as additional parties in such arbitration, or if separate arbitrations exist or are separately initiated, to the consolidation of all such arbitrations. Notwithstanding anything to the contrary, each arbitration shall be conducted on an

individual Owner basis to address the applicable Claim (i.e. without the joinder or inclusion of other Owners or such Claimant serving as a class representative for or becoming a class member of other Owners).

(ii) If the Claim(s) are not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claims shall be deemed abandoned, and Respondent(s) shall be released and discharged from any and all liability to Claimant arising out of such Claims.

(iii) In the absence of an agreement otherwise between the applicable Bound Parties, all Claims subject to arbitration shall be conducted in accordance with the CAAA and be decided by a single private party arbitrator who is a retired Colorado state court or Federal judge or attorney licensed to practice law in Colorado.

(iv) If the parties are unable to agree upon an arbitrator within thirty (30) days from the date of the demand for arbitration, then the arbitrator shall be chosen in accordance with the rules governing the selection of an arbitrator under the CAAA.

(v) No person shall serve as the arbitrator who may have any financial or personal interest in the result of the arbitration or any family, social or significant professional acquaintance with any other party to the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all parties any circumstance likely to affect the appearance of impartiality and/or actual impartiality, including any bias or financial or personal interest or relationship in the outcome of the arbitration ("Arbitrator's Disclosure"). If any party objects to the service of any arbitrator within fourteen (14) days after receipt of that Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner as provided in Section 7.21(h)(iv) above.

(vi) The arbitrator shall fix the date, time and place for the hearing. The arbitration proceedings shall be conducted in the County, unless otherwise agreed by the parties.

(vii) Subject to the provisions of these procedures, the arbitration shall be conducted in accordance with rules and procedures determined by the arbitrator.

(viii) Subject to the arbitrator's right to establish rules and procedures governing formal discovery in the arbitration, no formal discovery shall be conducted in the absence of an order of the arbitrator or express written agreement of the parties. Notwithstanding the foregoing sentence, any party asserting Claims against a Declarant and/or its officers, directors, affiliates, agents, employees, contractors or consultants shall notify such Declarant prior to retaining any Person as an expert witness for purposes of any arbitration or authorized litigation, and such Declarant shall be entitled to conduct discovery, including depositions, of such expert.

(ix) The award rendered by the arbitrator shall be final and binding, may be filed with any court of competent jurisdiction in accordance with applicable law and

judgment obtained thereon, and execution may issue. An award in favor of any party shall be limited to actual damages, and the arbitrator shall not have any authority to award exemplary, punitive, special, indirect, consequential or any other damages other than actual damages. All arbitrator and arbitration fees shall be split equally among all Claimants and Respondents. Each party shall be responsible for its own costs and expenses related to the Claim and shall not be entitled to or awarded its attorney's fees or costs incurred with respect thereto, or the arbitrator's fee or arbitration fees.

(x) Unless directed by the arbitrator, there shall be no post-hearing briefs.

(xi) The arbitration award shall address each claim to be resolved in the arbitration, provide a summary of the reasons therefor and the relief granted.

(i) Amendment: Servitude in Gross. The rights, terms and provision of this Section 7.21 are enforceable by Declarant and shall not be amended without the written consent of Declarant. Further, this Section 7.21 and the rights, terms and conditions contained herein constitute a servitude in gross for the benefit of Declarant and its officers, directors, affiliates, agents, employees, contractors and consultants, shall inure to the benefit of the foregoing, and all of the foregoing are third party beneficiaries thereof, regardless of ownership of any portion of the Property.

(j) Binding Effect. BY TAKING TITLE TO ANY PORTION OF THE PROPERTY, EACH OWNER THEREOF ACKNOWLEDGES AND AGREES THAT THE TERMS OF THIS SECTION 7.21 ARE A SIGNIFICANT INDUCEMENT TO DECLARANT'S WILLINGNESS TO DEVELOP THE PROPERTY, CONSTRUCT IMPROVEMENTS AND SELL RESIDENCES, AND THAT IN THE ABSENCE OF THE PROVISIONS CONTAINED IN THIS SECTION 7.21, DECLARANT WOULD HAVE BEEN UNABLE AND UNWILLING TO DEVELOP THE PROPERTY, CONSTRUCT IMPROVEMENTS OR SELL RESIDENCES FOR THE PRICES PAID BY THE ORIGINAL PURCHASERS. BY ACCEPTING TITLE TO SUCH PORTION OF THE PROPERTY, EACH OWNER ACKNOWLEDGES AND AGREES THAT THE TERMS OF THIS SECTION 7.21 LIMIT HIS OR HER RIGHTS WITH RESPECT TO THE RIGHTS AND REMEDIES THAT MAY BE AVAILABLE IN THE EVENT OF A POTENTIAL OR ACTUAL CONSTRUCTION DEFECT AFFECTING THE IMPROVEMENTS OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION ANY RESIDENCE.

(k) Inapplicability of the Act. Nothing in this Section 7.21 shall be deemed or interpreted to be inconsistent or in conflict with the statement in Section 1.1 above that because ownership of a Lot does not obligate the owner to pay for real estate taxes, insurance premiums, maintenance, or improvement of other real estate described in this Declaration, the Property is not and will not be a "common interest community", as defined in the Act, and therefore the Property and this Declaration are not subject to or required to comply with the Act (the "Statement Regarding the Act"). In the event of any alleged inconsistency or conflict between

the Statement Regarding the Act and this Section 7.21, the provisions of the Statement Regarding the Act shall control.

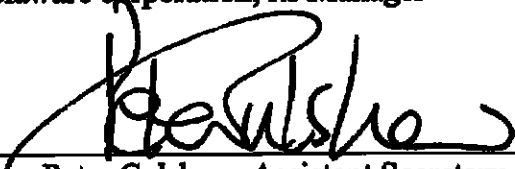
IN WITNESS WHEREOF, Shea and Richmond have executed this Declaration the day and year first written above.


(Signature Pages Follow)

(Signature Page to Declaration of Covenants, Conditions and Restrictions for Lyons Ridge – East Valley)

SHEA COLORADO, LLC,
a Colorado limited liability company

By: Shea Properties Management Company, Inc.,
a Delaware corporation, its Manager

By: 
Peter Culshaw, Assistant Secretary

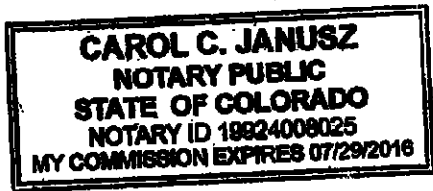
By: 
John Kilrow, Assistant Secretary

STATE OF COLORADO)
) ss:
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 14th day of July, 2015, by Peter Culshaw as Assistant Secretary and John Kilrow as Assistant Secretary of Shea Properties Management Company, Inc., a Delaware corporation, as Manager of Shea Colorado, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: JULY 29, 2016




Notary Public

EXHIBIT A

Legal Description of the Property

**LOT 35 AND
LOTS 69 THROUGH 87, INCLUSIVE,
LYONS RIDGE FILING 1,
COUNTY OF JEFFERSON,
STATE OF COLORADO.**

EXHIBIT B

Legal Description of the Annexable Property

**LOTS 9 THROUGH 34, INCLUSIVE,
LOTS 36 THROUGH 68, INCLUSIVE,
AND LOTS 88 THROUGH 108, INCLUSIVE,
LYONS RIDGE FILING 1,
COUNTY OF JEFFERSON,
STATE OF COLORADO,**